

CERTIFICATION OF BYLAWS
OF THE
MELODY RANCH IMPROVEMENT AND SERVICE DISTRICT

I hereby certify that the attached is a true and correct copy of the Bylaws of the Melody Ranch Improvement and Service District adopted in accordance with Wyoming Statute §§18-12-114, 18-12-139 and 16-3-103 on January 29, 2013. These are new Bylaws of the Melody Ranch Improvement and Service District.

Executed and dated this 21 day of February, 2013

MELODY RANCH IMPROVEMENT AND SERVICE
DISTRICT, a Wyoming Improvement and Service District



Larry Pardee, President

ATTEST:



Secretary

**BYLAWS OF THE
MELODY RANCH IMPROVEMENT AND SERVICE DISTRICT**

**ARTICLE I
DESIGNATION OF DISTRICT NAME**

The name of the District is the "MELODY RANCH IMPROVEMENT AND SERVICE DISTRICT." (the "District")

**ARTICLE II
BOUNDARIES OF DISTRICT**

The boundaries of the Melody Ranch Improvement and Service District are as set forth in the legal description of the entire District, along with a map of the same, attached hereto as Exhibit A.

**ARTICLE III
PURPOSES AND POWERS**

Section 1. Purposes and Functions. The Melody Ranch Improvement and Service District shall have the purposes set forth in the Wyoming Improvement and Service District Act set forth at Wyoming Statutes § 18-12-101 *et. seq.*, including but not limited to performing the following functions:

- a. Acquire, construct, operate and maintain improvements of local necessity and convenience;
- b. Obtain improvements or services hereunder by contracting for the same with the Town of Jackson, Teton County, the Melody Ranch Homeowners' Association, or other entity; and
- c. Furnish or perform any special local service which enhances the use or enjoyment of any improvement or facility.

Section 2. Powers. The Melody Ranch Improvement and Service District shall have all of those powers specified in the Wyoming Improvement and Service Districts Act, and all powers otherwise exercisable under the law, including without limitation, the power to:

- a. Have and use a corporate seal;
- b. Sue and be sued, and be a party to suits, actions and proceedings;
- c. Enter into contracts for the purpose of providing any authorized improvements and the maintenance and operation thereof, or otherwise to carry out the purposes of the District;

- d. Accept from any public or private source grants, preferred loans, contributions and any other benefits available for the use in the furtherance of its purposes;
- e. Borrow money and incur indebtedness and other obligations and evidence the same by certificates, notes or debentures, and issue bonds;
- f. Assess the costs of improvements within the District against the property specially benefited upon a frontage, zone, or other equitable basis, in accordance with benefits;
- g. Adopt bylaws consistent with law;
- h. Establish and collect charges for water, sanitation and related services and the use of improvements or services provided by the District, including authority to change the amount or rate thereof, and to pledge the revenues therefrom for the payment of District indebtedness;
- i. Acquire and own or lease real or personal property, including easements and rights-of-way, within or without the District for District purposes;
- j. Contract with other Districts for common use of improvements and services for the benefit of the inhabitants of all contracting Districts;
- k. Supply the inhabitants of the District with water for domestic or any other lawful use by any available means, including provision for the collection of water, the storage of water, the treatment of such water and its distribution, the acquisition of water rights, treatment facilities and lines for a water system, and appurtenant facilities, within and without its corporate limits;
- l. Provide for the collection, treatment and disposal of sewage, solid waste, waste and storm water of the District and its inhabitants, including provision for sanitary sewers, treatment facilities, disposal plants or other sanitary systems and facilities; storm sewers, flood and surface drainage works and appurtenant facilities; and all necessary, proper and desirable equipment and appurtenances incident thereto;
- m. Provide for the collection and disposal of garbage or refuse matter;
- n. Provide all services necessary to protect the health and welfare of residents in the District and the value of property therein and to enter into agreements with any public or private agency, institution or person for the furnishing of such services;
- o. Provide for public recreation by means of parks, including but not limited to playgrounds, golf courses, swimming pools or recreation buildings;

- p. Provide for street lighting;
- q. Provide for the opening, widening, extending, straightening and surfacing in whole or part of any street and maintenance, reconstruction, snow removal and clearance for the same or other roads or streets;
- r. Provide for the construction, maintenance, reconstruction and improvement of bridges, culverts, curbs, gutters, drains and works incidental to any street improvement;
- s. Provide for the construction, improvement and maintenance of sidewalks, pedestrian ways and other public ways;
- t. Furnish or perform any special local service which enhances the use or enjoyment of any improvement or facility;
- u. Furnish additional improvements and facilities which relate or contribute to the full public use and enjoyment of any improvement or facility;
- v. Implement all lawful methods for financing improvements and services including, without limitation:
 - 1) Charges for water, sewer, sanitation and related services and for the use of improvements or services provided by the District in the form of user fees, service fees, hook-up fees, or such other like fees or charges; (W.S. § 18-12-112(a)(viii))¹;
 - 2) Charges for the cost of operating and maintaining improvements; (W.S. § 18-12-112(a)(xxi));
 - 3) Special assessments levied against and taxes collected from property within the District as authorized, levied and collected in accordance with procedures set forth in the Improvement and Service District Act;
 - 4) The issuance of bonds as authorized by and in accordance with procedures set forth in the Improvement and Service District Act;
 - 5) Special assessments levied and collected in connection with the creation of local improvement districts, and special assessment bonds issued in connection therewith (W.S. § 18-12-140).

¹ Numbers in parenthetical are references to the Wyoming Statutes Annotated, 1977 Republished Edition, as amended through 2012, and are for reference purposes only.

- 6) Grants, preferred loans, contributions or any other benefits available for use in the furtherance of the District's purposes, whether accepted from public or private sources; (W.S. § 18-12-112(a)(iv));
 - 7) Borrowing money and incurring indebtedness and other obligations, whether evidenced by certificates, notes, debentures or otherwise; (W.S. § 18-12-112(a)(v));
 - 8) Applying any and all other lawful monies including federal, state or local taxes which may now or hereafter be lawfully available for the payment of improvements and services.
- w. Provide subdivision control; and
- x. Do any and all other things necessary to carry out the purposes of the District.

ARTICLE IV BOARD OF DIRECTORS

Section 1. Number, Term, and Office. Hereinafter, the District shall be managed and controlled by a Board of Directors consisting of five (5) Directors who shall serve for terms of four (4) years each; provided, however, that Directors whose current terms are for two (2) years shall serve such term through the end of such two (2) year term. Terms shall be staggered. Directors shall be elected and qualified at the regular scheduled subsequent director elections set forth below and as provided in the Special District Elections Act of 1994 (W.S. § 22-29-101 *et. seq.*).

Section 2. Time of Election. Elections for directors or special elections shall be held by mail ballot election or regular election procedures pursuant to the Special District Elections Act of 1994 and rules promulgated by the Secretary of State for special district elections. The election of directors shall be held on the first Tuesday after the first Monday in November. An election shall be held to elect a Director to fill the vacancy resulting from the expiration of the term of the Director whose term expires at that time. Directors so elected shall serve for four (4) years. The Directors shall determine whether the election shall be by mail ballot or regular election procedures no less than sixty (60) days prior to the election.

Section 3. Notice of Election. The Secretary of the District shall publish a proclamation at least once in a Teton County newspaper of general circulation, not more than one hundred twenty (120) and not less than one hundred (100) days before the election. The proclamation shall set forth the date of the election, what District Officer is the filing officer, what offices are to be elected and the terms of office, the filing period for the offices and other pertinent election

information. The name of all qualified candidates who file an application for election according to Section 4 below shall be published in a Teton County newspaper of general circulation not later than ten (10) days prior to the election date.

Section 4. Application for Election. Candidates for the office of director of the District shall file with the Secretary of the District an application for election in substantial conformance with the form set forth in the Special District Election Act of 1994 (W.S. § 22-29-110(b)). Applications shall be filed not more than ninety (90) nor less than seventy (70) days previous to the holding of the director election. The names of all qualified candidates so filed shall be printed on the ballot.

Section 5. Annual Filing of Directors. Each year the District shall file with the County Commissioners and County Clerk a list of the names, addresses and terms of the current Directors. The filing deadline is the last day of April.

Section 6. Vacancies. A vacancy occurring on the Board during the term of an original Director or his/her successor shall be filled as provided in the Special District Election Act of 1994.

Section 7. Resignations. A Director may resign at any time by giving written notice to the Board. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof by the Board, and the acceptance of the resignation shall not be necessary to make it effective.

Section 8. Regular Meetings. A regular annual meeting of the Board of Directors shall be held each year on a day and at a time fixed by the Board and specified in the notice of meeting and, when possible, immediately following the annual meeting of the Board of the Melody Ranch Homeowner's Association. Directors may provide by resolution the time and place for the holding of additional regular meetings without other notice than such resolution.

Section 9. Special Meetings. Special meetings of the Directors may be called by or at the request of any three (3) Directors who shall fix the time and place of the special meeting.

Section 10. Notice. Notice of any special meeting shall be given at least five (5) days before the meeting by oral or written notice (including e-mail) to the Directors. The attendance of a Director at a meeting shall constitute a waiver of notice, except where a Director attends a meeting for the express purpose of objecting to the transaction or any business because the meeting is not lawfully called or convened.

Section 11. Quorum. At any meeting of the Directors, a majority of Directors shall constitute a quorum for the transaction of District business.

Section 12. Manner of Acting. A majority of the Directors then in office, but not less than three (3) Directors, shall constitute a quorum and, if a quorum is present, the decision of a majority (i.e. more than 50%) of the Board members present shall be the act of the Board. Members of the Board may participate in a meeting through the use of conference telephone or other communications equipment so long as all members participating in such meeting can hear one another. Participation in a meeting as permitted in the preceding sentence constitutes presence in person at such meeting. The Board may also act without a meeting by unanimous written or e-mail consent of its Board members. Resolutions may be adopted by the Directors to assist them in carrying out the purposes and powers of the District.

Section 13. Compensation. No Director shall receive compensation for any services that he may render to the District as a Director; provided, however, that a Director may be reimbursed for expenses incurred in performance of his duties as a Director to the extent such expenses are approved by the Board of Directors as actual and necessary expenses. A Director may be compensated for services rendered to the District other than in his capacity as a Director.

Section 14. Conflict of Interest. No Director shall be directly interested financially in any contract, work done or property purchased by the District, unless he has made full public disclosure and the non-interested Board Members have unanimously approved his financial interest.

Section 15. Presumption of Assent. A Director of the District who is present at a meeting of the Directors at which action on any matter is taken shall be presumed to have assented to the action unless his dissent shall be entered in the minutes or unless he shall file his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by certified mail to the Secretary of the District immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

ARTICLE V OFFICERS

Section 1. Number. The officers of the District shall be the President, Vice-President, Treasurer, and Secretary such other officers with such powers and duties not inconsistent with these Bylaws, as may be appointed and determined by the Board of Directors. Any two offices, except those of the President and Secretary, may be held by the same person.

Section 2. Election, Term of Office and Qualifications. Each year the Board shall, as soon as they are qualified and no later than the annual meeting, elect a president, vice-president, treasurer, and secretary, which officers shall be elected by the Board of Directors from among their number.

Section 3. Vacancies. In case any office of the District becomes vacant by death, resignation, retirement, disqualification, or any other cause, the majority of the Directors then in office, may elect an officer to fill such vacancy, and the officer so elected shall hold office and serve until the election of his successor according to Section 2 above.

Section 4. President. The President shall preside at all meetings of the Board of Directors. He² shall have and exercise general charge and supervision of the affairs of the District and shall do and perform such other duties as may be assigned to him by the Board of Directors.

Section 5. Vice-President. In the absence of the President or in event of his/her death or inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice-President shall perform such other duties as from time to time may be assigned to him by the President or by the Directors.

Section 6. Secretary. The Secretary shall have charge of such books, documents, and papers as the Board of Directors may determine. The Secretary shall attend and keep the minutes of all the meetings of the Board of Directors. He shall keep a record, containing the names of all landowners and electors within the District, showing their places of residence, and such book shall be open for inspection as prescribed by law. The Secretary may obtain a current list of electors from the office of the Teton County Clerk in Jackson, Wyoming. He may sign with the President, in the name and on behalf of the District, any contract or agreements authorized or ordered by the Board of Directors, and when so authorized or ordered by the Board of Directors, may affix the seal of the District. The Secretary shall, in general, perform all the duties incident to the office of Secretary, subject to the control of the Board of Directors, and shall do and perform such other duties as may be assigned to him by the Board of Directors.

Section 7. Treasurer. The Treasurer shall have the custody of all funds, property, and securities of the District, subject to such regulations as may be imposed by the Board of Directors. The Treasurer may be required to give bond for the faithful performance of his duties, in such sum and form and with such sureties as the Board of Directors may require. When necessary or proper, he may endorse on behalf of the District for collection checks, notes, and other obligations, and shall deposit the same to the credit of the District as such bank or banks or depository as the Board of Directors may designate. The Treasurer shall sign all checks of the District and all bills of exchange and promissory notes issued by the District except in cases where the signing and execution thereof shall be expressly designated by the Board of Directors or by these Bylaws to some other office or agent of the District. He/she shall enter regularly on the

² Words in the masculine gender include the feminine and neuter genders throughout these Bylaws.

books of the District to be kept by him for the purpose, full and accurate account of all monies and obligations received and paid or incurred by him for or on account of the District, and shall exhibit such books at all reasonable times to any Director, landowner or elector residing or owning property in the District on application at the offices of the District. The Treasurer shall, in general, perform all duties incident to the office of Treasurer, subject to the control of the Board of Directors.

Section 8. Removal. Any officer may be removed from office by the majority vote of all the Directors at any regular or special meeting called for that purpose, for nonfeasance, malfeasance, or misfeasance, for conduct detrimental to the interests of the District, for lack of sympathy with its objects, or for refusal to render reasonable assistance in carrying out the District's purposes. Any officer proposed to be removed shall be entitled to at least five (5) days' notice in writing by mail of the meeting of the Board of Directors at such meeting. Any removal shall be without prejudice to the contract right, if any, of the person so removed.

ARTICLE VI DIRECTORS AND OFFICERS: OATHS AND BONDS

Section 1. Oaths of Office Required; Bonds. All Directors shall take, subscribe and file the oath of office provided in Wyoming Constitution, Article VI, Section 20. Oath shall be taken before an officer authorized to administer oaths within ten (10) days after notification of election or appointment. A copy of the completed written oath shall be transmitted, without delay, to the County Clerk for the first election, and thereafter to the Secretary of the District. If required by law, Directors and Officers shall execute and file their official bonds to the District to insure the honest and faithful performance of their official duties, as provided by law and these rules.

Section 2. Directors. If required by law, or if resolved by the Board, Directors shall each have a bond approved by the Directors of one thousand dollars (\$1,000) or an amount otherwise specified by the Directors.

Section 3. Treasurer. The Treasurer shall have a bond in an amount approved by the Directors, but in no event less than five thousand dollars (\$5,000.00). (W.S. § 38-2-101). The bond shall be with an approved surety or guaranty company or bondsman pursuant to law (W.S. § 38-2-102).

Section 4. Secretary. If required by law, or if resolved by the Board, the Secretary shall have a bond approved by the Directors of one thousand dollars (\$1,000.00) or an amount otherwise specified.

Section 5. Employees. If required by law, the Directors may require any District employee who receives District revenue to execute a bond with the

District in the penal sum of one and one half (1.5) times the amount of revenue received.

Section 6. Sureties. Sureties of official bonds shall be residents of Wyoming; provided however, that any surety or guaranty company, duly qualified to act as a surety or guarantor in Wyoming, upon executing such bonds shall be accepted in lieu of resident sureties. Sureties shall have a net worth of twice the amount secured by the bond and each shall sign an affidavit, which will be endorsed on the bond, of his net worth. (W.S. § 38-2-102; 18-3-102)

Section 7. Form of Bond. The bond for any Director or Officer having custody of moneys shall be conditioned that such Officer or Director shall faithfully perform all of the duties of his office as prescribed by law, and that he will safely keep all moneys which may come into his hands by virtue of his office, will promptly pay over to the person or persons legally provided by law, and will deliver over to his successor in office all moneys held by him as such Officer or Director. All bonds may be conditioned according to the form set forth at W.S. § 38-2-104, or as such statute may hereafter be amended. (W.S. § 38-2-101; 38-2-104)

ARTICLE VII ADVISORY COMMITTEE

The Board of Directors may appoint from their number, or from among such persons as the Board may see fit, one or more advisory committees, and at any time may appoint additional members thereto. The members of any such committee shall serve at the pleasure of the Board of Directors. Such advisory committees shall advise and aid the officers of the District in all matters designated by the Board of Directors. Each such committee may, subject to the approval of the Board of Directors, prescribe rules and regulations for the call and conduct of meetings of the committee and other matters relating to its procedure.

The members of any advisory committee shall not receive any stated salary for their services as such; provided, however, the Board of Directors shall have the discretionary power to contract for unusual or exceptional services to the District, and award special compensation appropriate to the value of such services.

ARTICLE VIII INDEMNIFICATION

Section 1. Indemnification Generally. When liability is alleged against any District Director, officer or employee, if the District Board of Directors determines that he was acting within the scope of his duty, whether or not alleged to have been committed maliciously or fraudulently, the District shall save harmless, and indemnify such Director, officer or employee against any tort

claim or judgment arising out of any act or omission occurring within the scope of said Director's, officer's or employee's duties (W.S. § 1-39-104(b)). Such indemnification shall include any amounts paid in settlement, and expenses (including attorneys' fees) actually and necessarily 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, officer or employee.

Section 2. Advances. Expenses incurred in defending an action, suit, or proceeding as contemplated in this Article may be paid by the District in advance of the final disposition of such action, suit or proceeding upon a majority vote of a quorum of the Board of Directors.

ARTICLE IX FORM OF ELECTIONS

The District may conduct, by mail ballot, elections to enlarge, withdraw, merge, consolidate, dissolve and such other elections required or permitted under the Improvement and Service District Act. The District may also pay the return postage of mail and absentee ballots.

ARTICLE X VOTING CLASSIFICATIONS

There are two classifications of voters, namely: qualified electors and owners.

Section 1. Voting as a "qualified elector". To vote as a qualified elector, the voter must be a natural person who: (a) is a citizen of the United States; (b) is a bona fide resident of the district or proposed district; and (c) has registered to vote. (Wyo. Stat. § 22-29-104(a)). In addition, the voter cannot be: (d) under eighteen (18) years of age; (e) a mentally incompetent person; or (f) convicted of a felony and his civil or voting rights have not been restored. (Wyo. Stat § 18-12-102(a)(vii)). Each qualified elector is entitled to one vote irrespective of the number of lots or parcels owned. (e.g., # 1: John Smith and Jane Smith are qualified electors and own one lot as "husband and wife", "joint tenants", or "tenants in common". They are each entitled to vote for a total of two votes. If they own more than one lot, they do not receive additional votes; e.g. # 2: John Smith and Jane Smith as husband and wife, and Joe Smith and Joan Smith, husband and wife, collectively own one lot. All four are qualified electors. They are each entitled to vote for a total of four votes.

Section 2. Voting as an "owner" of land. To vote as an owner of land in the District, the voter need only be "an owner of land in the district, including any corporation, partnership or association owning land in the district provided the individual who casts the vote for a corporation, partnership or association presents the election judge with a written authorization to vote for the

corporation, partnership or association.” (Wyo. Stat § 18-12-102(a)(vii)). The “landowner” or “owner of land” means the person or persons holding a majority interest in the record fee title to one (1) or more parcels of real property or a person or the person who are obligated to pay general property taxes under a contract to purchase real property. (Wyo. Stat. § 18-12-102(a)(x)). The “written authorization” means an affidavit filed with the election official conducting the election setting forth a general legal description of the property owned, the street or common name address for the property, the name or names of all owners of the property described, and a statement that the person signing the written authorization is the only person having authority to act on behalf of the owner or owners of the property. (Wyo. Stat. § 18-12-102(a)(xii)). That authorization must be presented for official filing and examination thirty (30) days before the election. Wyo. Stat. § 18-12-122(g),(h). A landowner is entitled to one vote irrespective of the number of lots or parcels owned. (E.g. # 1: John Smith and Jane Smith own several lots as husband and wife, joint tenants, or tenants in common, but they do not meet the requirements as qualified electors under Section 1. They are only entitled to one vote in total as an owner, for a total of one vote. E.g. # 2: XYZ corporation owns several commercial lots. It can only vote as an “owner” and can not vote as a “qualified elector” and is only entitled to one vote in total regardless of the number, size, or assessed value of its lots.)

ARTICLE XII RULES AND REGULATIONS

The Board of Directors shall adopt rules, regulations and procedures for the District, including those to govern the use and enjoyment of public improvements, facilities and services of the District (W.S. § 18-12-114 (b)), and may adopt reasonable rules and regulations not inconsistent with law for the government and control of the district organization and to facilitate the collection of assessments or charges (W.S. § 18-12-139). The District's rules, regulations and procedures shall be adopted pursuant to the requirements of the Wyoming Administrative Procedure Act.

ARTICLE XIII AMENDMENTS

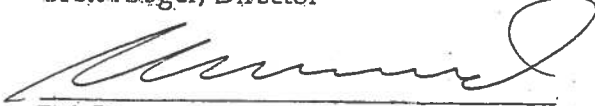
Section 1. Amendment by Directors. The Directors may amend these Bylaws upon the affirmative vote of a majority of the Directors; provided, however, that no such amendment, other than amendments having to do with interpretive bylaws or statements of general policy, shall be effective if two-thirds (2/3) of the District's property owners, or two-thirds (2/3) of the District's electors, as defined by W.S. § 18-12-102(a)(vii) or as such statute may hereafter be amended, object to such amendment in writing prior to the date of adoption of the amendment in accordance with the procedure set forth in Article XI Section 2.

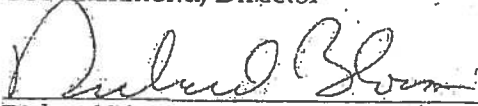
Section 2. Procedure for Adopting Amendments. Prior to the Directors' adoption of a substantive amendment to the Bylaws, the Directors shall give at least forty-five (45) days notice in accordance with the Wyoming Administrative Procedures Act. (W.S. § 16-3-103). Notice shall also be mailed to all persons making timely requests of the District for advanced notice of any amendments or rule-making proceedings.

The Directors shall afford all interested persons reasonable opportunity to submit their views or arguments in writing; provided, however, that in the case of substantive rules, opportunity for oral hearing shall be granted if requested by twenty-five (25) persons, or by a governmental subdivision, or by an association having not less than twenty-five (25) members, said hearing to be conducted not earlier than forty-five (45) days after the date notice of amendment is published. (W.S. § 16-3-101(a)(ii)(A)).

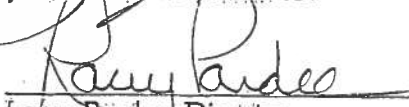
IN WITNESS WHEREOF, the Board of Directors of the Melody Ranch Improvement and Service District have adopted these Bylaws in accordance with the Wyoming Administrative Procedures Act, effective the ___ day of January, 2013.


Brett Kroger, Director


Bob Hammond, Director


Richard Bloom, Director


James W. Gate, Director


Larry Pardee, Director