

BYLAWS
OF
EAGLE RANCH HOUSING CORPORATION

ARTICLE 1: ORGANIZATIONAL MATTERS

1.1 Formation. The **Eagle Ranch Housing Corporation** ("Corporation") was formed on July 30, 1999 by filing Articles of Incorporation with the Colorado Secretary of State.

1.2 Purposes. As provided in the Corporation's Articles of Incorporation, the Corporation is organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code (the "Code").

1.3 Principal Office. The principal office of the Corporation is located at 803 Brush Creek Road, P. O. Box 1630, Eagle, Colorado 81631 (or at such other location as the board of directors may determine).

ARTICLE 2: BOARD OF DIRECTORS

2.1 Number. The affairs and activities of the Corporation will be managed by a board of directors. The number of directors will be fixed by these bylaws from time to time. Unless these bylaws are amended to provide for a different number of directors, there will be six directors of the Corporation. Three of such directors shall be appointed by Eagle Ranch Association (hereinafter the "Association Directors"). The remaining three directors shall be appointed by the Town of Eagle, Colorado (hereinafter the "Eagle Directors").

2.2 Qualifications. A director of the Corporation must be an individual who is at least 18 years of age. Any other qualification will be in the discretion of the person or persons who fill any vacancy as provided in 2.8.

2.3 Initial Directors. The initial directors and the end of their initial terms will be as provided in the Articles of Incorporation.

2.4 Tenure. A director will hold office for a period of two years, or, if sooner, until such person's resignation, removal, incapacity or death. Notwithstanding the foregoing, the Articles of Incorporation may provide that certain of the initial directors will serve for only one year, in order to provide for staggered terms for directors.

2.5 Resignation. A director may resign at any time by a writing delivered to the board of directors of the Corporation.

2.6 Removal. An Association Director may be removed by the appropriate action of the Association, and an Eagle Director may be removed by the appropriate action of the Town of Eagle. Any director who is subject to removal may be removed with or without cause, and without notice of any reason.

2.7 Incapacity. A director will cease to act if incapacitated. Incapacity will be determined either by court order or by a writing signed by the director's personal physician certifying that such individual no longer has capacity to act as a director due to illness, age or any other cause.

2.8 Vacancies. If a vacancy occurs in the board of directors for any reason (including the end of a director's terms), such vacancy will be filled by the Association in the case of the departure of an Association Director, and by the Town of Eagle in the case of the departure of an Eagle Director.

2.9 Delivery of Notice. Any written notice will either be actually delivered (in any manner, including personal delivery, telecopier or facsimile transmission, courier service or mail) or such writing will be deemed delivered when it is mailed, postage prepaid, certified mail, return receipt requested, to the then current mailing address of the recipient. Any notice to the board of directors must be made to all directors of the Corporation.

2.10 Annual Meeting. The annual meeting of the board of directors will be held at the principal office of the Corporation on the second Monday in May of each year, at 9:00 a.m. (local time). No separate notice of the annual meeting will be required.

2.11 Special Meetings. Special meetings of the board of directors (or of any committee) may be called at any time by any member of the board of directors and may be held within or outside the State of Colorado, at such time and place as the notice (or waiver of notice) may specify. Special meetings of the board of directors (or any committee) may be held without notice at any time that all directors are present in person, and presence of any director or member of such committee at a meeting constitutes waiver of any required notice except as otherwise provided by law. Unless specifically required by these bylaws, neither the business to be transacted at, nor the purpose of, any meeting of the board of directors (or of any committee) need be specified in the notice or waiver of notice of such meeting.

2.12 Notice of Meeting. Whenever notice of a special meeting of directors is required, such notice will be given: [a] by actual or deemed delivery (under 2.9) to each director at least five days before the date fixed for the meeting or [b] in person or by telephone or other method capable of instantaneous transmission of voice communications or plain

language document copy at least 48 hours before the time fixed for the meeting. In the case of a change relating to the annual meeting, such notice will be given at least 30 days prior to the scheduled annual meeting date.

2.13 Waiver. Any director may, in writing, waive any notice required by statute, the Corporation's Articles of Incorporation or these bylaws (whether before or after such required notice).

2.14 Meetings by Telephone. Any director may participate in any annual or special meeting (or the meeting of any committee) by means of conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Such participation will constitute presence in person at the meeting and waiver of any required notice except as otherwise provided by law.

2.15 Quorum. A quorum at any annual or special meeting of the board of directors (or of any committee) will consist of a majority of the number of directors (or members of such committee) then in office, but a smaller number may adjourn from time to time without further notice until a quorum is secured.

2.16 Majority Action. Notwithstanding anything in these Bylaws to the contrary, an act of the board of directors will require the affirmative vote of at least four directors.

2.17 Action Without a Meeting. Any action required by law to be taken at a meeting of directors (or committee), or any other action which may be taken at a meeting of directors (or committee), may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the directors (or committee members). Any such consent will have the same force and effect as a unanimous vote, and may be signed in counterparts.

2.18 Compensation. Directors will serve without compensation, as a community service. However, all directors will be entitled to reimbursement for reasonable and necessary expenses incurred in connection with service to the Corporation.

2.19 Committees. The board of directors may by resolution designate from among its members an executive committee and one or more other committees, each of which will have and may exercise such authority in the management of the Corporation as will be provided in such resolution or in these bylaws.

ARTICLE 3: OFFICERS

3.1 Officers. The officers of the Corporation will be chosen by the board of directors and will consist of a President, a Vice President and a Secretary/Treasurer. If, for any reason, the board of directors is unable or unwilling to select these officers, the President will be appointed by the Association, the Vice President will be appointed by the Town

of Eagle, and the Secretary/Treasurer will be appointed by the Association. The board of directors may appoint such other officers as it may deem advisable, who will be chosen in such manner and hold their offices for such terms and have such authority and duties as from time-to-time may be determined by the board of directors.

3.2 Powers and Duties. The officers of the Corporation will exercise and perform the respective powers, duties and functions as are stated below, and as may be assigned to them by the board of directors:

- [a] The President will be the chief executive officer of the Corporation and will, subject to the control and direction of the board of directors, have executive management authority over the Corporation's activities. The President, unless some other person is specifically authorized by the board of directors or by these bylaws, will sign all contracts and other agreements on behalf of the Corporation. The President will perform all the duties and have all the powers commonly associated with a chief executive officer of a corporation, and such other duties and powers as the board of directors may designate.
- [b] In the absence or disability of the President, the Vice-President will perform all the duties of the President, and when so acting will have all the powers of, and be subject to all the restrictions on, the President. The Vice-President will perform all the duties and have all the powers commonly associated with such office, and such other duties and powers as the President or the board of directors may designate.
- [c] The Secretary/Treasurer will keep accurate minutes of all meetings of the board of directors (and of any committee). The Secretary/Treasurer will be responsible for the giving of notice of meetings of the board of directors. The Secretary/Treasurer will be custodian of the records and of the seal of the Corporation.

The Secretary/Treasurer will have the care and custody of the money, funds, valuable papers, and documents of the Corporation. The Secretary/Treasurer will keep accurate books of accounts of the Corporation's financial transactions, which will be the property of the Corporation, and will render financial reports and statements of condition of the Corporation when so requested by the President or by the board of directors. The Secretary/Treasurer will also perform all other duties and have all other powers commonly associated with such offices, and such other duties and powers as the President or the board of directors may designate.

3.3 Qualifications. Any officer of the Corporation will be an individual who is at least 18 years of age.

3.4 Compensation. Officers will serve without compensation, as a community service. However, all officers will be entitled to reimbursement for reasonable and necessary expenses incurred in connection with service to the Corporation.

3.5 Delegation. In the event of absence or inability of any officer to act, the board of directors may delegate the powers or duties of such officer to any other officer, director or person whom it may select.

3.6 Vacancies. Officers will hold office until removal, resignation, death or incapacitation. Any vacancy occurring in the elective offices of the Corporation will be filled as specified in 3.1.

3.7 Removal. Any officer or agent may be removed, with or without cause, by the board of directors.

3.8 Indemnification. With respect to any liability incurred in any proceeding to which an individual is made a party because he or she is or was an officer of the Corporation, the Corporation will indemnify such individual in the same manner as provided for directors.

ARTICLE 4: FINANCIAL MATTERS

4.1 Contracts. The board of directors may authorize any officer or agent to enter into any contract, or to execute and deliver any instrument, in the name of and on behalf of the Corporation. Any such authority may be general, or limited to specific instances.

4.2 Loans. No loan will be contracted for or on behalf of the Corporation (and no evidence of indebtedness will be issued in its name) unless authorized by a resolution of the board of directors. Such authority may be general if confined to a maximum dollar amount specified by the board of directors by resolution from time to time. Such authority will otherwise be limited to specific instances. The Corporation will make no loan to any officer or director of the Corporation.

4.3 Checks. All checks, drafts or other orders for payment of money, notes or other evidence of indebtedness issued in the name of the Corporation will be signed by such officer or agent of the Corporation, and in such manner, as will from time to time be determined by resolution of the board of directors.

4.4 Deposits. All funds of the Corporation not otherwise invested will be deposited from time to time to the credit of the Corporation in such banks or other depositories as the board of directors may select.

4.5 Prudent Investor. The board of directors will invest and manage the Corporation's assets in the same manner as would a prudent investor, exercising reasonable care, skill and caution in the context of an overall investment strategy which incorporates risk and return objectives reasonably suited to the purposes of the Corporation. Notwithstanding the preceding sentence, the Corporation will not make any investment which jeopardizes its exempt purposes within the meaning of the Code.

4.6 Fiscal and Taxable Year. The fiscal and taxable year of the Corporation will be the calendar year.

4.7 Accounting Method. The Corporation will use the cash receipts and disbursements method of accounting.

ARTICLE 5: MISCELLANEOUS PROVISIONS

5.1 Application of Assets. The assets of the Corporation will be held and applied for the purposes of the Corporation as declared in the Articles of Incorporation.

5.2 Bylaw Purpose. These bylaws are adopted in order to facilitate the discharge, in an orderly manner, of the purposes of the Corporation. These bylaws will not be construed in any way which would impair the efficient operation of the Corporation.

5.3 Bylaw Amendments. These bylaws may be amended, altered or repealed, and new bylaws may be adopted, by the affirmative vote of a majority of the directors of the Corporation then in office; provided that, the full text of the proposed action must be delivered to each director at least five days prior to the meeting at which the proposed action will be presented (unless waived in writing).

CERTIFICATION

I hereby certify that the above bylaws were adopted by the board of directors of **Eagle Ranch Housing Corporation**, a Colorado nonprofit corporation, by minutes of action dated July 30, 1999.


Secretary/Treasurer