

BY-LAWS

OF

SPRUCEWOOD CONDOMINIUM HOMEOWNERS ASSOCIATION

A nonprofit corporation

Pursuant to the provisions of Title 17, Chapter 6 of the Wyoming Statutes Annotated (197), the Board of Directors of the Sprucewood Condominium Homeowners Association, A Wyoming Nonprofit Corporation, hereby adopts the following By-laws for such nonprofit corporation.

ARTICLE I

Name and Principal Office

1.01 Name. The name of the nonprofit corporation is Sprucewood Condominium Homeowners Association, hereinafter referred to as the "Association."

1.02 Offices. The principal office of the Association shall be at the Sprucewood Condominium Project, hereinafter referred to as the "Project," situated upon certain real property described as lots 5 & 6, Block 2, of the Aspen Hill Addition to the town of Jackson, Teton County, State of Wyoming, and being more commonly referred to as 265 Aspen Drive, Jackson, Wyoming.

ARTICLE II

Definitions

2.01 "Association" shall mean and refer to the Sprucewood Condominium Homeowners Association, a Wyoming Nonprofit Corporation, its successors and assigns.

2.02 "Properties" shall mean and refer to that certain real property described in the Declaration, and such additions thereto as may be brought within the jurisdiction of the Association.

2.03 "Common Area" shall mean all real property dedicated to and owned by the Association for the common use and enjoyment of the Owners.

2.04 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any condominium which is a part of the Project, but excluding contract sellers of record and other having an interest merely as security for the performance of an obligation.

2.05 "Declarant" shall mean and refer to Grand Teton Investments, Inc., its successors and assigns.

2.06 "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Project recorded in the Office of the County Clerk, Teton County, Wyoming, for "Sprucewood Condominiums."

2.07 "Member" shall mean and refer to each Owner as provided in the Declaration.

ARTICLE III

Meeting of Members

3.01 Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the month of each year thereafter, at the hour of 7:30 P.M., or such other time as may be designated by the Board of Directors. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

3.02 Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all the votes of the membership.

3.03 Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each member entitled to vote thereat, addressed to the members 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. In addition, any holder, insurer or guarantor of a first mortgage on any unit who makes written request therefore shall receive notice.

3.04 Quorum. The presence of the members entitled to cast, or of proxies entitled to cast, one third (1/3) of the votes shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

3.05 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. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his unit.

3.06 Majority of Owners. As used in these By-laws, the term "Majority of Owners" shall mean those owners holding fifty-one percent (51%) of the votes in accordance with the percentages assigned in the Declaration.

3.07 Votes. With respect to each matter submitted to a vote of the members, each member entitled to vote at the meeting shall have the rights to cast, in person or by proxy, the number of votes appurtenant to the condominium, as shown in the Declaration. The affirmative vote of a majority of the votes entitled to be cast by the members present or represented by proxy at a meeting at which a quorum is initially present shall be necessary for the adoption of any matter voted on by the members, unless a greater proportion is required by the Articles of Incorporation, these By-Laws, the Declaration or Wyoming law. If a membership is jointly held, all or any holders thereof may attend each meeting of the members, but the Board of Directors may require such holders to act unanimously to cast the votes relating to their joint membership, unless the Board is satisfied that the member voting owns a majority in interest of the applicable condominium or is otherwise authorized to control the vote for such condominium.

ARTICLE IV

Board of Directors: Selection: Term of Office

4.01 Number. The affairs of this Association shall be managed by a Board of three (3) directors, who need not be members of the Association.

4.02 Term of Office. At the first annual meeting, the members shall elect three (3) directors for a term of one year, and at each annual meeting thereafter the members shall elect three (3) directors for a term of one year.

4.03 Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation, or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

4.04 Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

4.05 Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V

Nomination and Election of Directors

5.01 Nomination. Nomination for election to the Board of Directors may be made either by a Nominating Committee or nominations may be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members to serve from the close of such meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting.

The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

5.02 Election. Election to the Board of Directors shall be by written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI

Meeting of Directors

6.01 Powers. The Board of Directors shall have the power to conduct all regular business of the Association and to:

a. Adopt, amend, repeal, and enforce reasonable rules and regulations governing the Association and the operation and use of the Project, including the conduct of all people using the same, and to establish penalties for the infraction thereof.

b. Suspend the voting rights and right to use the common area of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations.

c. Exercise for the Association all powers, duties and authority vested in or delegated to this Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-laws, the Articles of Incorporation, or the Declaration.

d. Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors.

e. Employ a manager, an independent contractor, or such other employee as they deem necessary, and to prescribe their duties.

6.02 Duties. It shall be the duty of the Board of Directors to:

a. As more fully provided in the Declaration, to:

- (i) Fix the amount of the annual assessment against each condominium at least thirty (30) days in advance of each annual assessment period;
- (ii) Send written notice of each assessment to every Owner subject thereto at least fifteen (15) days in advance of each annual assessment period; and
- (iii) Foreclose the lien against any property for which assessments or fines are not paid within a reasonable period of time, after due date or to bring an action at law against the owner personally obligated to pay the same.

b. Issue, or to cause an appropriate officer or agent to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.

c. Procure and maintain insurance as provided in the Declaration.

d. Cause exterior maintenance of all improvements on the property to be performed as deemed appropriate.

e. Cause Common Area and all Common Facilities to be properly maintained.

f. Establish and maintain a reserve fund for replacements by the allocation and payment annually to such reserve fund in such amounts as are established by the Board of Directors. Such fund shall be part of the Common Expense Fund.

ARTICLE VIII

Officers and Their Duties

8.01 Enumeration of Offices. The Officers of this Association shall be president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

8.02 Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

8.03 Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year, unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

8.04 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.

8.05 Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time after giving written notice to the Board, to the president or to 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.

8.06 Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

8.07 Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices, except in the case of special offices created pursuant to Section 4 of this Article.

8.08 Compensation. No officer shall receive compensation for any services that he may render to the Association as an officer; provided, however, that an officer may be reimbursed for expenses incurred in the performance of his duties as an officer to the extent such expenses are approved by the Board of Directors and may be compensated for services rendered to the Association other than in his capacity as an officer.

8.09 Duties. The duties of the Officers are as follows:

a. President. The president shall preside at all meetings of the Board of Directors and at meetings of the members. The president shall have all the powers and perform all the duties normally incident to the office of a president of a non-profit corporation and shall exercise such other powers and perform such other duties as may from time to time be assigned to him by the Board of Directors.

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

c. Secretary. The secretary shall record the votes and keep minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; 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 checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and to deliver a copy to each of the members.

ARTICLE IX Committees

The Association may appoint a Nominating Committee, as provided by these By-laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose. The Board may appoint themselves to serve on any committee.

Each committee shall keep a record of its proceedings and shall regularly report such proceedings to the Board of Directors. At each meeting of any committee designated hereunder by the Board of Directors the presence of members constituting at least a majority of the authorized membership of such committee shall constitute quorum for the transaction of business, and the act of the majority of the members present at any meeting at which a quorum is present shall be the act of such committee.

ARTICLE X Books and Records

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation, and the By-laws of the Association shall be available for inspection by any member at the principle office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI Assessments and Fines

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments and fines imposed by the Board, which are secured by a continuing lien upon the property against which are secured by a continuing lien upon property against which the assessment or fine is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of twelve percent (12%) per annum, and the Association may bring an action at law against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment, together with a late charge equal to 15% of the amount due. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his unit. Notwithstanding anything herein contained to the contrary, any such lien against a condominium shall be subordinate to any recorded first mortgage or first deed of trust covering such condominium.

ARTICLE XII Corporate Seal

The Association may have a seal in circular form having within its circumference the words: Sprucewood Condominium Homeowners Association, Inc., a Wyoming Non-Profit Corporation.

ARTICLE XIII Amendments

13.01 These By-laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy, except that if the Federal Housing Administration or the Veterans Administration shall make any mortgage loans within the development they shall have the right to veto amendments.

13.02 In the case of any conflict between the Articles of Incorporation and these By-laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-laws, the Declaration shall control.

13.03 Copies of all amendments and revisions thereof shall be made available to the members.

ARTICLE XIV
Indemnification

The Association shall indemnify any Director or Officer, or Agent, or former Director or Officer, or Agent, of the Association against liability, amounts paid in settlement, and expenses, (including attorney's fees) incurred by him in connection with the defense of any action, suit or proceeding in which he is made a party by reason of being or having been such Director or Officer, or Agent, except in relation to matters as to which he shall be adjudicated in such action, suit or proceeding to be liable for bad faith or wanton misconduct in the performance of his duties to the Association.

Expenses incurred in defending an action, suit or proceeding as contemplated in this Article may be paid by the Association in advance of the final disposition of such action, suit or proceeding upon a majority vote of a quorum of the Board of Directors, and if required by the Board of Directors, upon receipt of an undertaking by or on behalf of the person to repay such amount or amounts unless it ultimately be determined that he is entitled to be indemnified by the Association as authorized by this Article or otherwise.

The indemnification provided for by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any provision in the Association's Articles of Incorporation, By-laws, agreements, votes of disinterested members or Directors, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office.

The Association may purchase and maintain insurance on behalf of any person who was or is a Director, Officer, Employee or Agent of the Association, or who was or is serving at the request of the Association as a Trustee, Director, Officer, Employee or Agent of another corporation, entity or enterprise (whether for profit or not for profit), against any liability asserted against him or incurred by him in any such capacity or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the laws of the State of Wyoming, as the same may hereafter be amended or modified. All indemnification payments made, and all insurance premiums for insurance maintained, pursuant to this Article shall constitute expenses of the Association and shall be paid with funds of the Association.

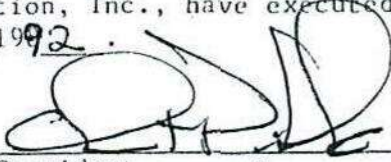
ARTICLE XV
MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year begin on the date of incorporation.

ARTICLE XVI
Rules and Regulations

16.01 Rules and Regulations. The Board of Directors may from time to time adopt, amend, repeal, and enforce reasonable rules and regulations governing the use and operation of the Project, to the extent that such rules and regulations are not inconsistent with the rights and duties set forth in the Certificate of Incorporation, the Declaration, or these By-laws. The Members shall be provided with copies of all rules and regulations adopted by the Board of Directors, and with copies of all amendments and revisions thereof.

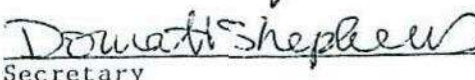
IN WITNESS WHEREOF, the undersigned, constituting all of the Directors of the Sprucewood Condominium Homeowners Association, Inc., have executed these By-laws on the 23 day of September 1992.



President




Vice-President



Secretary



Treasurer



Notary Public

My Commission Expires on Sept. 27, 1995

