



Wellington Community Housing Board - November 27, 2023

Agenda

Nov 27th 2023 6:00pm - 6:30pm

Virtual meeting via zoom: [https://us06web.zoom.us/j/81092702021?](https://us06web.zoom.us/j/81092702021?pwd=Zp1RIIIZHuboGRXutMwXaFOIXi2gp0.1)

[pwd=Zp1RIIIZHuboGRXutMwXaFOIXi2gp0.1](https://us06web.zoom.us/j/81092702021?pwd=Zp1RIIIZHuboGRXutMwXaFOIXi2gp0.1)

Julie Francis is inviting you to a scheduled Zoom meeting.

Topic: Wellington Community Housing Board - November 27, 2023

Time: Nov 27, 2023 06:00 PM Mountain Time (US and Canada)

Join Zoom Meeting

<https://us06web.zoom.us/j/81092702021?pwd=Zp1RIIIZHuboGRXutMwXaFOIXi2gp0.1>

Meeting ID: 810 9270 2021

Passcode: 882408

One tap mobile

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Dial by your location

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- +1 346 248 7799 US (Houston)
- +1 689 278 1000 US
- +1 301 715 8592 US (Washington DC)
- +1 305 224 1968 US
- +1 309 205 3325 US
- +1 312 626 6799 US (Chicago)
- +1 360 209 5623 US
- +1 386 347 5053 US
- +1 507 473 4847 US
- +1 564 217 2000 US

- +1 646 558 8656 US (New York)
- +1 646 931 3860 US

Meeting ID: 810 9270 2021

Find your local number: <https://us06web.zoom.us/j/kdKzV1hU3>

I. Call to Order a. Mindful Moment b. Citizen Input	Amy Comstock	6:00pm
II. Approval of Minutes from October 19, 2023  WCH Minutes 10-19-2023.pdf	Amy Comstock	6:05pm
III. Action Items a. Approval to Revise Bylaws to Address Town Component Unit Issue  Board Action Memo - bylaws revision.pdf  Certificate of Corp Resolution - Bylaws 11-3-23.pdf  WCH-RES-2023-11-01 Bylaws of Wellington Community Housing 11-3-23 - Clean.pdf  WCH-RES-2023-11-01 Bylaws of Wellington Community Housing 11-3-23 - Redlined.pdf	Julie Brewen	6:10pm
IV. Legislative Issue Update	Julie Brewen	6:25pm
V. Other Business		
a. Vacant Board Seat Update	Calar Chaussee	
VI. Draft 2024 Meeting Dates for Review ◦ February 1 ◦ May 2 ◦ August 1 ◦ November 7		

VII. Adjournment

END
6:30pm

**Wellington Community Housing Board of Directors
October 19, 2023
Minutes**

Attendees

Directors: Amy Comstock-President, Bob Novascone-Vice President, Calar Chaussee, Mishie Daknis

Staff: Julie Brewen

I. Call to Order

President Amy Comstock called the meeting to order at 6:03 pm.

a. Mindful Moment

Chief Executive Officer Julie Brewen led the group in a mindful moment.

II. Citizen Input

There was no citizen input.

III. Approval of Minutes from July 5, 2023 Meeting

Director Bob Novascone moved to accept the minutes of the July 5, 2023 meeting. Director Chaussee seconded, and the motion was passed unanimously.

IV. Board of Directors Status

Ms. Brewen provided an update on the Board seats. Ms. Brewen let the Board know that John Evans contacted her as he will be resigning due to new personal commitments. Director and Mayor Calar Chaussee suggested to Ms. Brewen that she get the effective date confirmed and appropriate notice given to the Town Clerk, Ethan Muhs, so that it will be possible for Amy Comstock to apply for that seat.

V. Wellington Community Housing Audit

Director and Mayor Chaussee and Ms. Brewen provided an update on the issues related to Wellington Community Housing's audit and whether it must be reported as a component unit of the Town of Wellington. The bylaws can be amended such that the Town Board of Trustees still appoints the members of the Board and can remove Board members for cause, mirroring Colorado Revised Statutes Housing Authorities Law. Ms. Brewen said that the bylaws can be amended as soon as she receives confirmation from the Town of Wellington that this is the direction to go.

VI. Action Items

a. 2024 Budget

Ms. Brewen presented the 2024 budget proposal to the Board. There was discussion of

the fees, including the compliance fee, the resident services activities and costs, and the possible capital budget item. Ms. Brewen will arrange for staff to present more information about services and the capital budget at future meetings. The Board noted the increased income from the old Public Housing subsidy to the new voucher-based subsidy.

Director Novascone moved to approve the 2024 budget. Director Mishie Daknis seconded and the motion was passed unanimously.

VII. Discussion Items

The Board had a conversation about future housing policy discussions of the Town Board of Trustees, as well as other possible state legislative items in the next session. Ms. Brewen will include a legislative update on the agenda of future meetings.

VIII. The Board decided to forgo another meeting in 2023 and will continue to meet quarterly in 2024 with the first meeting on January 4, 2024.

IX. Adjournment

President Comstock adjourned the meeting at 6:58 pm.

To: Wellington Community Housing Board of Directors

From: Julie J. Brewen, CEO

Meeting Date: November 27, 2023

Action Item: Approval to Revise Bylaws to Address Town Component Unit Issue

Board Action Requested: Review and approve revised Wellington Community Housing bylaws for consistency with state housing authorities' law in order to address the "component unit" of the Town of Wellington issue.

Background: Over the past several months, you will recall that our audit firm flagged an issue with the way the Town of Wellington Board of Trustees appoints and removes directors of the board of Wellington Community Housing, presently making it a component unit of the Town of Wellington. After many conversations with this board, legal counsel, the Town Administrator, and the Town Board of Trustees, all parties agree that the best way to address this issue is to revise the bylaws of Wellington Community Housing such that the Town Board of Trustees can remove a seated director for cause in a public forum. This approach is consistent with Colorado Revised Statutes Housing Authorities law and is consistent with the intent to operate Wellington Community Housing in this manner.

Attached are clean and redlined versions of the Wellington Community Housing bylaws and a Secretary's Certificate. The only change is Article VII, Section 6(c) on page 3, to now state:

Removal of Directors. The Board of Trustees of the Town of Wellington, Colorado may remove a Director for inefficiency or neglect of duty or misconduct in office, but only after the Director has been given a copy of the charges made against the Director and the Director has had an opportunity to be heard in person and represented by counsel.

Fiscal Impact: Minimal fiscal impact. There may be savings related to not having to include as a component unit of the Town of Wellington's financial statements and audit reports.

RESOLUTION # WCH-RES-2023-11-01

**CERTIFICATE OF RESOLUTION
OF
THE BOARD OF DIRECTORS
OF
WELLINGTON COMMUNITY HOUSING**

I, Julie Brewen, Secretary of WELLINGTON COMMUNITY HOUSING, a Colorado nonprofit corporation (WCH) hereby certify that the following is a true copy of resolutions duly adopted by the Board of Directors WCH at a meeting of the Board of Directors held November 27, 2023 proper notice having been given and a quorum acting throughout:

BE IT RESOLVED that the AMENDED AND RESTATED BYLAWS OF WELLINGTON COMMUNITY HOUSING have been reviewed and considered by the Board of Directors of WCH and are hereby ratified, confirmed, and approved.

I further certify that the foregoing Resolution is in full force and effect as of the date hereof, and has not been revoked, rescinded, or modified.

DATED this 27th day of November 2023.

Julie Brewen, Secretary

RESOLUTION # WCH-RES-2023-11-01

**AMENDED AND RESTATED
BYLAWS
OF
WELLINGTON COMMUNITY HOUSING
(Adopted November 27 2023)**

ARTICLE I. NAME

The name of the corporation is WELLINGTON COMMUNITY HOUSING (“the Corporation”).

ARTICLE II. PURPOSES

The purposes for which the nonprofit corporation is organized are as follows:

1. To own, maintain, repair, improve, operate, rent, lease, and manage affordable rental housing for low-income households.
2. To do such other lawful acts of a charitable or educational nature, within the meaning of Section 501(c)(3) of the Internal Revenue Code of the United States and the regulations thereunder, as they now exist or as they may hereafter be amended.

ARTICLE III. POWERS

The nonprofit corporation shall have all powers, rights, and privileges granted to a nonprofit corporation under the Colorado Revised Nonprofit Corporation Act, as it now exists or as it may hereafter be amended, including but not limited to the power to finance the acquisition, rehabilitation, maintenance, and improvement of rental housing for low-income households through the issuance state and local bonds and private activity bonds, participation in the low income housing tax credit program, receipt of governmental grants and loans, private bank financing, and all other local, state, and federal programs; subject to the following limitations and restrictions:

No part of the assets or net earnings of the nonprofit corporation shall inure to the benefit of, or be distributable to, any Director or officer of the corporation, or to any private individual (except that reasonable compensation may be paid for services rendered to or for the corporation affecting one or more of its purposes, and benefits may be conferred that are in conformity with said purposes).

No Director or officer of the nonprofit corporation or any private individual shall be entitled to share in the distribution of any of the nonprofit corporation’s assets on dissolution of the nonprofit corporation.

No substantial part of the activities of the nonprofit corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the nonprofit corporation shall

not participate in, or intervene in any political campaign on behalf of any candidate for public office (including the publication or distribution of statements).

Notwithstanding any other provisions of these Articles, the nonprofit corporation shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of the United States and the regulations thereunder, as they now exist or as they may hereafter be amended, or by an organization contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of the United States and the regulations thereunder, as they now exist or as they may hereafter be amended.

ARTICLE IV. DISSOLUTION

Upon dissolution of the nonprofit corporation, the assets of the nonprofit corporation shall be distributed as follows:

Upon dissolution of the nonprofit corporation, the Board of Directors shall, after paying or making provision for the payment of the debts and liabilities of the nonprofit corporation, distribute all assets of the nonprofit corporation to the Housing Authority of the Town of Wellington (“WHA”) if it is then in existence and if not, the Board of Directors shall dispose of the assets of the nonprofit corporation exclusively for the purpose of the corporation stated herein by distributing such assets to one or more organizations as shall at the time qualify as exempt organizations under Section 501(c)(3) of the United States Internal Revenue Code (or under the corresponding provisions of any future United States Internal Revenue law), as the Board of Directors shall determine.

Any of such assets not so disposed of shall be disposed of by any court of record with general equity jurisdiction in the State of Colorado, exclusively for such purposes or to such organization or organizations, as such court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE V. OFFICES

The initial office of the Corporation shall be at 1715 West Mountain Avenue, Fort Collins, Colorado 80521.

ARTICLE VI. MEMBERS

The Corporation shall not have members.

ARTICLE VII. BOARD OF DIRECTORS

1. Powers. All powers of the Corporation shall be exercised by or under the authority of, and the business and affairs of the Corporation managed under the direction of, the Board of Directors.

2. Qualifications of Directors. A Director shall be a natural person who is eighteen (18) years of age or older. Directors shall be residents of the Town of Wellington, Colorado, or

the surrounding area. No officer, commissioner, agent, or employee of Housing Catalyst may be a Director of the Corporation.

3. Number of Directors. The Board of Directors shall consist of not less than 5 nor more than 7 Directors. Initially the Board of Directors shall consist of 5 members. The number of Directors may be changed from time to time by the Board of Trustees of the Town of Wellington, Colorado.

4. Election, Appointment, and Designation of Directors. All Directors shall be appointed by the Board of Trustees of the Town of Wellington, Colorado. The initial members of the Board of Directors and the expiration date of each initial Director's term in office are as follows:

Mishie Daknis	December 2021 (the term of Mishie Daknis's replacement shall expire December 2022)
Bob Novascone	December 2021
Amy Combs	December 2023
Ashley MacDonald	December 2024
John Evans	December 2025

5. Terms of Directors.

(a) After the expiration of the initial term of each member of the initial Board of Directors, Directors shall be appointed for terms of 5 years each.

(b) A decrease in the number of Directors or in the term of office does not shorten an incumbent Director's term.

(c) The term of a Director filling a vacancy expires at the end of the unexpired term that such Director is filling.

(d) Despite the expiration of a Director's term, a Director continues to serve until the Director's successor is appointed and qualifies or until there is a decrease in the number of Directors.

6. Resignation of Directors.

(a) A Director may resign at any time by giving written notice of resignation to the Corporation.

(b) A resignation of a Director is effective when the notice is received by the Corporation unless the notice specifies a later effective date.

(c) Removal of Directors. The Board of Trustees of the Town of Wellington, Colorado may remove a Director for inefficiency or neglect of duty or misconduct in office, but only after the Director has been given a copy of the charges made against the Director and the Director has had an opportunity to be heard in person and represented by counsel.

7. Vacancy on Board. If a vacancy occurs on the Board of Directors, the vacancy shall be filled by the entity that appointed the Director who previously occupied the vacant position.

8. Compensation of Directors. Directors shall not receive compensation for service on the Board of Directors. However, any Director may be reimbursed for the actual expenses incurred by the Director in the performance of his or her duties.

ARTICLE VIII. MEETINGS AND ACTION OF THE BOARD

1. Meetings.

(a) The Board of Directors may hold regular or special meetings.

(b) The Board of Directors may permit any Director to participate in a regular or special meeting by telephone. The Board of Directors may conduct the meeting by any means of communication by which all Directors participating may hear each other during the meeting. A Director participating in a meeting by this means is deemed to be present in person at the meeting.

2. Action Without Meeting.

(a) Any action required or permitted to be taken at a Board of Directors' meeting may be taken without a meeting if each member of the Board in writing either:

1) Votes for such action; or

2) Votes against such action or abstains from voting and waives the right to demand that action not be taken without a meeting.

(b) Action is taken under this section only if the affirmative vote 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.

(c) No action taken pursuant to this section shall be effective unless writings describing the action taken and otherwise satisfying the requirements of subsection (a) hereinabove, signed by all Directors and not revoked pursuant to subsection (d) of this section, are received by the Corporation. Any such writing may be received by the Corporation by electronically transmitted facsimile or other form of wire or wireless communication providing the Corporation with a complete copy of the document, including a copy of the signature on the document. A Director's right to demand that action not be taken without a meeting shall be deemed to have been waived if the Corporation receives a writing satisfying the requirements of subsection (a) hereinabove that has been signed by the Director and not revoked pursuant to subsection (d) hereinafter. Action taken pursuant to this section shall be effective when the last writing necessary to effect the action is received by the Corporation unless the writings describing the action taken set forth a different effective date.

(d) Any Director who has signed a writing pursuant to this section may revoke such writing by a writing signed and dated by the Director describing the action and stating that

the Director's prior vote with respect thereto is revoked, if such writing is received by the Corporation before the last writing necessary to effect the action is received by the Corporation.

(e) Action taken pursuant to this section has the same effect as action taken at a meeting of Directors and may be described as such in any document.

(f) All signed, written instruments necessary for any action taken pursuant to this section shall be filed with the minutes of the meetings of the Board of Directors.

3. Notice of Meeting.

(a) Regular meetings of the Board of Directors may be held without notice of the date, time, place, or purpose of the meeting.

(b) Special meetings of the Board of Directors shall be preceded by at least two (2) days' notice of the date, time, and place of the meeting. The notice need not describe the purpose of the special meeting.

4. Waiver of Notice.

(a) A Director may waive any notice of a meeting before or after the time and date of the meeting stated in the notice. Except as provided by subsection (b) hereinafter, the waiver shall be in writing and signed by the Director entitled to the notice. Such waiver shall be delivered to the Corporation for filing with the Corporation records, but such delivery and filing shall not be conditions of the effectiveness of the waiver.

(b) A Director's attendance at or participation in a meeting waives any required notice to that 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.

5. Quorum and Voting.

(a) A quorum of the Board of Directors consists of a majority of Directors in office immediately before the meeting begins.

(b) If a quorum is present when a vote is taken, the affirmative vote of a majority of the Directors present at the meeting is the act of the Board of Directors unless the vote of a greater number of Directors is required by these Bylaws.

(c) For purposes of determining a quorum with respect to a particular proposal, and for purposes of casting a vote for or against a particular proposal, a Director may be deemed to be present at a meeting and to vote if the Director has granted a signed, written proxy to another Director who is present at the meeting, authorizing the other Director to cast the vote that is directed to be cast by the written proxy with respect to the particular proposal that is described with reasonable specificity in the proxy. Except as provided in this subsection (c), Directors may not vote or otherwise act by proxy.

(d) A Director who is present at a meeting of the Board of Directors when Board of Directors action is taken is deemed to have assented to all action taken at the meeting unless:

1) The Director objects at the beginning of the meeting, or promptly upon the Director's arrival, to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to any action taken at the meeting;

2) The Director contemporaneously requests that the Director's dissent or abstention as to any specific action taken be entered in the minutes of the meeting; or

3) The Director causes written notice of the Director's dissent or abstention as to any specific action to be received by the presiding officer of the meeting before adjournment of the meeting or by the Corporation promptly after adjournment of the meeting.

(e) The right of dissent or abstention pursuant to subsection (d) hereinabove as to a specific action is not available to a Director who votes in favor of the action taken.

6. Committees of the Board.

(a) The Board of Directors may create one or more committees of the Board and appoint one or more Directors to serve on them.

(b) The creation of a committee of the Board and appointment of Directors to it shall be approved by a majority of all the Directors in office when the action is taken.

(c) Action without meeting, notice, waiver of notice, and quorum and voting requirements of the Board of Directors apply to committees of the Board and their members as well.

(d) To the extent specified by the Board of Directors, each committee of the Board shall have the authority of the Board of Directors, except that a committee of the Board shall not authorize distributions; elect, appoint, or remove any Director; amend articles of incorporation; adopt, amend, or repeal bylaws; approve a plan of merger; or approve a sale, lease, exchange, or other disposition of all, or substantially all, of its property, with or without good will, other than in the usual and regular course of business.

(e) The creation of, delegation of authority to, or action by a committee does not alone constitute compliance by a Director with the standards of conduct described in these Bylaws.

(f) Nothing in these Bylaws shall prohibit or restrict the Corporation from establishing by action of the Board of Directors one or more committees, advisory Boards, auxiliaries, or other bodies of any kind, having such members and rules of procedure as the Board of Directors may provide, in order to provide such advice, service, and assistance to the Corporation, and to carry out such duties and responsibilities for the Corporation, as may be specified by the Board of Directors; except that if any such committee or other body has one or more members thereof who are entitled to vote on committee matters and who are not then also

Directors, such committee or other body may not exercise any power or authority of the Board of Directors.

ARTICLE IX. STANDARDS OF CONDUCT

1. General Standards of Conduct for Directors and Officers.

(a) Each Director shall discharge the Director's duties as Director, including the Director's duties as a member of a committee of the Board, and each officer with discretionary authority shall discharge the officer's duties under that authority in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner the Director or officer reasonably believes to be in the best interests of the Corporation.

(b) In discharging duties, a Director or officer is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by:

1) One or more officers or employees of the Corporation whom the Director or officer reasonably believes to be reliable and competent in the matters presented;

2) Legal counsel, a public accountant, or another person as to matters the Director or officer reasonably believes are within such person's professional or expert competence; or

3) In the case of a Director, a committee of the Board of Directors of which the Director is not a member if the Director reasonably believes the committee merits confidence.

(c) A Director or officer is not acting in good faith if the Director or officer has knowledge concerning the matter in question that makes reliance otherwise permitted by subsection (b) hereinabove unwarranted.

(d) A Director or officer is not liable to the Corporation for any action taken or omitted to be taken as a Director or officer, as the case may be, if, in connection with such action or omission, the Director or officer performed the duties of the position in compliance with this section.

(e) A Director, regardless of title, shall not be deemed to be a trustee with respect to the Corporation or with respect to any property held or administered by the Corporation, including, without limitation, property that may be subject to restrictions imposed by the donor or transferor of such property.

2. Liability of Directors for Unlawful Distributions.

(a) A Director who votes for or assents to a distribution knowingly made in violation of these Bylaws is personally liable to the Corporation for the amount of the distribution that exceeds what could have been distributed without violating these Bylaws if it is established that the Director did not perform the Director's duties in compliance with the foregoing section.

In any proceeding commenced under this section, a Director shall have all of the defenses ordinarily available to the Director.

(b) A Director held liable under subsection (a) hereinabove for an unlawful distribution is entitled to contribution:

1) From every other Director who could be held liable under subsection (a) hereinabove for the unlawful distribution; and

2) From each person who accepted the distribution knowing the distribution was made in violation of these Bylaws, the amount of the contribution from such person being the amount of the distribution to that person that exceeds what could have been distributed to that person without violating these Bylaws.

ARTICLE X. DIRECTORS' CONFLICTING INTEREST TRANSACTIONS

1. As used in this section, "conflicting interest transaction" means a contract or other financial relationship between the Corporation and a Director of the Corporation, or between the Corporation and a party related to a Director, or between the Corporation and an entity in which a Director of the Corporation is a Director or officer or has a financial interest.

2. No loans shall be made by the Corporation to its Directors or officers. Any Director or officer who assents to or participates in the making of any such loan shall be liable to the Corporation for the amount of such loan until the repayment thereof.

3. No conflicting interest transaction shall be void or voidable or be enjoined, set aside, or give rise to an award of damages or other sanctions in a proceeding by the Corporation solely because the conflicting interest transaction involves a Director of the Corporation or a party related to a Director or an entity in which a Director of the Corporation is a Director or officer or has a financial interest, or solely because the Director is present at or participates in the meeting of the Corporation's Board of Directors or of the committee of the Board of Directors that authorizes, approves, or ratifies the conflicting interest transaction, or solely because the Director's vote is counted for such purpose if:

(a) The material fact as to the Director's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or the 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

(b) The material facts as to the Director's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the members of the Board entitled to vote thereon, and the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by a vote of the members of the Board entitled to vote thereon; or

(c) The conflicting interest transaction is fair as to the Corporation.

4. Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes, approves, or ratifies the conflicting interest transaction.

5. For purposes of this section, a “party related to a Director” shall mean a spouse, a descendent, an ancestor, a sibling, the spouse or descendent of a sibling, an estate or trust in which the Director or a party related to a Director has a beneficial interest, or an entity in which a party related to a Director is a Director, officer, or has a financial interest.

ARTICLE XI. LIMITS OF CERTAIN LIABILITIES OF DIRECTORS

1. There shall be no personal liability, either direct or indirect, of any Director or officer to the Corporation for monetary damages for any breach or breaches of fiduciary duty as Director or officer, except that this provision shall not eliminate the liability of a Director or officer to the Corporation for monetary damages for any breach, act, omission, or transaction to which the Nonprofit Corporation Act expressly prohibits the elimination of liability.

2. This provision shall not limit the rights of Directors or officers of the Corporation for indemnification or other assistance from the Corporation. This provision shall not modify, restrict, or otherwise diminish the provisions of C.R.S. § 13-21-116(2)(b) (concerning elimination of liability of Directors, except for willful and wanton acts or omissions); any amendment or successor provision thereto; or any law limiting or eliminating liabilities.

3. Any repeal or modification of the foregoing provisions of this article the Corporation or any repeal or modification of the provisions of the Nonprofit Corporation Act which permits the elimination of liability of Directors by this article shall not affect adversely any elimination of liability, right, or protection of a Director or officer of the Corporation with respect to any breach, act, omission, or transaction of such Director or officer occurring prior to the time of such repeal or modification.

ARTICLE XII. INDEMNIFICATION

1. Indemnification Definitions. As used in this article:

(a) “Director” means an individual who is or was a Director of the Corporation or an individual who, while a Director of the Corporation, is or was serving at the Corporation’s request as a Director, officer, partner, Board of Directors, trustee, employee, fiduciary, or agent of another domestic or foreign corporation, nonprofit corporation, or other person or of an employee benefit plan. A Director is considered to be serving an employee benefit plan at the Corporation’s request if the Director’s duties to the Corporation also impose duties on, or otherwise involve services by, the Director to the plan or to the participants in or beneficiaries of the plan. “Director” includes, unless the context requires otherwise, the estate or personal representative of a Director.

(b) “Expenses” includes attorney fees.

(c) “Liability” means the obligation incurred with respect to a proceeding to pay a judgment, settlement, penalty, fine (including an excise tax assessed with respect to an employee benefit plan), or reasonable expenses.

(d) “Party” includes a person who was, is, or is threatened to be made a named defendant or respondent in a proceeding.

(e) “Proceeding” means any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, and whether formal or informal.

2. Authority to Indemnify Directors.

(a) Except as provided in subsection (d) hereinafter, the Corporation shall indemnify a person made a party to a proceeding because the person is or was a Director against liability incurred in the proceeding if:

1) The person’s conduct was in good faith; and

2) The person reasonably believed:

(i) In the case of conduct in an official capacity with the Corporation, that the conduct was in the Corporation’s best interests;

(ii) In all other cases, that the conduct was at least not opposed to the Corporation’s best interests; and

(iii) In the case of any criminal proceeding, the person had no reasonable cause to believe the conduct was unlawful.

(b) A Director’s conduct with respect to an employee benefit plan for a purpose the Director reasonably believed to be in the interests of the participants in or beneficiaries of the plan is conduct that satisfies the requirement of subsection (2)(ii) hereinabove. A Director’s conduct with respect to an employee benefit plan for a purpose that the Director did not reasonably believe to be in the interests of the participants in or beneficiaries of the plan shall be deemed not to satisfy the requirements of subsection (a)(1) hereinabove.

(c) The termination of a proceeding by judgment, order, settlement, or conviction or upon a plea of *nolo contendere* or its equivalent is not, of itself, determinative that the Director did not meet the standard of conduct described in this section.

(d) The Corporation may not indemnify a Director under this section:

1) In connection with a proceeding by or in the right of the Corporation in which the Director was adjudged liable to the Corporation; or

2) In connection with any other proceeding charging that the Director derived an improper personal benefit, whether or not involving action in an official capacity, in which proceeding the Director was adjudged personally liable on the basis that the Director derived an improper personal benefit.

(e) Indemnification permitted under this section in connection with a proceeding by or in the right of the Corporation is limited to reasonable expenses incurred in connection with the proceeding.

3. Mandatory Indemnification of Directors. The Corporation shall indemnify a person who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which the person was a party because the person is or was a Director, against reasonable expenses incurred by the person in connection with the proceeding.

4. Advance of Expenses to Directors.

(a) The Corporation shall pay for or reimburse the reasonable expenses incurred by a Director who is a party to a proceeding in advance of final disposition of the proceeding if:

1) The Director furnishes to the Corporation a written affirmation of the Director's good faith belief that the Director has met the standard of conduct described in these Bylaws;

2) The Director furnishes to the Corporation a written undertaking, executed personally or on the Director's behalf, to repay the advance if it is ultimately determined that the Director did not meet the standard of conduct; and

3) A determination is made that the facts then known to those making the determination would not preclude indemnification under this article.

(b) The undertaking required by subsection (a)(2) hereinabove shall be a general obligation of the Director but need not be secured and may be accepted without reference to financial ability to make repayment.

5. Determination and Authorization of Indemnification of Directors.

(a) The Corporation may not indemnify a Director under this article unless authorized in the specific case after a determination has been made that indemnification of the Director is permissible in the circumstances because the Director has met the standard of conduct set forth in these Bylaws. The Corporation shall not advance expenses to a Director under this article unless authorized in the specific case after the written affirmation and undertaking required by these Bylaws are received and the determination required by these Bylaws has been made.

(b) The determination required by subsection (a) hereinabove shall be made:

1) By the Board of Directors by a majority vote of those present at a meeting at which a quorum is present, and only those Directors not parties to the proceeding shall be counted in satisfying the quorum; or

2) If a quorum cannot be obtained, a majority vote of a committee of the Board of Directors designated by the Board of Directors, which committee shall consist of two

(2) or more Directors not parties to the proceeding; except that Directors who are parties to the proceeding may participate in the designation of Directors for the committee.

(c) If a quorum cannot be obtained as contemplated in subsection (b)(1) hereinabove, and a committee cannot be established under subsection (b)(2) hereinabove, or even if a quorum is obtained or a committee is designated, if a majority of the Directors constituting such quorum or such committee so directs, the determination required to be made by subsection (a) hereinabove shall be made by independent legal counsel selected by a vote of the Board of Directors or the committee in the manner specified in subsection (b)(1) or (b)(2) hereinabove, or if a quorum of the full Board cannot be obtained and a committee cannot be established, by independent legal counsel selected by a majority vote of the full Board of Directors.

(d) Authorization of indemnification and advance of expenses shall be made in the same manner as the determination that indemnification or advance of expenses is permissible; except that if the determination that indemnification or advance of expenses is permissible is made by independent legal counsel, authorization of indemnification and advance of legal expenses shall be made by the body that selected such counsel.

6. Indemnification of Officers, Employees, Fiduciaries, and Agents.

(a) An officer is entitled to mandatory indemnification under this article, in each case to the same extent as a Director.

(b) The Corporation shall indemnify and advance expenses to an officer, employee, fiduciary, or agent of the Corporation to the same extent as to a Director.

(c) The Corporation shall also indemnify and advance expenses to an officer, employee, fiduciary, or agent who is not a Director to a greater extent, if not inconsistent with public policy or these Bylaws, general or specific action of the Board of Directors or voting members, or contract.

7. Insurance. The Corporation shall purchase and maintain insurance on behalf of a person who 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, member of the Board of Directors, trustee, employee, fiduciary, or agent of another domestic or foreign corporation, nonprofit corporation, or other person, or of an employee benefit plan, against liability asserted against or incurred by the person in that capacity or arising from the person's status as a Director, officer, employee, fiduciary, or agent, whether or not the Corporation would have power to indemnify the person against the same liability under this article. Any such insurance may be procured from any insurance company designated by the Board of Directors, whether such insurance company is formed under the laws of this state or any other jurisdiction of the United States or elsewhere, including any insurance company in which the Corporation has an equity or any other interest through stock ownership or otherwise.

8. Limitation of Indemnification of Directors. This article does not limit the Corporation's power to pay or reimburse expenses incurred by a Director in connection with an

appearance as a witness in a proceeding at a time when the Director has not been made a named defendant or respondent in the proceeding.

ARTICLE XIII. OFFICERS

1. Officers. The Corporation shall have a president, a secretary, a treasurer, and such other officers as may be designated by the Board of Directors. An officer shall be a natural person who is eighteen (18) years of age or older. An officer need not be a Director of the Corporation. Officers may be appointed by the Board of Directors. A duly appointed officer may appoint one or more officers or assistant officers if authorized by the Board of Directors. The Board of Directors shall delegate to the secretary or to one or more other persons responsibility for the preparation and maintenance of minutes of the Directors' meetings and other records and information required to be kept by the Corporation and for authenticating records of the Corporation. The same individual may simultaneously hold more than one office in the Corporation.

2. President. The president shall be the chief executive officer of the Corporation. The president shall preside at all meetings the Board. The president shall have the general powers and duties that are usually vested in the office of president of a corporation, including, but not limited to, the power to appoint committees from time to time as the president may determine to be appropriate to assist in the conduct of the affairs of the Corporation or as may be established by the Board at any regular or special meetings.

3. Vice President. The vice president shall have all the powers and authority and perform all functions and duties of the president in the absence of the president or his or her inability for any reason to exercise such powers and functions or to perform such duties.

4. Secretary. The secretary shall keep all minutes of the meetings of the Board of Directors and the minutes of all meetings of the Corporation. The secretary shall have charge of all books and papers that the Board may direct and shall, in general, perform all the duties incident to the office of the secretary.

5. Treasurer. The treasurer shall have the responsibility for the Corporation funds and shall be responsible for keeping a full and accurate account of all receipts and disbursements in the books belonging to the Corporation; provided, however, that when a Board of Directors has been delegated the responsibility of collecting and disbursing funds, the treasurer's responsibility shall be to review the accounts of the Board of Directors not less often than quarterly. The treasurer shall perform such other duties as from time to time may be assigned by the Board of Directors.

6. Resignation and Removal of Officers. An officer may resign at any time by giving written notice of resignation to the Corporation. A resignation of an officer is effective when the notice is received by the Corporation unless the notice specifies a later effective date. If a resignation is made effective at a later date, the Board of Directors may permit the officer to remain in office until the effective date and may fill the pending vacancy before the effective date with the provision that the successor does not take office until the effective date, or the Board may remove the officer at any time before the effective date and may fill the resulting vacancy. The Board of Directors may remove any officer at any time without cause. The Board of Directors

may make provisions for the removal of officers by other officers. An officer who resigns or is removed or whose appointment has expired may deliver to the Colorado Secretary of State for filing a statement to that effect.

7. Contract Rights with Respect to Officers. The appointment of an officer does not itself create contract rights. An officer's removal does not affect the officer's contract rights, if any, with the Corporation. An officer's resignation does not affect the Corporation's contract rights, if any, with the officer.

ARTICLE XIV. CORPORATION RECORDS

1. The Corporation shall keep as permanent records minutes of all meetings of its Board of Directors, a record of all actions taken by the Board of Directors without a meeting, a record of all actions taken by a committee of the Board of Directors in place of the Board of Directors on behalf of the Corporation, and a record of all waivers of notices of meetings of the Board of Directors or any committee of the Board of Directors.

2. The Corporation shall maintain appropriate accounting records.

3. The Corporation shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

4. The Corporation shall keep a copy of each of the following records at its principal office:

- (a) Its Articles of Incorporation;
- (b) Its Bylaws;
- (c) A list of the names and business or home addresses of its current Directors and officers;
- (d) A copy of its most recent corporate report delivered to the Colorado Secretary of State; and
- (e) All financial statements prepared for periods ending during the last three (3) years.

ARTICLE XV. AMENDMENT

These Bylaws may be amended by vote of a majority of the Directors voting in person or by proxy at a meeting at which a quorum of the Directors is present, if notice of the meeting indicated that amendment of the Bylaws would be considered at the meeting and the general substance of the amendment. Any amendment to these Bylaws shall be approved by the Board of Trustees of the Town of Wellington, Colorado.

RESOLUTION # WCH-RES-2023-11-01

**BYLAWS
OF
WELLINGTON COMMUNITY HOUSING
(A Nonprofit Corporation)**

ARTICLE I. NAME

The name of the corporation is WELLINGTON COMMUNITY HOUSING (“the Corporation”).

ARTICLE II. PURPOSES

The purposes for which the nonprofit corporation is organized are as follows:

1. To own, maintain, repair, improve, operate, rent, lease, and manage affordable rental housing for low-income households.
2. To do such other lawful acts of a charitable or educational nature, within the meaning of Section 501(c)(3) of the Internal Revenue Code of the United States and the regulations thereunder, as they now exist or as they may hereafter be amended.

ARTICLE III. POWERS

The nonprofit corporation shall have all powers, rights, and privileges granted to a nonprofit corporation under the Colorado Revised Nonprofit Corporation Act, as it now exists or as it may hereafter be amended, including but not limited to the power to finance the acquisition, rehabilitation, maintenance, and improvement of rental housing for low-income households through the issuance state and local bonds and private activity bonds, participation in the low income housing tax credit program, receipt of governmental grants and loans, private bank financing, and all other local, state, and federal programs; subject to the following limitations and restrictions:

No part of the assets or net earnings of the nonprofit corporation shall inure to the benefit of, or be distributable to, any Director or officer of the corporation, or to any private individual (except that reasonable compensation may be paid for services rendered to or for the corporation affecting one or more of its purposes, and benefits may be conferred that are in conformity with said purposes).

No Director or officer of the nonprofit corporation or any private individual shall be entitled to share in the distribution of any of the nonprofit corporation’s assets on dissolution of the nonprofit corporation.

No substantial part of the activities of the nonprofit corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the nonprofit corporation shall

not participate in, or intervene in any political campaign on behalf of any candidate for public office (including the publication or distribution of statements).

Notwithstanding any other provisions of these Articles, the nonprofit corporation shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of the United States and the regulations thereunder, as they now exist or as they may hereafter be amended, or by an organization contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of the United States and the regulations thereunder, as they now exist or as they may hereafter be amended.

ARTICLE IV. DISSOLUTION

Upon dissolution of the nonprofit corporation, the assets of the nonprofit corporation shall be distributed as follows:

Upon dissolution of the nonprofit corporation, the Board of Directors shall, after paying or making provision for the payment of the debts and liabilities of the nonprofit corporation, distribute all assets of the nonprofit corporation to the Housing Authority of the Town of Wellington (“WHA”) if it is then in existence and if not, the Board of Directors shall dispose of the assets of the nonprofit corporation exclusively for the purpose of the corporation stated herein by distributing such assets to one or more organizations as shall at the time qualify as exempt organizations under Section 501(c)(3) of the United States Internal Revenue Code (or under the corresponding provisions of any future United States Internal Revenue law), as the Board of Directors shall determine.

Any of such assets not so disposed of shall be disposed of by any court of record with general equity jurisdiction in the State of Colorado, exclusively for such purposes or to such organization or organizations, as such court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE V. OFFICES

The initial office of the Corporation shall be at 1715 West Mountain Avenue, Fort Collins, Colorado 80521.

ARTICLE VI. MEMBERS

The Corporation shall not have members.

ARTICLE VII. BOARD OF DIRECTORS

1. Powers. All powers of the Corporation shall be exercised by or under the authority of, and the business and affairs of the Corporation managed under the direction of, the Board of Directors.

2. Qualifications of Directors. A Director shall be a natural person who is eighteen (18) years of age or older. Directors shall be residents of the Town of Wellington, Colorado, or

the surrounding area. No officer, commissioner, agent, or employee of Housing Catalyst may be a Director of the Corporation.

3. Number of Directors. The Board of Directors shall consist of not less than 5 nor more than 7 Directors. Initially the Board of Directors shall consist of 5 members. The number of Directors may be changed from time to time by the Board of Trustees of the Town of Wellington, Colorado.

4. Election, Appointment, and Designation of Directors. All Directors shall be appointed by the Board of Trustees of the Town of Wellington, Colorado. The initial members of the Board of Directors and the expiration date of each initial Director's term in office are as follows:

Mishie Daknis	December 2021 (the term of Mishie Daknis's replacement shall expire December 2022)
Bob Novascone	December 2021
Amy Combs	December 2023
Ashley MacDonald	December 2024
John Evans	December 2025

5. Terms of Directors.

(a) After the expiration of the initial term of each member of the initial Board of Directors, Directors shall be appointed for terms of 5 years each.

(b) A decrease in the number of Directors or in the term of office does not shorten an incumbent Director's term.

(c) The term of a Director filling a vacancy expires at the end of the unexpired term that such Director is filling.

(d) Despite the expiration of a Director's term, a Director continues to serve until the Director's successor is appointed and qualifies or until there is a decrease in the number of Directors.

6. Resignation of Directors.

(a) A Director may resign at any time by giving written notice of resignation to the Corporation.

(b) A resignation of a Director is effective when the notice is received by the Corporation unless the notice specifies a later effective date.

(c) Removal of Directors. The Board of Trustees of the Town of Wellington, Colorado may remove a Director for inefficiency or neglect of duty or misconduct in office, but only after the Director has been given a copy of the charges made against the Director and the Director has had an opportunity to be heard in person and represented by counsel.

7. Vacancy on Board. If a vacancy occurs on the Board of Directors, the vacancy shall be filled by the entity that appointed the Director who previously occupied the vacant position.

8. Compensation of Directors. Directors shall not receive compensation for service on the Board of Directors. However, any Director may be reimbursed for the actual expenses incurred by the Director in the performance of his or her duties.

ARTICLE VIII. MEETINGS AND ACTION OF THE BOARD

1. Meetings.

(a) The Board of Directors may hold regular or special meetings.

(b) The Board of Directors may permit any Director to participate in a regular or special meeting by telephone. The Board of Directors may conduct the meeting by any means of communication by which all Directors participating may hear each other during the meeting. A Director participating in a meeting by this means is deemed to be present in person at the meeting.

2. Action Without Meeting.

(a) Any action required or permitted to be taken at a Board of Directors' meeting may be taken without a meeting if each member of the Board in writing either:

1) Votes for such action; or

2) Votes against such action or abstains from voting and waives the right to demand that action not be taken without a meeting.

(b) Action is taken under this section only if the affirmative vote 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.

(c) No action taken pursuant to this section shall be effective unless writings describing the action taken and otherwise satisfying the requirements of subsection (a) hereinabove, signed by all Directors and not revoked pursuant to subsection (d) of this section, are received by the Corporation. Any such writing may be received by the Corporation by electronically transmitted facsimile or other form of wire or wireless communication providing the Corporation with a complete copy of the document, including a copy of the signature on the document. A Director's right to demand that action not be taken without a meeting shall be deemed to have been waived if the Corporation receives a writing satisfying the requirements of subsection (a) hereinabove that has been signed by the Director and not revoked pursuant to subsection (d) hereinafter. Action taken pursuant to this section shall be effective when the last writing necessary to effect the action is received by the Corporation unless the writings describing the action taken set forth a different effective date.

(d) Any Director who has signed a writing pursuant to this section may revoke such writing by a writing signed and dated by the Director describing the action and stating that

the Director's prior vote with respect thereto is revoked, if such writing is received by the Corporation before the last writing necessary to effect the action is received by the Corporation.

(e) Action taken pursuant to this section has the same effect as action taken at a meeting of Directors and may be described as such in any document.

(f) All signed, written instruments necessary for any action taken pursuant to this section shall be filed with the minutes of the meetings of the Board of Directors.

3. Notice of Meeting.

(a) Regular meetings of the Board of Directors may be held without notice of the date, time, place, or purpose of the meeting.

(b) Special meetings of the Board of Directors shall be preceded by at least two (2) days' notice of the date, time, and place of the meeting. The notice need not describe the purpose of the special meeting.

4. Waiver of Notice.

(a) A Director may waive any notice of a meeting before or after the time and date of the meeting stated in the notice. Except as provided by subsection (b) hereinafter, the waiver shall be in writing and signed by the Director entitled to the notice. Such waiver shall be delivered to the Corporation for filing with the Corporation records, but such delivery and filing shall not be conditions of the effectiveness of the waiver.

(b) A Director's attendance at or participation in a meeting waives any required notice to that 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.

5. Quorum and Voting.

(a) A quorum of the Board of Directors consists of a majority of Directors in office immediately before the meeting begins.

(b) If a quorum is present when a vote is taken, the affirmative vote of a majority of the Directors present at the meeting is the act of the Board of Directors unless the vote of a greater number of Directors is required by these Bylaws.

(c) For purposes of determining a quorum with respect to a particular proposal, and for purposes of casting a vote for or against a particular proposal, a Director may be deemed to be present at a meeting and to vote if the Director has granted a signed, written proxy to another Director who is present at the meeting, authorizing the other Director to cast the vote that is directed to be cast by the written proxy with respect to the particular proposal that is described with reasonable specificity in the proxy. Except as provided in this subsection (c), Directors may not vote or otherwise act by proxy.

(d) A Director who is present at a meeting of the Board of Directors when Board of Directors action is taken is deemed to have assented to all action taken at the meeting unless:

1) The Director objects at the beginning of the meeting, or promptly upon the Director's arrival, to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to any action taken at the meeting;

2) The Director contemporaneously requests that the Director's dissent or abstention as to any specific action taken be entered in the minutes of the meeting; or

3) The Director causes written notice of the Director's dissent or abstention as to any specific action to be received by the presiding officer of the meeting before adjournment of the meeting or by the Corporation promptly after adjournment of the meeting.

(e) The right of dissent or abstention pursuant to subsection (d) hereinabove as to a specific action is not available to a Director who votes in favor of the action taken.

6. Committees of the Board.

(a) The Board of Directors may create one or more committees of the Board and appoint one or more Directors to serve on them.

(b) The creation of a committee of the Board and appointment of Directors to it shall be approved by a majority of all the Directors in office when the action is taken.

(c) Action without meeting, notice, waiver of notice, and quorum and voting requirements of the Board of Directors apply to committees of the Board and their members as well.

(d) To the extent specified by the Board of Directors, each committee of the Board shall have the authority of the Board of Directors, except that a committee of the Board shall not authorize distributions; elect, appoint, or remove any Director; amend articles of incorporation; adopt, amend, or repeal bylaws; approve a plan of merger; or approve a sale, lease, exchange, or other disposition of all, or substantially all, of its property, with or without good will, other than in the usual and regular course of business.

(e) The creation of, delegation of authority to, or action by a committee does not alone constitute compliance by a Director with the standards of conduct described in these Bylaws.

(f) Nothing in these Bylaws shall prohibit or restrict the Corporation from establishing by action of the Board of Directors one or more committees, advisory Boards, auxiliaries, or other bodies of any kind, having such members and rules of procedure as the Board of Directors may provide, in order to provide such advice, service, and assistance to the Corporation, and to carry out such duties and responsibilities for the Corporation, as may be specified by the Board of Directors; except that if any such committee or other body has one or more members thereof who are entitled to vote on committee matters and who are not then also

Directors, such committee or other body may not exercise any power or authority of the Board of Directors.

ARTICLE IX. STANDARDS OF CONDUCT

1. General Standards of Conduct for Directors and Officers.

(a) Each Director shall discharge the Director's duties as Director, including the Director's duties as a member of a committee of the Board, and each officer with discretionary authority shall discharge the officer's duties under that authority in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner the Director or officer reasonably believes to be in the best interests of the Corporation.

(b) In discharging duties, a Director or officer is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by:

1) One or more officers or employees of the Corporation whom the Director or officer reasonably believes to be reliable and competent in the matters presented;

2) Legal counsel, a public accountant, or another person as to matters the Director or officer reasonably believes are within such person's professional or expert competence; or

3) In the case of a Director, a committee of the Board of Directors of which the Director is not a member if the Director reasonably believes the committee merits confidence.

(c) A Director or officer is not acting in good faith if the Director or officer has knowledge concerning the matter in question that makes reliance otherwise permitted by subsection (b) hereinabove unwarranted.

(d) A Director or officer is not liable to the Corporation for any action taken or omitted to be taken as a Director or officer, as the case may be, if, in connection with such action or omission, the Director or officer performed the duties of the position in compliance with this section.

(e) A Director, regardless of title, shall not be deemed to be a trustee with respect to the Corporation or with respect to any property held or administered by the Corporation, including, without limitation, property that may be subject to restrictions imposed by the donor or transferor of such property.

2. Liability of Directors for Unlawful Distributions.

(a) A Director who votes for or assents to a distribution knowingly made in violation of these Bylaws is personally liable to the Corporation for the amount of the distribution that exceeds what could have been distributed without violating these Bylaws if it is established that the Director did not perform the Director's duties in compliance with the foregoing section.

In any proceeding commenced under this section, a Director shall have all of the defenses ordinarily available to the Director.

(b) A Director held liable under subsection (a) hereinabove for an unlawful distribution is entitled to contribution:

1) From every other Director who could be held liable under subsection (a) hereinabove for the unlawful distribution; and

2) From each person who accepted the distribution knowing the distribution was made in violation of these Bylaws, the amount of the contribution from such person being the amount of the distribution to that person that exceeds what could have been distributed to that person without violating these Bylaws.

ARTICLE X. DIRECTORS' CONFLICTING INTEREST TRANSACTIONS

1. As used in this section, "conflicting interest transaction" means a contract or other financial relationship between the Corporation and a Director of the Corporation, or between the Corporation and a party related to a Director, or between the Corporation and an entity in which a Director of the Corporation is a Director or officer or has a financial interest.

2. No loans shall be made by the Corporation to its Directors or officers. Any Director or officer who assents to or participates in the making of any such loan shall be liable to the Corporation for the amount of such loan until the repayment thereof.

3. No conflicting interest transaction shall be void or voidable or be enjoined, set aside, or give rise to an award of damages or other sanctions in a proceeding by the Corporation solely because the conflicting interest transaction involves a Director of the Corporation or a party related to a Director or an entity in which a Director of the Corporation is a Director or officer or has a financial interest, or solely because the Director is present at or participates in the meeting of the Corporation's Board of Directors or of the committee of the Board of Directors that authorizes, approves, or ratifies the conflicting interest transaction, or solely because the Director's vote is counted for such purpose if:

(a) The material fact as to the Director's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or the 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

(b) The material facts as to the Director's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the members of the Board entitled to vote thereon, and the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by a vote of the members of the Board entitled to vote thereon; or

(c) The conflicting interest transaction is fair as to the Corporation.

4. Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes, approves, or ratifies the conflicting interest transaction.

5. For purposes of this section, a “party related to a Director” shall mean a spouse, a descendent, an ancestor, a sibling, the spouse or descendent of a sibling, an estate or trust in which the Director or a party related to a Director has a beneficial interest, or an entity in which a party related to a Director is a Director, officer, or has a financial interest.

ARTICLE XI. LIMITS OF CERTAIN LIABILITIES OF DIRECTORS

1. There shall be no personal liability, either direct or indirect, of any Director or officer to the Corporation for monetary damages for any breach or breaches of fiduciary duty as Director or officer, except that this provision shall not eliminate the liability of a Director or officer to the Corporation for monetary damages for any breach, act, omission, or transaction to which the Nonprofit Corporation Act expressly prohibits the elimination of liability.

2. This provision shall not limit the rights of Directors or officers of the Corporation for indemnification or other assistance from the Corporation. This provision shall not modify, restrict, or otherwise diminish the provisions of C.R.S. § 13-21-116(2)(b) (concerning elimination of liability of Directors, except for willful and wanton acts or omissions); any amendment or successor provision thereto; or any law limiting or eliminating liabilities.

3. Any repeal or modification of the foregoing provisions of this article the Corporation or any repeal or modification of the provisions of the Nonprofit Corporation Act which permits the elimination of liability of Directors by this article shall not affect adversely any elimination of liability, right, or protection of a Director or officer of the Corporation with respect to any breach, act, omission, or transaction of such Director or officer occurring prior to the time of such repeal or modification.

ARTICLE XII. INDEMNIFICATION

1. Indemnification Definitions. As used in this article:

(a) “Director” means an individual who is or was a Director of the Corporation or an individual who, while a Director of the Corporation, is or was serving at the Corporation’s request as a Director, officer, partner, Board of Directors, trustee, employee, fiduciary, or agent of another domestic or foreign corporation, nonprofit corporation, or other person or of an employee benefit plan. A Director is considered to be serving an employee benefit plan at the Corporation’s request if the Director’s duties to the Corporation also impose duties on, or otherwise involve services by, the Director to the plan or to the participants in or beneficiaries of the plan. “Director” includes, unless the context requires otherwise, the estate or personal representative of a Director.

(b) “Expenses” includes attorney fees.

(c) “Liability” means the obligation incurred with respect to a proceeding to pay a judgment, settlement, penalty, fine (including an excise tax assessed with respect to an employee benefit plan), or reasonable expenses.

(d) “Party” includes a person who was, is, or is threatened to be made a named defendant or respondent in a proceeding.

(e) “Proceeding” means any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, and whether formal or informal.

2. Authority to Indemnify Directors.

(a) Except as provided in subsection (d) hereinafter, the Corporation shall indemnify a person made a party to a proceeding because the person is or was a Director against liability incurred in the proceeding if:

1) The person’s conduct was in good faith; and

2) The person reasonably believed:

(i) In the case of conduct in an official capacity with the Corporation, that the conduct was in the Corporation’s best interests;

(ii) In all other cases, that the conduct was at least not opposed to the Corporation’s best interests; and

(iii) In the case of any criminal proceeding, the person had no reasonable cause to believe the conduct was unlawful.

(b) A Director’s conduct with respect to an employee benefit plan for a purpose the Director reasonably believed to be in the interests of the participants in or beneficiaries of the plan is conduct that satisfies the requirement of subsection (2)(ii) hereinabove. A Director’s conduct with respect to an employee benefit plan for a purpose that the Director did not reasonably believe to be in the interests of the participants in or beneficiaries of the plan shall be deemed not to satisfy the requirements of subsection (a)(1) hereinabove.

(c) The termination of a proceeding by judgment, order, settlement, or conviction or upon a plea of *nolo contendere* or its equivalent is not, of itself, determinative that the Director did not meet the standard of conduct described in this section.

(d) The Corporation may not indemnify a Director under this section:

1) In connection with a proceeding by or in the right of the Corporation in which the Director was adjudged liable to the Corporation; or

2) In connection with any other proceeding charging that the Director derived an improper personal benefit, whether or not involving action in an official capacity, in which proceeding the Director was adjudged personally liable on the basis that the Director derived an improper personal benefit.

(e) Indemnification permitted under this section in connection with a proceeding by or in the right of the Corporation is limited to reasonable expenses incurred in connection with the proceeding.

3. Mandatory Indemnification of Directors. The Corporation shall indemnify a person who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which the person was a party because the person is or was a Director, against reasonable expenses incurred by the person in connection with the proceeding.

4. Advance of Expenses to Directors.

(a) The Corporation shall pay for or reimburse the reasonable expenses incurred by a Director who is a party to a proceeding in advance of final disposition of the proceeding if:

1) The Director furnishes to the Corporation a written affirmation of the Director's good faith belief that the Director has met the standard of conduct described in these Bylaws;

2) The Director furnishes to the Corporation a written undertaking, executed personally or on the Director's behalf, to repay the advance if it is ultimately determined that the Director did not meet the standard of conduct; and

3) A determination is made that the facts then known to those making the determination would not preclude indemnification under this article.

(b) The undertaking required by subsection (a)(2) hereinabove shall be a general obligation of the Director but need not be secured and may be accepted without reference to financial ability to make repayment.

5. Determination and Authorization of Indemnification of Directors.

(a) The Corporation may not indemnify a Director under this article unless authorized in the specific case after a determination has been made that indemnification of the Director is permissible in the circumstances because the Director has met the standard of conduct set forth in these Bylaws. The Corporation shall not advance expenses to a Director under this article unless authorized in the specific case after the written affirmation and undertaking required by these Bylaws are received and the determination required by these Bylaws has been made.

(b) The determination required by subsection (a) hereinabove shall be made:

1) By the Board of Directors by a majority vote of those present at a meeting at which a quorum is present, and only those Directors not parties to the proceeding shall be counted in satisfying the quorum; or

2) If a quorum cannot be obtained, a majority vote of a committee of the Board of Directors designated by the Board of Directors, which committee shall consist of two

(2) or more Directors not parties to the proceeding; except that Directors who are parties to the proceeding may participate in the designation of Directors for the committee.

(c) If a quorum cannot be obtained as contemplated in subsection (b)(1) hereinabove, and a committee cannot be established under subsection (b)(2) hereinabove, or even if a quorum is obtained or a committee is designated, if a majority of the Directors constituting such quorum or such committee so directs, the determination required to be made by subsection (a) hereinabove shall be made by independent legal counsel selected by a vote of the Board of Directors or the committee in the manner specified in subsection (b)(1) or (b)(2) hereinabove, or if a quorum of the full Board cannot be obtained and a committee cannot be established, by independent legal counsel selected by a majority vote of the full Board of Directors.

(d) Authorization of indemnification and advance of expenses shall be made in the same manner as the determination that indemnification or advance of expenses is permissible; except that if the determination that indemnification or advance of expenses is permissible is made by independent legal counsel, authorization of indemnification and advance of legal expenses shall be made by the body that selected such counsel.

6. Indemnification of Officers, Employees, Fiduciaries, and Agents.

(a) An officer is entitled to mandatory indemnification under this article, in each case to the same extent as a Director.

(b) The Corporation shall indemnify and advance expenses to an officer, employee, fiduciary, or agent of the Corporation to the same extent as to a Director.

(c) The Corporation shall also indemnify and advance expenses to an officer, employee, fiduciary, or agent who is not a Director to a greater extent, if not inconsistent with public policy or these Bylaws, general or specific action of the Board of Directors or voting members, or contract.

7. Insurance. The Corporation shall purchase and maintain insurance on behalf of a person who 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, member of the Board of Directors, trustee, employee, fiduciary, or agent of another domestic or foreign corporation, nonprofit corporation, or other person, or of an employee benefit plan, against liability asserted against or incurred by the person in that capacity or arising from the person's status as a Director, officer, employee, fiduciary, or agent, whether or not the Corporation would have power to indemnify the person against the same liability under this article. Any such insurance may be procured from any insurance company designated by the Board of Directors, whether such insurance company is formed under the laws of this state or any other jurisdiction of the United States or elsewhere, including any insurance company in which the Corporation has an equity or any other interest through stock ownership or otherwise.

8. Limitation of Indemnification of Directors. This article does not limit the Corporation's power to pay or reimburse expenses incurred by a Director in connection with an

appearance as a witness in a proceeding at a time when the Director has not been made a named defendant or respondent in the proceeding.

ARTICLE XIII. OFFICERS

1. Officers. The Corporation shall have a president, a secretary, a treasurer, and such other officers as may be designated by the Board of Directors. An officer shall be a natural person who is eighteen (18) years of age or older. An officer need not be a Director of the Corporation. Officers may be appointed by the Board of Directors. A duly appointed officer may appoint one or more officers or assistant officers if authorized by the Board of Directors. The Board of Directors shall delegate to the secretary or to one or more other persons responsibility for the preparation and maintenance of minutes of the Directors' meetings and other records and information required to be kept by the Corporation and for authenticating records of the Corporation. The same individual may simultaneously hold more than one office in the Corporation.

2. President. The president shall be the chief executive officer of the Corporation. The president shall preside at all meetings the Board. The president shall have the general powers and duties that are usually vested in the office of president of a corporation, including, but not limited to, the power to appoint committees from time to time as the president may determine to be appropriate to assist in the conduct of the affairs of the Corporation or as may be established by the Board at any regular or special meetings.

3. Vice President. The vice president shall have all the powers and authority and perform all functions and duties of the president in the absence of the president or his or her inability for any reason to exercise such powers and functions or to perform such duties.

4. Secretary. The secretary shall keep all minutes of the meetings of the Board of Directors and the minutes of all meetings of the Corporation. The secretary shall have charge of all books and papers that the Board may direct and shall, in general, perform all the duties incident to the office of the secretary.

5. Treasurer. The treasurer shall have the responsibility for the Corporation funds and shall be responsible for keeping a full and accurate account of all receipts and disbursements in the books belonging to the Corporation; provided, however, that when a Board of Directors has been delegated the responsibility of collecting and disbursing funds, the treasurer's responsibility shall be to review the accounts of the Board of Directors not less often than quarterly. The treasurer shall perform such other duties as from time to time may be assigned by the Board of Directors.

6. Resignation and Removal of Officers. An officer may resign at any time by giving written notice of resignation to the Corporation. A resignation of an officer is effective when the notice is received by the Corporation unless the notice specifies a later effective date. If a resignation is made effective at a later date, the Board of Directors may permit the officer to remain in office until the effective date and may fill the pending vacancy before the effective date with the provision that the successor does not take office until the effective date, or the Board may remove the officer at any time before the effective date and may fill the resulting vacancy. The Board of Directors may remove any officer at any time without cause. The Board of Directors

may make provisions for the removal of officers by other officers. An officer who resigns or is removed or whose appointment has expired may deliver to the Colorado Secretary of State for filing a statement to that effect.

7. Contract Rights with Respect to Officers. The appointment of an officer does not itself create contract rights. An officer's removal does not affect the officer's contract rights, if any, with the Corporation. An officer's resignation does not affect the Corporation's contract rights, if any, with the officer.

ARTICLE XIV. CORPORATION RECORDS

1. The Corporation shall keep as permanent records minutes of all meetings of its Board of Directors, a record of all actions taken by the Board of Directors without a meeting, a record of all actions taken by a committee of the Board of Directors in place of the Board of Directors on behalf of the Corporation, and a record of all waivers of notices of meetings of the Board of Directors or any committee of the Board of Directors.

2. The Corporation shall maintain appropriate accounting records.

3. The Corporation shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

4. The Corporation shall keep a copy of each of the following records at its principal office:

- (a) Its Articles of Incorporation;
- (b) Its Bylaws;
- (c) A list of the names and business or home addresses of its current Directors and officers;
- (d) A copy of its most recent corporate report delivered to the Colorado Secretary of State; and
- (e) All financial statements prepared for periods ending during the last three (3) years.

ARTICLE XV. AMENDMENT

These Bylaws may be amended by vote of a majority of the Directors voting in person or by proxy at a meeting at which a quorum of the Directors is present, if notice of the meeting indicated that amendment of the Bylaws would be considered at the meeting and the general substance of the amendment. Any amendment to these Bylaws shall be approved by the Board of Trustees of the Town of Wellington, Colorado.

APPROVED AND ADOPTED this 27th day of November, 2023.

Julie Brewen, Secretary