

BYLAWS
of
FIVE-TWO-FIVE HALL HOMEOWNER'S ASSOCIATION

ARTICLE I
NAME AND LOCATION

1.1 Name and Location. The name of the corporation is Five-Two-Five Hall Homeowner's Association, hereinafter referred to as the "Association." The principal office of the Association shall be located in Teton County, Wyoming at such specific location as may be designated by the Board.

ARTICLE II
DEFINITIONS

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

2.2 Covenants. "Covenants" shall mean and refer to that Declaration of Covenants, Conditions and Restrictions for Five-Two-Five Hall Townhome Addition to the Town of Jackson recorded in the Office of the Clerk of Teton County, Wyoming on April 17, 2012, and subsequent amendments or supplements thereto.

2.3 Board of Directors or Board. "Board of Directors" or "Board" shall mean and refer to the Board of Directors of the Association.

ARTICLE III
MEMBERSHIP, VOTING, and MEETING OF MEMBERS

3.1 Membership and Voting. The members of the Association (hereinafter referred to collectively as the "Members" and individually as a "Member") shall be the Homeowners as defined in the Covenants. Unless provided otherwise herein or in the Covenants, 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 Members. The Association shall have one class of membership. Each Member and shall have one equal vote.

3.2 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. 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).

3.3 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 Association, or upon written request of the Members representing thirty percent (30%) of the total voting power of the Association.

3.4 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 of the Association, 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. The notice shall also state the general nature of the proposal and Member action on such items is invalid unless the notice or written waiver of notice so states if action is proposed to be taken at any meeting for approval for any of the following proposals: (a) removing a director without cause; (b) filling vacancies in the Board of Directors by the Members; (c) amending the Articles of Incorporation of the Association; (d) amending the Covenants, or any amendments or supplements thereto, and (e) approving a contract or transaction in which a Director has a material financial interest.

3.5 Quorum. The presence either in person or by proxy, at any meeting, of Members entitled to cast two-third (2/3) 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) on the particular matter, shall constitute a quorum for any action except as otherwise provided in the Covenants, or these Bylaws.

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 two (2) 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 Unit; (ii) upon receipt of written notice by the Secretary of the Association 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 Members 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. 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 a Member in good standing, a Member must be current in the payment of all assessments levied against the Member's Unit.

3.8 [DELETED]

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 the laws of the State of Wyoming. Any form of written ballot distributed by any person to the Members 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 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 Members of the Association shall be conducted in accordance with a recognized system of parliamentary procedure, such as Roberts Rules of Order, or such other 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 such meeting.

ARTICLE IV BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

4.1 General. The activities and affairs of the Association shall be administered and overseen by, and the powers of the Association exercised under the direction of, the 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 three (3) directors, all of whom must be Members in good standing. The number of directors may be increased by the affirmative vote of a majority of the Members.

4.3 Term of Office. Directors generally shall serve a three (3) year term. Notwithstanding the foregoing, at the first meeting at which the Members have the authority to elect directors, the Members shall elect three initial directors, and such directors shall serve the following terms: one one-year term, one two-year term, and one three-year term, so that at all subsequent annual meetings at least one new director shall be elected for a three-year term. Such election shall follow the procedures in Section 5.2 hereof.

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 Section 4.4C and Section 4.4D; (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 meeting of Members 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 or the Secretary of the Association, 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 two 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 Section 4.4.C, a director may be removed from office prior to expiration of his or her term only by the affirmative vote of a majority of the total voting power of the Association.

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 three, by (i) the unanimous written consent of the directors then in office, or (ii) the affirmative action of the sole remaining director. A vacancy created by the removal of a director shall be filled by the affirmative vote of a majority 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. Nomination for election to the Board of Directors shall be made as follows:

A. For open director positions, the Secretary shall send a written notice to all Members seeking nominations for available director positions for the upcoming annual Member meeting at least 30 days prior to the date of the meeting. Members who are interested in an available director position may provide a written statement regarding their interest/qualifications for the director position to be distributed at the meeting when the election is to occur.

B. 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 shall be conducted pursuant to Section 4.3 hereof at the first meeting of the Association. For Members who are not present at any such meeting where directors shall be elected, such Member's votes shall be cast in by written ballots, if any, completed by them and returned to the Secretary of the Association not later than seven (7) days prior to such meeting.

For any election, the persons receiving the largest number of votes shall be elected. The first elected directors shall be elected to staggered terms pursuant to Section 4.3 hereof as follows: (i) the candidate that receives the highest number of votes of the Members shall be elected for a term of three (3) years; (ii) the candidate that receives the second highest number of votes of the Members shall be elected for a term of two (2) years; and (iii) the candidate that receives the third highest number of votes of the Members shall be elected for a term of one (1) year.

If more than one seat is available to be filled at any election of directors and only one candidate receives all of the votes of the Association, such candidate shall be elected for the longest term available in such election. The Members shall then vote again to fill the next vacant seat and such process shall continue until all seats are filled. In such case, the alternative vote(s) shown on the ballots submitted by absent Members pursuant to the first paragraph of this Section shall be cast in such subsequent votes.

If at any time the total number of directors exceeds three (3) as provided herein, more than one director may be elected at any annual meeting, provided that the election of directors should always be as evenly staggered as possible.

ARTICLE VI MEETINGS OF DIRECTORS

6.1 Regular Meetings. Regular meetings of the Board of Directors shall be held at least annually at such place within Teton County, Wyoming and at such hour as may be fixed from time to time by resolution of the Board. The Board shall select a location as close as possible to the Property and shall notify the Members and the Board of Directors. 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. The notice of the regular meeting shall specify the time and place of the meeting and the nature of any business to be considered. The notice of the regular meeting shall be given to each director not less than four (4) days prior to the scheduled time of the meeting by one 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; or (d) by telegram, facsimile or electronic mail. Notice of the regular meeting shall be given to the Members at least four (4) days prior to the regular meeting by one of the following methods: (i) by posting the notice in a prominent place or places within the Property, (ii) by personal delivery, (iii) by written notice by first-class mail, postage prepaid; or (iv) by telegram, facsimile or electronic mail, or (v) 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. 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.

6.2 Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice signed by the President or Secretary of the Association, or by any two (2) directors. The notice of the special meeting shall specify the time and place of the meeting and the nature of any special business to be considered. The notice of the special meeting shall be given to each director not less than four (4) days prior to the scheduled time of the meeting by one 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; or (d) by telegram, facsimile or electronic mail. Notice of the special meeting shall be given to the Members, except for an emergency meeting, at least four (4) days prior to the special meeting by one of the following methods: (i) by posting the notice in a prominent place or places within the Property, (ii) by personal delivery; (iii) written notice by first-class mail, postage prepaid; or (iv) by telegram, facsimile or electronic mail, or (v) 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 President 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 and Section 6.2. 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 the number of directors constituting a majority of the required quorum for that meeting.

6.5 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 occurs in which case such meeting and the notice thereto shall be held in accordance with Section 6.3 of these Bylaws.

6.6 Open Meetings. Except as provided in Sections 6.7 and 6.8, 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. Notwithstanding the foregoing, the Board shall establish a period of time for general Member comment at all meetings of the Board and shall allocate a reasonable time limit for such Member comment period, and permit any Member of the Association to speak during such Member comment period within such time limit.

6.7 Executive Session. The Board may, with approval of a majority of the Board members present at a meeting in which a quorum for the transaction of business has been established, or, if all members of the Board are present, by a majority vote of the members of the Board, 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.

6.8 [DELETE]

6.9 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.

6.10 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 Property or communicated by the Board to the Members by any means the Board deems appropriate.

6.11 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 6.1 and Section 6.2), if all members of the Board, individually or collectively, consent in writing to such 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 Property or communicated to the Members by any means the Board deems appropriate within three (3) days after the written consents of all Board members have been obtained.

6.12 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 Members 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 Association as set forth in the Governing Documents and

the laws applicable to the Association, the Property and the Lots and Units within the Property 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. Employ Manager. Employ an individual or business to perform management services for the Association.

B. Adoption of Rules. Adopt rules and regulations to govern the Association and its Members consistent with Covenants.

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

D. Enforcement (Notice and Hearing). Enforce these Bylaws, the Covenants and any rules and regulations pertaining to the Property, the Association and its Members as provided in the Covenants.

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

7.3 [DELETED]

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 as described in the Covenants.

B. Insurance. Maintain insurance as required by the Covenants.

C. Discharge of Liens. Discharge by payment, if necessary, any lien against the Property 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 Covenants.

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 Covenants.

G. Records. Cause to be kept 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; keep adequate and correct books and records of account, minutes of proceedings of its Members, Board and committees, and 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 President, a Vice President, a Secretary/Treasurer, and such other officers as the Board may from time to time by resolution create. The officers shall be members 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 the first annual meeting of the Members.

9.3 Term. Each officer of the Association shall serve until he or she resigns, is removed by action of the Board, or the expiration of the term of their directorship.

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. President. The President shall preside at all meetings of the Board of Directors; shall carryout the decisions and directions of the Board, including execution of agreements and other documents duly approved by the Board or Association as the case may be. 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.

B. 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/Treasurer. The Secretary/Treasurer 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. The Secretary/Treasurer shall receive and deposit or cause to be deposited in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall keep or cause to be kept proper books of account; shall prepare or shall cause to be prepared and shall distribute budgets and financial statements to each Member as required under these Bylaws and by applicable laws.

ARTICLE X COMMITTEES

10.1 Committees. The Board of Directors may appoint such committees as deemed appropriate in carrying out its purposes.

10.2 Limitations on Committees. No committee, regardless of Board resolution, may: (a) take any final action on matters which, under the Laws of Wyoming, also requires 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.

10.3 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 Members 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 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 [DELETED]

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 a Homeowner with a copy of the governing documents of the Association, 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 Homeowner'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 Homeowner'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:

(i) A pro forma operating budget for each fiscal year shall be distributed as provided for in the Covenants and shall consist of at least the following:

(a) Estimated revenue and expenses;

(b) A summary of the Association's reserves based upon the most recent review or study conducted pursuant to Section 12.2, which shall include all of the following:

1. The current estimated replacement cost, estimated remaining life, and estimated useful life of each major component;

2. 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) set forth above. In lieu of complying with this requirement, the Association may include in the review of its financial statement pursuant to Subsection 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.

(ii) A report consisting of the following shall be distributed within one hundred twenty (120) days after the close of the fiscal year: (i) a balance sheet as of the end of the fiscal year; (ii) an operating (income) statement for the fiscal year; (iii) a statement of changes in financial position for the fiscal year; and (iv) any information required to be reported under Laws of the State of Wyoming;

(iii) 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 five years the Board shall cause a study of the reserve account requirements of the Association to be conducted, including a reasonably competent and diligent visual inspection of the accessible areas of the property and its 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:

(i) 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;

(ii) Identification of the probable remaining useful life of the components identified in Subsection (i) as of the date of the study;

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

(iv) 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: (i) 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 (ii) 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 (i) 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 pursuant to Section 8.2 of the Covenants.

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 Homeowners and the Association, 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 Covenants. 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.

12.4 Reserve Account Withdrawal Restrictions. At least two (2) Director signatures and 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.

12.5 Review of Financial Records. The Board shall review on at least annually 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. These Bylaws may be amended only by the affirmative vote (in person or by proxy) of a majority of 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.

13.2 Conflicts. To the extent any provision of the above amendments conflicts with any provision of the Bylaws, the provision of the amendments shall prevail. Except as amended by the above, the Bylaws are confirmed and remain in full force and effect.

13.3 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.