

**BYLAWS  
OF  
ESTES ARTS DRISTRICK, INC.  
A Colorado Nonprofit Corporation**

**ARTICLE 1 – NAME, MISSION, PURPOSE, and OFFICE**

**Section 1.1 Name.**

The name of the corporation is the Estes Arts District, Inc. It is a Colorado non-profit corporation, and an application was made on \_\_\_\_\_, 2015 for tax exempt status under IRC, Section 501 (c) (3). The corporation shall be commonly referred to as the Arts District or the EAD.

**Section 1.2 Mission and Purpose.**

1.2.1. Mission: The mission of the EAD is “To cultivate excitement, promote interaction, and create memorable experiences through creative endeavors for the betterment of the Estes Valley.”

1.2.2. Purpose: The organization is organized exclusively for charitable and educational purposes under Section 501 (c) (3) of the Internal Revenue Code or corresponding section of any future federal tax code.

**Section 1.3 Office.**

The registered office of the Corporation shall be located in Colorado. The Corporation may have any number of other offices, including a principal office, at such places as the Board may determine. The corporate records will be maintained at the office designated as the principal office. The address for official correspondence will be P.O. Box 1652, Estes Park, Colorado 80517.

**ARTICLE 2 – BOARD OF DIRECTORS**

**Section 2.1. Board of Directors.**

2.1.1. The business and affairs of the Corporation shall be overseen by the Board of Directors. The Board will select Board members who will have additional duties as Officers of the Board (Article 3). These officers will be: Chairman, Vice Chairman, Secretary, Treasurer, and General Counsel.

2.1.2. In order to ensure a close working relationship with the Town of Estes Park, one board seat will be available to the Mayor or a Trustee. As a board member, the Town representative will be selected and perform in accordance with all provisions of these bylaws.

2.1.3. At the discretion of the Board, a paid staff may be hired that could include an Executive Director and such other staff members that may be required to run the EAD on a day to day basis.

2.1.4. Without an Executive Director and other staff, the Officers of the Board will act for the Board between its regular meetings. Except as otherwise provided by these Bylaws or by resolution of the Board, the Board Officers shall have and may exercise all of the powers and authority of the Board in the management of the Corporation.

## **Section 2.2. Performance of Duties.**

Each Director shall discharge the duties as a Director, including the Director's duties as an Officer or a member of a committee or committees of the Board, in good faith, with the care any ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner the Director reasonably believes to be in the best interests of the Corporation. In discharging such duties, a Director is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by:

2.2.1. An Officer, one or more Directors of the Corporation, or Staff members, who the Director reasonably believes to be reliable and competent in the matters presented;

2.2.2. Legal counsel, a public accountant, or another person as to matters which the Director reasonably believes to be within such person's professional or expert competence; or,

2.2.3. A committee of the Board of which the Director is not a member if the Director reasonably believes the committee merits confidence.

A Director cannot act in good faith based on such information if the Director has knowledge concerning the matter in question that makes such reliance unreasonable. A Director shall not be liable to the Corporation for any action taken or omitted to be taken as a Director if, in connection with such action or omission, the Director performed the Director's duties in compliance with Section 2.2.

## **Section 2.3. Qualifications of Directors.**

2.3.1. Each Director shall be at least 21 years of age who need not be a resident of Colorado. The names of Director Applicants will be submitted to the Chairman of the Governance Committee who will cause appropriate vetting of the applicant to occur. After the vetting process has been completed, the Chairman or the Governance will bring the applicant name and record to the Board for consideration.

2.3.2. To be a Board member, an individual should have the desire and the capability to promote the EAD and foster its mission, purpose, and philanthropies.

2.3.3. An important function of all Board members is to provide and/or acquire funding to support EAD philanthropies. Board members agree to each donate \$100 to the EAD.

2.3.4. The Board, collectively, has the responsibility for ensuring that the Corporation is managed in a highly professional and transparent way as a nonprofit, tax exempt organization. It is responsible for helping develop creative solutions to future challenges and ensuring processes are in place for the successful and progressive growth of the EAD. Specific Director responsibilities include but are not limited to:

2.3.4.1. Determine the Vision, Mission and Purpose and advocate for them.

2.3.4.2. Ensure effective planning.

2.3.4.3. Monitor and strengthen programs and services.

2.3.4.4. Ensure adequate financial resources.

2.3.4.4. Protect assets and provide financial oversight.

2.3.4.5. Build a competent Board.

2.3.4.6. Ensure legal and ethical integrity

2.3.4.7. Enhance the EAD's public standing.

2.3.5. All Board Members may be required to undergo an orientation program designed to prepare them for their jobs.

2.3.6. A Board member may not also be a staff member.

#### **Section 2.4. Number of Directors.**

The Board shall determine by resolution the total number of Directors to serve at any time. However, the Board shall consist of at least five (5) Directors and a maximum of eleven (11). Director positions shall be filled at the annual Board meeting.

#### **Section 2.5. Term of Office.**

Each Director shall hold office until (a) the expiration of the term for which he or she was elected and until his or her successor has been elected and qualified, or (b) his or her death, resignation, or removal. The Board will initially serve staggered terms of one, two, and three years to ensure that (except in unusual circumstances) there are never more than three new members on the Board at any given time. After the initial staggering process has been implemented, Directors will serve three (3) year terms. A Director may serve more than one consecutive term.

#### **Section 2.6. Procedure for Nomination and Election of Candidates for Director.**

Notification of the number of Board positions that will become available will be sent to the Board by the Chairman of the Governance Committee thirty (30) days before the annual meeting. Nominations for these positions can be received by the Chairman of the Governance Committee immediately after notification. It is the responsibility of the Governance Committee to vet all candidates and ensure that the qualifications for Directorship are present. A list of qualified candidates will be submitted to the Board one week prior to the annual meeting. At the annual meeting in September, the Chairperson of the Board shall ask for discussion on the list of

candidates. After a discussion of all nominees, the chair of the meeting shall, on motion, declare the nominations closed. After the nominations have been closed, the Board members shall cast their votes. In all cases a candidate must receive at least 51% of the votes cast to be selected to a Director position. If this does not occur, any unfilled position will remain vacant until the Board, under the provisions of Section 2.7, can appoint a temporary Director. In these circumstances the temporary Director will be appointed for no more than one year.

### **Section 2.7. Vacancies.**

Vacancies in the Board, including vacancies resulting from (a) an increase in the number of Directors, or (b) the death, resignation, or removal of a Director, shall be filled by a majority vote of the remaining Directors though less than a quorum. Each person so elected shall be a Director to serve for the balance of the unexpired term. In the event that, at a general election of Board members, a position cannot be filled because of a failure of any candidate to receive at least 51% of votes cast, the Board of Directors may fill a vacant position by appointment. The appointment will not be for more than one year.

### **Section 2.8. Resignations.**

Any Director may resign at any time by giving written notice to the Board Secretary, General Counsel, or Chairperson. The resignation shall be effective upon receipt of the written document by any one of these individuals or at such subsequent time as may be specified in the notice of resignation.

### **Section 2.9. Compensation of Directors.**

Directors shall receive no compensation for their services. Directors may be reimbursed for reasonable expenses incurred on behalf of the Corporation as provided by resolution of the Board.

## **ARTICLE 3 – OFFICERS OF THE BOARD**

### **Section 3.1. Officers of the Board**

3.1.1. The Board of Directors will be managed by a Chairman who will be supported by a Vice-Chair, a Secretary, Treasurer, and General Counsel. All Officers will be appointed by the Board and selected from the standing Directors.

3.1.2. The Officers will have specific written job descriptions.

### **Section 3.2. Chairman.**

3.2.1. The Chairman shall be an individual appointed by the Board and is authorized to act for the Board between its regular meetings. Except as otherwise provided by these Bylaws or by resolution of the Board, the Chairman shall have and may exercise all of the powers and authority

of the Board in the management of the Corporation.

3.2.2. The Chairman shall execute, in the name of the Corporation, deeds, mortgages, bonds, contracts, and other instruments authorized by the Board, except in cases where the execution thereof shall be expressly delegated by the Board to some other officer or agent of the Corporation.

3.2.3. In general, the Chairman will perform all duties incidental to the position of Chairman and such other duties as may be assigned by the Board.

3.2.4. Qualifications of the Chairman:

3.2.4.1. The Chairman shall be at least 21 years of age,

3.2.4.2. The Chairman can, when required, also fill other officer positions; however, the Chairman cannot also be the Treasurer,

3.2.4.3. The Chairman should have financial management experience, and

3.2.4.4. Experience working in the nonprofit sector.

### **Section 3.3. Vice-Chairman.**

The Vice-Chairman shall fill in for the Chairman at all times the Chairman is not available.

### **Section 3.4. Secretary.**

The Secretary will be appointed by the Board of Directors. The Board Secretary shall record all votes of the Board and the minutes of the meetings of the Board in records to be kept accessible for that purpose. The Board Secretary shall provide notices of meetings of the Board and properly maintain the files and records of the Corporation. In general, the Board Secretary shall perform all duties incidental to the office of Board Secretary and such other duties as may be assigned by the Board. He or she shall treat Board matters as confidential except when the Board may dictate otherwise. When Staff is available, a staff member may be asked to take notes in a meeting.

### **Section 3.5. Treasurer.**

In general, the Treasurer shall perform all duties incidental to the office of Treasurer and such other duties as may be assigned by the Board or the Chairman. The Treasurer will act as Chairman of the Finance Committee and provide oversight for a bookkeeper in the event one has been designated. The Treasurer shall be responsible for corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation. The Treasurer shall have full authority to receive and give receipts for all money due and payable to the Corporation and to endorse checks, drafts, and warrants in its name and on its behalf. The Treasurer shall deposit all funds of the Corporation, except such as may be required for current use, in such banks or other places of deposit as the Board may designate. The Treasurer, by his or her signature alone, shall have full authority to draft payment checks for amounts up to \$500.

Any check drafted by the Treasurer that exceeds \$500 shall be co-signed by either the Executive Director or the Chairman.

**Section 3.6. General Counsel.**

The General Counsel will be an attorney licensed to practice in the State of Colorado. The General Counsel may or may not be a member of the Board. If the General Counsel is not a member of the Board he or she will be appointed by the Board of Directors and will be a nonvoting member of the Board. If the General Counsel is a member of the Board he or she will have the additional duty as an Officer of the Board and serve as Chairperson or member of the Governance committee. The General Counsel shall advise the Board on all legal matters that may come before the Board or may affect the Board or the EAD in general.

**Section 3.7. Appointment and Term of Office.**

The Officers of the Corporation shall be appointed by the Board at such time as a need develops. Officers shall serve until their term as a Director expires, his or her successor has been appointed and qualified, or until his or her earlier death, resignation, or removal.

**Section 3.8. Removal of Officers.**

Officers may be removed from their offices by the Board with or without cause. Such removal shall be without prejudice to the contract rights, if any, of any person so removed.

**Section 3.9. Resignations.**

Officers may resign at any time by giving written notice to the Board Secretary, General Counsel, or the Chairman. The resignation shall be effective upon receipt of the written document by one of these individuals or at such subsequent time as may be specified in the notice of resignation.

**Section 3.10. Compensation of Officers.**

Except in the event of a resolution by the Board of Directors, Officers shall receive no compensation for their services as an Officer. However, an Officer may be reimbursed for reasonable expenses incurred on behalf of the Corporation.

**ARTICLE 4 – BOARD LEVEL COMMITTEES**

**Section 4.1. Establishment and Powers.**

The Board may, by resolution adopted by a majority of the Directors, establish one or more Board level committees to consist of one or more Directors of the Corporation. Any such committee, to the extent provided in the resolution of the Board, shall have and may exercise all of

the powers and authority of the Board, except that no committee shall:

4.1.1. Authorize distributions;

4.1.2. Elect, appoint, or remove any Director;

4.1.3. Amend the Articles of Incorporation;

4.1.4. Adopt, amend, or repeal the Bylaws;

4.1.5. Approve a plan of merger; or,

4.1.6. Approve a sale, lease, exchange, or other disposition of all, or substantially all, of the Corporation's property, with or without goodwill, otherwise than in the usual and regular course of business.

#### **Section 4.2. Term.**

Each member of a committee of the Board shall serve at the pleasure of the Board.

#### **Section 4.3. Committee Organization.**

4.3.1. Except as otherwise provided by the Board, each Board-level committee shall select a Chair from its members and shall establish its own operating procedures including time and place of its meetings. Committee Chairs are encouraged to invite members of the advisory committee who may have needed expertise to be non voting members of their committees. Each committee shall keep regular minutes of its proceedings and report the same to the Board at each regular meeting. Standing committees shall include but not be limited to:

Governance Committee: Generally, the Governance Committee addresses Board composition, the roles and responsibilities of board members, board member knowledge, board leadership, and board effectiveness. Its charge is to find accomplished, enthusiastic people with the assets needed by the board; to teach these high performers what it means to be on the Arts District Board and continually engage them in its work; to evaluate the work of the board and each member's contribution, watching for leadership potential; and to make sure the board is living up to its obligations and its potential. It also evaluates and recommends necessary changes to the board structure, processes, and guiding documents (bylaws, policies, etc.).

Finance Committee: This committee oversees the financial health of the organization. It ensures the board observes due diligence and appropriate processes in regard to investment strategies, vendor contracts, contributions from major donors, and all organizational purchases and expenses. It works with the Executive Director and staff to develop and manage an annual budget. It also ensures that the IRS Form 990 is completed and signed by the appropriate officer and that it is reviewed by the Board before filing.

- ☒ Program Committee: This committee determines the alignment between the Arts District mission and the purpose of proposed programs. It evaluates a program's value to the Estes Valley community, the investment of volunteer time, the program's financial viability and subsequently it makes recommendations to the Board. It also maintains a database of patrons, volunteers, resources, etc. to be shared with interested individuals or groups.
- ☒ Audit Committee: The Audit Committee identifies the type of audit needed and determines the frequency with which audits should be conducted. It recommends audit firms to the board and provides guidance on how often to rotate the firm. It should ensure that the full board has the opportunity to meet privately with the auditor at the end of the audit process.

## **ARTICLE 5 - MEETINGS OF DIRECTORS**

### **Section 5.1. Place of Meetings.**

The Board may hold its meetings at such places as the Board may appoint or as may be designated in the notice of the meeting.

### **Section 5.2. Annual Meeting.**

Unless the Board provides by resolution for a different time, the annual meeting of the Board shall be held at 1 o'clock p.m. on the third Friday of September in each year. If such day is a legal holiday under the laws of Colorado, the annual meeting shall be held on the next succeeding business day which is not a legal holiday under the laws of Colorado. In case an emergency develops, a meeting will be rescheduled within seven (7) days or at a time that is reasonable based on the nature of the emergency.

### **Section 5.3. Regular Meetings.**

The Board may hold regular meetings at such place and time as shall be designated by resolution of the Board. These meetings will normally occur six (6) times a year on the third Friday of November, January, March, May, July, and September. If the date fixed for any regular meeting is a legal holiday under the laws of Colorado, the meeting shall be held on the next succeeding business day or at such other time as may be determined by resolution of the Board. The Board shall transact such business as may properly be brought before its meetings. Notice of regular meetings need not be given.

### **Section 5.4. Special Meetings of the Board.**

The Chairperson or any two Directors may call, by letter, email, or fax, special meetings of the Board. Two (2) days' notice of any special meeting shall be given to each Director. Such notice

shall state the time, place, and purpose of such special meeting.

**Section 5.5. Voting Rights.**

Each Director shall be entitled to one vote.

**Section 5.6. Proxy.**

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 which authorizes another Director who is present at the meeting to cast the vote in accordance with the proxy.

**Section 5.7. Quorum.**

A majority of Directors, then in office, shall constitute a quorum for the transaction of business. The acts of a majority of the Directors present and voting at a meeting at which a quorum is present shall be the acts of the Board.

**Section 5.8. Participation in Meetings.**

One or more Directors may participate in a meeting of the Board or a committee thereof by means of conference telephone or similar communications equipment which allows all persons participating in the meeting to hear each other. Such participation shall constitute presence in person at the meeting.

**Section 5.9. Organization.**

Every meeting of the Board shall be presided over by the Chairperson, or in the absence of the Chairperson, the Vice-Chair or a chair chosen by a majority of the Directors present. The Secretary, or in his or her absence, a person appointed by the chair, shall act as secretary.

**Section 5.10. Consent of Directors in Lieu of Meeting.**

Any action required or permitted to be taken by the Board or by a committee thereof at a meeting, may be taken without a meeting if each and every member of the Board or committee in writing either:

- a. Votes for such action; or,
- b. Votes against such action or abstains from voting and waives the right to demand that a meeting be held.

**ARTICLE 6 – EXECUTIVE DIRECTOR**

**Section 6.1. Executive Director.**

6.1.1. When the position of Executive Director is filled, the incumbent shall be the senior

staff member and a person who works in close partnership with the Chairman of the Board. Except as otherwise provided by these Bylaws or by resolution of the Board, the Executive Director shall have and may exercise all of the powers and authority of the Board in the management of the Corporation.

6.1.2. The Executive Director shall have the capability to execute, in the name of the Corporation, deeds, mortgages, bonds, contracts, and other instruments authorized by the Board, except in cases where the execution thereof shall be expressly delegated by the Board to some other officer or agent of the Corporation.

6.1.3. In general, the Executive Director will perform all duties incidental to the position of Executive Director and such other duties as may be assigned by the Board.

### **Section 6.2. Qualifications of the Executive Director.**

The Executive Director shall be at least 21 years of age. The Executive Director cannot be a member of the Board of Directors.

### **Section 6.3. Appointment and Term of Office.**

The Executive Director of the Corporation shall be appointed by the Board at such time as a need develops and appropriate recruitment and vetting can be accomplished. The Executive Director shall serve until his or her successor has been appointed and qualified, or until his or her earlier death, resignation, or removal.

### **Section 6.4. Removal of the Executive Director.**

The Executive Director may be removed by the Board with or without cause. Such removal shall be without prejudice to the contract rights, if any, of any person so removed.

### **Section 6.5. Resignations.**

The Executive Director may resign at any time by giving written notice to the Board Secretary, General Counsel, or Chairperson. The resignation shall be effective upon receipt of the written document by one of these individuals or at such subsequent time as may be specified in the notice of resignation.

### **Section 6.6. Compensation of the Executive Director.**

The Executive Director will be paid a salary commensurate with the work assigned and comparative to other nonprofit organizations in the Estes Valley. This section does not prevent a volunteer from holding the position of Executive Director for a period of time during the development of the corporation.

**Section 6.7. Executive Director Staff.**

6.7.1. The Executive Director will manage a staff, composed of, at a minimum, an Administrative Assistant and a Bookkeeper. These staff members may be paid,

6.7.2. Administrative Assistant. The Administrative Assistant will assist the Executive Director in running the day to day operations of the Arts District. This includes traditional secretarial work, and communications on behalf of the Executive Director or any Director.

**ARTICLE 7 – Advisory Council**

**Section 7.1. Advisory Council**

The Advisory Council is made up of individuals who agree to provide expertise or technical assistance when needed or simply participate in volunteer activities, such as fundraising, to help the Board function more effectively. They are nonvoting volunteers.

**ARTICLE 8 – MEMBERS**

**Section 8.1. Eligibility.**

Any individual person or individual person of a firm, corporation or entity interested in promoting the mission of the Arts District as set forth in Article 1, and who pays an annual fee established by the Board, shall be eligible to apply for membership. Membership in the Arts District is a privilege offered to individuals and organizations who wish to be kept abreast of Arts District related activities and who may choose to support the Arts through their donation of time and funds.

**Section 8.2. Application.**

Application for initial enrollment and renewal of membership shall be submitted to the Executive Director or in the absence of an Executive Director to the Board of Directors for its approval. Membership is expressly conditional until the Board of Directors approves the membership application.

**Section 8.3. Dues.**

Membership shall be for a period of 12 months ending September 31st. Payment of dues is due within thirty days subsequent to the date of the bill. Any Arts District services that may have been established will be discontinued for any member who has not paid dues as above set forth. Services will be reinstated, within ten days, upon receipt of the dues and payment of a ten percent (10%) reinstatement fee.

**Section 8.4. Transfer.**

Membership shall be nontransferable.

**Section 8.5. Termination by Resignation.**

Any member may resign at any time from the Arts District by giving notice thereof to the Board of Directors or Executive Director.

**Section 8.6. Termination of Membership and Suspension.**

Any member may automatically be terminated from membership for nonpayment of annual dues thirty (30) days after the payment of annual dues are due, unless an extension of time for payment is granted (for good cause as determined by the Board of Directors or the Executive Director), prior to the termination of membership as provided for herein.

**Section 8.7. Meetings.**

Meetings of the membership shall be called by the Board of Directors as prescribed herein.

8.7.1. Annual Meetings. An annual meeting of the membership shall be held in the third (3rd) quarter of the year at a place and time as determined by the Board of Directors.

8.7.2. Special Meetings. Special meetings of the membership may be held from time to time upon the call of the Board of Directors, the Executive Director, or upon the written request of not less than ten percent (10%) of the membership. The date place and time of any special meeting shall be set by the Board of Directors, provided, however, that the Board shall set the date, place and time of any special meeting within ten (10) days of the call of any such meeting, and the purposes for said special meeting shall be included in the notice of the meeting.

8.7.3. Notice of Meetings. Written notice of an annual meeting or special meeting of the membership shall be given not less than ten (10) days prior thereto. Notice shall be given to each member of record either by mail, fax or e-mail to the member's address as it appears on the record of the Arts District. The notice shall state the purpose, date, place and time thereof.

**Section 8.8. Voting.**

Members do not have voting privileges.

**ARTICLE 9 – NOTICE**

**Section 9.1. Written Notice.**

Whenever written notice is required to be given to any person, it may be given to the person: (a) by hand, (b) by sending a copy by first-class or express mail, postage prepaid, (c) by fax transmission, or (d) by e-mail. The notice will be sent, as appropriate, to his or her address, fax number or e-mail address appearing on the books of the Corporation or, in the case of Directors, supplied by him or her to the Corporation for the purpose of notice. The notice shall be deemed to

have been given when handed directly to the person, deposited in the United States mail, faxed or e-mailed. A notice of meeting shall specify the place, date and hour of the meeting and any other information required by the Act.

**Section 9.2. Waiver by Writing.**

Whenever any written notice is required to be given, a waiver in writing, signed by the person or persons entitled to the notice, whether before or after the time stated, shall be deemed equivalent to the giving of the notice. Neither the business to be transacted at, nor the purpose of, a meeting need be specified in the waiver of notice of the meeting.

**Section 9.3. Waiver by Attendance.**

An individual's attendance at a meeting shall constitute a waiver of notice of the meeting. However an individual's attendance for the sole purpose of objecting to the lack of lawful meeting notice or to the lack of lawful meeting convening, will not count as attendance. If such an objection is made, no business shall be transacted.

**ARTICLE 10 - CONFLICTS OF INTEREST**

**Section 10.1. Loans.**

No loans shall be made by the Corporation to its Directors, the Executive Director or staff members. 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.

**Section 10.2. Conflict of Interest Transaction.**

10.2.1. For purposes of this provision, the term "interest" shall include personal interest, interest as director, officer, member, stockholder, shareholder, partner, manager, trustee or beneficiary of any concern and having an immediate family member who holds such an interest in any concern. The term "concern" shall mean any corporation, association, trust, partnership, limited liability entity, firm, person or other entity other than the organization.

10.2.2. No director, officer, staff, member or volunteer ("participant") of the organization shall be disqualified from any activities in the organization by reason of any interest in any concern. A participant shall not be disqualified from dealing, either as vendor, purchaser or otherwise, or contracting or entering into any other transaction with the organization or with any entity of which the organization is an affiliate. No transaction of the organization shall be voidable or involve a conflict of interest by reason of the fact that a participant of the organization has an interest in the concern with which such transaction is entered into, provided:

10.2.2.1. The interest of an officer, director or the executive director is fully disclosed to the board of directors and such transaction is duly approved by the board of directors not so interested or connected as being in the best interests of the organization.

10.2.2.2. The interest of a participant other than an officer, director, or the executive director is fully disclosed to the executive director or to the board chairman and such transaction is duly approved by the board of directors as being in the best interests of the organization or, for transactions and programmatic activities not normally requiring board approval, is duly approved by the executive director or the board chairman as being in the best interests of the organization and said approval is reported to the board of directors.

10.2.2.3. Any payments to the interested participant are reasonable and do not exceed fair market value.

10.2.2.4. No interested officer or director may vote or lobby on the matter or be counted in determining the existence of a quorum at the meeting at which such transaction may be authorized.

10.2.3. The minutes of meetings at which such votes are taken shall record such disclosure, abstention, and rationale for approval.

10.2.4. The provisions of the attachment to these bylaws (Standards of Conduct Estes Arts District) shall apply to all Directors, Officers, the Executive Director and staff, advisors and members of the EAD.

## **ARTICLE 11 – INSURANCE**

### **Section 11.1. Insurance.**

The Corporation shall purchase and maintain insurance on behalf of any Director, General Counsel, and the Executive Director of the Corporation or a person who is or was a Director or Executive Director of the Corporation or is or was serving at the request of the Corporation as a Director or Executive Director of another domestic or foreign corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against that liability under the Act. The Corporation's payment of premiums with respect to such insurance coverage shall be provided primarily for the benefit of the Corporation. To the extent that such insurance coverage provides a benefit to the insured person, the Corporation's payment of premiums with respect to such insurance shall be provided in exchange for the services rendered by the insured person and in a manner so as not to constitute an excess benefit transaction under section 4958 of the Internal Revenue Code of 1986, as amended.

## ARTICLE 12– INDEMNIFICATION

### **Section 12.1. Indemnification.**

The Corporation shall indemnify Directors and the Executive Director and other Staff to the extent said parties act with loyalty, good faith, and informed judgment in the discharge of their respective duties and responsibilities and do not violate any Federal, State or municipal law or regulation. Indemnification permitted under this section is limited to reasonable expenses incurred in connection with the action being taken.

## ARTICLE 13 – GENERAL PROVISIONS

### **Section 13.1. Severability.**

The provisions of this instrument are severable, and if one or more is voidable or void by statute or rule of law, the remaining provisions shall be severed there from and remain in full force and effect.

### **Section 13.2. Governing Law.**

These bylaws shall be construed in accordance with and governed by the internal laws of the State of Colorado. Each of the parties irrevocably consents that any action or proceeding relating to this instrument will be addressed in the appropriate courts of Larimer County, State of Colorado.

### **Section 12.3. Attorney Fees.**

In the event that a party hereto is required to enforce any of the provisions of this Agreement or seek damages for breach of this Agreement, the prevailing party shall be paid, in addition to all other sums that may be required to be paid, a commercially reasonable sum for the prevailing party's attorneys' fees and paralegal and related fees.

### **Section 13.4. New Members.**

Should a new Director or Executive Director be admitted to the Corporation as herein provided, the new Director or Executive Director shall be a party to these bylaws, as amended.

### **Section 13.5. Accounting and Record Keeping.**

The books and records of the Corporation shall be maintained and available at a designation location or internet site and all members shall at all times have access thereto, including the tax returns of the Corporation. Minutes taken in Executive Session are excluded from the intent of this

section and will not be made available to the public. Accounting shall be on a cash basis. The fiscal year of the Corporation shall be October 1 through September 30 of each year. The Corporation may select a certified public accountant as the accountant for the Corporation.

#### **Section 13.6. Management of Documents.**

The destruction, alteration, or concealment of certain records or the impediment of investigations shall be strictly prohibited, and said actions are grounds for removal. Backup records will be maintained.

#### **Section 13.7. Whistle-Blower Provisions.**

Retaliation against whistle-blowers who inform the appropriate Directors or the Executive Director of any misconduct that happens within the Corporation shall be strictly prohibited, and said actions are grounds for removal.

#### **Section 13.8 Standards of Conduct.**

Directors, the Executive Director, and any paid or volunteer staff will abide by the Standards of Conduct established by the Corporation and included as an Appendix to these Bylaws. No provisions of the Standards of Conduct will be amended or waived without the approval of three quarters (3/4) of the full Board of Directors.

#### **Section 13.9. No Discrimination.**

Equal Opportunity Employer. The EAD is an equal opportunity employer. No person is unlawfully excluded from consideration for membership, employment or promotion, or discriminated against in the workplace, because of race, color, religious creed, national origin, ancestry, sex, age, veteran status, marital status or physical challenges. Discrimination will not be tolerated and is grounds for removal.

#### **Section 13.10. Amendments.**

Except as otherwise provided by the Act, the Bylaws of the Corporation may be amended by a majority vote of the Board at any meeting after notice of such purpose, as defined in section 9.1 of these Bylaws, has been given.

### **ARTICLE 14 - DEFINITIONS**

#### **Section 14.1. Definitions.**

The following terms used in these Bylaws shall have the meanings set forth below.

14.1.1. "Act" means the Colorado Revised Nonprofit Corporation Act.

14.1.2. "Board" means the Board of Directors of the Corporation.

14.1.3. "Corporation" means Estes Arts District, or simply EAD.

14.1.4. "Director" means an individual serving on the Board.

14.1.5. "Officer" means a Director who has been given additional duties as the Chairman, Vice-Chairman, Secretary, Treasurer, or General Council.

14.1.6. "Conflicting interest transaction" means a contract, transaction, or other financial relationship between the Corporation and a Director, or between the Corporation and a party related to a Director, or between the Corporation and an entity in which a Director is a director or officer or has a financial interest.

14.1.7. "A party related to a Director" means 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 15 – TEMPORARY BOARD OF DIRECTORS**

### **Section 15.1. Temporary Board of Directors.**

15.1.1. The Estes Arts District Incorporators, Cydney Springer, J'Ann Wright, Howell F. Wright formed a Temporary Board of Directors composed of: **(List Names)**. **(Name)** was selected as the Chairman of the Board.

15.1.2. The Temporary Board will serve, with full Board authority, through September 2016.

15.1.3. The Temporary Board has the following responsibilities:

15.1.3.1. Create a 501 (c) (3) organization designed "To cultivate excitement, promote interaction, and create memorable experiences through creative endeavors for the betterment of the Estes Valley."

15.1.3.2. Retain an Accountant familiar with 501 (c) (3) non-profits.

15.1.3.3. Recruit, appoint, and train additional Board members.

15.1.3.4. Build a public donor base that will help sustain the Arts District in the future.

15.1.3.5. Be a good steward of restricted and non-restricted funds

## **CERTIFICATION**

I hereby certify that the foregoing Bylaws, consisting of sixteen (20) pages, including this

page and one (1) Appendix, constitute the Bylaws of the Estes Park Arts District, Inc.

\_\_\_\_\_ Date: \_\_\_\_\_

**(Name)**, Secretary

Estes Park Arts District, Inc.

## **Appendix**

**Appendix**

**STANDARDS OF CONDUCT**

**OF**

**ESTES ARTS DISTRICT**

**A Colorado Nonprofit Corporation**

**1. Introduction**

**1.1. Purpose.**

The Estes Park Arts District (EAD) reputation for fairness and excellence depends on the collective commitment of the Directors, the Executive Director, staff, members and volunteers working together in a manner that merits trust and confidence from customers, investors, and most importantly, the local and global communities served. The purpose of this document is to convey those basic standards of conduct.

**1.2. Objective.**

The primary objective of this document is to ensure and reinforce accountability for legally responsible and mature behavior in all who represent the Arts District.

**2. Standards of Conduct**

**2.1.** All persons associated with the Arts District are expected to adhere to the spirit and the letter of all federal and state laws, and management rules and regulations. Illegal or unethical actions are unacceptable, and willful violation of the substance, intent, or implementation of this document and the Arts District Bylaws will be grounds for appropriate disciplinary action.

**2.2.** The Board of Directors is authorized to; deny an association, to suspend or to expel from an association, any Director, employee, member or volunteer of the Arts District for violation of these standards.

**2.3.** Each Director, the Executive Director, employee, member or volunteer must manage their responsibilities and activities for the benefit of the Arts District and to avoid conflicts of interest by complying with section 10 of the By Laws concerning transactions with the organization.

**2.4.** Each Director/employee/member/volunteer must keep the interest of the Arts District foremost in mind while providing assistance to all those within whom we come in contact.

**2.5.** Directors/employees/members/volunteers must give, to the best of their ability, complete and thorough support of the respective Directors/employees/volunteers. This includes respecting all individuals by refraining from negative and destructive conversation and behavior.

**2.6.** Each individual must properly use all equipment and resources of the Arts District.

**2.7.** Individuals must thoroughly investigate the needs of constituents before proceeding with

recommendations.

**2.8.** Individuals must be honest and trustworthy, avoid harm to others, be fair, nondiscriminatory, and respect the privacy of others.

**2.9.** In meetings, individuals must: (a) Conduct themselves in a way that shows respect for others, (b) demonstrate common courtesy, (c) always address issues rather than delivering personal attacks, and (d) endeavor to stay on topic.

**2.10** Individuals may not make financial commitments for the Arts Districts without advance approval by the Arts District Chairman, Executive Director, or appropriate Board Member.

**2.11.** All statements to the media are to be approved by the Chairman, Executive Director or appointee of the Board or Executive Director.

### **3. Monitoring the Standards of Conduct**

**3.1.** Responsibility, with commensurate authority for communicating and assuring compliance of the Standards of Conduct, is placed with the Board Chairman and the Chairman of the Governance Committee.

**3.2.** The Chairman of the Governance Committee will investigate any actual or perceived misconduct of an individual and refer the case for adjudication to the Board of Directors.

**3.3.** Anyone who has knowledge of or suspects misconduct by the Chairman of the Governance Committee will be directed immediately and directly to the Chairman of the Board.

### **4. Policy Review**

**4.1.** No less than annually, this policy shall be reviewed by the Governance Committee with recommended changes presented to the Board of Directors.