

BYLAWS
OF
HORIZONS SPECIALIZED SERVICES

ARTICLE I.

Members and Membership

Section 1. Membership. The corporation shall not have any members.

ARTICLE II.

Board of Directors

Section 1. Number and Term. The activities and the property of the corporation shall be controlled and managed by the board of directors. The number of directors serving on the board shall be no fewer than eight (8), and will be set by the Board as the needs of the organization dictate. Each board member shall serve for a minimum of three (3) years. A director shall continue in office until the election and qualification of his successor, except that any director's term may expire if he or she is absent, without Board approval, from three (3) consecutive regular meetings. The number, terms, and classification of directors may be changed from time to time by amendment of these Bylaws. Directors shall possess the qualifications stated in Article II, Section 15 of these Bylaws.

Section 2. Vacancies. Any vacancy occurring in the board of directors may be filled temporarily by the affirmative vote of a majority of the remaining directors though less than a quorum of the board of directors. A temporary replacement shall serve only until a replacement is designated by the affirmative vote of a majority of a quorum of the board of directors.

Section 3. Removal. Any director may be removed, with or without cause, by resolution of a majority of a quorum of directors present in person or by proxy then entitled to vote at a regular meeting where quorum is present.

Section 4. Regular Meetings of Directors. The board of directors shall provide, by resolution, for regular meetings. Notice of regular meetings need not be given to directors; however, notice pursuant to Section 8 shall be required.

Section 5. Special Meetings. Special meetings of the board of directors shall be

held whenever called by the president of the corporation or by any two directors, but no business shall be considered or transacted at such meeting except as set forth in the notice of such meeting. Upon a proper call of a special meeting the Secretary shall set a time and place for the special meeting and give notice of the meeting as required by these Bylaws.

Section 6. Place of Meetings. Regular meetings of the board of directors shall be held at such locations as are established in the resolution providing for such meetings adopted pursuant to Article II, Section 4 of these Bylaws. Special meetings of the board of directors shall be held at such locations as are indicated in notice of the special meetings given pursuant to Article II, Section 7 of these Bylaws. The location of any meeting, whether regular or special, shall be clearly indicated in any notice of such meeting given pursuant to any provision of these Bylaws.

Section 7. Notice of Meetings to Directors. Notice to directors of any special meeting shall be given at least 48 hours prior to the meeting, shall include the date, time, place, and purpose of the meeting, and shall be sufficient if given by telephone, facsimile transmission, or in writing. A written notice shall be considered given when it is delivered to a director. A telephone or facsimile notice shall be considered given when transmitted to the director or a person who receives messages for a director. Any director may waive notice of any meeting. Such waiver must be in writing, signed by the director, and filed with the minutes or corporate records.

Section 8. Additional Notice of Meetings. The secretary shall maintain a list of persons who request notification of all meetings or of meetings when certain specified policies will be discussed and shall provide notice of such meetings to persons on the list in the manner specified in Section 7 of this Article. In lieu of confirming actual delivery of a written notice, written notice may be mailed to the person by first class mail, postage prepaid, five days in advance of the meeting.

Section 9. Open Meetings. All meetings of a quorum of the board shall be scheduled after adequate notice and shall be open to the public, except that by a vote of a two-thirds majority of members present the board may elect to address the following matters in executive session: the purchase, acquisition, lease, transfer or sale of any real, personal, or other property interest; conferences with an attorney for the purpose of receiving legal advice on specific legal questions; matters required to be kept confidential by federal or state law or rules or regulations; specialized details of security arrangements or investigations; determining positions regarding matters that may be subject to negotiations; developing strategy for negotiations and instructing negotiators; and personnel matters. For the purposes of this section, "personnel" matters shall include, without exclusion: determining positions relative to matters that may be subject to negotiations with employees or employee organizations; developing strategy for and receiving reports on the progress of such negotiations; and, instructing negotiators. At each meeting required to be open to the public under the terms of these Bylaws, members of the public may address any matter

relevant to the affairs of this corporation. Notwithstanding the provisions of this section, no adoption of any proposed policy, position, resolution, rule, regulation, or formal action shall occur at any meeting which is not open to the public. Notice of the meetings of the board of directors shall be posted at least 24 hours prior to the meeting on the public notice bulletin board in Horizons' central office, 405 Oak Street, Steamboat Springs, Colorado, 80477, and shall be made available to service agencies and anyone who requests the notice at no cost.

Section 10. Quorum and Manner of Action. One-half of the total number of directors currently on the Board shall constitute a quorum for the transaction of business. The act of a majority of the directors present at any meeting at which a quorum is present shall be the act of the board of directors. Directors may participate in a meeting telephonically.

Section 11. Election of Officers. At annual meetings of the board of directors a president, vice-president, secretary, and a finance committee chairperson shall be elected, as necessary, to serve for a two-year term, and until their successors be duly elected and qualified. Election shall be by ballot, voice, or show of hands, and a majority of the votes cast shall be necessary to elect.

Section 12. Compensation of Directors. No director shall receive compensation for attendance at meetings of the board of directors.

Section 13. Presumption of Assent. A director of the corporation who is present at a meeting of the board of directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless: (a) the director objects at the beginning of 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; (b) 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 (c) 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.

Section 14. Conflicts of Interest. No board member shall vote on any matter or transaction before the board in which he or she has a conflicting interest. As used in this section, "conflicting interest" means: a contract, transaction, or other financial relationship between a nonprofit corporation and a director of the nonprofit corporation, or between the nonprofit corporation and a party related to a director, or between the nonprofit corporation and an entity in which a director of the nonprofit corporation is a director or officer or has a financial interest. If a conflict of interest is perceived to exist by another board member, a challenge shall be made. If the challenged board member does not agree, the President of the board shall rule. This ruling may be appealed to the board. The minutes of all actions

regarding such matters shall clearly reflect that these procedures were followed.

Section 15. Membership. Members of the board of directors shall, as a group, represent the residents of the catchment area, taking into consideration their employment, age, ethnicity, general, and other demographic characteristics of that area. The board of directors shall be comprised of persons of one or more people from the following groups: persons with a developmental disability who are receiving services, family members of persons with developmental disabilities who are receiving services or supports, and interested persons representing the community at large. Providers of human services shall not constitute a majority of the board members.

Section 16. Board Membership Restriction. Pursuant to § 27-10.5-105, C.R.S., staff members of Horizons and employees or board members of service agencies within Horizons' designated "catchment area" shall not serve on the board of directors of Horizons.

Section 17. Waiver and Restrictions. If the Colorado Department of Human Services determines that Horizons' "catchment area" is a rural catchment area, the Department of Human Services may waive any restrictions on board membership contained in these Bylaws or Colorado statutes.

Section 18. Voting Restrictions. Pursuant to § 27-10.5-105, C.R.S., staff members of Horizons and employees or board members of service agencies within Horizons' designated "catchment area" shall not vote in elections of members of the board of directors.

Section 19. Minutes. Written minutes of all board meetings shall be filed as a matter of agency record, and shall be available to the public on request within ten (10) days of being approved by the board of directors, or within sixty-two (62) days of the board meeting, whichever is earliest. The minutes shall be provided at no cost, and a copy shall be sent to the Department of Human Services.

Section 20. Annual Application and Report to Department of Human Services. Pursuant to § 27-10.5-105, C.R.S., the board of directors shall prepare or cause to be prepared for submittal to the Department of Human Services the following, as required by 2 Colo. Code Regs. 503-1 § 2 (1992): (1) an annual application to maintain designation as a community centered board; and (2) an annual written long-range plan or update to such plan for Horizons' designated service area pursuant to guidelines developed by the Department of Human Services.

Section 21. Establishment of a Human Rights Committee. A quorum of the Board of Directors shall establish a Human Rights Committee. Such committee shall, to the extent possible, be comprised of two professional persons trained in the application of behavior

development techniques and three representatives of persons receiving services, their parents, legal guardians, or authorized representatives. No employee or board member of a service agency within the community centered board's designated service area shall serve as a member of the human rights committee.

ARTICLE III.

Officers

Section 1. General. The officers of the corporation shall be a president, vice-president, secretary and finance committee chairperson. Officers and directors must be individuals. The board of directors may elect to appoint such officers as they may consider necessary, who shall hold their offices for such terms and have such authority and duties as from time to time they may be determined by the board of directors. No salaries shall be paid to the officers of the corporation. In all cases where the duties of any officer, agent or employee are not prescribed by the bylaws or by the board of directors, such officer, agent or employee shall follow the orders and instruction of the president.

Section 2. Tenure. The officers of the corporation shall be elected for a two (2) year term at an annual meeting of the Board. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently possible. Each officer shall hold office until the first of the following to occur: until his successor shall have been duly elected and shall have qualified; or until his death; or until he shall resign; or until he shall have been removed in the manner hereinafter provided.

Section 3. Removal. Any officer may be removed by the board of directors at any time, with or without cause, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not in and of itself create a contractual right.

Section 4. Vacancies. A vacancy in any office, however occurring, may be filled by the board of directors for the unexpired portion of the term.

Section 5. President. The president shall, subject to the direction and supervision of the board of directors, have general and active control of its affairs and general supervision of its officers, agents, and employees. The president shall ensure and direct that a report of the general status of the company and the transactions of the company occurs at each annual meeting. The president shall have custody of the treasurer's bond, if any.

Section 6. Vice-President. The vice-president shall perform all the duties and obligations of the president when the president is unable to act due to a vacancy in the office, absence, or illness.

Section 7. Secretary. These bylaws delegate to the secretary, or to one or more other persons as directed by the majority of the Board, the responsibility for the preparation and maintenance of the minutes of the directors' meetings and other records and information required to be kept by the nonprofit corporation (*see* C.R.S. § 7-136-101) and for authenticating records of the nonprofit corporation. Further, the secretary shall ensure that:

a) The minutes of all proceedings of the board of directors are accurate and be maintained;

b) That all notices are duly given in accordance with the provisions of these Bylaws or as required by law;

c) In general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned by the president or board of directors; and,

d) Have such other powers and perform such other duties as may be from time to time prescribed by the board of directors or the president.

Section 8. Finance committee chairperson. The finance committee chairperson shall:

a) Chair Horizons' Finance Committee;

b) Advise and consult with Horizons' Executive Director and Finance Director regarding the corporation's finances; and

c) Have such other powers and perform such other duties as may be from time to time prescribed by the board of directors or the president.

ARTICLE IV.

Amendment of Bylaws

Section 1. Amendment. The board of directors shall have power to make, amend, and repeal the bylaws of the corporation at any regular meeting of the board or at any special meeting called for that purpose.

ARTICLE V.

Indemnification of Officers and Director

Section 1. Indemnification. Any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative by reason of the fact that he or she is or was a non-compensated director, or officer, of Horizons or is or was serving at the request of Horizons as a non-compensated director or officer of another corporation, partnership, joint venture, trust or other enterprise in which this corporation owns shares of capital stock or of which it is a creditor, shall be indemnified by Horizons against expenses (including attorney's fees), judgments, penalties, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit, or proceeding if, during the acts out of which such liability arose:

- a) such person conducted himself in good faith; and,
- b) the person reasonably believed:
 - i) in the case of conduct in an official capacity with the corporation, that conduct was in the corporation's best interests; and,
 - ii) in all other cases, that his conduct was at least not opposed to the corporation's best interests; and,
- c) In the case of any criminal proceeding, the person had no cause to believe that his conduct was unlawful; except that the corporation may not indemnify a director, officer or trustee in connection with a proceeding by or in right of the corporation in which such person was adjudged liable to the corporation, or in connection with any other proceeding charging that such person derived an improper personal benefit, whether or not involving an action in an official capacity, in which proceeding such person was adjudged liable on the basis that he derived an improper personal benefit.

Section 2. Mandatory Indemnification. Unless otherwise limited by Horizons' articles of incorporation or these Bylaws, to the extent that a director or officer of Horizons

has been wholly successful, on the merits or otherwise, in defense of any action, suit, or proceeding to which the person was a party because the person is or was a director, he or she shall be indemnified against reasonable expenses incurred by person in connection with the proceeding.

Section 3. Advance of Expenses. The corporation may pay for or reimburse the reasonable expenses incurred by a director, officer or trustee who is a party to a proceeding in advance of a final disposition of the proceeding if:

a) That person furnishes to the corporation a written affirmation that person's good faith belief that he has met the standard of conduct described in Section 1 of this Article V;

b) That person furnishes to the corporation a written undertaking, executed personally or on that person's behalf, to repay the advance if it is ultimately determined that the director did not meet the standard of conduct; and

c) A determination is made by the board of directors (not including the persons seeking the advance if that persons is a director) that the facts then known to the board would not preclude indemnification under applicable Colorado law.

Determinations and authorizations of payments under this Section 3 shall be made in the manner provided in Section 4 below.

Section 4. Determination and Authorization of Indemnification.

a) The corporation shall not indemnify a director, officer, or trustee unless authorized in the specific case after a determination has been made that indemnification of such person is permissible in the circumstances because such person has met the standard(s) of conduct set forth in Article V of these Bylaws.

b) The determinations required by subsection (a) of this Section 4 shall be made in accordance with § 7-109-106, C.R.S. If § 7-109-106, C.R.S. is altered, amended, repealed, or replaced subsequent to the adoption of these Bylaws, the most recent version of the applicable Colorado law shall govern the determinations required by this Section 4; if no applicable Colorado law exists, the board of directors shall establish a procedure to govern the determinations required by this Section 4.

ARTICLE VI.

Miscellaneous

Section 1. Seal. The board of directors may provide a corporate seal which may be

circular in form and contain the name of the corporation and words "Seal, Colorado."

Section. 2. Offices. The principal office of the corporation shall be located at 405 Oak Street, Steamboat Springs, Colorado, 80477. The corporation may have such other offices, either within or outside the State of Colorado, as the board of directors may designate or as the business of the corporation may require from time to time.

Section 3. Committees. There shall be the following Standing Committee appointed by the Board: Finance Committee. Further, there shall be such Special Committees as may from time to time be appointed by the Board.

Section 4. Fiscal Year. The fiscal year of Horizons shall commence on the first (1st) day of July and shall end on the thirtieth (30) day of June.

Certified to be a true and correct copy of the Bylaws of Horizons as of _____, 2006.

Secretary

cc: Board Book

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BYLAWS OF HORIZONS SPECIALIZED SERVICES
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~ PAGE 8 ~