

AMENDED AND RESTATED
BYLAWS
OF
HIGHLANDS OF TURKEY CANON RANCH HOMEOWNER'S ASSOCIATION

ARTICLE ONE: OBJECT

1.1 Association. HIGHLANDS OF TURKEY CANON RANCH HOMEOWNER'S ASSOCIATION (the "Association") is a nonprofit corporation, organized under the Colorado Revised Nonprofit Corporation Act (the "Nonprofit Act") to operate in accordance with the Colorado Common Interest Ownership Act (the "Act"). These bylaws (the "Bylaws") are adopted for the administration, regulation and management of the affairs of the Association.

1.2 Purposes. The purposes for which the Association is formed are: (a) to promote the interests and welfare, and be for the common benefit of, the Owners of the Community, members of the Association and their guests; (b) to be and to constitute the Association to which reference is made in the DECLARATION OF CONDITIONS, COVENANTS, RESTRICTIIONS AND EASEMENTS FOR HIGHLANDS OF TURKEY CANON RANCH-I FILING No. 2 (the "Declaration") recorded against the Community in the records of El Paso County, Colorado (the "County"); (c) to govern in accordance with the Act, the Nonprofit Act, the Declaration and the Articles of Incorporation, Bylaws of the Association, the residential community known as Highlands of Turkey Canon Ranch Filing No.2 (the "Community"), located in El Paso County, Colorado; and (d) to provide for the administration, maintenance, repair and reconstruction of the Common Areas of the Community as provided in the Declaration. The Declaration, the Articles of Incorporation, these Bylaws, the Rules and the Plat, together with any governmental documents shall be collectively called the "Association Documents".

1.3 Terms Defined in Declaration. Terms used in these Bylaws which are not defined herein but are defined in the Declaration shall have the same meaning and definition in these bylaws as such terms have in the Declaration.

ARTICLE TWO: OFFICES

2.1 Principal Office. The principal office and place of business of the Association shall be designated from time to time by the Board of Directors.

2.2 Registered Office and Agent. The registered office of the Association shall be the same as the principal office. The registered agent and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE THREE: MEMBERSHIP

The Association shall have members. There shall be one class of membership, which shall be every record Owner of a Tract subject to the Declaration. Membership shall be appurtenant to and may not be separated from ownership of any Tract Ownership of such Tract shall be the sole qualification for such membership, provided, however, a member must be in compliance with the Association Documents to be a member in good standing and so entitled to the rights and privileges of membership; any reference to "member" in the Association Documents shall refer to a member in good standing. Where more than one person holds interest in any Tract all such persons shall be members.

Membership in the Association at all times shall consist exclusively of all Tract Owners or, following termination of the Community, of all former Tract Owners entitled to distribution of the proceeds under § 38-33.3-218 of the Act, or their heirs, personal representatives, successors or assigns.

ARTICLE FOUR: VOTING

4.1 Voting Entitlement. The Association shall have one class of voting membership. Owners shall be entitled to one vote for each Tract owned in the Community; provided, however, in any election of directors, each Owner shall have for each Tract owned the number of votes equal to the number of directors to be elected, to be cast no more than one vote per candidate (up to the number of directors to be elected) and provided further, only members in good standing shall be entitled to vote, hold office or otherwise be counted or considered as members under the Association Documents.

The vote for such Tract, the ownership of which is held by more than one Owner, may be exercised by any one of them, unless an objection or protest by any other holder of an interest of the Tract is made prior to the completion of the vote, in which case the vote for such Tract shall be exercised as the persons holding such interest shall determine between themselves. Should the joint Owners of a Tract be unable, within a reasonable time, to agree upon how they will vote any issue, they shall be passed over and their right to vote on such issue shall be lost. In no event shall more than one vote be cast with respect to any such Tract.

In the absence of an express notice to the Board of Directors of the designation of a specific person to cast a vote, the vote of a legal entity may be cast by any officer of that entity, the vote of a partnership may be cast by any general partner of that partnership, the vote of a limited liability company may be cast by any manager of that limited liability company, and the vote of a trust may be cast by any trustee of that trust.

4.2 Voting Lists. After a record date is fixed for a membership meeting or for determining the members entitled to vote by written ballot, the Secretary may, at the sole discretion of the Board of Directors, but subject to Colorado State law, make, at the earlier of ten days before such meeting or two business days after notice of the meeting has been given, a complete list of the members entitled to be given notice of such meeting or any adjournment

thereof (the "Voting List"). The Voting List shall be arranged in alphabetical order and shall show the name, address of each member and number of votes to which each member is entitled.

For the period beginning the earlier of ten days prior to the meeting or two business days after notice of the meeting is given and continuing through the meeting and any adjournment thereof, this Voting List shall be kept on file at the office of the Association. Such Voting List shall be available for inspection on written demand by any member or the member's agent or attorney during regular business hours and during the period available for inspection.

If the Voting List is prepared in connection with a written ballot, the Voting List shall be available for inspection beginning on the date the first written ballot is delivered and continuing through the time when such written ballots must be received by the Association in order to be counted. Any member or the member's agent may copy the Voting List during regular business hours, at its own expense, and during the period it is available for inspection, provided: (a) the member has been a member for at least three months immediately preceding the demand; (b) the demand is made in good faith and for a purpose reasonably related to the demanding member's interest; (c) the member describes with reasonable particularity the purpose and the records the member desires to inspect; (d) the records are directly connected with the described purpose, and (e) the member pays a reasonable charge covering the costs of labor and material for such copies, not to exceed the estimated cost of production and reproduction.

4.3 Limitations on Use of Voting Lists. Unless the Board of Directors gives its prior consent, the Association's Voting Lists or any part thereof may not be: (a) obtained or used by any person for any purpose unrelated to a member's interest as a member; (b) used to solicit money or property unless such money or property will be used solely to solicit the votes of the members in an election by the Association; (c) used for any commercial purpose; or (d) sold or purchased by any person.

4.4 Quorum and Manner of Action. The presence at a meeting of members of the Association and members' proxies to which at least 15% of the votes in the Association are allocated shall constitute a quorum for any action unless a greater number is required by the Act, the Nonprofit Act, the Declaration, the Articles of Incorporation or these Bylaws.

Except as provided in Section 4.1 regarding election of directors and Section 5.9 regarding action on the Budget, action on any matter is approved if there has been cast a greater number of affirmative votes in favor than negative votes in opposition by members who are entitled to vote thereon at a meeting at which a quorum is present, unless a greater number is required by law, the Declaration, the Articles of Incorporation or these Bylaws, except that in the election of directors, those candidates receiving the highest number of votes cast in their favor (equal to the number of directors to be elected) are elected to the Board of Directors.

If such quorum shall not be present or represented by proxy at any meeting, the members entitled to vote thereat shall have the 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 represented.

4.5 Proxies. At all meetings of members, a member may vote by proxy by signing an appointment form appointing another member of the Association. A member may also appoint a proxy by transmitting or authorizing the transmission of a telegram, teletype, facsimile or electronic mail transmission providing a written statement of the appointment to the proxy. The proxy shall be filed with the Secretary of the Association before or at the time of the meeting. The appointment of a proxy is effective when received by the Association and is valid for eleven (11) months unless a different period is expressly provided in the proxy.

An appointment of a proxy is revocable by the appointing member and may be revoked by attending any meeting and voting in person or signing and delivering to the Secretary either a writing stating that the proxy is revoked or a subsequent appointment form.

The death or incapacity of the member appointing a proxy does not affect the right of the Association to accept the proxy's authority unless notice of the death or incapacity is received by the Secretary or other person authorized to tabulate votes before the proxy exercises its authority under the appointment.

The Association is entitled to reject a vote, consent, waiver, proxy appointment or proxy appointment revocation if the Secretary or other officer authorized to tabulate votes, acting in good faith, has reasonable basis for doubt about the validity of the signature on it or about the authority to sign for the member.

Neither the Association nor its officers nor any agent who accepts or rejects a vote, consent, waiver, proxy appointment or proxy appointment revocation in good faith and in accordance with the standards of this Section 4.5 is liable in damages for the consequences of the acceptance or rejection.

Any proxy given in accordance with the above includes the right of the proxy to substitute a successor proxy.

4.6 Action by Written Ballot. Any action that may be taken at any Annual or Special Meeting of members may be taken without a meeting if the Association delivers a written ballot to every member entitled to vote on the matter. The written ballot shall: (a) set forth each proposed action; and (b) provide an opportunity to vote for or against the proposed action. Approval by written ballot shall only be valid when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. (See Section 4.4 hereof).

All solicitations for votes by written ballot shall: (a) indicate the number of responses necessary to meet the quorum requirements; (b) state the percentage of approvals necessary to approve each matter other than election of directors; and (c) specify the time by which the ballot must be received by the Association in order to be counted.

4.7 Action Under State Law. In addition to the foregoing, any action of members may be taken in any manner permitted by Colorado State law.

ARTICLE FIVE: MEETINGS OF THE ASSOCIATION

5.1 Place of Meetings. Meetings of the Association shall be held at such place within the County as the Board of Directors may determine.

5.2 Annual Meeting. The annual meeting ("Annual Meeting") of the Association shall be held at a time, date and place established by the Board of Directors each year for the purpose of electing members of the Board of Directors of the Association to replace members whose terms are expiring and for transaction of such other business as may come before the meeting.

A member may apply to the County's District Court to seek an order that an Annual Meeting be held: (a) if an Annual Meeting was not held within six months after the close of the Association's most recently ended fiscal year or fifteen (15) months after its last Annual Meeting, whichever is earlier, or (b) if the member participated in a proper demand for an Annual Meeting and notice of the Annual Meeting was not given within thirty (30) days after the date of the demands necessary to require calling of the meeting was received by the Association, or (c) if the Annual Meeting was not held in accordance with the notice.

5.3 Special Meetings. Special meetings ("Special Meetings") of the Association may be called at any time by the Board of Directors, or by written demand of the members stating the purpose or purposes for calling the meeting signed by members to which at least thirty-three and one-third percent (33-1/3%) of the votes in the Association are allocated.

Special Meetings shall be held at such reasonable time and place within the County as may be designated by the authority calling such meeting. The purpose of any Special Meeting of the members shall be stated in such notice. Only business within the purpose or purposes described in the notice may be conducted at a Special Meeting.

5.4 Notice of Meetings. Notice shall be given to each member entitled to vote at a meeting in a fair and reasonable manner. Notice may be given as set forth below. Written notice sent by first class or registered mail of any Annual or Special Meeting stating the place, date and hour of the meeting shall be given not less than ten (10) nor more than fifty (50) days before the date of the meeting, except as otherwise required by the Act, the Nonprofit Act, the Declaration (including without limitation provisions therein regarding Special Assessments), the Articles of Incorporation or these Bylaws.

Notice of a Special Meeting shall include a description of the purpose or purposes of the meeting. Notice of an Annual Meeting need not include a description of the purpose or purposes except the purpose or purposes shall be stated with respect to (a) an amendment to the Articles of Incorporation or Bylaws of the Association; (b) merger; (c) a sale, lease or exchange of all or substantially all of the property of the Association; (d) dissolution of the Association; (e) restatement of the Articles of Incorporation or Bylaws of the Association; (f) any proposal to

remove an officer or director from office; (g) any other purpose for which a statement of purpose is required by the Act, the Nonprofit Act, the Declaration, the Articles of Incorporation or these Bylaws.

When giving notice of an Annual or Special Meeting of the Association, the Association shall give notice of a matter a member intends to raise at the meeting if a person entitled to call a Special Meeting submits a request, in writing, and it is received by the Secretary or President at least ten days before the Association gives notice of the meeting.

5.5 Methods of Notice. Notice shall be given personally or by mail, personal service, telegraph, teletype, electronic mail, facsimile or other form of wire or wireless communication by or at the direction of the President, the Secretary, or the officer or persons calling the meeting, to each member entitled to vote at such meeting.

If mailed, such notice shall be deemed to be given and effective at the earliest of: (a) the date received; (b) five days after deposit in the United States mail properly addressed to the member at the member's address as it appears in the Association's current record of members, with first class postage prepaid; or (c) the date shown on the return receipt, if mailed by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee or on the date of its rejection.

If notice is given by facsimile, electronic mail or other similar form of wire or wireless communication, such notice shall be deemed to be given and effective when sent, and with respect to a telegram, such notice shall be deemed to be given and effective when the telegram is delivered to the telegraph agency.

No notice need be sent to any member if three successive notices mailed to the last known address of such member have been returned as undeliverable until such time as another address for such member is made known to the Association by the member. In order to be entitled to receive notice of any meeting, a member shall advise the Association in writing of any change in the member's mailing address as shown on the Association's books and records.

5.6 Adjournment of Meeting. When a meeting is adjourned to another date, time or place, notice need not be given of the new date, time or place if the new date, time or place of such meeting is announced before adjournment of the meeting at which the adjournment is taken. At the adjourned meeting the Association may transact any business which may have been transacted at the original meeting.

5.7 Meetings by Telecommunication. Any or all of the members may participate in an Annual or Special Meeting, or the meeting may be conducted through the use of any means of communication by which all members participating in the meeting can hear each other during the meeting. A member participating in a meeting in this manner is deemed to be present in person at the meeting.

5.8 Fixing of Record Date. The Board of Directors shall fix a record date for determining which of the members are entitled to notice of any meeting of the members and to

vote or otherwise take action at any such meeting. If the Board of Directors fails to do so, then the record date for purposes of determining the members entitled to notice of and to vote or otherwise take action at such meeting shall be the close of business on the 30th calendar day preceding the date notice is to be given.

5.9 Budget Meetings

(a) Annual Budget Meeting. Notwithstanding the above, the Board of Directors shall cause to be prepared, at least fifty (50) days prior to the commencement of each calendar year, the budget ("Budget") for such calendar year. Within thirty (30) days after the adoption of any Budget by the Board of Directors, the Board of Directors shall mail, by ordinary first-class mail, or otherwise deliver, a summary of the Budget to each Owner and shall set a date for a meeting of the Owners to consider ratification of the Budget not less than ten (10) days nor more than fifty (50) days after delivery of the summary.

Unless at that meeting Owners to which at least sixty-seven percent (67%) of the votes in the Association are allocated reject the Budget, the Budget shall be deemed ratified whether or not a quorum is present. In the event the Budget is rejected, the Budget last ratified by the Owners must be continued until such time as the Owners ratify a subsequent budget adopted by the Board of Directors.

(b) Amended Budget Meeting. If the Board of Directors deems it necessary or advisable to amend a Budget that has been ratified by the Owners pursuant to Section 5.9(a) above, and which increases the assessments payable by the Owners, the Board of Directors may adopt a proposed amendment to the Budget, deliver a summary of the proposed amendment to all Owners and set a date for a meeting of the Owners to consider ratification of the proposed amendment. The date of such meeting shall not be less than ten (10) days nor more than fifty (50) days after the delivery of the summary of the proposed amendment. Notwithstanding the foregoing, the Board may, in its discretion, adjust line items in the Budget as long as such adjustments do not increase assessments.

Unless at that meeting Owners to which at least sixty-seven percent (67%) of the votes in the Association are allocated reject the amended Budget, the amended Budget shall be deemed ratified whether or not a quorum is present.

ARTICLE SIX: THE BOARD OF DIRECTORS

6.1 Number. The affairs of the Association shall be governed by a Board of Directors composed of no less than three (3) nor more than five (5) members as determined from time-to-time by the members at the beginning of any annual meeting. The first Board of Directors shall consist of four (4) directors. Thereafter, within the limits above specified, the number of directors shall be determined by resolution of the members.

6.2 The Period of Declarant Control. INTENTIONALLY LEFT BLANK.

6.3 The Board of Directors After the Period of Declarant Control. Directors shall be elected at each Annual Meeting of the Association as provided in these Bylaws.

The initial terms of the elected directors shall be fixed at the time of their election as they among themselves shall determine. In the event there are three (3) directors, the term of one (1) director shall be fixed at one (1) year; the term of one (1) director shall be fixed at two (2) years; and the term of one (1) director shall be fixed at three (3) years. In the event there are more than three (3) directors, the terms of the directors shall be staggered as determined by the Board of Directors, with no term exceeding three (3) years. At the expiration of the term of office of each respective member of the Board of Directors, a successor shall be elected to serve for a term of three (3) years.

Directors shall continue in office until their successors have been elected, unless a director resigns, is removed or becomes disqualified to be a director.

6.4 Qualifications. An elected director must be a member in good standing and an Owner of a Tract within the Community or be an officer of a corporate Owner of a Tract, or a partner in a partnership owning a Tract, or a trustee of a trust owning a Tract, or a manager of a limited liability company owning a Tract within the Community. If a director ceases to be a member in good standing and an Owner of a Tract, or a corporate officer, partner, trustee or manager of an entity which owns a Tract, such director's term as director shall immediately terminate, and a new director shall be selected as promptly as possible to take such director's place.

A director may be reelected, and there shall be no limitation as to the number of terms a director may serve.

6.5 Resignation of Directors. Any director may resign at any time by giving written notice to the Secretary of the Association, stating the effective date of such resignation. Acceptance of such resignation shall not be necessary to make the resignation effective.

6.6 Removal. The Owners by a two-thirds (2/3) vote of all members present and entitled to vote at a meeting of the Owners at which a quorum is present, may remove any member of the Board of Directors with or without cause.

6.7 Vacancy on the Board of Directors. Any vacancy in the Board of Directors shall be filled as soon as possible by the Board. A director appointed to fill a vacancy shall be appointed for the unexpired term of such person's predecessor in office and until such person's successor is duly elected and shall have qualified. Any position on the Board of Directors to be filled by reason of an increase in the number of directors shall be filled by a vote of the members as soon as practicable after the time such increase is authorized.

6.8 Committees. The Board of Directors may establish one (1) or more committees. Such committees may provide such advice, service and assistance as requested, but may not

exercise any power or authority reserved to the Board of Directors. Chairpersons of committees must have the same qualifications as Directors.

ARTICLE SEVEN: MEETINGS OF THE BOARD OF DIRECTORS

7.1 Regular Meetings. Regular meetings of the Board of Directors shall be held as the needs of the Association dictate, but at least quarterly, at such place and hour as may be fixed from time-to-time by the Board of Directors.

7.2 Annual Meetings. The Annual Meeting of the Board of Directors shall be held immediately following and in the same place as the Annual Meeting of the Association in each calendar year, or on such other date and at such time and at such place as the President may determine. The Annual Meeting of the Board of Directors shall be for the purpose of electing officers and for the transaction of such other business as may come before the meeting.

7.3 Special Meetings. Special Meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) directors.

7.4 Purpose of Meetings. Neither the business to be transacted at, nor the purpose of, any meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

7.5 Quorum Voting. A quorum at all meetings of the Board of Directors shall consist of a majority of the directors holding office. Less than a quorum may adjourn from time to time without further notice until a quorum is secured. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. For purposes of determining a quorum and for purposes of casting a vote, a director may be deemed to be present and to vote if the director grants a signed, written proxy to another director. The proxy must direct a vote to be cast with respect to a particular proposal that is described with reasonable specificity in the proxy. No other proxies are allowed, except as may be otherwise allowed by Colorado State law.

7.6 Action Without a Meeting. Any action required by law to be taken at a meeting of the Board of Directors, or any other action which may be taken at a meeting of directors, may be taken without a meeting (i) in any manner allowed by Colorado State law or (ii) if every member of the Board of Directors in writing either: (a) votes for such action or (b) votes against such action or abstains from voting and waives the right to demand that a meeting be held. Action is taken only if the affirmative votes for such action equals or exceeds the minimum number of votes that would be necessary to take such action at a meeting at which all of the directors then in office were present and voted.

The action shall only be effective if there are writings which describe the action, signed by all directors, received by the Association and filed with the minutes. Any such writings may be received by electronically transmitted facsimile or other form of wire or wireless communication providing the Association with a complete copy of the document including a

copy of the signature. Actions taken shall be effective when the last writing necessary to effect the action is received by the Association unless the writings set forth a different date.

Any director who has signed a writing may revoke it by a writing signed, dated and stating the prior vote is revoked. However, such writing must be received by the Association before the last writing necessary to effect the action is received. All such actions shall have the same effect as action taken at a meeting.

7.7 Compensation. The Board of Directors may authorize and fix the reasonable compensation of directors and may reimburse any member of the Board of Directors for reasonable expenses incurred in connection with service on the Board of Directors.

7.8 Notice. Notice of the date, time and place of any Special Meeting of the Board of Directors shall be given to each director at least five (5) days prior to the meeting by written notice either personally delivered or mailed to each director at the director's business address or home address, or by notice transmitted by private courier, telegraph, electronic mail, facsimile transmission or other form of wire or wireless communication. If mailed, such notice shall be deemed to be given and to be effective on the earlier of: (a) five (5) days after such notice is deposited in the United States mail, properly addressed, with first class postage prepaid; or (b) the date shown on the return receipt, if mailed by registered or certified mail return receipt requested, provided that the return receipt is signed by the director to whom the notice is addressed, or date of rejection.

If notice is given by facsimile, electronic mail or other similar form of wire or wireless communication, such notice shall be deemed to be given and to be effective when sent, and with respect to a telegram, such notice shall be deemed to be given and effective when the telegram is delivered to the telegraph company.

7.9 Waiver of Notice. A director may waive notice of a meeting before or after the time and date of the meeting by a writing signed by the director. Such waiver shall be delivered to the Secretary for filing with the Association records, but such delivery and filing shall not be conditions to the effectiveness of the waiver.

A director's attendance at or participation in a meeting waives any required notice to the director of the meeting unless at the beginning of the meeting, or promptly upon the director's later arrival, the director objects to holding the meeting or transacting business at the meeting because of lack of notice or defective notice and does not thereafter vote for or assent to action taken at the meeting. Neither the business to be transacted at, nor the purpose of, any Annual or Special Meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

7.10 Electronic Meetings. The Board of Directors may permit any director to participate in an Annual or Special Meeting of the Board of Directors through the use of any means of electronic communication as permitted by Colorado State law. A director participating in a meeting in this manner is deemed to be present in person at the meeting.

7.11 Standard of Conduct for Directors and Officers. Each director and officer shall perform their duties as a director or officer in good faith, in a manner the director or officer reasonably believes to be in the best interests of the Association, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and with the rights and immunities allowed by Colorado State law, including without limitation, the Business Judgment Rule set forth by Colorado courts.

In the performance of their duties, a director or officer shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by the persons designated below.

A director or officer shall be considered to be acting in good faith if the director or officer has sufficient knowledge concerning the matter in question that would cause such reliance to be warranted. A director or officer shall not be liable to the Association or its members for any action the director or officer takes or omits to take as a director or officer if, in connection with such action or omission, the director or officer performs their duties in compliance with this Section 7.11 or in accordance with other provisions of the Association Documents or under Colorado State law. A director or officer, regardless of title, shall not be deemed to be a trustee with respect to the Association or with respect to any property held or administered by the Association.

The designated persons on whom a director or officer are entitled to rely are: (a) one (1) or more officers or employees of the Association whom the director or officer reasonably believes to be reliable and competent in the matters presented; (b) legal counsel, professional property manager, public accountant, or other persons as to matters which the director or officer reasonably believes to be within such person's professional or expert competence; or (c) a committee of the Board of Directors on which the director or officer does not serve if the director reasonably believes the committee merits confidence.

ARTICLE EIGHT: POWERS AND DUTIES

8.1 Powers and Duties. The Board of Directors shall have the powers and duties necessary, desirable or appropriate for the administration of the affairs of the Association and for the operation and maintenance of the Community. The Board of Directors may do all such acts and things which are not specifically required to be done by the members by the Nonprofit Act, the Act, the Association Documents or as otherwise allowed or required by Colorado State law. The Board may adopt rules ("Rules") which interpret or implement the Association Documents or any provisions of Colorado State law; the Board's decisions whether as Rules or otherwise shall be final, conclusive and binding upon all Owners and others.

8.2 Managing Agent. The Board of Directors may employ for the Association a managing agent ("Managing Agent") at a compensation established by the Board of Directors, to perform such duties and services as the Board of Directors shall authorize; provided, however, that the Board of Directors in delegating such duties shall not be relieved of its responsibility under the Declaration.

Should the Board of Directors delegate to any Managing Agent or other person the powers relating to collection, deposit, transfer or disbursement of Association funds:

(a) the other person or Managing Agent shall maintain fidelity insurance coverage or a bond in an amount not less than \$50,000 or such higher amounts as the Board of Directors may require;

(b) the other person or Managing Agent shall maintain all funds and accounts of the Association separate from the funds and accounts of other associations managed by the other person or managing agent and maintain all reserve accounts of each association so managed separate from operational accounts of the Association; and

(c) an annual accounting for Association funds and a financial statement shall be prepared and presented to the Association by the Managing Agent a public accountant, or a certified public accountant.

ARTICLE NINE: OFFICERS AND THEIR DUTIES

9.1 Enumeration of Officers. The officers of the Association shall be a President, Vice President, Secretary and Treasurer, and such other officers as the Board of Directors may from time-to-time by resolution create. The President and Secretary must be members in good standing and Owners and members of the Board of Directors.

9.2 Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors and thereafter at the first meeting of the Board of Directors following each Annual Meeting of the Association.

9.3 Term. The officers shall be elected annually by the Board of Directors and each shall hold office for one (1) year unless such officer shall sooner die, resign or shall be removed or otherwise disqualified to serve.

9.4 Special Appointments. The Board of Directors 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 of Directors may from time to time determine.

9.5 Resignation and Removal. Any officer may be removed from office with or without cause by the Board of Directors. Any officer may resign at any time by giving written notice to the president. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and 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 of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

9.7 Multiple Offices. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

9.8 Duties. The duties of the officers are as follows:

(a) President. The president ("President") shall preside at all meetings of the Association and the Board of Directors; shall see that orders and resolutions of the Board of Directors are carried out; shall sign on behalf of the Association all amendments to any Association Documents, leases, mortgages, deeds, notes and other written instruments; and shall exercise and discharge such other duties as may be required of the President by the Board of Directors.

(b) Vice President. The vice president ("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 of the Vice President by the Board of Directors.

(c) Secretary. The secretary ("Secretary") shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Association; serve notice of meetings of the Board of Directors and of the Association; keep appropriate current records showing the members together with their addresses; and shall perform such other duties as required by the Board of Directors, including the signing of any amendments to any Association Documents.

(d) Treasurer. The treasurer ("Treasurer") shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by the Board of Directors; sign all checks of the Association unless the Board of Directors specifically directs otherwise; keep proper books of account; prepare an annual budget and a statement of income and expenditures to be presented to the members at the regular Annual Meeting of the Association. The Treasurer shall cause an audit of the Association's books to be made by an accountant if so directed by the Board of Directors, or upon the written request of members to which at least thirty-three and one-third percent (33-1/3%) of the votes in the Association are allocated.

ARTICLE TEN: ASSOCIATION RECORDS

10.1 Execution of Instruments. All agreements, contracts, deeds, leases, checks, notes and other instruments of the Association may be executed by any officer as designated by resolution of the Board of Directors. In the absence of such designation, the President shall have such authority. The President and Secretary may prepare, execute, certify and record Amendments to the Declaration on behalf of the Association.

10.2 Statements of Unpaid Assessments/Transfer Fees. Any officer having access to the books and records of the Association or Managing Agent may prepare, certify and execute

statements of unpaid assessments (“Statements of Unpaid Assessments”), in accordance with § 38- 33.3-316 of the Act.

The Association may charge a reasonable fee for preparing these Statements of Unpaid Assessments and for transferring a membership on the books and records of the Association. Any unpaid fees may be assessed as an individual assessment against the Tract for which the certificate or statement is furnished.

10.3 Inspection and Copying of Association Records. Upon written demand delivered at least five (5) business days before the date on which a member wishes to inspect and copy any of the records identified in these Bylaws, a member or its agent is entitled to inspect and copy such records during regular business hours at the Association’s office. The Association may impose a reasonable charge, covering the costs of labor and material, for copies of the documents provided. The charge may not exceed the estimated cost of production and reproduction of the records. Members entitled to inspect these records must also meet the following requirements: (a) the demand must be made in good faith and for a proper purpose; (b) the member must describe with reasonable particularity the purpose and the records the member desires to inspect; and (c) the records must be directly connected with the described purpose. The rights set forth herein may not be abolished or limited by the Articles of Incorporation or these Bylaws or by the Rules.

ARTICLE ELEVEN: AMENDMENTS

11.1 Authority to Amend. These Bylaws may be amended by a vote of a majority of the members in good standing present in person or by proxy at any Annual Meeting of the Association or at any Special Meeting called for the purpose of amending the Bylaws.

11.2 Agency Approval. If the Community has been or is to receive Veterans Administration and/or Federal Housing Administration approval, such agencies may have the right to veto amendments.

ARTICLE TWELVE: INDEMNIFICATION

12.1 General Provisions. The Association shall indemnify any person who is or was a party or is threatened to be made a party to any proceeding by reason of the fact that such person is or was a director or officer of the Association, against expenses including attorney’s fees, liability, judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such proceeding if such person: (a) acted in good faith; (b) reasonably believed, in the case of conduct in an official capacity with the Association, that the conduct was in the best interests of the Association, and, in all other cases, that the conduct was at least not opposed to the best interests of the Association; and (c) with respect to any criminal proceeding, had no reasonable cause to believe that the conduct was unlawful.

However, no person shall be entitled to indemnification under this Section 12.1 either: (a) in connection with a proceeding brought by or in the right of the Association in which the director or officer was adjudged liable to the Association; or (b) in connection with any other

proceeding charging improper personal benefit to the director or officer, whether or not involving action in that person's official capacity, in which the officer or director is ultimately adjudged liable on the basis that the director or officer improperly received personal benefit.

Indemnification under this Section 12.1 in connection with a proceeding brought by or in the right of the Association shall be limited to reasonable expenses incurred in connection with the proceeding. The termination of any action, suit or proceeding by judgment, order, settlement or conviction or upon a plea of *nolo contendere* or its equivalent shall not of itself be determinative that the person did not meet the standard of conduct set forth in this Section 12.1.

12.2 Successful Defense on the Merits: Expenses. To the extent that a director or officer of the Association has been wholly successful on the merits in defense of any proceeding to which he or she was a party, such person shall be indemnified against reasonable expenses, including attorney's fees actually and reasonably incurred in connection with such proceeding.

12.3 Determination of Right to Indemnification. Any indemnification under Section 12.1 (unless ordered by a court) shall be made by the Association only as authorized in each specific case upon a determination that indemnification of the director or officer is permissible under the circumstances because such person met the applicable standard of conduct set forth in Section 12.1.

Such determination shall be made: (a) by the Board of Directors by a majority vote of a quorum of disinterested directors who at the time of the vote are not, were not and are not threatened to be made parties to the proceeding; or (b) if such a quorum of the Board of Directors cannot be obtained by independent legal counsel selected by the Board of Directors. Authorization of indemnification and evaluation as to the reasonableness of expenses shall be made in the same manner as the determination that indemnification is permissible, except that, if the determination that indemnification is permissible is made by independent legal counsel, authorization of indemnification and evaluation of legal expenses shall be made by the body that selected such counsel.

12.4 Advance Payment of Expenses: Undertaking to Repay. The Association shall pay for or reimburse the reasonable expenses including attorney's fees incurred by a director or officer who is a party to a proceeding in advance of the final disposition of the proceeding if (a) the director or officer furnishes the Association a written affirmation of the director's or officer's good faith belief that the person has met the standard of conduct set forth in Section 12.1; (b) the director or officer furnishes the Association with a written undertaking, executed personally or on the director's or officer's behalf, to repay the advance if it is determined that the person did not meet the standard of conduct set forth in Section 12.1.

Such undertaking shall be an unlimited general obligation of the director or officer but which need not be secured and which may be accepted without reference to financial ability to make repayment; and a determination is made by the body authorizing indemnification that the facts then known to such body would not preclude indemnification.

12.5 Other Employees and Agents. The Association shall indemnify such other

employees and agents of the Association to the same extent and in the same manner as is provided above in Section 12.1 with respect to directors and officers, by adopting a resolution by a majority of the members of the Board of Directors specifically identifying by name or by position the employees or agents entitled to indemnification.

12.6 Nonexclusively of Paragraph. The indemnification provided by this Article Twelve shall not be deemed exclusive of any other rights and procedures to which one indemnified may be entitled under Colorado State law, the Association Documents, any agreement, resolution of disinterested directors, or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director or officer, and shall inure to the benefit of such person's heirs, executors and administrators.

ARTICLE THIRTEEN: MISCELLANEOUS

13.1 Financial Statement. Any mortgagee shall be entitled, upon written request, to an audited financial statement ("Financial Statement") for the immediately preceding fiscal year at such mortgagee's expense. Any Financial Statements so requested shall be furnished within a reasonable time following such request.

13.2 Robert's Rules of Order. All meetings of the Association and all meetings of the Board of Directors will be held in accordance with Robert's Rules of Order.

13.3 Minutes. At all meetings of the Association and at all meetings of the Board of Directors, minutes ("Minutes") shall be taken and kept in a permanent file and be available for review by the members in accordance with Section 10.3 hereof or any Rules adopted by the Board.

13.4 Corporate Seal. The Board of Directors may adopt a seal which may have inscribed thereon the name of the Association and the words "Seal" and "Colorado".

13.5 Fiscal Year. The fiscal year of the Association shall begin on the 1st day of January and end on the 31st day of December of every year, unless changed by the Board of Directors. The first year shall begin on the date of incorporation.

13.6 Waiver. No restriction, condition, obligation or provision contained in these Bylaws or in any Association Document shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

13.7 Interpretation. The provisions of these Bylaws shall be liberally construed to effect the purpose of ensuring that the Community shall at all times be operated and maintained in a manner so as to optimize and maximize its enjoyment and utilization by each Tract Owner. The Board may interpret these Bylaws and the Association Documents, and its interpretation shall be final, conclusive and binding upon all members.

IN WITNESS WHEREOF, the undersigned President and Secretary have hereto set their hands this _____ day of _____, 2009.

HIGHLANDS OF TURKEY CANON
RANCH HOMEOWNER'S ASSOCIATION

By: _____
Name: _____
Its: President

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting secretary of HIGHLANDS OF TURKEY CANON RANCH HOMEOWNER'S ASSOCIATION, a Colorado nonprofit corporation.

That the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted by the consent of the Board of Directors and members on the _____ day of _____, 2009.

By: _____
Name: _____
Its: Secretary