

**AMENDED AND RESTATED BYLAWS OF
3 CREEK RANCH HOMEOWNERS ASSOCIATION**

**ARTICLE I
NAME AND LOCATION**

1.1 Name and Location. The name of the corporation is the 3 CREEK RANCH HOMEOWNERS ASSOCIATION, hereinafter referred to as the "Association." The principal office of the Association shall be located at the Properties, or at such other place as may be designated by the Board.

**ARTICLE II
DEFINITIONS**

2.1 Incorporation. The definitions contained in the Declaration are incorporated by reference herein.

2.2 Declaration. "Declaration" shall mean and refer to the Amended and Restated Declaration of Covenants, Conditions and Restrictions for 3 Creek Ranch recorded on April 16, 2004 in the Office of the Teton County Clerk on the 16th day of April, 2004, and subsequent amendments thereto.

**ARTICLE III
MEETING OF MEMBERS AND VOTING**

3.1 Annual Meeting. The first meeting of the Members, whether an annual or a special meeting, shall be held within one (1) year from the date of incorporation of the Association or within forty-five (45) days after the closing of the sale of the Founder's interest in the Properties which represents the eighty-sixth (86th) percentile interest of the Properties, whichever occurs first. The next annual meeting shall be set by the Board so as to occur no later than ninety (90) days after the close of the Association's fiscal year. Subsequent annual meetings of the Members shall be held within thirty (30) days of the same day of the same month of each year thereafter at such time as the Board directs. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following, which is not a legal holiday (excluding Saturday and Sunday). The Members may waive the right to have an annual meeting by a majority vote of the membership.

3.2 Special Meetings. Special meetings of the Members shall be promptly scheduled at any time by the Board in response to the vote of a majority of the Board, or in response to a request by the President of the Board, or upon written request of the Members representing fifty percent (50%) of the total voting power of the Association.

3.3 Notice and Place of Meetings. Written notice of each meeting of the Members, annual or special, shall be given by, or at the direction of, the Secretary, by mailing a copy of such notice, first-class mail, postage prepaid, at least ten (10) but not more than ninety (90) days before such meeting to all Members, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. If action is proposed to be taken at any meeting for approval for any of the following proposals, the notice shall also state the general nature of the proposal. Member action on such items is invalid unless the notice or written waiver of notice states the general nature of the proposal(s): (a) removing a director without cause; (b) filling vacancies in the Board of Directors by the Members; (c) amending the Articles of Incorporation; (d) amending the Declaration or any amendments or supplements thereto; and (e) approving a contract or transaction in which a director has a material financial interest. Meetings shall be held within the Properties or at a meeting place within the same county, as close to the Properties as possible.

3.4 Membership and Voting. The Members of the Association shall be the Owners of the Residential Properties. The Association shall have one (1) class of voting membership. Any action by the Association which must have the approval of the Members before being undertaken shall require the vote of a majority of a quorum of the membership. Owners in all Residential Properties shall have the same voting rights. A “majority vote” means a majority of votes in the Properties as a whole, not a majority of votes of Owners various Residential Property types, unless such vote pertains to just one Residential Property type.

3.5 Quorum. The presence either in person or by proxy, at any meeting, of Members entitled to cast one-third (1/3) of the total voting power of the Association (excluding the number of votes as to which voting rights are suspended at the time of the subject meeting), shall constitute a quorum for any action except as otherwise provided in the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, a majority of the Members entitled to vote thereat, unless otherwise provided by law, shall have power to adjourn the meeting to a date not less than five (5) days and not more than thirty (30) days from the meeting date, at which meeting the quorum requirements shall be one-fourth (1/4) of the total voting power (excluding the number of votes as to which voting rights are suspended at the time of the subject meeting).

The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, provided that twenty-five percent (25%) of the total voting power of the Association remains present in person and/or by proxy, and provided further that any action taken shall be approved by a majority of the Members required to constitute a quorum, and that the only matters that may be voted upon at said adjourned meeting are matters the general nature of which was noticed not less than ten (10) nor more than ninety (90) days before the date of the meeting to each Member entitled to vote at the meeting. If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting, or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to Members in the manner prescribed for annual meetings.

3.6 Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary before the appointed time of each meeting. Proxies must be received by the Secretary at least five (5) working days prior to the meeting. Every proxy shall be revocable and shall automatically cease: (i) upon conveyance by the Member of his or her Property; or (ii) upon receipt of written notice by the Secretary of the Board of the death or judicially declared incompetence of a Member prior to the counting of the vote or (iii) upon the expiration of eleven (11) months from the date of the proxy. Any form of proxy distributed by any person to the membership of the Association shall afford the opportunity to specify a choice between approval and disapproval of each matter or group of matters to be acted upon. The proxy shall provide that, where the Member specifies a choice, the vote shall be cast in accordance with that choice. The proxy also shall identify the person or persons authorized to exercise the proxy and the length of time it will be valid. In addition, voting by proxy shall comply with any other applicable requirements of the laws of the State of Wyoming.

3.7 Eligibility to Vote. Voting rights attributable to Properties shall not vest until Assessments against those Properties have been levied by the Association. Only 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 Property. A Member’s good standing shall be determined as of the record date established in accordance with section 3.8. 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.

3.8 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 ninety (90) nor less than ten (10) 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 no more than sixty (60) days prior to the date of such other action or 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.

3.9 Action Without Meeting. Any action that may be taken at any annual or special meeting of Members including the election of directors may be taken without a meeting in accordance with the provisions of laws of the State of Wyoming. Any form of written ballot distributed by any person to the membership of the Association shall afford the opportunity to specify a choice between approval and disapproval of each matter or group of matters to be acted upon, except it shall not be mandatory that a candidate for election to the Board be named in the written ballot. The written ballot shall provide that, where the Member specifies a choice, the vote shall be cast in accordance with that choice.

3.10 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. 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 IV BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

4.1 General. The activities and affairs of this Association shall be administered and overseen by, and the powers of the Association exercised under the direction of, a Board of Directors. The Board may delegate the management activities to any management company or a manager, provided, however, that the activities and affairs of the Association shall be directed, overseen and managed, and the corporate powers exercised, under the ultimate direction of the Board.

4.2 Number. The Association shall have not less than three (3) or more than seven (7) directors. The number of directors may be changed by approval of the Members. The Association initially shall have five (5) directors, all of whom must be Members in good standing, or an officer, director, employee or agent of a Member in good standing, or Founder. The Founder shall at all times have at least one seat on the Board until the Founder no longer owns a Property.

4.3 Term of Office. At the first meeting of the Association where the Members have authority to elect directors, the Members shall elect new directors to replace all of the current directors except for the seat on the Board held by the Founder. It is the intent of this Section 4.3 that after the first meeting of the Association, the elections of the directors should be evenly staggered and that the election results of the first meeting of the Association should determine the length of each candidate’s term as director in accordance with the following: (i) if more than two director seats are being filled, the two (2) candidates that receive the

highest number of votes of the Members shall be elected for a term of three (3) years each, otherwise, the one (1) candidate that receives the highest number of votes of the Members shall be solely elected for a term of three (3) years; (ii) the next two remaining director seats, if any, shall be filled by the candidates that receive the next two highest number of votes of the Members and such candidates shall be elected for a term of two (2) years each; and (iii) the remaining director seats, if any, shall be filled by the candidates who receive the next highest number of votes of the Members and such candidates shall be elected for a term of one (1) year each; provided, that, upon the expiration of the terms provided for in (i) through (iii) above, at each annual meeting after the first meeting of the Association, the Members shall elect the authorized number of directors for a term of three (3) years each.

4.4 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 4.4; (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.

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 4.4, 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 Founder) if the Association consists of fewer than 50 Members, or (2) the affirmative vote of a majority of a quorum (not counting the votes of the Founder) if the Association consists of 50 or more Members.

E. Filling of Vacancies. Except for a vacancy created by the removal of a director, vacancies of the Board may be 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 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. A successor director shall serve for the unexpired term of his/her predecessor.

**ARTICLE V
NOMINATION AND ELECTION OF DIRECTORS**

5.1 Nomination. The nomination for election to the Board of Directors shall be made as follows:

A. The Secretary shall send a written notice to all Members seeking nominations for available Director positions for the upcoming annual Member meeting at least 60 days prior to the date of the meeting. Members who are interested in an available Director position may provide a written statement regarding their qualifications for the Director position.

B. The Secretary shall distribute written ballots to all Members at least 30 days prior to the annual Member meeting. The ballots shall: (i) list all candidates who have expressed interest in running for a Director position along with any written qualification statements received from the candidates; and (ii) provide clear instructions to the Members of how to select a candidate. The last day for returning written ballots shall be the day of the Annual Membership Meeting of the Association.

C. Any prospective candidate for a Director position must be a member in good standing of the Association as of 30 days prior to the annual Member meeting date.

5.2 Election. The first election of the Board and each subsequent election shall be conducted pursuant to Section 4.3 hereof at each meeting of the Association. At such election the Members or their proxies may cast, 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. Notwithstanding anything elsewhere in these Bylaws to the contrary, cumulative voting shall not be permitted in the election of directors. Voting for directors shall be by written ballot in accordance with Section 5.1 of these Bylaws.

**ARTICLE VI
MEETINGS OF DIRECTORS**

6.1 Regular Meetings. Regular meetings of the Board of Directors shall be held at least quarterly at such place within the Properties and at such hour as may be fixed from time to time by resolution of the Board. If a larger meeting room is required than exists within the Properties, the Board shall select a room as close as possible to the Properties. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday, excluding Saturday and Sunday. Notice of the time and place of meeting shall be posted at a prominent place within the Properties or may be given by mail or delivery to each Property in the development or by newsletter or similar means of communication, and shall be communicated to directors and Members not less than four (4) days prior to the meeting. Notice of any meeting need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting. If the Properties consist only of an easement or is otherwise unsuitable for posting of such notice, the Board shall communicate the notice of the time and place of such meeting by any means it deems appropriate.

6.2 Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice signed by the Chairperson or Secretary of the Association, or by any two (2) directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered.

The notice shall be given to each director by one (1) of the following methods: (a) by personal delivery; (b) written notice by first-class mail, postage prepaid; (c) by telephone communication, either directly to the director or to a person at the director's office who would reasonably be expected to communicate such notice promptly to the director; (d) by telegram, facsimile or electronic mail. Such notice shall be posted or communicated in a manner prescribed for notice of regular meetings and shall be sent to all directors not less than four (4) days prior to the scheduled time of the meeting. All Members shall be given notice of the time and place of a special meeting, except for an emergency meeting, at least four (4) days prior to the meeting. Notice may be given by posting the notice in a prominent place or places within the Properties, by mail, or delivery of the notice to each Residential Property in the project, or by newsletter or similar means of communication. Notices sent by first-class mail shall be deposited into a United States mailbox at least six (6) days before the time set for the meeting.

6.3 Emergency Meetings. An emergency meeting of the Board of Directors may be called by the Chairperson or by any two directors, if there are circumstances that could not have been reasonably foreseen which require immediate attention and possible action by the Board, and which of necessity make it impracticable to provide the notices required by section 6.1. Notice to Members of an emergency meeting is not required.

6.4 Quorum. A majority of the directors then in office (but not less than two (2)) shall constitute a quorum for the transaction of business. Every act performed or decision made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board. 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 a majority of the required quorum for that meeting.

A. Notice of Board Meetings. A duly constituted meeting shall include the requirement that all actions anticipated or decisions considered shall be previously communicated to all members of the Board of Directors prior the meeting. Said notice to the Board members of the matters to be considered shall be at least seventy-two (72) hours prior to the meeting, unless an emergency may occur and such meeting and the notice thereto shall be held in accordance to section 6.3 of these Bylaws.

6.5 Open Meetings. Except as provided in sections 6.6 and 6.7, all meetings of the Board shall be open to all Members, but Members other than directors may not participate in any discussion or deliberation unless expressly so authorized by a majority of a quorum of the Board. However, the Board shall establish a reasonable time limit for all Members of the Association to speak to the Board of Directors at any meeting of the Board of Directors, and permit any Member of the Association to speak at any meeting of the Board of Directors within such time limit.

6.6 Executive Session. The Board may, with approval of a majority of its members present at a meeting in which a quorum for the transaction of business has been established, or, if all members of the governing body are present, by a majority vote of the members, adjourn a meeting and reconvene in executive session to discuss and vote upon litigation, matters relating to the formation of contracts with third parties, Member discipline, or personnel matters, all as provided for by Wyoming Law. 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 Board shall meet in executive session, if requested by a Member who may be subject to a fine, penalty, or other form of discipline, and the Member affected shall be entitled to attend the executive session. The Board may hold an executive session emergency meeting if circumstances require, as authorized by section 6.3.

6.7 Telephone/Electronic Meetings. Any meeting, regular or special, may be held by conference telephone, electronic video screen, or other communication equipment, so long as all of the following apply:

A. Each director participating in the meeting can communicate with all of the other directors concurrently.

B. Each director is provided the means of participating in all matters before the Board, including, without limitation, the capacity to propose or to interpose an objection to a specific action to be taken by the corporation.

C. The Board adopts and implements some means of verifying both of the following:

(i) A person participating in the meeting is a director or other person entitled to participate in the Board meeting;

(ii) All actions of, or votes by, the Board are taken or cast only by the directors and not by persons who are not directors.

Arrangements shall be made to enable any Member who desires to listen to the telephone/electronic meeting of the Board, to be able to do so. The minutes of the meeting shall state that those participating in the meeting were recognized to be directors or other persons authorized to participate in the meeting. An explanation of the action taken shall be posted at a prominent place within the Properties within three (3) days after the meeting. If the Properties consist of an easement or is otherwise unsuitable for posting the explanation of the action taken, the Board shall communicate said explanation by any means it deems appropriate.

6.8 Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (a) a quorum is present, and (b) either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

6.9 Notice of Adjourned Meeting. Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than twenty-four (24) hours, in which case personal notice of the time and place shall be given before the time of the adjourned meeting to the directors who were not present at the time of the adjournment, and shall be posted at a prominent place within the Properties. If the Properties consist only of an easement or is otherwise unsuitable for posting of such notice, the Board shall communicate the notice of the time and place of such meeting by any means it deems appropriate.

6.10 Action Without Meeting. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting (and without notice to Members provided for in section 6.2), if all members of the Board, individually or collectively, consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the Board of Directors. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. An explanation of the

action taken shall be posted at a prominent place or places within the Properties within three (3) days after the written consents of all Board members have been obtained. If the Properties consist only of an easement or is otherwise unsuitable for posting the explanation of the action taken, the Board shall communicate said explanation by any means it deems appropriate.

6.11 Definition of Meeting. “Meeting” includes any congregation of a majority of the members of the Board at the same time and place to hear, discuss, or deliberate business of the Association.

ARTICLE VII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

7.1 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 Properties as set forth in the Governing Documents and the laws applicable to the Properties 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.

7.2 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 Properties, 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.

7.3 Prohibited Acts. The Board shall not take any of the following actions, except with the vote at a meeting of the Association or by written ballot without a meeting pursuant to laws of the State of Wyoming, 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 five percent (5%) 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 five percent (5%) 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 five percent (5%) 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 VIII ASSOCIATION DUTIES AND RESPONSIBILITIES

8.1 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 Section 7.2 of the Declaration.

B. Insurance. Maintain insurance as required by Section 7.3 of 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.

The Association shall prepare and distribute to its Members the summaries of the Association's insurance policies; pursuant to section 12.1(5).

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 and the Declaration.

G. Records. Cause to be kept: (i) a complete record of all its acts and affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Members; (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 the Financial Requirements set forth in Article XII of these Bylaws.

**ARTICLE IX
OFFICERS AND THEIR DUTIES**

9.1 Enumeration of Officers. The officers of this Association shall be a Chairperson of the Board of Directors, a President, a Vice President, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create. Any officer may be a member of the Board.

9.2 Election of Officers. The initial election of officers shall take place at the first meeting of the Board of Directors following first annual meeting of the Members.

9.3 Term. Each officer of this Association shall serve until he or she resigns, or is removed unless the officer is also a director in which case that person shall not serve as an officer beyond the term of their directorship. The position of Chairperson of the Board shall serve at the pleasure of the majority of the members of the Board. Annually, after the election of directors, the Board shall elect a Chairperson. The remaining officers of the Association shall continue as officers until they shall resign or are removed by action of the Board or the President, except as provided for herein.

9.4 Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

9.5 Resignation and Removal. Any officer may be removed from office by the Board with or without cause. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

9.6 Vacancies. A vacancy in any office may be filled by appointment by the Board or in the absence of the Board acting, by the President shall make the appointment and said appointee shall serve as if appointed by the Board.

9.7 Duties. The duties of the officers are as follows:

A. Chairperson. The Chairperson shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are communicated to the President.

B. President. The President shall carryout the decisions and directions of the Board; shall sign all leases, mortgages, deeds and other written instruments and shall sign all promissory notes. The President shall have the general powers and duties of management usually vested in the office of the President of a corporation, and shall have such powers and duties as may be prescribed by the Board or by these Bylaws.

C. Vice President. The Vice President shall act in the place and stead of the President in the event of his or her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.

C. Secretary. The Secretary shall record the votes and keep the minutes of all meetings and

proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

D. Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all promissory notes of the Association; shall keep proper books of account; shall prepare and shall distribute budgets and financial statements to each Member as required under these Bylaws and by applicable laws.

ARTICLE X COMMITTEES

10.1 Architectural; Neighborhood; Golf Course Joint Management and Nominating Committees. An Architectural Review Committee and Neighborhood Committees may be appointed as provided in the Declaration; the members of an Association/3 Creek Ranch Golf Club Joint Management Committee, as such committee is described in that Declaration of Covenants, Conditions and Restrictions for 3 Creek Ranch Golf Club recorded on the 19th day of April, 2004 in the Office of the Teton County Clerk at Book 547 of Photo, Pages 1072 to 1089, may be appointed by the affirmative vote of a majority of the Board; and a Nominating Committee may be appointed as provided in section 5.1 of these Bylaws.

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

10.3 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.

10.4 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 XI
BOOKS AND RECORDS**

11.1 Inspection by Members. The membership register (including names, mailing addresses, telephone numbers, and voting rights), accounting books and records and minutes of meetings of the Members, of the Board (including drafts and summaries), and of committees shall be made available for inspection and copying by any Member of the Association, or by his or her duly appointed representative, at any reasonable time and for a purpose reasonably related to his/her interest as a Member, at the office of the Association or at such other place within the Properties as the Board shall prescribe. Board minutes, proposed minutes, or draft or summary thereof (other than those from an executive session), shall be available to Members within thirty (30) days of the meeting, and shall be distributed to any Member upon request and upon reimbursement of the costs in making that distribution.

11.2 Rules for Inspection. The Board shall establish reasonable rules with respect to, or in the absence of the Board, the President shall adopt such policies subject to any over riding direction from the Board for the following matters:

- A. Notice to be given to the custodian of the records by the Member desiring to make the inspection;
- B. Hours and days of the week when such an inspection may be made; and
- C. Payment of the cost of reproducing copies of documents requested by a Member.

11.3 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.

11.4 Documents Provided by Association. Upon written request, the Association, through the President, or through the Secretary, shall, within ten (10) days of the mailing or delivery of such request, provide the Owner with a copy of the governing documents of the Properties, a copy of the most recent budget and statements of the Association distributed pursuant to section 12.1, together with a true statement in writing from an authorized representative of the Association as to the amount of the Association's current regular and Special Assessments and fees, as well as any Assessments levied upon the Owner's interest which are unpaid on the date of the statement, including late charges, interest, and costs of collection which, as of the date of the statement, are or may be made a lien upon the Owner's property. The President, in the absence of Board action, may impose a fee for providing the foregoing which may not exceed the reasonable cost to prepare and reproduce the requested documents.

**ARTICLE XII
FINANCIAL AND REPORTING REQUIREMENTS**

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

(1) 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:

(a) Estimated revenue and expenses on an accrual basis;

(b) A summary of the Association's reserves based upon the most recent review or study conducted pursuant to section 12.2, which shall be printed in bold type and 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 pursuant to Paragraph 2 (d), below, 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.

(c) 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;

(d) 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.

(2) A report consisting of the following shall be distributed within one hundred twenty (120) days after the close of the fiscal year: (a) a balance sheet as of the end of the fiscal year; (b) an operating (income) statement for the fiscal year; (c) a statement of changes in financial position for the fiscal year; (d) for any fiscal year in which the gross income to the Association exceeds Seventy-Five Thousand Dollars (\$75,000), a copy of a review of the financial statement of the Association prepared in accordance with generally accepted accounting principles a Wyoming licensed certified public accountant; and (e) any information required to be reported under laws of the State of Wyoming;

(3) If the report referred to in (2) above is not prepared by an independent accountant, it shall

be accompanied by the certificate of an authorized officer of the Association that the statement was prepared from the books and records of the Association without independent audit or review;

(4) A statement describing the Association's policies and practices in enforcing lien rights, or other legal remedies for default in payment of its Assessments against its Members, and a statement of the place where the names and addresses of the current Members are located shall be distributed annually to the Members during the sixty (60) day period immediately preceding the beginning of the Association's fiscal year.

(5) A summary of the Association's insurance policies shall be distributed to the Members within sixty (60) days preceding the beginning of the Association's fiscal year.

12.2 Reserve Studies. At least every three years the Board shall cause a study of the reserve account requirements of the Properties 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:

(1) 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;

(2) Identification of the probable remaining useful life of the components identified in paragraph (1) as of the date of the study;

(3) An estimate of the cost of repair, replacement, restoration, or maintenance of each major component identified in paragraph (1) during and at the end of its useful life; and

(4) 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 12.2, 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.

12.3 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, 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 Properties 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.

12.4 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 or one (1) member of the Board and one (1) officer who is not a member of the Board.

12.5 Review of Financial Records. The Board shall review on at least a quarterly basis a current reconciliation of the Association’s operating and reserve accounts, the current year’s actual reserve revenues and expenses compared to the current year’s budget, and an income and expense statement for the Association’s operating and reserve accounts. In addition, the Board shall review the latest account statements prepared by the financial institutions where the Association has its operating and reserve accounts. 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.

ARTICLE XIII MISCELLANEOUS

13.1 Amendments. Prior to close of escrow on the sale of the eighty-sixth (86th) Property, Founder may unilaterally amend these Bylaws. After sale of the eighty-sixth (86th) Property, these Bylaws may be amended only by the affirmative vote (in person or by proxy) or written consent of Members representing a majority of the Members. However, the percentage of voting power necessary to amend a specific clause or provision shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause, if any.

13.2 Fiscal Year. Unless directed otherwise by the Board, the fiscal year of the Association shall begin on the first day of January and end on the thirty-first (31st) day of December of every year, except that the first fiscal year shall begin on the date of incorporation.