

BYLAWS

OF

POWDER HORN HOMEOWNERS ASSOCIATION, INC.
(A Wyoming Mutual Benefit Corporation)

ARTICLE I
NAME

1.1 NAME. The name of the organization shall be POWDER HORN HOMEOWNERS ASSOCIATION, INC., hereinafter called the "Association."

ARTICLE II
PURPOSE AND OWNER OBLIGATION

2.1 PURPOSE. The purpose for which this non-profit Association is formed is to govern, operate, and maintain the Common Properties (as defined in Paragraph 3.6 hereof) situated in Sheridan County, Wyoming ("The Powder Horn"), according to the Plat thereof (the "Plat") recorded in Sheridan County, Wyoming (being sometimes hereinafter referred to as the "Property").

2.2 OWNER OBLIGATION. All present or future owners and tenants, or future tenants of any or all of the lots situated within The Powder Horn (the "Lots") or any other person who might use the facilities of the Common Properties in any manner, are subject to the regulations set forth in these Bylaws. The mere acquisition or rental of any of the Lots or the mere act of occupancy of any of the Lots will signify that these Bylaws are accepted, ratified, and will be strictly followed.

ARTICLE III
DEFINITIONS AND TERMS

3.1 MEMBERSHIP. Any person on becoming a record ("Owner") of all or any part of a Lot shall automatically become a Member ("Member") of this Association and be subject to these Bylaws. Such membership shall terminate without any formal Association action whenever such person ceases to own all or any part of a Lot. Such termination shall not relieve or release any such former owner from any liability or obligation incurred under or in any way connected with the Property during the period of such ownership and membership in the Association, or impair any rights or remedies which the Board of Directors of the Association or others may have against such former owner and Member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto. No certificates of stock shall be issued by the Association, but the Board of Directors, if it so

elects, may issue one (1) Membership Card (herein so called) per Lot to the Owner(s) of a Lot. Such Membership Card shall be surrendered to the Secretary of the Association whenever ownership of the Lot designated thereon is terminated.

3.2 VOTING CLASSES. The Association shall have two (2) classes of voting membership:

CLASS A: Class A Members shall be all Members other than Class B Members. Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership. When more than one person holds such interest or interests in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they, among themselves, determine, but in no event shall more than one (1) vote be cast with respect to any such Lot.

CLASS B: The Class B Member shall be Declarant (hereinafter defined). The Class B Member shall be entitled to ten (10) votes for each Lot which it owns.

Notwithstanding the aforementioned voting rights within the Association and consistent with the provisions of the Declaration (hereinafter defined), until:

- (a) Declarant no longer owns:
 - (i) record title to any Lot; and
 - (ii) a lien interest in any Lot; and
 - (iii) title to any adjoining acreage intended to be developed as an additional section or phase of The Powder Horn; or
- (b) July 1, 2015,

whichever occurs first in time, neither the Association nor the Members shall take any action or inaction with respect to any matter whatsoever without the consent and approval of the Declarant, which shall not be unreasonably withheld or delayed.

As used herein, "Declarant" shall mean and refer to Powder Horn Ranch, LLC, a Wyoming Limited Liability Company, and the successors and assigns thereof, as provided in the Declaration.

3.3 QUORUM.

(a) The quorum required for any action referred to in Sections 6.05 and 6.06 of the Declaration shall be as follows:

At the first meeting called, the presence at the meeting

of Members or of proxies entitled to cast sixty percent (60.0%) of the votes which may be cast shall constitute a quorum. If the required quorum is not present at the first meeting, one additional meeting may be called, subject to the notice requirement hereinafter set forth, and the required quorum at such second meeting shall be one-half (1/2) of the required quorum at the preceding meeting; provided, however, that no such second meeting shall be held more than sixty (60) days following the first meeting.

(b) The quorum required for any action other than that action referred to in Sections 6.05 and 6.06 of the Declaration shall be as follows:

At the first meeting called, the presence at the meeting of Members, or of proxies, entitled to cast thirty percent (30.0%) of the votes which may be cast shall constitute a quorum. If the required quorum is not present at the first meeting, one additional meeting may be called, subject to the notice requirement hereinafter set forth, and the required quorum at such second meeting shall be one-half (1/2) of the required quorum at the preceding meeting; provided, however, that no such second meeting shall be held more than sixty (60) days following the first meeting.

(c) As an alternative to the procedure set forth above and subject to the provisions of Paragraph 3.2 above, any action referred to in Paragraphs (a) and (b) of this Section may be taken with the assent given in writing and signed by Members who collectively hold or control more than sixty percent (60.0%) of the outstanding votes of the Association.

3.4 PROXIES. Votes may be cast in person or by proxy executed in writing by the Member or by his duly authorized attorney-in-fact. Proxies must be filed with the Secretary of the Association before the appointed time of each meeting.

3.5 COMMON PROPERTIES. As used in these Bylaws the term "Common Properties" shall mean and refer to all areas of land within the Property which are known, described, or designated common green, common areas, recreational easements, greenbelt open spaces or streets on any recorded subdivision plat of the Property or intended for or devoted to the common use and enjoyment of the Members of the Association, together with any and all improvements that are now or may hereafter be constructed or installed thereon and including all equipment, accessories, and machinery used in the operation or maintenance of any of such Common Properties and any additions to, or replacements of such Common Properties.

3.6 DECLARATION. As used in these Bylaws the term "Declaration" shall mean and refer to the Declaration Covenants, Conditions and Restrictions for Powder Horn Ranch as amended from

time to time.

ARTICLE IV
ADMINISTRATION

4.1 ASSOCIATION RESPONSIBILITIES. The Owners of the Lots will constitute the Association, which will have the responsibility of administering and maintaining the Common Properties through a Board of Directors.

4.2 PLACE OF MEETINGS. All annual and special meetings of the Association shall be held at the principal office of the Association or at such other suitable and convenient place as may be permitted by law, and from time to time fixed by the Board of Directors and designated in the notices of such meetings.

4.3 ANNUAL MEETINGS. Annual meetings of the Members shall be held on the fourth (4th) Tuesday of January each year for the purpose of electing Directors and for the transaction of other business as may come before the meeting. If the election of Directors shall not be held on the day designated herein for any annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the Members as soon thereafter as possible.

4.4 SPECIAL MEETINGS. It shall be the duty of the President of the Association to call a special meeting of the Members as directed by resolution of the Board of Directors upon a petition signed by at least two (2) of the Owners and presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose or purposes for which such meeting is called.

4.5 NOTICE OF MEETINGS. The Secretary of the Association shall mail notices of annual and special meetings to each Member directed to the last known post office address of the Member as shown on the records of the Association, by uncertified mail, postage prepaid. Such notice shall be mailed not less than ten (10) days nor more than thirty (30) days before the date of such meeting and shall state the date, time and place of the meeting. In the case of a special meeting or when required by statute or these Bylaws, the notice shall state the purpose or purposes for which the meeting is called. In lieu of mailing notice as herein provided, such notice may be delivered by hand or left at the Member's residence in his absence. If so requested of the Association, any mortgagee of record or its designee may be entitled to receive similar notice from the Association.

4.6 ADJOURNED MEETING. If any meeting of Members cannot be organized because a quorum has not attended, the Members who are present, either in person or by proxy, may adjourn the meeting until a quorum is attained as provided in Paragraph 3.3 hereof.

4.7 ORDER OF BUSINESS. The order of business at all meetings of the Members shall be as follows:

- a. Roll call.
- b. Proof of notice of meeting or waiver of notice.
- C. Reading of minutes of preceding meeting.
- d. Reports of officers.
- e. Reports of committees.
- f. Election of Directors, if applicable.
- g. Unfinished business.
- h. New business.

ARTICLE V
BOARD OF DIRECTORS

5.1 NUMBER AND QUALIFICATION. The affairs of this Association shall be governed by a Board of Directors composed of three (3) persons, each of whom need not be a Member of the Association. The members of the initial Board of Directors shall be the following persons, who shall act in such capacity and shall manage the affairs of the Association until their successors are elected, to-wit:

<u>NAME</u>	<u>ADDRESS</u>
Mark Isakson	161 US Hwy 335 Sheridan, WY 82801
James M. Scott	161 US Hwy 335 Sheridan, WY 82801
Sandra Suzor	161 US Hwy 335 Sheridan, WY 82801

5.2 POWERS AND DUTIES. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the Common Properties, specifically including, without limitation, the powers and duties set forth in Article IV of the Declaration. Subject to the provisions of the preceding sentence, the Board of Directors may do all such acts and things that are not by these Bylaws or by the Declaration directed to be exercised and done by the Members.

5.3 OTHER POWERS AND DUTIES. The Board of Directors shall have the following duties.

a. To administer and enforce the covenants, conditions, restrictions, uses, limitations, obligations, and all other provisions set forth in the Declaration.

b. To establish, make, and enforce compliance with rules, conditions, restrictions, limitations and all other provisions necessary

for the orderly operation, use and maintenance of the Common Properties. (A copy of such rules shall be delivered or mailed to each Member promptly upon the adoption thereof.)

c. To keep in good order, condition and repair the Common Properties and all items of personal property used in the enjoyment of the Common Properties.

d. To fix, determine, levy and collect the assessments to be paid by each of the Owners; and by majority vote of the Board, to adjust, decrease or increase the amount of the monthly assessments, subject to provisions of the Declaration; to levy and collect special assessments in order to meet increased operating or maintenance expenses or costs and additional capital expenses. All quarterly or other assessments shall be in itemized statement form and shall set forth in detail the various expenses for which the assessments are being made.

e. To collect delinquent assessments by suit or otherwise, and to enjoin or seek damages from an Owner, as provided in the Declaration and by these Bylaws.

f. To protect and defend the Common Properties from loss and damage by suit or otherwise.

g. To borrow funds in order to pay for any required expenditure or outlay; to execute all such instruments evidencing such indebtedness which shall be the several obligations of all of the Owners in the same proportion as their interest in the Property.

h. To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements, and to permit examination thereof at any reasonable time by each of the Owners and any Mortgagee of a Lot. The Association shall cause to be prepared and delivered annually to each Owner a statement showing all receipts, expenses or disbursements since the last such statement. Such financial statements shall be available to any Mortgagee of a Lot, on request, within ninety (90) days following the fiscal year end of the Association. Any Member may require that the Association cause to be prepared and delivered, at such Member's expense, an audited financial statement of the Association. In addition, each Member shall have the right to inspect the books and records of the Association during normal business hours.

i. To meet at least once each calendar year.

j. To designate and employ the personnel necessary for the maintenance and operation of the Property.

k. In general, to carry on the administration of this Association and to do all of those things, necessary and reasonable, in order to carry out the communal aspect of the use and enjoyment of the Common Properties.

5.4 ELECTION AND TERM OF OFFICE. At the first (1st) annual meeting of the Association, the term of office of the Directors shall be fixed for two (2) years. The persons acting as Directors shall hold office until their successors have been elected and hold their first (1st) meeting.

5.5 VACANCIES. Vacancies on the Board of Directors caused by any reason other than the removal of a Director by a vote of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum. Each Director so elected shall serve out the remaining term of his predecessor.

5.6 REMOVAL OF DIRECTORS. At any regular or special meeting duly called, any one (1) or more of the Directors may be removed with or without cause by a majority of the Members, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Members shall be given an opportunity to be heard at the meeting.

5.7 ORGANIZATION MEETING. The first (1st) meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

5.8 REGULAR MEETINGS. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least one (1) such meeting shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally, by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

5.9 SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by the President or Secretary, or upon the written request of at least two (2) Directors. The President or Secretary will give three (3) days personal notice to each Director by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting.

5.10 WAIVER OF NOTICE. Before or at any meeting of the Board of Directors, any Director may in writing waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

5.11 BOARD OF DIRECTOR'S QUORUM. At all meetings of the Board of Directors, a majority of Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors

present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors there is less than a quorum present, the majority of those present may adjourn the meeting from time to time.

ARTICLE VI OFFICERS

6.1 DESIGNATION. The officers of the Association shall be a President, Vice President, Secretary and Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may, in its sole discretion, elect to combine the offices of Secretary and Treasurer, such that one person shall hold both offices.

6.2 ELECTION OF OFFICERS. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board of Directors, and shall hold office at the pleasure of the Board of Directors.

6.3 REMOVAL OF OFFICERS. Upon an affirmative vote of a majority of the Board of Directors, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Directors or at any special meeting of the Board called for such purpose.

6.4 PRESIDENT. The President shall be the chief executive officer of the Association. He shall preside at all meetings of both the Association and the Board of Directors. He shall have all the general powers and duties which are usually vested in the office of President of an association, including, but not limited to the power to appoint committees from among the Owners to assist in the administration of the affairs of the Association. He shall co-sign all promissory notes and instruments of conveyance with the Secretary, and co-sign all checks with the Treasurer.

6.5 VICE PRESIDENT. The Vice President shall perform all of the duties of the President in his absence and such other duties as may be required of him from time to time by the Board of Directors.

6.6 SECRETARY.

a. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association. He shall have charge of such books and papers as the Board of Directors may direct and shall co-sign all promissory notes and instruments of conveyance with the President; and he shall, in general, perform all the duties incident to the office of the Secretary.

b. The Secretary shall compile and keep up to date at the principal office of the Association a complete list of Members and their last known addresses as shown on the records of the Association. Such list shall be open to inspection by Members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours.

6.7 TREASURER. The Treasurer shall receive and deposit in appropriate bank accounts all money of the Association and shall disburse such as directed by resolution of the Board of Directors; provided, however, that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board of Directors. The Treasurer shall also have the authority to co-sign all checks with the President; keep proper books of account; cause an annual statement of the Association's books to be made at the completion of each fiscal year; prepare an annual budget and a statement of income expenditures to be presented to the Membership at its regular annual meeting, and deliver a copy of each to the Members; and perform all other duties assigned to him by the Board of Directors.

ARTICLE VII
INDEMNIFICATION OF OFFICERS AND DIRECTORS

7.1 INDEMNIFICATION. The Association shall indemnify every Director or officer, his heirs, executors and administrators, against all loss, cost and expense, including counsel fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a Director or officer of the Association, except in matters of gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters in which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such Director or officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Director or officer may be entitled. All liability, loss, damage, cost and expense incurred or suffered by the Association in connection with the foregoing indemnification provision shall be treated and handled by the Association as Common Expenses (as defined in Paragraph 8.1 hereof); provided, however, nothing contained in this Article VII shall be deemed to obligate the Association to indemnify any Member or Owner of a Lot, who is or has been a Director or officer of the Association, with respect to any duties or obligations assumed or liabilities incurred by him as a Member or Owner of a Lot covered thereby.

ARTICLE VIII
OBLIGATIONS OF THE OWNERS

8.1 ASSESSMENTS. All Owners shall be obligated to pay the assessments imposed by the Association in accordance with the Declaration (the "Common Expenses"). A Member shall be deemed to be in good standing and entitled to vote at any annual or special meeting of Members, within the meaning of these Bylaws, only if all assessments made or levied against him and the Lot owned by him have been paid in full and are not past due.

8.2 USE OF THE COMMON PROPERTIES. Each Owner may use the Common Properties in accordance with the purposes for which they were intended.

8.3 GENERAL. Each owner shall comply strictly with the provisions of the Declaration.

ARTICLE IX
AMENDMENTS TO BYLAWS

9.1 AMENDMENTS. These Bylaws may be amended by the Association at a duly constituted meeting for such purpose; however, no amendment shall be effective unless approved by owners representing at least sixty percent (60%) of the Lots. In no event shall the Bylaws be amended to conflict with the Declaration. In the event of a conflict between the Declaration and the Bylaws, the Declaration shall control.

9.2 REPEAL. These Bylaws may be repealed by the Association at a duly constituted meeting for such purpose; however, repeal of the Bylaws shall require a vote of the Owners representing at least seventy-five percent (75%) of the Lots.

ARTICLE X
MORTGAGES

10.1 NOTICE TO ASSOCIATION. An Owner who mortgages his Lot shall notify the Association through the President of the Association giving the name and address of his Mortgagee. The Association shall maintain such information in a book entitled "Mortgagees of Lots."

10.2 NOTICE OF UNPAID ASSESSMENTS. The Association shall, at the request of a mortgagee of a Lot, report any unpaid assessments due in the Owner of such Lot.

ARTICLE XI
NON-PROFIT ASSOCIATION

11.1 NON-PROFIT PURPOSE. This Association is not organized for profit. No Lot Owner, Member of the Board of Directors or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as a salary or as compensation to, or distributed to or inure to the benefit of any Member of the Board of Directors; provided, however, always (1) that reasonable compensation may be paid to any Member while acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association and (2) that any Member of the Board of Directors may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association, subject to prior approval by the Board of Directors.

ARTICLE XII
PRINCIPAL OFFICE

12.1 ADDRESS. The principal office of the Association shall be

located at 161 US Hwy 335, Sheridan, Wyoming 82801 but may be located at such other suitable and convenient place as shall be permitted by law and designated by the Directors.

ARTICLE XIII
EXECUTION OF INSTRUMENTS

13.1 AUTHORIZED AGENTS. The persons who shall be authorized to execute any and all instruments of conveyance or encumbrance, including promissory notes, shall be the President with the co-signature of the Secretary of the Association.

CERTIFICATE

I HEREBY CERTIFY that the foregoing is a true, complete and correct copy of the Bylaws of Powder Horn Homeowners Association, Inc., a mutual benefit corporation, as adopted by the Board of Directors at its special organizational meeting on the _____ day of _____, 1995.

IN WITNESS WHEREOF, I hereunto set my hand and affix the Seal of the Corporation, this the 26th day of September, 1995.

Secretary