

ARTICLES OF INCORPORATION 19991143221 C

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SECRETARY OF STATE

07-30-1999 12:42:12

OF

EAGLE RANCH HOUSING CORPORATION

The undersigned incorporator, an adult individual, desires to form a nonprofit corporation (the "Corporation") under the Colorado Revised Nonprofit Corporation Act by signing these Articles of Incorporation and delivering them to the Colorado Secretary of State:

ARTICLE 1. Name: The Corporation's name is: **Eagle Ranch Housing Corporation.**

ARTICLE 2. Purposes: The Corporation is organized, and will be operated, exclusively for the charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code (the "Code"), including, without limitation, for the purpose of providing assistance to individuals and families in purchasing homes in Eagle County, Colorado.

ARTICLE 3. Powers: In furtherance of its charitable purposes, the Corporation has and may exercise all of the rights, powers, privileges and immunities now or subsequently conferred upon nonprofit corporations organized under the laws of the State of Colorado.

ARTICLE 4. Restrictions on Powers: Notwithstanding any other provision of these Articles and as required by § 501(c)(3) of the Code, the powers of the Corporation are restricted as follows:

- [a] No part of the net earnings of the Corporation will inure to the benefit of any director, officer or member of the Corporation (or any private shareholder or individual), except that this provision will not prevent the payment of reasonable compensation for personal services or the payment or reimbursement of reasonable expenses;
- [b] No substantial part of the Corporation's activities will be the carrying on of propaganda or otherwise attempting to influence legislation (except as otherwise permitted under § 501(c)(3) of the Code); and

[c] The Corporation will not participate or intervene in (including the publication or distribution of statements relating to) any political campaign on behalf of, or in opposition to, any candidate for public office.

ARTICLE 5. Period of Duration: The Corporation will exist in perpetuity, unless and until dissolved according to law.

ARTICLE 6. Non-Voting Members: The Corporation will have no members, voting or otherwise, and the Corporation will have no capital stock.

ARTICLE 7. Board of Directors: The affairs and activities of the Corporation will be managed by a board of directors. The number of directors, the method of their appointment, and the term for which they will serve will be fixed by the bylaws, which bylaws may also provide for their succession, resignation, removal and the filling of vacancies. The initial board of directors of the Corporation will consist of the following persons:

<u>Name</u>	<u>Appointed By</u>	<u>Initial Term Ends</u>
Larry McKinzie	Town of Eagle	June 30, 2001
Robert Dressel	Town of Eagle	June 30, 2001
David Carter	Town of Eagle	June 30, 2000
Robert Knous	Eagle Ranch Association	June 30, 2001
James Adams	Eagle Ranch Association	June 30, 2001
Roger Lessman	Eagle Ranch Association	June 30, 2000

ARTICLE 8. Director's Liability. No director will have personal liability for monetary damages to the Corporation or any of its members for breach of fiduciary duty as a director, except that a director will be liable to the Corporation for monetary damages for:

[a] Any breach of the director's duty of loyalty to the Corporation or its members;

- [b] Any act or omission which is either not in good faith or involves intentional misconduct or a knowing violation of law;
- [c] Any liability for assenting to or participating either in the making of a loan to any director or officer of the Corporation or any distribution which is in violation of law or these Articles of Incorporation;
- [d] Any transaction which is a conflicting interest transaction except to the extent Article 9 applies; and
- [e] Any transaction from which the director directly or indirectly derived an improper personal benefit.

In addition, no director or officer of the Corporation will be personally liable for any injury to person or property arising out of any tort committed by any employee of the Corporation unless either such individual was personally involved in such act or omission or such individual committed a criminal offense in connection with such act or omission.

ARTICLE 9. Conflicting Interest Transaction: No conflicting interest transaction (as defined in the Colorado Revised Nonprofit Corporation Act) will be void or voidable, or will be enjoined, set aside or give rise to an award of damages or other sanctions in a proceeding by a member, or by or in the right of the Corporation, solely because [a] the conflicting interest transaction involves a director of the Corporation, a party related to a director, or an entity in which a director of the Corporation is an officer or director or has a financial interest, [b] the director is present at or participates in the meeting of the Corporation's board of directors (or committee) which authorizes, approves or ratifies the conflicting interest transaction or [c] the director's vote is counted for such purpose if either [i] the material facts as to the director's relationship to or interest in the conflicting interest transaction are disclosed or are known to the board of directors (or committee), and the board of directors (or committee) in good faith authorizes, approves or ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested directors (even though the disinterested directors are less than a quorum), or [ii] the conflicting interest transaction is fair as to the Corporation.

ARTICLE 10. Indemnification: With respect to any liability incurred in any proceeding to which an individual is made a party because such individual is or was a director of the Corporation, the Corporation will indemnify such individual and advance legal expenses to such individual to the fullest extent permitted by law. The Corporation will indemnify its officers to an extent not less than it indemnifies its directors.

ARTICLE 11. Bylaws: The board of directors will have the power to adopt, amend and repeal such bylaws as it may deem proper for the management of the affairs and activities of the Corporation.

ARTICLE 12. Registered Office and Agent: The address of the initial registered office of the Corporation is 803 Brush Creek Road, P. O. Box 1630, Eagle, Colorado 81631. The name of the initial registered agent at such address is James P. Adams. By his signature to these Articles of Incorporation, James P. Adams consents to his appointment as the initial registered agent of the Corporation. Either the registered office or the registered agent may be changed in the manner permitted by law.

ARTICLE 13. Principal Office: The address of the initial principal office of the Corporation is 1060 West Beaver Creek Boulevard, #2B, Avon, Colorado 81620.

ARTICLE 14. Nondiscriminatory Policy: The Corporation will make its services, facilities and programs available to all persons regardless of race, color, creed, national origin, age, sex or disability. The Corporation will not discriminate in any way against any person on the basis of race, color, creed, national origin, age, sex or disability.

ARTICLE 15. Amendment of Articles: The board of directors of the Corporation will have the right (on the vote of a majority of the directors then in office, or such greater number as may be provided in the bylaws) to amend or repeal any provision contained in these Articles of Incorporation in the manner permitted by law, except that no such action may be taken which would disqualify the Corporation as an organization described in § 501(c)(3) of the Code.

ARTICLE 16. Dissolution: To the extent possible, the Corporation will exist in perpetuity. However, if dissolution of the Corporation is required by future circumstances or by the Colorado Revised Nonprofit Corporation Act, the board of directors will, after adoption of a resolution to dissolve and liquidate the Corporation and after paying or making provision for the payment of all the Corporation's liabilities and complying with any conditions to which an asset is subject, dispose of all of the assets of the Corporation for one or more charitable purposes or to one or more organizations described in § 501(c)(3) of the Code. Any of such assets not so disposed of by the board of directors will be disposed of by a court of competent jurisdiction exclusively for one or more such charitable purposes or to one or more organizations described in Section 501(c)(3) of the Code. Each recipient charitable organization receiving assets of the Corporation upon its dissolution will also be an organization to which transfers by an individual would be deductible for federal income, gift and estate tax purposes (to the extent such deductions, if any, would then be available under federal tax laws).

ARTICLE 17. Prohibited Transactions. Notwithstanding any other provision of these Articles, if the Corporation is at any time a private foundation as that term is defined in Section 509 of the Code, the following provisions apply:

- [a] The Corporation will not engage in any act of self-dealing, as defined in Section 4941 of the Code.
- [b] The Corporation will not have any undistributed income, as defined in Section 4942 of the Code.
- [c] The Corporation will not retain any excess business holdings, as defined in Section 4943 of the Code.
- [d] The Corporation will not make any investments which jeopardize its exempt purposes, as defined in Section 4944 of the Code.
- [e] The Corporation will not make any taxable expenditures, as defined in Section 4945 of the Code (including any grant to an individual for travel, study or similar purposes, unless awarded on an objective and nondiscriminatory basis as provided in Section 4945 of the Code).

ARTICLE 18. Incorporator: The name and address of the incorporator is James P. Adams, 1060 West Beaver Creek Boulevard, #2B, Avon, Colorado 81620.

7-15-1999

Date



James P. Adams

Incorporator and Initial Registered Agent