

**BYLAWS OF
BUFFALO RIDGE ESTATES HOMEOWNER'S ASSOCIATION, INC.**

**ARTICLE ONE
OFFICES**

The principal office of the Corporation in the State of Colorado shall be located in the County of Weld, Colorado. The Corporation may also have offices at such other places within or without the State of Colorado as the board of directors may from time to time determine or the business of the Corporation may require.

**ARTICLE TWO
MEMBERS**

Section 2-1. Place of Meetings. Meetings of members shall be held at the principal office of the Corporation or at such other place within or without the State of Colorado as the board of directors shall authorize.

Section 2-2. Annual Meeting. The annual meeting of the members may be held on the second Tuesday of the third month following the close of the fiscal year at 10:00 o'clock a.m. in each year if not a legal holiday; and if a legal holiday, then on the next business day following at the same hour, when the members shall elect directors and transact such other business as may properly come before the meeting. Failure to hold such meeting shall not affect the validity of the corporate existence or any corporate actions.

Section 2-3. Special Meetings. Special meetings of the members may be called by the board of directors or by the president, and shall be called by the president or the secretary at the request, in writing, of a majority of the board or at the request, in writing, by members owning not less than ten (10%) of the lots which are subject by covenants of record to assessment by the Buffalo Ridge Estates Homeowners= Association (AAssociation@). Such request and the notice of meeting issued pursuant thereto shall state the purpose or purposes of the proposed meeting. Business transacted at a special meeting shall be confined to the purposes stated in the notice.

Section 2-4. Fixing Record Date. For the purpose of determining the members qualified or entitled to notice of or to vote at any meeting of members or any adjournment thereof, or to express consent to or dissent from any proposal without a meeting, or for any other proper purpose, the board of directors shall fix, in advance, a date as the record date for any such determination of members. Such date shall be not more than seventy-five (75) nor less than ten (10) days before the date of such meeting. If no record date is fixed by the board, the record date for any such

purpose shall be ten (10) days before the date of such meeting or action. When such determination of qualified or entitled members has been made as provided above, such determination shall also apply to any adjourned meeting, except where transfer of any lot has occurred after the original meeting was adjourned and at least ten (10) days before the date of such adjourned meeting.

Section 2-5. Notice of Meetings of Members. Written notice shall be delivered either personally or by mail to each member entitled to vote at any meeting of the members. Such notice shall be delivered not less than ten (10) nor more than sixty (60) days before the date of the meeting. The notice of such meeting shall state the place, date and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called. The notice shall indicate that it is being issued by or at the direction of the officer or persons calling the meeting. If mailed, such notice shall be deemed delivered when deposited in the United States mail, with postage prepaid, addressed to the member at the member's address as it appears on the records of the Corporation, or if the member shall have filed with the secretary a written request that notices to the member be mailed to some other address, then directed to the member at such other address. Unless the board of directors shall fix a new record date for an adjourned meeting or unless the adjournment is for more than 120 days, notice of such adjourned meeting need not be given if the time and place to which the meeting shall be adjourned were announced at the meeting at which the adjournment is taken.

Section 2-6. Waivers. Notice of a meeting need not be given to any member who signs, either in person or by proxy and whether before or after the meeting, a waiver of notice. The attendance, whether in person or by proxy, of any member at a meeting (a) shall constitute a waiver of an objection by such member to lack of notice or defective notice of such meeting unless the member, at the beginning of the meeting, objects to the holding of the meeting or the transacting of business at the meeting, and (b) shall constitute a waiver of an objection by such member to consideration at such meeting of a particular matter not within the purpose or purposes described in the meeting notice unless the member objects to considering the matter when it is presented.

Section 2-7. Quorum of Members.

2-7-1. A majority of the outstanding lot owners entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of members for the transaction of any business; provided, however, that when a specified item of business is required to be voted on by a class or classes, representatives of a majority of such class or classes shall constitute a quorum for the transaction of such specified item of business. Unless otherwise required by law, the vote of a majority of the lot owners at the time of a vote, if a quorum is or has been present, shall be the act of the members.

2-7-2. If less than a majority of the lot owners entitled to vote thereat are represented at a meeting, or for any valid business reason at a meeting where such majority is present, a majority in interest of the members present may adjourn the meeting from time to time to a fixed date without further notice as to the time and place of such adjourned meeting, but each adjournment shall be for a period of not in excess of 120 days. At any such adjourned meeting at which a quorum shall be present or represented, only such business may be transacted which might have been transacted at a meeting as originally scheduled, unless all shares are represented and do not object.

2-7-3. When a quorum is once present to organize a meeting, it is not broken by the subsequent withdrawal of any member and those remaining may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

Section 2-8. Proxies. Every member entitled to vote at a meeting of the members or to express consent or dissent without a meeting may authorize another person or persons to act for him/her by proxy. Every proxy must be signed by the member or his/her attorney-in-fact and delivered to the secretary of the meeting prior to or during the roll call, or be returned to the Corporation with the signed consent to action without a meeting. No proxy shall be valid after the expiration of eleven (11) months from the date of its execution unless otherwise provided in the proxy. Each proxy shall be revocable at the pleasure of the member executing it, only upon actual notice of revocation to the person presiding over the meeting of the members to which the proxy applies, except as otherwise provided by law.

Section 2-9. Voting.

2-9-1. At all meetings of members, voting may be viva voce; however, any qualified voter may demand a stock vote, whereupon such vote shall be taken by ballot and the secretary shall record the name of the member voting, the number of lots owned, and, if such vote shall be by proxy, the name of the proxy holder.

2-9-2. Each member shall have one vote for each fee ownership interest in any lot which is subject by covenants of record to the Association except as otherwise provided in the Articles of Incorporation and except where he/she/it shall have acquired its fee ownership interest after the record date for the determination of members entitled to vote. A complete list of members entitled to vote at such meeting of the members or any adjournment thereof, arranged in alphabetical order and setting forth the number of lots owned by each member, shall be prepared by the secretary of the Corporation. Such list shall be subject to inspection by any member at the principal office of the Corporation during business hours beginning the earlier of ten (10) days prior to such meeting for which the list was prepared or two (2) business

days after notice of the meeting is given and throughout the meeting or any adjournment thereof.

Section 2-10. Written Consent of Members. Any action that may be taken by vote may be taken without a meeting if the action is evidenced by one or more written consent describing the action taken, signed by each member entitled to vote and delivered to the secretary of the Corporation for inclusion in the minutes or for filing with the corporate records. Action taken under this Section 2-10 is effective when all members entitled to vote have signed the consent, unless the consent specifies a different effective date. Such written consent of the members entitled to vote has the same force and effect as a unanimous vote of such members and may be stated as such in any document. The record date for determining members entitled to take action without a meeting is the date the first member signs a consent in accordance with this Section 2-10.

Section 2-11. Inspectors. The board may, in advance of any meeting of members, appoint one or more inspectors to act at such meeting or any adjournment thereof. If the inspectors shall not be so appointed or if any of them shall fail to appear or act, the chairman of the meeting may appoint inspectors. Each inspector, before entering upon the discharge of his/her duties, shall take and sign an oath faithfully to execute the duties of inspector at such meeting with strict impartiality and according to the best of his/her ability. The inspectors shall determine the number of individual lot owners and the voting power of each, the number of lot owners represented at the meeting, the existence of a quorum, the validity and effect of proxies, and shall receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the results and do such acts as are proper to conduct the election or vote with fairness to all members. On request of the chairman of the meeting or any member entitled to vote thereat, the inspectors shall make a report in writing of any challenge, request or matter determined by them and shall execute a certificate of any fact found by them. No director or candidate for the office of director shall act as an inspector of an election of directors. Inspectors need not be members.

ARTICLE THREE **DIRECTORS**

Section 3-1. Board of Directors. The business of the Corporation shall be managed by a board of directors each of whom shall be at least 18 years of age but who need not be residents of the State of Colorado. The number of directors of the Corporation shall be fixed from time to time by resolution of the board of directors.

Section 3-2. Election and Term of Directors. At each annual meeting of members, the members shall elect directors. Each director shall hold office until the

next annual meeting and until his/her successor has been elected and qualified, or until the director's death, resignation or removal.

Section 3-3. Newly Created Directorships and Vacancies. Newly created directorships resulting from an increase in the number of directors or vacancies occurring in the board for any reason may be filled by a vote of a majority of the remaining directors then in office, although less than a quorum exists, unless otherwise provided in the articles of incorporation. A director chosen to fill a position resulting from an increase in the number of directors shall hold office until the next annual meeting of members and until a director's successor shall have been elected and qualified, or until the director's death, resignation or removal. A director elected to fill a vacancy caused by resignation, death or removal shall be elected to hold office for the unexpired term of the director's predecessor.

Section 3-4. Resignation and Removal. A director may resign at any time by giving written notice to the board, the president, or the secretary of the Corporation. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof by the board or such officer, and the acceptance of the resignation shall not be necessary to make it effective. Any director may be removed at any time, with or without cause, as provided by law.

Section 3-5. Quorum of Directors. A majority of the entire board of directors shall constitute a quorum for the transaction of business or of any specified item of business.

Section 3-6. Action of the Board of Directors. Unless otherwise required by law, the vote of a majority of the directors present at the time of the vote, if a quorum is present at such time, shall be the act of the board of directors. Each director present shall have one vote regardless of the number of lots, if any, which he/she may own.

Section 3-7. Place and Time of Board Meetings. The board of directors may hold its meetings at the office of the Corporation or at such other places, either within or outside of the State of Colorado, as it may, from time to time, determine. If the meeting is held outside of the State of Colorado, notice must be given by certified mail not less than five (5) days before the meeting, and said notice shall contain the date, place and purpose of the meeting. Notice is given when deposited in the United States mail with postage prepaid.

Section 3-8. Regular Annual Meeting. A regular annual meeting of the board of directors shall be held immediately following the annual meeting of members at the place of such annual meeting of members.

Section 3-9. Notice of Meetings of the Board, Adjournment.

3-9-1. Regular meetings of the board may be held without notice at such time and place as the board shall, from time to time, determine. Special meetings of the board shall be held upon notice to the directors and may be called by the president upon two (2) days' notice to each director, either personally or by mail, telegraph, telephone, cable, or wireless, except as provided by Section 3-7 of this Article. Special meetings shall be called by the president or by the secretary in a like manner at the written request of at least one director. Notice of a meeting need not be given to any director who submits a waiver of notice, whether before or after the meeting, or who attends the meeting without objecting at the beginning of the meeting to the holding of the meeting or the transacting of business at the meeting.

3-9-2. A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of the adjournment shall be given to all directors who were absent at the time of the adjournment and, unless such time and place are announced at the meeting, to the other directors.

Section 3-10. Chairman. At all meetings of the board of directors, the chairman of the board, if one has been elected, shall preside. In the absence of a chairman, the president, or in the president's absence, the next highest officer, shall preside. In the event there be two or more persons of equal title, a chairman chosen by the board shall preside.

Section 3-11. Executive and Other Committees. The board of directors, by resolution adopted by a majority of the entire board, may designate from among its members an executive committee and other committees, each consisting of two or more directors. Each such committee shall serve at the pleasure of the board.

Section 3-12. Compensation. No compensation shall be paid to directors, as such, for their services, but by resolution of the board, a fixed sum and expenses for actual attendance at each regular or special meeting of the board may be authorized. Nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

Section 3-13. Presumption of Assent. A director of the Corporation who is present at a meeting of the board of directors or a committee of the board at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless: (a) the director objects at the beginning of such meeting to the holding of the meeting or the transacting of business at the meeting, (b) the director contemporaneously requests that his/her dissent from the action taken be entered in the minutes of such meeting, or (c) the director files his/her written dissent to such action with the person presiding at the meeting before the adjournment thereof or shall forward such dissent by registered mail to the secretary of the Corporation immediately after the adjournment of the meeting. The right of a director to dissent

as to a specific action taken in a meeting of the board or a committee of the board pursuant to this Section 3-13 is not available to a director who votes in favor of such action.

Section 3-14. Written Consent of Directors. Any action that may be taken by vote at a meeting of the board or a committee of the board may be taken without a meeting if the action is evidenced by one or more written consents describing the action taken, signed by each director or committee member, and delivered to the secretary for inclusion in the minutes or for filing with the corporate records. Action taken under this Section 3-14 is effective when all directors or committee members have signed the consent unless the consent specifies a different effective date. Such consent has the same force and effect as a unanimous vote of the directors or committee members and may be stated as such in any document.

ARTICLE FOUR **OFFICERS**

Section 4-1. Offices, Election and Term of Office.

4-1-1. The board of directors shall elect or appoint a president and such other officers and assistant officers, including, but not limited to a secretary, a treasurer, one or more vice-presidents and a chairman of the board, as the board may determine, who shall have the duties, powers and functions as hereinafter provided.

4-1-2. All officers that are elected or appointed shall hold office at the pleasure of the board for a term not to exceed three years.

Section 4-2. Removal, Resignation, Salary, etc.

4-2-1. Any officer elected or appointed by the board may be removed by the board with or without cause.

4-2-2. In the event of the death, resignation or removal of an officer, the board in its discretion may elect or appoint a successor to fill the unexpired term.

4-2-3. Any two or more offices may be held by the same person except the officer of president and secretary.

4-2-4. The salaries of all officers shall be fixed by the board from time to time at the board's discretion.

Section 4-3. Chairman of the Board. The chairman of the board, if any, shall, if present, preside at each meeting of the board of directors and shall be an *ex officio* member of all committees of the board. The chairman of the board shall

perform all such duties as may be assigned to the chairman of the board by the board of directors from time to time.

Section 4-4. President. The president shall be the principal executive officer of the Corporation and, subject to the control of the board of directors, shall in general supervise and control all of the business and affairs of the Corporation. The president shall, when present, preside at all meetings of the members in the absence of the chairman of the board. The president may sign, with the secretary or any other proper officer of the Corporation thereunto authorized by the board of directors, any deeds, mortgages, bonds, contracts, or other instruments which the board of directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the board of directors or by these bylaws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed. In general, the president shall perform all duties incident to the office and such other duties as may be prescribed by the board of directors from time to time.

Section 4-5. Vice-President. In the absence of the president or in the event of the president's death, 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/her by the president or by the board of directors.

Section 4-6. Secretary. The secretary shall attend all meetings of the board of directors and of the members, and shall record all votes and minutes of all proceedings in a book or books to be kept for that purpose. The secretary shall keep in safe custody the seal of the Corporation and affix it to any instrument when authorized, and he/she shall keep all the documents and records of the Corporation as required by law or otherwise in a proper and safe manner. When required, the secretary shall prepare or cause to be prepared and available at each meeting of members entitled to vote thereat, a list of members indicating the number of lots owned by each. In general, the secretary shall perform all duties incident to the office of secretary and such other duties as may be prescribed from time to time by the president or the board of directors.

Section 4-7. Treasurer. The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in the corporate books. He/she shall deposit all money and other valuables in the name and to the credit of the Corporation in such depositories as may be designated by the board and disburse the funds of the Corporation as may be ordered or authorized by the board and preserve proper vouchers for such disbursements. The treasurer shall render to the president and board at the regular meetings of the board, or whenever they require it, an account of all his/her transactions as treasurer and of the financial condition of the Corporation, and he/she

shall render a full financial report at the annual meeting of the members if so requested. The treasurer shall be furnished, at his/her request, with such reports and statements as he/she may require from the corporate officers and agents as to all financial transactions of the Corporation. In general, the treasurer shall perform all duties as are given to him/her by the board of directors or president.

Section 4-8. Assistant Officers. The board of directors may elect (or delegate to the chairman of the board or to the president the right to appoint) such other officers and agents as may be necessary or desirable for the business of the Corporation. Such other officers shall include one or more assistant secretaries and treasurers who shall have the power and authority to act in place of the officer to whom they are elected or appointed as an assistant in the event of the officer's inability or unavailability to act in his/her official capacity.

Section 4-9. Sureties and Bonds. In case the board of directors shall so require, any officer or agent of the Corporation shall execute to the Corporation a bond in such sum and with such surety or sureties as the board may direct. The bond shall be conditioned upon the officer's or agent's faithful performance of his/her duties to the Corporation and including responsibility for negligence and for the accounting for all property, funds or securities of the Corporation which may come into his/her hands.

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ARTICLE FIVE

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

Section 5-1. Covenants, Conditions and Restrictions. The Corporation shall act for the Association for the planned community located in Weld County, Colorado known as Buffalo Ridge Estates, the Plat for which has been duly recorded in the real property records of Weld County, Colorado in Plat Book 1623, at Envelopes 4630 and 4631, on August 29, 1997, at Reception No. 2566278 (the "Plat"). The board of directors of the Corporation (the ABoard@ or the AExecutive Board@), shall adopt a Declaration of Covenants, Conditions and Restrictions for Buffalo Ridge Estates (ADeclaration@) and shall, if not sooner recorded, record the same as is required by the Colorado Common Interest Ownership Act (the ACCIOA@). In case of a conflict between the Declaration and the Articles of Incorporation, Bylaws and/or Rules of the Corporation, the Declaration shall control

Section 5-2. Declarant. The Declarant shall mean Martin Brothers Partnership, LLC, a Colorado limited liability company. The term Declarant shall also include one or more successors in interest which have been designated in writing (which shall be recorded in the Records) by the existing Declarant as a ADeclarant@ and who have purchased all or substantially all of the Property then owned by the existing Declarant.

Section 5-3. Period of Declarant Control. The Period of Declarant Control means that period commencing upon recordation of the Declaration and terminating 60 days after conveyance of 75% of the Lots that may be created to Owners (as defined in the Declaration) other than Declarant except that said period may be earlier terminated as provided in the Declaration and/or the CCIOA.

Section 5-4. Declarant Appointment and Removal of Officers and Directors. Notwithstanding anything contained herein to the contrary, and subject to Section 5-4-1 of this Section, during the Period of Declarant Control, the Declarant may appoint and remove the officers and members of the Executive Board.

5-4-1 Not later than 60 days after conveyance of 25% of the Lots that may be created to Owners other than Declarant, at least one member and not less than 25% of the members of the Board must be elected by Owners other than the Declarant. Not later than 60 days after conveyance of 50% of the Lots that may be created to Owners other than Declarant, not less than 33.3% of the members of the Board must be elected by Owners other than Declarant.

5-4-2 Except as otherwise provided in C.R.S. 38-33.3-220(5), not later than the termination of the Period of Declarant Control, the Owners shall elect a Board of at least three members, at least a majority of whom must be Owners other than the Declarant or designated representatives of Owners other than the Declarant. The Board shall elect the officers. The Board members and officers shall take office upon termination of the Period of Declarant Control.

5-4-3 Notwithstanding any provision of the Declaration to the contrary, the Owners, by a two-thirds vote of all persons present and entitled to vote at any meeting of the Owners at which a quorum is present, may remove any member of the Board with or without cause, other than a member appointed by the Declarant.

5-4-4 Within 60 days after the Owners other than the Declarant elect a majority of the members of the Board, the Declarant shall deliver to the Association all property of the Owners and of the Association held by or controlled by the Declarant including, without limitation, the following items:

5-4-4.1 The original or a certified copy of the recorded Declaration as amended, the Association's Articles of Incorporation, Bylaws, minute books, other books and records, and any Rules and regulations which may have been promulgated;

5-4-4.2 An accounting for Association funds and financial statements, from the date the Association received funds and ending on the date the Period of Declarant Control ends. The financial statements shall be audited by an independent certified public accountant and shall be accompanied by the accountant's letter, expressing

either the opinion that the financial statements present fairly the financial position of the Association in conformity with generally accepted accounting principles or a disclaimer of the accountant=s ability to attest to the fairness of the presentation of the financial information in conformity with generally accepted accounting principles and the reasons therefor. The expense of the audit shall not be paid for, or charged to, the Association.

5-4-4.3 The Association funds or control thereof;

5-4-4.4 All of the Declarant=s tangible personal property that has been represented by the Declarant to be the property of the Association or all of the Declarant=s tangible personal property that is necessary for, and has been used exclusively in, the operation and enjoyment of the Common Areas, and inventories of these properties;

5-4-4.5 A copy of any Plans and Specifications used in the construction of the improvements in the Property which were completed within two years before the Declaration was recorded;

5-4-4.6 Copies of any certificates of occupancy that may have been issued with respect to any improvements located on a portion of the Common Area;

5-4-4.7 Any other permits issued by governmental bodies applicable to Association Property and which are currently in force or which were issued within one year prior to the date on which Owners other than the Declarant took control of the Association;

5-4-4.8 Written warranties of the contractor, subcontractors, suppliers, and manufacturers that are still effective and which relate to Association Property;

5-4-4.9 A roster of Owners and Mortgagees and their addresses and telephone numbers, if known, as shown on the Declarant=s records;

5-4-4.10 Employment contracts in which the Association is a contracting party; and

5-4-4.11 Any service contract in which the Association is a contracting party or in which the Association or the Owners have any obligation to pay a fee to the persons performing the services.

ARTICLE SIX
DISSOLUTION AND FINANCES

Section 6-1. Dissolution. The Corporation may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3rds) of the members entitled to vote thereon at either an annual or special meeting of the members. Upon dissolution, other than incident to a merger or consolidation, the assets of the Corporation shall be transferred or conveyed to one or more domestic or foreign corporations, societies or organizations engaged in activities similar to those of the Corporation pursuant to a plan of distribution adopted as provided in the Act.

Section 6-2. Monies. The monies, securities, and other valuable effects of the Corporation shall be deposited in the name of the Corporation in such banks or trust companies as the board of directors shall designate and shall be drawn out or removed only as may be authorized from time to time by the board of directors.

ARTICLE SEVEN **CORPORATE SEAL**

The seal of the Corporation shall be circular in form and bear the name of the Corporation and the word "seal." The seal may be used by causing it to be impressed directly on the instrument or writing to be sealed, or upon an adhesive substance affixed thereto. The seal on the certificates for shares on any corporate obligation for the payment of money may be a facsimile, engraved or printed.

ARTICLE EIGHT **EXECUTION OF INSTRUMENTS**

All corporate instruments and documents shall be signed or countersigned, executed, verified or acknowledged by such officer or officers or other person or persons as the board of directors may from time to time designate.

ARTICLE NINE **ORDER OF BUSINESS**

At all meetings of members or of the board of directors, the order of business, as far as practicable, shall be as follows:

1. Roll call and certifying proxies.
2. Proof of notice of meeting or waiver of notice.
3. Reading and approval of unapproved minutes.
4. Reports of officers and committees.
5. Election of officers or directors.

6. Unfinished business.
7. New business.
8. Adjournment.

ARTICLE TEN
REFERENCES TO ARTICLES OF INCORPORATION

Reference to the articles of incorporation in these bylaws shall include all amendments thereto or changes thereof unless specifically excepted.

ARTICLE ELEVEN
INDEMNIFICATION AND RELATED MATTERS

Section 11-1. Indemnification -- Third-Party Actions. The Corporation shall indemnify any officer or director who was, is, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal (other than an action by or in the right of the Corporation) to the extent required under the Colorado Non-Profit Corporation Act ("**Act**"). Such indemnification shall be against expenses (including attorney fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, to the extent that and under the circumstances wherefore the Act permits indemnification of directors.

Section 11-2. Indemnification -- Actions Brought in the Right of the Corporation. The Corporation shall, to the extent required by the Act, indemnify any person who was, is, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee, fiduciary or agent of the Corporation or who, while a director, officer, employee, fiduciary or agent of the Corporation, is or was serving at the request of the Corporation as a director, officer, partner, employee, fiduciary or agent of another corporation, partnership, joint venture, trust, other enterprise or employee benefit plan. In all other cases the board may elect to indemnify any officer, director, employee or agent to the fullest extent permissible under the Act. Such indemnification shall be against expenses (including attorney fees) actually and reasonably incurred by such person in connection with such action, suit or proceeding, to the extent that and under the circumstances wherefore the Act permits indemnification of directors.

Section 11-3. Determination of Entitlement to Indemnification. Any indemnification under Sections 11-1 and 11-2 (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee, fiduciary or agent is proper in the circumstances because he/she has met the applicable standard of conduct set forth in the Act with respect to indemnification of directors. Such determination shall be made: (a) by the board of directors by a majority vote of a quorum consisting of

directors who were not parties to such action, suit or proceeding, or (b) if such a quorum is not obtainable, by a majority vote of a committee of the board designated by the board, which committee shall consist of two or more directors who were not parties to the action, suit or proceeding, except that directors who were parties to the action, suit or proceeding may participate in the designation of directors for the committee. If such quorum is not obtainable or such committee cannot be established pursuant to (a) and (b) above, or even if such quorum is obtained or such committee is designated if such quorum or committee so directs, such determination shall be made: (a) by independent legal counsel selected by vote of the board of directors or the committee in the manner specified in (a) or (b) above (as the case be) or, if a quorum cannot be obtained and a committee cannot be established pursuant to (a) and (b) above, by independent legal counsel selected by a majority vote of the full board; or, (b) by the members. Authorization of indemnification and evaluation as to reasonableness of expenses shall be made in the same manner as the determination that indemnification is proper is made; except that, if the determination that indemnification is proper is made by independent legal counsel (as set forth above), authorization of indemnification and evaluation as to reasonableness of expenses shall be made by the body that selected said counsel.

Section 11-4. Advancement of Expenses. Reasonable expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding, to the extent that and under the circumstances wherefore the Act permits such advancement for directors.

Section 11-5. Savings Clause. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of members or disinterested directors or otherwise, both as to action in the 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, officer, employee, fiduciary or agent and shall inure to the benefit of the heirs and legal representatives of such a person.

Section 11-6. Insurance. The Corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, fiduciary or agent of the Corporation, is or was serving at the request of the Corporation as a director, officer, partner, employee or agent of another corporation, partnership, joint venture, trust, other enterprise or employee benefit plan, against any liability asserted against him/her or incurred by him/her in any such capacity or arising out of his/her status as such, whether or not the Corporation would have the power to indemnify him/her against such liability under the provisions of this Article and the Act.

Section 11-7. Disallowed Deductions. With respect to any payment made by the Corporation to any employee or any officer of the Corporation for compensation, bonus, interest, rent, travel, entertainment or other expenses incurred by such employee or officer that is determined to be excessive, unreasonable or otherwise unallowable, in whole or in part as a tax deductible expense by any governmental agency, such employee shall have an unconditional obligation to reimburse the Corporation, upon the Corporation's demand, to the full extent of such unallowable expense. In lieu of payment by the officer, subject to the determination of the directors, proportionate amounts may be withheld from his/her future compensation payments until the amount owed to the Corporation has been recovered.

ARTICLE TWELVE
FISCAL YEAR

The fiscal year of the Corporation shall be designated by the board of directors.

ARTICLE THIRTEEN
BYLAW AMENDMENTS

The power to alter, amend, or repeal the bylaws or to adopt new bylaws shall be vested in the board of directors, such actions to be valid upon the majority vote of the board of directors at any regular or special meeting.

DATED AS OF: _____, 19____.

BUFFALO RIDGE ESTATES
HOMEOWNERS=
ASSOCIATION, INC.

BY:

Secretary

_____,