



**AMENDED AND RESTATED  
BYLAWS  
OF THE  
PAGOSA SPRINGS COMMUNITY DEVELOPMENT CORPORATION,  
a Colorado non-profit corporation**

**JANUARY \_\_, 2022**

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**ARTICLE I.  
OFFICES**

Section 1.1 Business Offices. The principal office of the corporation shall be 105 Hot Springs Blvd, Pagosa Springs, Colorado 81147. The corporation may at any time and from time to time change the location of its principal office. The corporation may have such other offices, either within or outside Colorado, as the board of directors may designate or as the affairs of the corporation may require from time to time.

Section 1.2 Registered Office. The registered office required by the Colorado Revised Nonprofit Corporation Act, C.R.S. § 7-121-201, *et seq.* (the “Act”) to be maintained in Colorado may be changed from time to time by the board of directors or by the officers of the corporation, or to the extent permitted by the Act by the registered agent of the corporation, provided in all cases that the street addresses of the registered office and of the business office or home of the registered agent of the corporation are identical.

**ARTICLE II.  
MEMBERS**

Section 2.1 Classification, Qualification, Privileges and Election of Members. The corporation shall have the following classes of members, each requiring the qualifications and having the voting and other rights and privileges indicated:

(a) Gold Level Members. The highest level of membership shall be designated as the Gold Level. The requirements for qualifying as a Gold Level Member shall be determined by the board of directors. Each Gold Level Member shall be entitled to vote in an election of directors, any other matter submitted to a vote of the membership, and on any other matter requiring membership approval under the Act, the articles of incorporation, or these bylaws.

(b) Silver Level Members. The intermediate level of membership shall be designated as the Silver Level. The requirements for qualifying as a Silver Level Member shall be determined by the board of directors. Each Silver Level Member shall be entitled to vote in an election of directors, any other matter submitted to a vote of the membership, and on any other matter requiring membership approval under the Act, the articles of incorporation, or these bylaws.

(c) Bronze Level Members. The lowermost level of membership shall be designated as the Bronze Level. The requirements for qualifying as a Bronze Level Member shall be determined by the board of directors. Bronze Level Membership shall be

non-voting, and Bronze Level Members shall not be entitled to vote on any matters brought to the membership for a vote.

(d) Membership Rights. Each class shall have the qualifications, rights and privileges determined by the board of directors; provided, however, that no nonvoting member as such shall have the right to vote for the election of directors or otherwise participate in the management of the corporation. Any qualifying entity or person may be a member of the corporation, provided, however, that the entity or person is an organization described in section 501(c)(3) of the Internal Revenue Code and shall continue to be a member only so long as it continues to be such an organization.

Whenever the term “members” is used herein without further modification it shall refer to all members of every class who have paid all required annual dues and who are otherwise in good standing. New members of any class may become members of the corporation at any time upon approval of the board of directors.

Section 2.2 Dues. The board of directors shall establish annual dues and other assessments, which may vary by class of membership, and such rules and procedures for the manner and method of payment or refund of dues and assessments in appropriate cases as the board of directors shall deem necessary or appropriate.

Section 2.3 Suspension and Termination of Membership. The membership of any member shall terminate automatically if such member ceases to qualify as an organization described in section 501(c)(3) of the Internal Revenue Code. A member who fails to pay any dues or other assessment within fifteen days after written notice of such failure to pay is delivered to such member shall be automatically suspended from membership until all such dues and assessments are fully paid, at which time such member shall be automatically reinstated and be considered a member in good standing. The membership of any member may be suspended or terminated at any time by the board of directors in accordance with a policy established by the board of directors for such suspension or termination. The board of directors shall establish said policy to be fair and reasonable as set forth in C.R.S. § 7-126-302. During any period of suspension a member shall not be entitled to exercise the rights and privileges of membership, including without limitation the right to vote. A member who has been expelled or suspended shall be liable to the corporation for dues, assessments or fees as a result of obligations incurred or commitments made prior to expulsion or suspension. A member may resign from membership in the corporation at any time, provided, however, that the resigning member shall still be liable to the corporation for all dues and assessments then payable as specified in Section 2.2 above.

Section 2.4 Transfer of Membership. Membership in the corporation is not transferable. Members shall have no ownership rights or beneficial interests of any kind in the property of the corporation.

Section 2.5 Annual Meeting of Members. An annual meeting of the voting members shall be held once a year at the time and place, either within or outside Colorado, as determined by the board of directors, for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the election of directors shall not be held on the day designated for the annual meeting of the voting members, or at any adjournment

thereof, the board of directors shall cause the election to be held at a meeting of the members as soon thereafter as conveniently may be. Failure to hold an annual meeting as required by these bylaws shall not work a forfeiture or dissolution of the corporation or invalidate any action taken by the board of directors or officers of the corporation.

Section 2.6 Special Meetings. A special meeting of the members, for any purpose or purposes may be called by the Board of Directors upon the written request of voting members having at least twenty-five percent of the votes entitled to be cast at such meetings.

Section 2.7 Place of Meeting. Each meeting of the members shall be held at such place, either within or outside Colorado, as may be designated in the notice of meeting, or, if no place is designated in the notice, at the principal office of the corporation in Colorado. Any or all members may participate in any meeting through the use of any means of communication by which all persons participating in the meeting may hear each other during the meeting.

Section 2.8 Notice of Meeting. Except as otherwise prescribed by statute, written notice of each meeting of the members stating the place, date and time of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be posted in a conspicuous place at the principal office of the corporation no fewer than ten days nor more than sixty days before the date of the meeting, by or at the direction of the president, or the secretary, or the other officer or person calling the meeting. Notice may also be delivered by mail or private carrier, facsimile, electronic transmission, or any other form of wire or wireless communication, to each member entitled to attend such meeting. If mailed, such notice shall be deemed delivered when deposited in the United States mail, addressed to each member at such member's address as it appears in the records of the corporation, with postage thereon prepaid. If delivered by private carrier, such notice is deemed delivered upon deposit with the carrier. If transmitted by facsimile, electronic transmission or by any other form of wire or wireless communication, such notice shall be deemed to be given when the transmission is complete. If the foregoing methods of personal notice are impracticable, notice may be communicated by a newspaper of general circulation in the area where published. Any member may waive notice of any meeting before, at or after such meeting. The attendance in person or by proxy of a member at a meeting shall constitute a waiver of notice of such meeting, unless the member at the beginning of the meeting objects to holding the meeting or transacting business at the meeting because of lack of notice or defective notice. A member's attendance at a meeting also waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the member objects to considering the matter when it is presented.

Section 2.9 Quorum and Action of the Members. Except as otherwise required by the Act or the articles of incorporation, the voting members entitled to vote on a matter who are present when the vote is called shall constitute a quorum of the members with respect to such matter. With respect to all matters other than the election of directors, action is approved if a quorum exists and if the votes cast in favor of the action exceed the votes cast in opposition to the action, unless otherwise required by the Act. In an election of multiple directors, that number of candidates equaling the number of directors to be elected, having the highest number of votes cast in favor of their election, are elected to the board of directors. When only one director is

being voted upon, the affirmative vote of a majority of the members represented at a meeting at which a quorum is present shall be required for election to the board of directors.

Section 2.10 Voting Rights; Proxies.

(a) Each voting member is entitled to one vote on each matter submitted to a vote of the voting members. Cumulative voting shall not be allowed, except as may be authorized by the board of directors to elect multiple directors as provided in C.R.S. § 7-127-208.

(b) At each meeting of the voting members, a member entitled to vote thereat may vote by proxy executed in writing by the member or by such member's duly authorized attorney in fact. Such proxy shall be delivered to the corporation before or at the time of the meeting in any manner permitted by C.R.S. § 7-127-203. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

(c) The right to vote of any member which is a corporation or unincorporated association may be exercised by such officer, agent or proxy as the bylaws, constitution or other governing instrument of such corporation or association may prescribe or, in the absence of such provision, as the board of directors or other governing body of such corporation or association may determine.

(d) The board of directors is not required to prepare a members' list in connection with any meeting of the members.

(e) Members shall not be entitled to vote pursuant to a voting agreement.

Section 2.11 Committees. The board of directors at any time and from time to time may establish one or more committees of members for any appropriate purposes and may dissolve any such committee. The members of the committee shall elect a chair who shall preside at all meetings of the committee and generally supervise the conduct of the committee's affairs. Rules governing procedures for meetings of any such committee and for the conduct of such committee's affairs shall be the same as those set forth in these bylaws or the Act for the board of directors unless the voting members or the committee itself determines otherwise.

Section 2.12 Action Without a Meeting. Any action required or permitted to be taken at a meeting of the members or any committee thereof may be taken without a meeting by unanimous written consent. Action by unanimous written consent is taken when a consent in writing, setting forth the action to be taken, is signed by all of the voting members entitled to vote with respect to the subject matter thereof. Such consent (which may be signed in counterparts) shall have the same force and effect as a unanimous vote of the members entitled to vote thereon.

**ARTICLE III.  
BOARD OF DIRECTORS**

Section 3.1 General Powers. Except as otherwise provided in the Act, the articles of incorporation or these bylaws, all corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation shall be managed by, its board of directors.

Section 3.2 Qualifications, Number, Classification, Election and Tenure.

(a) Qualifications. Each director must be a natural person who is eighteen years of age or older. A director need not be a resident of Colorado.

(b) Number. The number of directors of the corporation shall be from seven to nine directors. Five directors shall be elected by the members, as set forth in Section 3.2(d), below. Two directors shall be appointed by the local governmental entities, one representative from the Archuleta County government, and one representative from the City of Pagosa Springs government. The remaining two directors may be appointed from the community at large, as determined by the board of directors from time to time. Any action of the members or board of directors to change the number of directors may be accomplished by amending these bylaws as provided in the Act, the articles of incorporation or these bylaws.

(c) Classification. At the first meeting of the board of directors following the adoption of these Bylaws, classification of the directors shall be made by dividing them into two classes, each class to be as nearly equal in number as possible. The term of office of the directors of the first class shall expire at the end of the next annual meeting of the voting members held after such classification; the term of office of the directors of the second class shall expire at the end of the second annual meeting of the voting members after the classification.

(d) Election and Tenure. A total of five directors shall be elected by the voting members (the "Elected Directors"). When the term of an elected director expires, the voting members shall elect a new director to take that director's place at an annual meeting of the members, which director will hold office for a term of years commencing at the conclusion of the meeting on the date of the election and ending on the second annual meeting of the voting members thereafter. Each director so elected shall hold office until such director's term expires and thereafter until such director's successor shall have been elected and qualified, or until such director's earlier death, resignation or removal. In the case of the government officials that are appointed, by town and county statutes, these appointments must be renewed every year. The same director or a new director will be appointed by the respective government agencies. Each Appointed Director shall hold office in the same manner as the Elected Directors.

Section 3.3 Resignation; Removal; Vacancies. Any director may resign at any time by giving written notice to the chair of the board. A director's resignation shall take effect at the time specified in such notice, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. A director shall be deemed to have resigned in the event of such director's incapacity as determined by a court of competent jurisdiction. Any director may be removed at any time, with or without cause, by the two-third's



vote of a majority of the other directors then in office. Any vacancy of an elected director may be filled by the voting members, at the next annual meeting or at a special meeting of the members. Pending such election, any vacancy of an elected director may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum. Any vacancy of an appointed director may be filled by the board of directors in the same manner as the vacant director was appointed. A vacant office that was held by an ex officio director shall remain vacant unless and until a successor satisfies the criteria for designation to such office. A director elected, appointed, or designated to fill a vacancy shall hold the office for the unexpired term of such director's predecessor in office. Any directorship to be filled by reason of an increase in the number of directors shall be filled by the affirmative vote of a majority of the directors then in office, or by an election at a meeting of the members called for that purpose, and a director so chosen shall hold office until the next election of the class of directors for which such director was chosen and thereafter until such director's successor shall have been elected and qualified, or until such director's earlier death, resignation or removal. A vacancy that will occur at a specific later date may be filled before the vacancy occurs, but the new director may not take office until the vacancy occurs.

Section 3.4 Regular Meetings. A regular annual meeting of the board of directors shall be held immediately after and at the same place as the annual meeting of the members, or as soon as practicable thereafter at the time and place, either within or outside Colorado, determined by the board, for the purpose of electing officers and for the transaction of such other business as may come before the meeting. The board of directors may provide by resolution the time and place, either within or outside Colorado, for the holding of additional regular meetings.

Section 3.5 Special Meetings. Special meetings of the board of directors may be called by or at the request of the president or upon the written request of any two directors. The person or persons authorized to call special meetings of the board of directors may fix the time and place, either within or outside Colorado, for holding any special meeting of the board called by them.

Section 3.6 Notice of Meetings.

(a) Requirements. Notice of each meeting of the board of directors stating the date, time and place of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be posted in a conspicuous place at the principal office of the corporation at least five days prior thereto. Notice shall also be given to each director at such address as specified by the director for receipt of such notices at least five days prior thereto by the mailing of written notice by first class, certified or registered mail, or at least two days prior thereto by personal delivery or private carrier of written notice or by telephone, facsimile, electronic transmission or any other form of wire or wireless communication (and the method of notice need not be the same as to each director). Notice shall be deemed delivered, if by mail, when deposited in the United States mail, address to the director at the address designated for receiving such notice, with postage prepaid. If delivered by private carrier, such notice is deemed delivered upon deposit with the carrier. If transmitted by facsimile, electronic transmission or any other form of wire or wireless communication, such notice shall be deemed to be given

when the transmission is complete. Oral notice is effective when communicated in a comprehensible manner.

(b) Waiver of Notice. A director may waive notice of any meeting before or after the time and date of the meeting stated in the notice. Except as otherwise provided in this Section 3.6(b), 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 corporate records, but such delivery and filing shall not be conditions of the effectiveness of the waiver. A director's attendance at or participation in a meeting waives any required notice to that director of the meeting unless: (i) 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; or (ii) if special notice was required of a particular purpose pursuant to the Act or these bylaws, the director objects to transacting business with respect to the purpose for which such special notice was required and does not thereafter vote for or assent to action taken at the meeting with respect to such purpose.

Section 3.7 Deemed Assent. A director of the corporation who is present at a meeting of the board of directors when corporate action is taken is deemed to have assented to all action taken at the meeting unless: (i) 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; or (ii) the director contemporaneously requests the director's dissent, discloses a conflict of interest, or abstentions as to any specific action taken be entered in the minutes of the meeting; or (iii) 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 the adjournment thereof or by the corporation promptly after the adjournment of the meeting. Such right of dissension or abstention is not available to a director who votes in favor of the action taken.

Section 3.8 Quorum and Voting. A majority of the directors in office immediately before a meeting begins shall constitute a quorum for the transaction of business at any meeting of the board of directors, and the vote of a majority of the directors present in person at a meeting at which a quorum is present shall be the act of the board of directors, unless otherwise required by the Act, the articles of incorporation or these bylaws. If less than a quorum is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice other than an announcement at the meeting, until a quorum shall be present.

Section 3.9 Voting by Proxy. No director may vote or act by proxy at any meeting of directors.

Section 3.10 Compensation. Directors may, upon approval by the Board of Directors, receive compensation from the corporation for their services, including reimbursement of the reasonable expenses of directors of attendance at board meetings.

Section 3.11 Committees. By one or more resolutions adopted by the vote of a majority of the directors present in person at a meeting at which a quorum is present, the board of directors may designate from among its members one or more committees, each of which, to the extent provided in the resolution establishing such committee, shall have and may exercise all of the authority of the board of directors, except as prohibited by the Act. The delegation of authority to any committee shall not operate to relieve the board of directors or any member of the board from any responsibility or standard of conduct imposed by law or these bylaws. Rules governing procedures for meetings of any committee shall be the same as those set forth in these bylaws or the Act for the board of directors unless the board or the committee itself determines otherwise.

(a) Executive Committee. The Executive Committee of the board of directors shall consist of the board president, vice-president, secretary, treasurer, and such other directors as may be designated by the board of directors from time to time. Only directors of the corporation may be members of the Executive Committee. The Executive Committee shall have all of the power and authority of the board of directors between meetings of the board, except as prohibited by the Act.

Section 3.12 Advisory Boards. The board of directors may from time to time form one or more advisory boards, committees, auxiliaries or other bodies composed of such members, having such rules of procedure, and having such chair, as the board of directors shall designate. The name, objectives and responsibilities of each such advisory board, and the rules and procedures for the conduct of its activities, shall be determined by the board of directors. An advisory board may provide such advice, service, and assistance to the corporation, and 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 advisory board has one or more members thereof who are entitled to vote on committee matters and who are not then also directors, such committee or advisory board may not exercise any power or authority reserved to the board of directors by the Act, the articles of incorporation or these bylaws. Further, no advisory board shall have authority to incur any corporate expense or make any representation or commitment on behalf of the corporation without the express approval of the board of directors or the president of the corporation.

(a) Board of Advisors. The board of directors shall adopt a policy establishing an advisory board of the community to advise and report to the board of directors and act as a point of concentration for ideas regarding possible actions by the corporation.

Section 3.13 Meetings by Telephone. Members of the board of directors or any committee thereof may participate in a regular or special meeting by, or conduct the meeting through the use of, 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.

Section 3.14 Action Without a Meeting. Any action required or permitted to be taken at a meeting of the board of directors, or any committee thereof, may be taken without a meeting if taken in accordance with Paragraphs 3.14(a) or 3.14(b). Any action taken without a

meeting shall have the same effect as action taken with a meeting. All signed written instruments necessary for any action taken without a meeting shall be filed with the minutes of the meetings of the board of directors.

(a) Action may be taken without a meeting if each and every member of the board of directors in writing votes for, votes against or abstains from voting on such action and 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.

(b) Action may be taken without a meeting pursuant to C.R.S. § 7-128-202 as follows:

(i) Required Notice to Directors. An action without a meeting may only be taken if the corporation transmits notice in writing to each director stating the action to be taken, the time within which a director must respond, and that failure to respond by the time stated in the notice will have the same effect as abstaining in writing by the time required in the notice and failing to demand in writing by the time stated in the notice that action not be taken without a meeting. The notice may also include any other matters the corporation determines to include.

(ii) Action by Directors. Action may be taken without a meeting only if notice as described in Section 3.14(b)(i) is transmitted in writing to each director, by the time stated in the notice (1) votes in writing for such action, or (2) votes in writing against, abstains from voting on such action, or fails to respond or vote, and fails to demand in writing that such action only be taken with a meeting. The vote, abstention or demand that such action not be taken without a meeting by a director may be revoked in writing by that director if received by the corporation by the time stated in the notice.

(iii) Contents and Form of Writing. The writing required by directors under this Section 3.14(b) must inform the corporation of the identity of the director, the vote, abstention, demand or revocation of that director, and the proposed action to which such vote, abstention, demand or revocation relates. Such writing may be transmitted to or received by the corporation by electronically transmitted facsimile, email, or other form of wire or wireless communication, or by hand delivery or U.S. mail, and shall be effective upon receipt by the corporation.

(iv) Vote Required and Effective Date. Action without a meeting under this Section 3.14(b) may only be taken if, at the end of the time stated in the notice, the affirmative votes for such action received in writing and not revoked 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, and the corporation has not received an unrevoked written demand by a director, within the time stated in the notice, that such action not be taken without a meeting. Action taken without a meeting under this Section 3.14(b) shall be effective on the date by which the directors must respond as stated in the notice.

Section 3.15 Executive Session. At any meeting of the Board of Directors, the Board may meet in executive session, without the presence of members, to discuss any topic deemed by the Board in its sole discretion to require confidentiality. An executive session may be called at any meeting by majority vote of the Board of Directors present at such meeting. The Board of Directors may request the presence of staff, attorneys, or other agents during the executive session.

#### **ARTICLE IV. OFFICERS AND AGENTS**

Section 4.1 Designation and Qualifications. The elected officers of the corporation shall be a chair of the board, one or more vice-chairs, a president, one or more vice-presidents, a secretary and a treasurer. The board of directors may also appoint, designate or authorize such other officers, assistant officers and agents, including an executive director, a chief financial officer, a controller, assistant secretaries and assistant treasurers, as it may consider necessary or useful. One person may hold more than one office at a time. Officers must be directors of the corporation. All officers must be natural persons who are eighteen years of age or older.

Section 4.2 Election and Term of Office. The board of directors, or an officer or committee to which such authority has been delegated by the board of directors, shall elect or appoint the officers at or immediately following the annual meeting of the board of directors. If the election and appointment of officers shall not be held at or in conjunction with such meeting, such election or appointment shall be held as soon as convenient thereafter. Each officer shall hold office from the end of the meeting at or in conjunction with which such officer was elected or appointed until such officer's successor shall have been duly elected or appointed and shall have qualified, or until such officer's earlier death, resignation or removal.

Section 4.3 Compensation. The compensation, if any, of each officer shall be as determined from time to time by the board of directors, or by an officer or a committee to which such authority has been delegated by the board of directors. To the extent reasonably feasible, the person or persons determining compensation shall obtain data on the compensation of officers holding similar positions of authority within comparable organizations, shall set the compensation based on such data and an evaluation of the officer's performance and experience as related to the requirements of the position, and shall document the basis for the determination, including the comparison data used, the requirements of the position, and the evaluation of the officer's performance and experience. No officer shall be prevented from receiving a salary by reason of the fact that the officer is also a director of the corporation. However, no payment of compensation (or payment or reimbursement of expenses) shall be made in any manner so as to result in the imposition of any liability under either section 4941 or section 4958 of the Internal Revenue Code.

Section 4.4 Removal. Any officer or agent may be removed by the board of directors at any time, with or without cause, but removal shall not affect the contract rights, if any, of the person so removed. Election, appointment or designation of an officer or agent shall not itself create contract rights.

Section 4.5 Vacancies. Any officer may resign at any time, subject to any rights or obligations under any existing contracts between the officer and the corporation, by giving written notice to the president. An officer's resignation shall take effect upon receipt by the corporation unless the notice specifies a later effective date, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. An officer shall be deemed to have resigned in the event of such officer's incapacity as determined by a court of competent jurisdiction. A vacancy in any office, however occurring, may be filled by the board of directors, or the unexpired portion of the term. 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 of directors may remove the officer at any time before the effective date and may fill the resulting vacancy.

Section 4.6 Authority and Duties of Officers. The officers of the corporation shall have the authority and shall exercise the powers and perform the duties specified below and as may be additionally specified by the president, the board of directors or these bylaws, except that in any event each officer shall exercise such powers and perform such duties as may be required by law.

(a) President. The president shall, subject to the direction and supervision of the board of directors: (i) preside at all meetings of the members and of the board of directors; (ii) see that all resolutions of the members and of the board of directors are carried into effect; and (iii) perform all other duties incident to the office of president as from time to time may be assigned by the board of directors.

(b) Vice-President. The vice-president shall assist the president and shall perform such duties as may be assigned to him/her by the president or by the board of directors. The vice-president shall, at the request of the president, or in the president's absence or inability or refusal to act, perform the duties of the president and when so acting shall have all the powers of and be subject to all the restrictions on the president.

(c) Executive Director. The executive director, if any, shall, subject to the direction and supervision of the president and the board of directors, (i) be the chief executive officer of the corporation and have general and active control of its affairs and business and general supervision of its officers, agents and employees; (ii) be the chief operating officer of the corporation with general responsibility for all day-to-day operations of the corporation; (iii) propose, prepare and present to the president and the board of directors specific programs and activities that will further the corporation's purposes; (iv) direct and supervise the implementation of the programs and activities approved by the president or the board of directors; and (v) perform all other duties and responsibilities as from time to time may be assigned to the president or the board of directors.

(d) Secretary. The secretary shall (i) keep the minutes of the proceedings of the members, the board of directors and any committees of the members or the board; (ii) see that all notices are duly given in accordance with the provisions of these bylaws or as required by law; (iii) be custodian of the corporate records and of the seal of the corporation; (iv) keep at the corporation's registered office or principal place of business within or outside

Colorado a record containing the names and addresses of all members; and (v) in general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to such office by the president or by the board of directors. Assistant secretaries, if any, shall have the same duties and powers, subject to supervision by the secretary.

(e) Treasurer. The treasurer shall (i) be the principal financial officer of the board of directors with general responsibility for the oversight of the financial affairs of the corporation; (ii) present financial reports to the board of directors as the board may request from time to time; (iii) serve as the chief financial officer, in the event there is no separate chief financial officer; and (iv) perform all other duties incident to the office of treasurer and such other duties as from time to time may be assigned to the treasurer by the chair of the board or the board of directors. Assistant treasurers, if any, shall have the same powers and duties, subject to supervision by the treasurer.

(f) Chief Financial Officer. The chief financial officer, or the executive director if a chief financial officer has not been appointed, shall (i) have the care and custody of all its funds, securities, evidences of indebtedness and other personal property; (ii) receive and give receipts and acquittances for moneys paid in on account of the corporation, and pay out of the funds on hand all bills, payrolls and other just debts of the corporation of whatever nature upon maturity; (iii) create, implement and monitor a set of fiscal and budgetary policies that are designed to protect the financial health of the corporation while fulfilling corporate strategy; (iv) in the absence of a separate controller, serve as the chief accounting officer of the corporation, and as such prescribe and maintain the methods and systems of accounting to be followed, keep complete books and records of account, prepare and file all local, state and federal tax returns and related documents, prescribe and maintain an adequate system of internal audit, and prepare and furnish to the president and the treasurer statements of account showing the financial position of the corporation and the results of its operations; (v) monitor compliance with all requirements imposed on the corporation as a tax-exempt organization described in section 501(c)(3) of the Internal Revenue Code; (vi) serve as an assistant treasurer for the corporation; and (vii) perform all other duties incident to the office of chief financial officer and such other duties as from time to time may be assigned to the chief financial officer by the president or the treasurer.

Section 4.7 Surety Bonds. The board of directors may require any officer or agent of the corporation to execute to the corporation a bond in such sums and with such sureties as shall be satisfactory to the board, conditioned upon the faithful performance of such person's duties and for the restoration to the corporation of all books, papers, vouchers, money and other property of whatever kind in such person's possession or under such person's control belonging to the corporation.

## **ARTICLE V. FIDUCIARY MATTERS**

### Section 5.1 Indemnification.

(a) Scope of Indemnification. Subject to any requirement set forth in Colorado law, the corporation may indemnify each director, officer, employee and

volunteer of the corporation, and may in its discretion purchase insurance insuring its obligations hereunder or otherwise protecting the persons intended to be protected by this Section 5.1. The corporation may, but shall not be obligated, to indemnify any agent of the corporation not otherwise covered by this Section 5.1 to the fullest extent permissible under the laws of the State of Colorado.

(b) Savings Clause; Limitation. If any provision of the Act or these bylaws dealing with indemnification shall be invalidated by any court on any ground, then the corporation shall nevertheless indemnify each party otherwise entitled to indemnification hereunder to the fullest extent permitted by law or any applicable provision of the Act or these bylaws that shall not have been invalidated. Notwithstanding any other provision of these bylaws, the corporation shall neither indemnify any person nor purchase any insurance in any manner or to any extent that would jeopardize or be inconsistent with the qualification of the corporation as an organization described in section 501(c)(3) of the Internal Revenue Code, or that would result in the imposition of any liability under either section 4941 or section 4958 of the Internal Revenue Code.

#### Section 5.2 General Standards of Conduct for Directors and Officers.

(a) Discharge of Duties. Each director shall discharge the director's duties as a 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 (i) in good faith; (ii) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and (iii) in a manner the director or officer reasonably believes to be in the best interests of the corporation.

(b) Reliance on Information, Reports, Etc. 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: (i) 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; (ii) 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 (iii) 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. 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 this Section 5.2(b) unwarranted.

(c) Liability to Corporation or Its Members. A director or officer shall not be liable as such to the corporation or its members 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 5.2.

(d) Director Not Deemed to Be a "Trustee." A director, regardless of title, shall not be deemed to be a "trustee" within the meaning given that term by trust law 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.

### Section 5.3 Conflicts of Interest

(a) Definition. A conflict of interest arises when any “responsible person” or any “party related to a responsible person” has an “interest adverse to the corporation.” A “responsible person” is any individual in a position to exercise substantial influence over the affairs of the corporation, and specifically includes, without limitation, directors and officers of the corporation. A “party related to a responsible person” includes his or her extended family (including spouse, ancestors, descendants and siblings, and their respective spouses and descendants), an estate or trust in which the responsible person or any member of his or her extended family has a beneficial interest or a fiduciary responsibility, or an entity in which the responsible person or any member of his or her extended family is a director, trustee or officer or has a financial interest. “An interest adverse to the corporation” includes any interest in any contract, transaction or other financial relationship with the corporation, and any interest in an entity whose best interests may be impaired by the best interests of the corporation including, without limitation, an entity providing any goods or services to or receiving any goods or services from the corporation, an entity in which the corporation has any business or financial interest, and an entity providing goods or services or performing activities similar to the goods or services or activities of the corporation.

(b) Disclosure. If a responsible person is aware that the corporation is about to enter into any transaction or make any decision involving a conflict of interest, (a “conflicting interest transaction”), such person shall: (i) immediately inform those charged with approving the conflicting interest transaction on behalf of the corporation of the interest or position of such person or any party related to such person; (ii) aid the persons charged with making the decision by disclosing any material facts within the responsible person’s knowledge that bear on the advisability of the corporation entering into the conflicting interest transaction; and (iii) not be entitled to vote on the decision to enter into such transaction.

(c) Approval of Conflicting Interest Transactions. The corporation may enter into a conflicting interest transaction provided either:

(i) The material facts as to the responsible person’s relationship or interest and as to the conflicting interest transaction are disclosed or are known to the board of directors or to a committee of the board of directors that authorizes, approves or ratifies the conflicting interest transaction, and the board or committee in good faith authorizes, approves or ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested directors on the board or committee, even though the disinterested directors are less than a quorum; or

(ii) The material facts as to the responsible person’s relationship or interest and as to the conflicting interest transaction are disclosed or are known to

the members, and the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by a vote of the members entitled to vote thereon; or

(iii) The conflicting interest transaction is fair as to the corporation.

Section 5.4 Liability of Directors for Unlawful Distributions.

(a) Liability to Corporation. A director who votes for or assents to a distribution made in violation of the Act or the articles of incorporation of the corporation shall be personally liable to the corporation for the amount of the distribution that exceeds what could have been distributed without violating the Act or the articles of incorporation if it is established that the director did not perform the director's duties in compliance with the general standards of conduct for directors set forth in Section 5.2.

(b) Contribution. A director who is liable under Section 5.4(a) for an unlawful distribution is entitled to contribution: (i) from every other director who could be liable under Section 5.4(a) for the unlawful distribution; and (ii) from each person who accepted the distribution knowing the distribution was made in violation of the Act or the articles of incorporation, to the extent the distribution to that person exceeds what could have been distributed to that person without violating the Act or the articles of incorporation.

Section 5.5 Loans to Directors and Officers Prohibited. No loans shall be made by the corporation to any of 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.

## **ARTICLE VI. RECORDS OF THE CORPORATION**

Section 6.1 Minutes, Etc. The corporation shall keep as permanent records minutes of all meetings of the members and board of directors, a record of all actions taken by the members or 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 members and of the board of directors or any committee of the board of directors.

Section 6.2 Accounting Records. The corporation shall maintain appropriate accounting records.

Section 6.3 Membership List. The corporation, or its agent, shall maintain a record of the members entitled to vote in a form that permits preparation of a list of the names and addresses of the members in alphabetical order, by class.

Section 6.4 Records in Written Form. The corporation shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

Section 6.5 Records Maintained at Principal Office. The corporation shall keep a copy of each of the following records at its principal office:

- (a) The articles of incorporation;
- (b) These bylaws;
- (c) Resolutions adopted by the board of directors relating to the characteristics, qualifications, rights, limitations and obligations of the members or any class of the members;
- (d) The minutes of all meetings of the members, and records of all action taken by the members without a meeting, for the past three years;
- (e) All written communications within the past three years to the members generally as the members;
- (f) A list of the names and business or home addresses of the current directors and officers;
- (g) A copy of the most recent corporate report delivered to the Colorado secretary of state;
- (h) All financial statements prepared for periods ending during the last three years that a member of the corporation could have requested under section 6.6(c);
- (i) The corporation's application for recognition of exemption and the tax-exemption determination letter issued by the Internal Revenue Service; and
- (j) All other documents or records required to be maintained by the corporation at its principal office under applicable law or regulation.

Section 6.6 Inspection of Records by Members.

(a) Records Maintained at Principal Office. A member (including a beneficial owner whose membership interest is held in a voting trust and any other beneficial owner of a membership interest who establishes beneficial ownership) shall be entitled to inspect and copy, during regular business hours at the corporation's principal office, any of the records of the corporation described in Section 6.5, provided that the member gives the corporation written demand at least five business days before the date on which the member wishes to inspect and copy such records.

(b) Other Records. A member is entitled to inspect and copy, during regular business hours at a reasonable location specified by the corporation, any other records of the corporation, provided that the member gives the corporation written demand at least five business days before the date on which the member wishes to inspect and copy such records, and satisfies the following requirements:

(i) The member has been a member for at least three months immediately preceding the demand to inspect or copy or is a member holding at least five percent of the voting power as of the date the demand is made;

(ii) The demand is made in good faith and for a proper purpose reasonably related to the demanding member's interest as a member;

(iii) The member describes with reasonable particularity the purpose and the records the member desires to inspect; and

(iv) The records are directly connected with the described purpose.

If the member demands to inspect the record of members pursuant to this Section 6.6(b), the corporation may comply with such demand by furnishing to the member a membership list that complies with Section 6.3 and that was compiled no earlier than the date of the member's demand.

(c) Financial Statements. Upon the written request of any member, the corporation shall mail to such member its most recent annual financial statements, if any, and its most recently published financial statements, if any, showing in reasonable detail its assets and liabilities and results of its operations.

(d) Membership List.

(i) Preparation of Membership List. After fixing a record date for a notice of a meeting or for determining the members entitled to take action by written ballot, the corporation shall prepare an alphabetical list of the names of all members who are entitled to notice of, and to vote at, the meeting or to participate in such action by written ballot. The list shall show the address of each member entitled to notice of, and to vote at, the meeting or to take such action by written ballot and the number of votes each member is entitled to vote at the meeting or by written ballot.

(ii) Right of Inspection. If prepared in connection with a meeting of the members, the membership list shall be available for inspection by any member entitled to vote at the meeting, beginning the earlier of ten days before the meeting for which the list was prepared or two business days after notice of the meeting is given and continuing through the meeting, and any adjournment thereof, at the corporation's principal office or at a place identified in the notice of the meeting in the city where the meeting will be held. The corporation shall make the membership list available at the meeting, and any member entitled to vote at the meeting is entitled to inspect the list at any time during the meeting or any adjournment. If prepared in connection with action to be taken by the members by written ballot, the membership list shall be available for inspection by any member entitled to cast a vote by such written ballot, beginning on the date that the first written ballot is delivered to the members and continuing through the time when such written ballots must be received by the corporation in order to be counted, at the corporation's principal office. A member entitled to vote at the meeting or by such written ballot is entitled upon written demand to inspect and, subject to the requirements of Section 6.6(b) and the provisions of Sections 6.6(e)(i) and (ii), to copy the list,

during regular business hours, at the member's expense, and during the period it is available for inspection.

(iii) Limitation on Use of Membership List. Without consent of the board of directors, a membership list or any part thereof may not be obtained or used by any person for any purpose unrelated to a member's interest as a member. Without limiting the generality of the previous sentence, without the consent of the board of directors a membership list or any part thereof may not be: (i) used to solicit money or property unless such money or property will be used solely to solicit the votes of the members in an election to be held by the corporation; (ii) used for any commercial purpose; or (iii) sold to or purchased by any person.

(e) Scope of Members' Inspection Rights.

(i) Agent or Attorney. The member's duly authorized agent or attorney has the same inspection and copying rights as the member.

(ii) Right to Copy. The right to copy records under this Article VI includes, if reasonable, the right to receive copies made by photographic, xerographic, electronic or other means.

(iii) Reasonable Charge for Copies. Except for requests for financial statements pursuant to Section 6.6(c), the corporation may impose a reasonable charge, covering the costs of labor and material, for copies of any documents provided to a member. The charge may not exceed the estimated cost of production and reproduction of the records.

(iv) Litigation. Nothing in this Article VI shall limit the right of a member to inspect records to the same extent as any other litigant if the member is in litigation with the corporation, or the power of a court to compel the production of corporate records for examination.

## **ARTICLE VII. AMENDMENT OF BYLAWS**

Section 7.1 Amendment of Bylaws by Board of Directors. Subject to the specific requirements for amendment of certain bylaws as set forth herein, the board of directors may amend the bylaws by a majority vote of the Board of Directors at any time to add, change, or delete a provision, unless:

(a) The Act or the articles of incorporation reserve such power exclusively to the members in whole or part; or

(b) A particular provision of these bylaws expressly prohibits the board of directors from doing so; or

(c) Such addition, change or deletion would result in a change of the rights, privileges, preferences, restrictions or conditions of a membership class as to voting, dissolution, redemption or transfer or by changing the rights, privileges, preferences, restrictions or conditions of another class of members.

Section 7.2 Amendment of Bylaws by Members. Subject to the specific requirements for amendment of certain bylaws as set forth herein, the members may amend the bylaws even though the bylaws may also be amended by the board of directors. In such an instance, the amendment shall be adopted as follows:

(a) Proposal. Twenty-five percent of the members entitled to vote may propose an amendment to the by-laws on their own initiative.

(b) Procedure for Adoption.

(i) Recommendation by Board of Directors. The board of directors shall call a meeting for the purpose of voting on the proposal.

(ii) Approval by Members. The Proposals members shall be submitted to the members for action at a meeting called for that purpose. The members may approve, reject or take no action on the proposed amendment.

(iii) Notice. The notice of the meeting of the members at which the amendment will be proposed shall state that the purpose, or one of the purposes, of the meeting is to consider the amendment, and the notice shall contain or be accompanied by a copy or a summary of the amendment.

Section 7.3 Changing Quorum or Voting Requirement for Members. An amendment to the bylaws to add, change or delete a lesser or greater quorum or a greater voting requirement for the members shall meet the same quorum requirement and be adopted by the same vote and voting groups required to take action under the quorum and voting requirements then in effect or proposed to be adopted, whichever are greater. A bylaw that fixes a lesser or greater quorum or a greater voting requirement for the members pursuant to this Section 7.3 shall not be amended by the board of directors.

Section 7.4 Changing Quorum or Voting Requirement for Directors. A bylaw that fixes a greater quorum or voting requirement for the board of directors may be amended only by the members, if adopted by the members, or either by the members or by the board of directors, if adopted by the board of directors. A bylaw adopted or amended by the members that fixes a greater quorum or voting requirement for the board of directors may provide that it may be amended only by a specified vote of either the members or the board of directors. Action by the board of directors under this Section 7.4 to adopt or amend a bylaw that changes the quorum or voting requirement for the board of directors shall meet the same quorum requirement and be adopted by the same vote required to take action under the quorum and voting requirement then in effect or proposed to be adopted, whichever is greater.

## **ARTICLE VIII. MISCELLANEOUS**

Section 8.1 Fiscal Year. The fiscal year of the corporation shall be as established by the board of directors.

Section 8.2 Conveyances and Encumbrances. Property of the corporation may be assigned, conveyed or encumbered by such officers of the corporation as may be authorized to do so by the board of directors, and such authorized persons shall have power to execute and deliver any and all instruments of assignment, conveyance and encumbrance; however, the sale, exchange, lease or other disposition of all or substantially all of the property and assets of the corporation shall be authorized only in the manner prescribed by applicable statute.

Section 8.3 Designated Contributions. The corporation may accept any contribution, gift, grant, bequest or devise that is designated, restricted or conditioned by the donor, provided that the designation, restriction or condition is consistent with the corporation's general tax-exempt purposes. Donor-designated contributions will be accepted for special funds, purposes or uses, and such designations generally will be honored. However, the corporation shall reserve all right, title and interest in and to and control over such contributions, and shall have authority to determine the ultimate expenditure or distribution thereof in connection with any such special fund, purpose or use. Further, the corporation shall acquire and retain sufficient control over all donated funds (including designated contributions) to assure that such funds will be used exclusively to carry out the corporation's tax-exempt purposes.

Section 8.4 References to Internal Revenue Code. All references in these bylaws to provisions of the Internal Revenue Code are to the provisions of the Internal Revenue Code of 1986, as amended, and to the corresponding provisions of any subsequent federal tax laws.

Section 8.5 Principles of Construction. Words in any gender shall be deemed to include the other gender; the singular shall be deemed to include the plural and vice versa; the words "pay" and "distribute" shall also mean assign, convey and deliver; and the table of contents, headings and underlined paragraph titles are for guidance only and shall have no significance in the interpretation of these bylaws.

Section 8.6 Severability. The invalidity of any provision of these bylaws shall not affect the other provisions hereof, and in such event these bylaws shall be construed in all respects as if such invalid provision were omitted.

(END)

**BYLAWS CERTIFICATE**

The undersigned certified that she is the Secretary of the Pagosa Springs Community Development Corporation, a Colorado nonprofit corporation, and that, as such, the undersigned is authorized to execute this certificate on behalf of said corporation, and further certifies that attached hereto is a complete and correct copy of the presently effective bylaws of said corporation.

DATED: \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
\_\_\_\_\_  
Secretary