

**BYLAWS**  
**of**  
**ONE TOWN HILL OWNERS' ASSOCIATION**

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**ARTICLE I**  
**NAME AND LOCATION**

**1.1 Name and Location.** The name of the corporation is ONE TOWN HILL OWNERS' ASSOCIATION, a Wyoming nonprofit corporation, 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 Declaration are incorporated by reference herein.

**2.2 Declaration.** "Declaration" shall mean and refer to that Declaration of Condominium for One Town Hill Condominiums Addition to the Town of Jackson recorded in the Office of the Clerk of Teton County, Wyoming, on January 30, 2019 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 One Town Hill Owners' 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 each individually as a "Member") shall be the Owners of Units in the One Town Hill Condominiums Addition to the Town of Jackson (hereinafter referred to as the "Property"). 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.

Notwithstanding the foregoing: (i) if such action pertains specifically and solely to the Commercial Units, then just Members owning Commercial Units shall have a right to vote, and such quorum shall be established as to Commercial Unit Owners only; (ii) if such action pertains specifically and solely to the Residential Units, then just Members owning Residential Units shall have a right to vote, and such quorum shall be established as to Residential Unit Owners only; or (iii) if such action pertains to both Commercial Units and Residential Units, then all

Members of the Association shall have a right to vote on such action and a quorum shall be established as to all Members.

There shall be one hundred (100) total votes for each particular vote of the Association. Owners shall have the number of votes for each particular vote calculated in accordance with the following: (i) if such vote pertains to both Commercial Units and Residential Units, an Owner shall have the number of votes equal to its ownership percentage of General Common Elements as such ownership percentages are provided in the Exhibit "A" to the Declaration and any amendments or supplements thereto, (ii) if such vote pertains specifically and solely to the Commercial Units, an Owner shall have the number of votes equal to its Ownership Percentage of Commercial Limited Common Elements as such ownership percentages are provided in the Exhibit "A" to the Declaration and any amendments or supplements thereto, or (iii) if such vote pertains specifically and solely to the Residential Units, an Owner shall have the number of votes equal to its Ownership Percentage of Residential Limited Common Elements as such ownership percentages are provided in the Exhibit "A" to the Declaration and any amendments or supplements thereto.

Notwithstanding any other provision set forth herein or in the Declaration, in any situation where there is more than one Owner of a Unit, the votes for such Unit shall be exercised in accordance with Section 6.3(a) of the Declaration.

**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 that 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 Members.

**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 fifty percent (50%) 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 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 at a meeting place within Teton County, as close to the Property as possible.

**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) on the particular matter, whether it be a commercial, residential or general matter, shall constitute a quorum for any action except as otherwise provided in the Declaration, or these Bylaws.

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 present, and that the only matters that may be voted upon at said 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, 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 entitled to vote on the particular matter (excluding the number of votes as to which voting rights are suspended at the time of the subject 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 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.** Voting rights attributable to Units shall not vest until assessments against those Units 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 a Member in good standing, a Member must be current in the payment of all assessments levied against the Member's Unit. 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 may request, and the Association shall thereafter hold, 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 Unit; and the address where all notices shall be sent; or, alternatively, (ii) 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: (i) receive notice of any meeting, (ii) vote, (iii) act by written ballot without a meeting, or (iv) 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 such notice, such right to vote, such right to take action by written ballot without a meeting, or such right to exercise any rights in respect to any other lawful action, 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 of Incorporation of the Association, 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 vote at a meeting, the record date shall be no more than ninety (90) days 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 the 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 Section 3.8.B, a person who is a Member as of the close of business on the record date shall be deemed a Member of record.

**3.9 Action without Meeting.** Any action that may be taken at any annual or special meeting of Member 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 of the Board.

**4.2 Number.** The Association shall have not less than three (3) or more than seven (7) directors, all of whom must be Members in good standing, or an officer, director, employee or agent of a Member in good standing. Notwithstanding any other provision set forth herein or in any of the Governing Documents, the initial Board and all replacements shall be appointed by the Declarant for three (3) year terms until the expiration of the Declarant rights as provided in the Declaration. Each director appointed by the Declarant shall serve (irrespective of the expiration of a term) until the earlier of the appointment of his or her successor by Declarant, or his or her death, resignation or removal. Following the expiration of the Declarant's rights as provided in the Declaration, the Directors shall be elected and shall serve as stated hereinbelow, and the number of directors may be changed by the affirmative vote of a majority of the Members.

The Association initially shall have the following three (3) directors:

(i) [INSERT NAME];

(ii) [INSERT NAME]; and

(iii) [INSERT NAME].

**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 directors to replace all of the current directors, such directors to 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 4.4.C and D; (ii) an increase of the authorized number of directors; (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; or (iv) the termination of the Declarant's right to maintain a seat on the Board pursuant to Section 4.2 hereof.

**B. Resignation of Directors.** Any director may resign, which resignation shall be effective on the 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 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. Such authority of the Board to remove directors shall not apply to remove the representative of Declarant as long as Declarant has the right to maintain a seat on the Board pursuant to Section 4.2 hereof.

**D. Authority of Members to Remove Directors.** Except as otherwise provided in Section 4.4.C, a director may be removed from the 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. Such authority of the Members to remove a director shall not apply to remove the representative of Declarant as long as Declarant has the right to maintain a seat on the Board pursuant to Section 4.2 hereof.

**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.** Following the expiration of the Declarant's rights as provided in the Declaration, nomination for election to the Board of Directors shall be made as follows:

**A.** The Board shall appoint the members of the Nominating Committee no later than the first day of the third month of the Association's fiscal year each year. The Nominating Committee shall consist of a President, who shall be a director, and two (2) or more Members of the Association.

**B.** No later than the first day of the fourth month of the Association's fiscal year, the Nominating Committee shall mail notice to all Members inviting them to become candidates for election to the Board. The notice (which may be presented in the Association's regular newsletter, if any) shall state the requirements contained in Section 5.1.C hereof along with the mailing address for the President of the Nominating Committee, to whom interested Members should address correspondence.

**C.** Each member who wishes to become a candidate must submit a written notification to the President of the Nominating Committee no later than the first day of the fifth month of the Association's fiscal year indicating the Member's desire to become a candidate and such prospective candidate must be a member in good standing of the Association as of that date. Candidates may, but are not required to, submit a "candidate's statement" along with their written notification of interest, which statement shall not exceed one side of a single 8-1/2 x 11 inch page.

**D.** The Nominating Committee shall meet to discuss and consider all potential candidates and shall determine a slate of candidates to present to the Board.

**E.** No later than the first Board meeting following the first day of the seventh month of the Association's fiscal year, the chair of the Nominating Committee shall report the slate of candidates to the Board. In order to be included on the slate, a candidate must, as of the date of such Board meeting, meet all qualifications for serving as director as set forth in these Bylaws.

**F.** No later than the first day of the eighth month of the Association's fiscal year, the Board shall mail a notice to all Members (1) announcing the slate proposed by the Nominating Committee, and (2) advising that a Member who is not on the slate may nonetheless become a candidate (and be listed on the ballot) by submitting, no later than the first day of the ninth month of the Association's fiscal year, (i) a petition in support of such member's candidacy signed by at least 5% of the Members in good standing, and (ii) if desired, a candidate's statement which shall not exceed one side of a single 8-1/2 x 11 inch page. The notice (which may be presented in the Association's regular newsletter, if any) shall also provide the address to which such petitions and statements must be submitted.

**G.** No later than the first day of the tenth month of the Association's fiscal year, the Board shall distribute written ballots to all Members. The ballots shall: (i) list all candidates who were on the slate proposed by the Nominating Committee; (ii) list all candidates who submitted valid petitions pursuant to Section 5.1.F; and (iii) provide clear instruction to the Members how to select a candidate and any alternative candidates pursuant to Section 5.2 hereof. Accompanying the written ballots shall be copies of all candidates' statements received by the Association prior to the fifteenth day of the ninth month of the Association's fiscal year.

**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. At such election and all subsequent elections the Members may cast as many votes as they are entitled to exercise under the provisions of these Bylaws for any one candidate or may split their votes among several candidates. In any event, cumulative voting shall not be permitted. For Members who are not present at any such meeting where directors shall be elected such Member's votes shall be cast in accordance with the written ballots, if any, completed by them and returned to the Secretary of the Association not later than fourteen 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, at the first meeting of the Members of the Association, the Declarant remains entitled to a seat on the Board of Directors as provided in Section 4.2 hereof, the representative of the Declarant shall serve for the initial three-year term and the election of the directors receiving the two highest numbers of votes shall be for the two-year term and the one-year term.

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 quarterly 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. 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 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 Properties, (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 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 Properties, (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 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:

(i) Each director participating in the meeting can communicate with all of the other directors concurrently;

(ii) 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 Association;

(iii) The Board adopts and implements some means of verifying both of the following: (a) A person participating the meeting is a director or other person entitled to participate in the Board meeting; and (b) 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 Property within three (3) days after the meeting or communicated to the Members by any means the Board deems appropriate.

**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 6.2), 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 One Town Hill Owners’ Association as set forth in the Governing Documents and the laws applicable to the Association, the Property and the 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 company who shall act as the manager of the Association.

**B. Adoption of Rules.** Adopt rules and regulations to govern the Association and its Members.

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

**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 Units, 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 and to 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 approval of the Members by the affirmative vote of a majority of the Members at a meeting of the Association or by written ballot without a meeting pursuant to the laws of the State of Wyoming):

(i) 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 third person 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 Elements, with the following exceptions: (a) a management contract; (b) prepaid casualty and/or liability insurance policies not to exceed three (3) years duration, provided that the policy permits short rate cancellation by the insured; and (c) 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.

(ii) Incurring aggregate expenditures for capital improvements to the Common Elements in any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year;

(iii) 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;

(iv) 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 10.3 of the Declaration.

**B. Insurance.** Maintain insurance as required by Article XII 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 Declaration or by law, 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 (v) of these Bylaws.

**C. Discharge of Liens.** Discharge by payment, if necessary, any lien against the Common Elements 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 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, and a Treasurer, and such other officers as the Board may from time to time by resolution create. The President and Secretary shall be members of the Board and any other 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 the first annual meeting of the Members or pursuant to Section 6.11.

**9.3 Term.** Each officer of this Association shall serve until he or she resigns, or is removed by action of the Board, unless the officer is also a director in which case that person shall not serve as an officer beyond 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; 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

**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.** 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 Nominating Committees.** A Nominating Committee may be appointed as provided in Section 5.1 herein.

**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, 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.

**10.4 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 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 within the Property 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 overriding direction from the Board for the following matters:

- (i) Notice to be given to the custodian of the records by the Member desiring to make the inspection;
- (ii) Hours and days of the week when such an inspection may be made; and
- (iii) 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 the 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 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 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.

**11.5 Right to Meeting Minutes, Meeting Attendance.** Notwithstanding the limitations set forth in Section 9.13 of the Declaration, the Declarant shall be provided complete minutes of all meetings of the Association or the Board held during the period of ten (10) years following the date of Declarant's sale or other conveyance of the last of the Units to an unrelated third party. In addition, Declarant shall have the right, but not the obligation, to attend meetings of the Association or the Board for a period of ten (10) years following the date of Declarant's sale or other conveyance of the last of the Units to an unrelated third party, notwithstanding Declarant's earlier sale or other transfer of all of its interest in the Project. Declarant shall be provided notice of such meetings in the matter and upon the timeframes applicable to Owners.

**11.6 Right to Cure Alleged Defects.** It is Declarant's intent that all improvements constructed or made by Declarant in the Project be built or made in compliance with all applicable building codes and ordinances and that such improvements be of a quality that is consistent with the Community-Wide Standard. Nevertheless, due to the complex nature of construction and the subjectivity involved in evaluating such quality, disputes may arise as to whether a defect exists and Declarant's responsibility therefor. It is Declarant's intent to resolve all disputes and claims regarding Alleged Defects (as defined below) amicably, and without the necessity of time-consuming and costly litigation. Accordingly, the Association, the Board and all Owners shall be bound by the following claim resolution procedure:

(i) **Declarant's Right to Cure.** In the event the Association, the Board or any Owner or Owners (collectively, "Claimant") claim, contend or allege that any portion of the Project, including, without limitation, any Unit, and/or any improvements constructed on the Project, are defective or that Declarant or its agents, consultants, contractors or subcontractors were negligent in the planning, design, engineering, grading, construction or other development thereof (any of the foregoing, an "Alleged Defect"), Declarant hereby reserves the right to inspect, repair and/or replace such Alleged Defect as set forth herein.

(ii) **Notice to Declarant.** In the event that a Claimant discovers any Alleged Defect, Claimant shall, within a reasonable time after discovery, notify Declarant in writing, at the address at which Declarant maintains its principal place of business, of the specific nature of such Alleged Defect ("Notice of Alleged Defect").

(iii) **Right to Enter, Inspect, Repair, and/or Replace.** Within a reasonable time after the receipt by Declarant of a Notice of Alleged Defect, or the independent discovery of any Alleged Defect by Declarant, as part of Declarant's reservation of rights, Declarant shall

have the right, upon reasonable notice to Claimant and during normal business hours, to enter onto or into, as applicable, any Unit, and/or any improvements or other portion of the Project for the purposes of inspecting and, if deemed necessary by Declarant, repairing and/or replacing such Alleged Defect. In conducting such inspection, repairs and/or replacement, Declarant shall be entitled to take any actions as it shall deem reasonable and necessary under the circumstances.

(iv) **Legal Actions.** No Claimant shall initiate any legal action, cause of action, proceeding, reference or arbitration against Declarant alleging damages (i) for the costs of repairing or the replacement of any Alleged Defect, or (ii) for the diminution in value of any real or personal property resulting from such Alleged Defect, unless and until (1) Claimant has delivered to Declarant a Notice of Alleged Defect and (2) Declarant has, within ninety (90) days after its receipt of such Notice of Alleged Defect, either (x) failed to repair or replace such Alleged Defect or (y) if such Alleged Defect cannot reasonably be repaired or replaced within such ninety (90) day period, failed to commence such repair or replacement of the Alleged Defect and, thereafter, failed to pursue diligently such repair or replacement to completion. Any such action undertaken on behalf of the Association shall also require, as a prerequisite to such action, the approval of not less than sixty-six percent (66%) of the Owners and not less than sixty-six percent (66%) of the Mortgagees. In no event will Declarant be liable for, nor shall any Claimant be entitled to pursue, consequential damages resulting from any Alleged Defect.

(v) **No Additional Obligations; Irrevocability and Waiver of Right.** Nothing set forth in this Section 11.6 shall be construed to impose any obligation on Declarant to inspect, repair or replace any item or Alleged Defect for which Declarant is not otherwise obligated under applicable law. The right of Declarant to enter, inspect, repair, and/or replace reserved hereby shall be irrevocable and may not be waived or otherwise terminated except by a writing, in recordable form, executed and recorded by Declarant in the Public Records.

(vi) **Waiver.** Notwithstanding anything to the contrary in this Section 11.6, (i) Declarant hereby disclaims any representations and warranties in respect of, shall have no continuing liability to any Owner for, any design or construction defects (whether known or unknown) relating to the Project, including latent defects, and (ii) the provisions of this Section 9.15 in no way extend or modify any contractual waivers or statutes of limitation or statutes of repose.

(vii) **Amendment.** Notwithstanding any other provision of these Bylaws to the contrary, the provisions of this Section 11.6 may be amended only with the written consent of Declarant, any such amendment being applicable only to Alleged Defects with respect to which a Notice of Alleged Defect is delivered after the date of such amendment.

## **ARTICLE XII FINANCIAL AND REPORTING REQUIREMENTS**

### **12.1 Budgets, Financial Statements and Reports.**

(i) 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:

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). 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 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; (iv) 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 (v) any information required to be reported under Laws of the State of Wyoming;

(iii) If the 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; (iv) 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 (v) any information required to be reported under Laws of the State of Wyoming;

(iv) 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.

(v) 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 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 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 A 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 A 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 (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 Unit Owners 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 Declaration. The Board may, at its discretion, extend the date the payment on the Special Assessment is due. Any extension shall not prevent the Board from pursuing any legal remedy to enforce the collection of an unpaid Special Assessment. When the decision is made to use reserve funds or to temporarily transfer money from the reserve fund to pay for litigation, the Association shall notify the Members of the Association of that decision in the next available mailing to all Members and of the availability of any accounting of those expenses. Unless the Governing Documents impose more stringent standards, the Association shall make an accounting of expenses related to the litigation on at least a quarterly basis. The accounting shall be made available for inspection by Members of the Association at the Association's office.

**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 NEIGHBORHOOD ASSOCIATIONS**

**13.1 Creation by Declarant.** Declarant may create Neighborhood Associations as non-profit corporations under the provisions of the Wyoming Statutes relating to corporations, or Declarant may create such a Neighborhood Association as any unincorporated entity which Declarant deems appropriate. Declarant may, in its discretion, create a Neighborhood Association by means of a supplemental Declaration, or create such Neighborhood Association by means of separate instruments. The Neighborhood Associations shall be:

- (i) The Commercial Neighborhood Association;
- (ii) The Second Floor Neighborhood Association;
- (iii) The Third Floor Neighborhood Association;
- (iv) The Fourth Floor Neighborhood Association; and
- (v) The Fifth Floor Neighborhood Association.

**13.2 Members of Neighborhood Associations.** Where a Neighborhood Association is created, the Members thereof shall be the Owners of Units, including Declarant while it remains an Owner, in the respective Neighborhoods designed in the applicable supplemental Declaration. Members of a Neighborhood Association shall also be Members of the Association.

**13.3 Voting in Neighborhood Associations.** Each Neighborhood Association, if created, shall have one class of voting membership. Each Owner of a Unit within each Neighborhood Association shall be entitled to one vote for its own specific Neighborhood Association. The number of votes in each Neighborhood Association shall be as follows:

- (i) The Commercial Neighborhood Association has nine (9) votes to correspond with one vote each for Units 100, 101, 102, 103, 104, 105, 106, 107 and 108.
- (ii) The Second Floor Neighborhood Association has five (5) votes to correspond with one vote each for Units 200, 201, 202, 203 and 204.

(iii) The Third Floor Neighborhood Association has eight (8) votes to correspond with one vote each for Units 300, 301, 302, 303, 304, 305, 306 and 307.

(iv) The Fourth Floor Neighborhood Association has twelve (12) votes to correspond with one vote each for Units 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410 and 411.

(v) The Fifth Floor Neighborhood Association has nine (9) votes to correspond with one vote each for Units 500, 501, 502, 503, 504, 505, 506, 507 and 508.

**13.4 Management, Powers, Duties, and Restrictions.** Where a Neighborhood Association is created, such Neighborhood Association shall be managed by a Board of Directors and officers, and shall have the same powers, duties and restrictions with respect to its Members or the property owned, managed or maintained by it contained in Article XII herein. The Neighborhood Association Board, Members, committee, officers, Declarant, or the manager, if any, shall be free of personal liability as to each of the Neighborhood Associations in the same manner as described in Section 7.6 of the Declaration.

**13.5 Annual Meetings of Neighborhood Associations.** Where a Neighborhood Association is created, there shall be an annual meeting of the Members of each Neighborhood Association at least ten (10) days but no more than sixty (60) days prior to every annual meeting of the Association meeting. The first meeting of the Members in such Neighborhood Association, whether annual or special, shall be held within the one year following the expiration of the Declarant's rights as provided in the Declaration; provided, however, that the first meeting of any Neighborhood Association must occur prior to the first annual meeting of the Association. Such meeting shall be held at such convenient location in or near the Neighborhood as may be designated in the notice of such meeting. Written notice of the time, place and purpose of each annual meeting shall be sent to each Member within the Neighborhood Association no later than ten (10) days prior to the meeting by the acting chairman of the previous annual meeting, or, in such person's absence, by the acting secretary of the previous annual meeting, or, in both persons' absence, by the Members having one-quarter (1/4) of the total voting power within such Neighborhood Association. A special meeting of the Members in any Neighborhood Association may be called at any reasonable time and place by written notice by the Delegates to the Association representing the Members in such Neighborhood Association, or by the Members in the Neighborhood Association having one-quarter (1/4) of the total votes within such Neighborhood Association, and delivered to all other Members not less than ten (10) days prior to the date fixed for such special meeting, specifying the date, time and place thereof and the nature of the business to be undertaken. The presence at any meeting, in person or by written proxy, of the Members entitled to vote at least twenty-five percent (25%) of the total votes within such Neighborhood Association shall constitute a quorum. If any meeting cannot be held because a quorum is not present, the Members present, either in person or by proxy, may, as otherwise provided by law, adjourn the meeting to a time not less than five (5) days nor more than thirty (30) days from the time the original meeting was called. The Members present at each meeting shall select a chairman to preside over the meeting and a secretary to transcribe minutes of the meeting.



## **ARTICLE XIV AMENDMENTS**

**14.1 Amendments by Declarant.** In addition to any specific amendment rights granted elsewhere in these Bylaws or the Declaration, until the conveyance of sixty percent (60%) of the Units to an Owner unaffiliated with Declarant, Declarant may unilaterally amend these Bylaws for any purpose, provided that any such amendment does not materially adversely affect the rights or interests of any other Owner. Thereafter, and until such time as Declarant no longer owns any interest in the Project, Declarant may unilaterally amend these Bylaws if such amendment is necessary to (i) correct clerical, typographical or technical errors, or to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (ii) enable any reputable title insurance company to issue title insurance coverage on the Units; (iii) enable any institutional lender, the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, or any successor or similar governmental authority to make, purchase, insure or guaranty mortgage loans on the Units; (iv) to satisfy the requirements of any local, state or federal governmental agency, including any department of real estate or real estate commission; (v) correct or reflect modifications to, or discrepancies in, the physical attributes of the Project, including the size, location and configuration of Units and Common Elements, that may have arisen during construction of the Project; or (iv) to satisfy the reasonable and customary underwriting requirements of any insurance company providing insurance on any portion of the Project.

In addition to the foregoing, for as long as Declarant owns a Unit, Declarant shall have the right to (a) relocate the boundaries of and between two adjoining Units, (b) physically combine a part of or combination of parts of the space of one Unit with a part of or combination of parts of the space within one or more adjoining Units, or (c) subdivide a Unit or part of a Unit to create additional Units (in each case, provided that the affected Units are owned by Declarant). Before exercising its rights herein, Declarant must obtain all necessary approvals from any governmental authority having jurisdiction over the Project before exercising its rights herein. Declarant shall be permitted to execute and record any amendment to the Bylaws, the Declaration or the Condominium Plat, or all of them, effectuating the relocation of boundaries of, combination or subdivision, or redesignation of Unit(s). If Declarant requires, whether for title purposes, governmental approvals or otherwise, the Board shall ratify the action in connection with effectuating such relocation of boundaries, combination or subdivision, or redesignation of Unit(s), and take such necessary actions in connection therewith if the requirements in this section have been satisfied.

Notwithstanding the foregoing reserved amendment rights of Declarant, Declarant shall obtain written consent of mortgagees that represent at least 51% of the votes of Owners that are subject to mortgages if the subject amendment is materially adverse to such mortgagees; provided, however, that if such Mortgagees fail to respond to any written proposal for an amendment within 60 days after receipt of proper notice of the proposal (delivered by certified mail or registered mail with a return receipt requested), such approval shall be deemed implied as of the date of expiration of such 60 day period.

**14.2 Amendments by Members.** Except as otherwise specifically provided above and elsewhere in these Bylaws or the Declaration, these Bylaws may be amended only by the affirmative vote or written consent, or any combination thereof, of at least sixty-six percent (66%) of the Members.

**14.3 Validity and Effective Date.** No amendment may remove, revoke, or modify any right or privilege of the Declarant without the written consent of the Declarant. If an Owner consents to any amendment to these Bylaws or the Declaration, it will be conclusively presumed that such Owner has the authority to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment. Any amendment shall become effective upon recording in the Public Records, unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within thirty (30) days of its recordation, or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of these Bylaws or the Declaration.

## **ARTICLE XV MISCELLANEOUS**

**14.1 Conflicts.** To the extent any provision of an amendment or amendments to these Bylaws conflicts with any provision of the Bylaws, the provision of the amendments shall prevail. Except as amended by any amendment or amendments, the Bylaws are confirmed and remain in full force and effect.

**14.2 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.

**14.3 Arbitration of Disputes.** All disputes not involving claims for indemnity or unpaid Base Assessments, Special Assessments or Specific Assessments and arising under these Bylaws or the Declaration between Declarant or the Association or any Neighborhood Association, on the one hand, and any Owner or the Association or any Neighborhood Association, on the other hand, shall, upon the request of any party, be resolved by binding arbitration conducted by a single, neutral arbitrator. Declarant shall be entitled to join any potentially liable parties in any such arbitration action. The arbitration shall be conducted in accordance with the Uniform Arbitration Act as adopted by Wyoming and as amended from time to time, W.S. § 1-36-101, *et seq.* The arbitrator selected shall be qualified in the subject matter of the arbitration. The decision of the arbitrator shall be conclusive and binding upon the parties and shall be enforceable through procedures adopted under the laws of the State of Wyoming for the enforcement of arbitration awards. The cost of the arbitration shall be borne equally by the parties unless otherwise awarded by the arbitrator. Any claim which any party has against another party pertaining to the matters set forth or referred to in these Bylaws or the Declaration must be presented by the claiming party to the other within one (1) year of the date the claiming party knew or should have known of the facts giving rise to the claim. Unless the party against whom any claim is asserted waives the time limits set forth above, any claim not brought within the time periods specified shall be waived and forever barred. When a matter must be resolved

by arbitration, the arbitrator shall use the following standard to resolve such matters: the arbitrator shall determine whether the action in question needs to be taken, and if so, then the arbitrator shall make a determination as to which action should be taken. When considering whether the action must be taken, the arbitrator shall rule that such action be taken if such action is required to maintain or elevate the Project to the Community-Wide Standard. Notwithstanding any other provision of these Bylaws to the contrary, the provisions of this Section 14.3 may be amended only with the written consent of Declarant any such amendment being applicable only to claims arising, or with respect to which notice is delivered, after the date of such amendment.

**14.4 Declarant as Beneficiary.** Notwithstanding anything to the contrary contained in these Bylaws or the Declaration, the Declarant shall be deemed a third-party beneficiary of these Bylaws and the Declaration and shall have the right and standing to enforce the terms and conditions hereof against the individual Owners or the Association or any Neighborhood Association, as the case may be, for a period of ten (10) years after the date of these Bylaws.