

**BY-LAWS  
OF  
COMMUNITY SHARES OF COLORADO, INC.  
(A COLORADO NONPROFIT CORPORATION)**

Approved by vote of the Membership on December 5, 2006  
Approved by vote of the Board of Directors on November 8, 2006

**Article I – Name, Principal Office**

**Section 1. Name**

The name of this corporation is Community Shares of Colorado, Inc (the “Corporation”).

***Section 2. Principal Office***

The principal office of the Corporation will be located in Denver, in the State of Colorado. The Corporation may have such other offices, either within or without the State of Colorado, as the Board of Directors (the “Board”) may from time to time determine.

**Article II – Membership**

***Section 1. Organization***

The Corporation shall have members (“Member(s)”). The number of Members shall not be less than twenty-five (25). The Board may identify a maximum number of Members, from time to time. Admission to membership shall be by application requiring approval by the Board and membership as provided below, and payment of the established membership fees.

A. Membership Qualifications

- 1) Organizations that are recognized by the Internal Revenue Service to be tax-exempt for federal income tax purposes pursuant to Section 501(c)(3) may be admitted as a Member of the Corporation.
- 2) Organizations must complete the required application process and pay the required fees, as from time to time established by the Board.
- 3) After review, approval and recommendation by the Board, new Members must be approved by a two-thirds majority vote of the membership present at the Annual Meeting at which a quorum is present. This section of these by-laws can only be amended by a two-thirds majority vote of the membership present at a meeting at which a quorum is present..
- 4) Each Member shall appoint at least one (1) person to serve as a liaison to the Corporation. The liaison must serve on a committee, assist with annual campaign activities or be available as a volunteer for specific projects. Each Member shall make a clear and continuing commitment to active participation in the activities of the Corporation, including governance, and its programs.
- 5) Membership in the Corporation shall not be assignable by any Member.

### ***Section 2. Membership Meetings***

The Annual Meeting of the Corporation shall be held in December of each year or at such other time as determined by the Board. An additional regular meeting of the full membership will be held in May, June, or July at such time and place set by the Board, in which written notice will be given, mailed, or emailed to each Member at least ten (10) days but not more than sixty (60) days in advance. The Annual Meeting shall be for the purpose of electing the Board, approving new Members, and for the transaction of such other business as may come before the meeting. Special meetings may be called from time to time as determined by the Board with at least ten (10) days written notice provided to Members. Notice of regular meetings shall be given, mailed, or emailed at least ten (10) days in advance. If notice of an annual, regular or special meeting is mailed, it shall be mailed by first class mail.

### ***Section 3. Quorum***

A majority (one more than 50 percent) of the total membership shall constitute a quorum required to conduct business at Corporation meetings.

### ***Section 4. Voting***

Unless otherwise provided by these by-laws or the articles of incorporation; each member shall be entitled to one vote on each matter submitted to a vote at Annual Meeting elections and/or regular or special meetings of the Corporation. Except as otherwise required by law or by the articles of incorporation, the act of a two-thirds majority of the Members present at a meeting at which a quorum is present shall be an act of the membership.

Voting on any election or other business may be by proxy, voice vote or by show of hands, unless the presiding officer shall order or any Members demand that voting be by ballot.

With approval of the Board, any Member may participate in an Annual or other meeting by, or conduct the meeting through the use of, any means of communication by which all Members participating may hear each other during the meeting. A Member participating in a meeting by this means is deemed to be present in person at the meeting.

### ***Section 5. Removal or Resignation of Members***

If a Member fails to meet the requirements and criteria for ongoing membership as established by the Board, upon recommendation of the Executive Committee, defined below, that Member may be removed by a two-thirds majority vote of the Board. The Member will be given at least fifteen (15) days prior written notice of such removal. Any Member may at any time resign from membership in the Corporation by giving written notice signed by the president or chief executive officer of the Member to the Secretary of the Corporation at least sixty (60) days prior to the date upon which the resignation is to become effective.

### ***Section 6. Elections of Board Members***

Board members will be elected by a two-thirds majority vote of the general membership present at the Annual Meeting at which a quorum is present. This section of the by-laws can only be amended by a two-thirds majority vote of the membership present at a meeting at which a quorum is present.

### ***Section 7. Action by Written Ballot***

Any action required by law to be taken at a meeting of the full membership, or any action which may be taken at a meeting of the full membership, may be taken without a meeting so long as a written ballot, stating each proposed action is delivered to every Member entitled to vote, providing an opportunity to vote for or against each proposed action. Approval by written ballot shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds

the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

### ***Section 8. Additional Fees and Assessments of Members***

In addition to the fees payable (annual dues) upon election, as set forth by the Board, every Member shall pay such fees or assessments, annual or otherwise, as may be authorized by action of the Board and approved by action of the Members; provided however, that all such assessments shall be levied equally on all Members and shall not exceed 250 dollars per calendar year per Member.

## **Article III - Board of Directors**

### ***Section 1. General Powers***

The business and affairs, including the setting and establishing of membership and other policies and procedures to govern the Corporation shall be managed by the Board who will serve without compensation. The Board will meet quarterly at a minimum. Other special meetings may be called by the President of the Board if deemed necessary. Notice of the time and place will be given at least ten (10) days in advance.

### ***Section 2. Board Composition***

The Board will be composed of 16 to 24 people. The Members of the Board, shall be elected by the membership at the Annual meeting. Members of the Board will be individuals and shall include Member organizations' representatives, community members, donors, and workplace representatives. This section of the by-laws can only be amended by a two-thirds majority vote of the membership present at a meeting at which a quorum is present.

### ***Section 3. Terms of Office***

Each Board member will serve a term of three (3) years. Board members may serve two (2) full consecutive terms. A Board member appointed to fill a vacant term of less than 18 months by the Board and approved by the membership may serve an additional two (2) full consecutive terms. Any Board member filling a vacant term of more than eighteen (18) months is eligible to serve only one (1) additional term. In exceptional circumstances as provided by Board Resolution, the Board may, upon a two-thirds majority vote, extend the term of office of any Board member for one additional year.

### ***Section 4. Fulfillment of Responsibilities***

A Board member of the Corporation shall perform his/her duties as a director, including his/her duties as a member of any committee of the Board in good faith. These duties shall include but not be limited to:

- Attendance at and/or consistent with Article III, Section 13, participation in meetings of the Board.
- Exercise due diligence to ensure that the Corporation's operation is in accordance with these by-laws and within the law.
- Oversee the financial operations to ensure that the Corporation has sufficient resources to meet its needs.
- Support all activities of the Corporation.
- Be responsible for the development and implementation of a strategic plan.

### ***Section 5. Quorum***

One more than 50 percent of the total Board shall constitute a quorum required to vote on any item presented at Board meetings unless otherwise stipulated in the by-laws.

### ***Section 6. Voting***

Unless otherwise provided by these by-laws or the articles of incorporation, members of the Board shall be entitled to one vote on each item submitted for a vote. Except as otherwise required by law or by the articles of incorporation, the act of the majority of the Board present at a meeting at which a quorum is present shall be an act of the Board.

All votes of the Board may be taken by phone, fax, e-mail and/or mail ballot when, in the judgment of the President, such action is in the best interest of the Corporation. Said votes will be subject to all provisions of the by-laws governing votes of the Board as if the vote was taken at a regularly scheduled or other proper meeting of the Board. Once passed by phone, fax, e-mail, and/or mail ballot vote, said vote shall be recorded and approved in the minutes of the Board as part of the minutes of the next regularly scheduled or special Board Meeting.

### ***Section 7. Resignation***

Any Board member of the Corporation may resign at any time by giving written notice to the President or the Secretary of the Corporation. The resignation of any Board member shall take effect upon the receipt of such notice, or at such later time as shall be specified therein, the acceptance of such resignation shall not be necessary to make it effective.

### ***Section 8. Removal***

Any Board member of the Corporation may be removed at any time, with or without cause by majority vote of the Members present at a meeting at which a quorum is present. Any Board Member who misses three or more meetings of the Board of Directors within a calendar year may be removed by a two thirds majority vote of the Board present at a meeting at which a quorum is present

### ***Section 9. Committees***

The Board may designate two or more members to constitute an *ad hoc* committee, any of which shall have such authority in the management of the Corporation as the Board shall designate.

Audit Committee: There will be a standing finance/audit committee to help maintain corporate accountability. The Treasurer of the corporation will be the standing chairperson of this committee. The audit committee must have at least one financial expert on it. The committee must be directly responsible for hiring or approving the external auditor annually. In addition, the committee has the authority to hire lawyers and other advisors if it needs outside help. The committee will also a) recommend the annual budget to the Board and b) approve and recommend the annual audited financials to the Board.

Nominating Committee: A Nominating Committee shall be appointed by the Board to identify vacancies and recommend replacements of officers and Board members . Any vacancy occurring in the Board by reason of the death, resignation, removal or disqualification may be filled by the vote of a majority of the remaining Board members, provided, however, that any new Board member so elected by the Board to fill a vacancy shall serve only until the next Annual Meeting of the membership. At the next annual meeting, the Board shall so recommend, and the Members may fill such vacancy or vacancies in the Board occurring since the previous Annual Meeting, and the Board Member so elected by the Board shall serve in accordance with the provisions of Article III, Section 4.

### ***Section 10. Deposits, Gifts***

All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board may select. The Board may accept on behalf of the Corporation, any contribution, gift, bequest, or devise for the general purposes of or for any special purposes of the Corporation.

### ***Section 11. Bonds***

If the Board by resolution, shall so require any officer or agent of the Corporation shall give bond to the Corporation in such amount and with such surety as the Board may deem sufficient, conditioned upon the faithful performance of their respective duties and offices.

### ***Section 12. Loans to Officers and Board Members***

No loans shall be made by the Corporation to any officer or Board member of the Corporation.

### ***Section 13. Meetings by Telephone.***

The Board, or any committee thereof, may permit any Board member to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all Board members participating may hear each other during the meeting. A Board member participating in a meeting by this means is deemed to be present in person at the meeting.

## **Article IV - Indemnification; Insurance**

### ***Section 1. Indemnification***

To the extent permitted or required by the act (as defined below) and any other applicable law, if any director (Board member) or officer (as defined below) of the Corporation is made a party to or is involved in (for example as a witness) any proceeding (as defined below) because such person is or was a director or officer of the Corporation, the Corporation (a) shall indemnify such person from and against any judgments, penalties, fines (including but not limited to excise taxes under the Employee Retirement Income Security Act of 1974, as amended, and the regulations thereunder), amounts paid in settlement and reasonable expenses (including but not limited to expenses of investigation and preparation, and fees and disbursements of counsel, accountants or other experts) incurred by such person in such proceeding, and (b) shall advance to such person expenses incurred in such proceeding.

The Corporation may in its discretion (but is not obligated in any way to) indemnify and advance expenses to an employee or agent of the Corporation to the same extent as to a director or officer.

The foregoing provisions for indemnification and advancement of expenses are not exclusive, and the Corporation may at its discretion provide for indemnification or advancement of expenses in a resolution of its members or directors, in a contract or in its articles of incorporation.

Any repeal or modification of the foregoing provisions of this article for indemnification or advancement of expenses shall not affect adversely any right or protection stated in such provisions with respect to any act or omission occurring prior to the time of such repeal or modification. If any provision of this article or any part thereof shall be held to be prohibited by or invalid under applicable law, such provision or part thereof shall be deemed amended to accomplish the objectives of the provision or part thereof as originally written to the fullest extent permitted by law, and all other provisions or parts shall remain in full force and effect.

As used in this article, the following terms have the following meanings:

1.1 Act. The term "act" means the Colorado Nonprofit Corporation Act as it exists on the date this article is adopted, and as the Colorado Nonprofit Corporation Act may be thereafter amended from time to time. In the case of any amendment of the Colorado Nonprofit Corporation Act after the date of adoption of this article, when used with reference to an act or omission occurring prior to effectiveness of such amendment, the term "act" shall include such amendment only to the extent that the amendment permits a corporation to provide broader indemnification rights than the Colorado Nonprofit Corporation Act permitted prior to the amendment.

1.2 Director or Officer. The term "director" or "officer" means (a) a director or officer of the Corporation and (b) while an individual is a Director or officer of the Corporation, the individual's serving at the Corporation's request as a director, officer, partner, employee or agent of any corporation, partnership, joint venture, trust, other enterprise or employee benefit plan, and (c) any other position (not with the Corporation itself) in which a director or officer of the Corporation is serving at the request of the Corporation and for which indemnification by the Corporation is permitted by the act.

1.3 Proceeding. The term "proceeding" means any threatened, pending or completed action, suit, or proceeding whether civil, criminal, administrative or investigative, and whether formal or informal.

1.4 Limitation. Notwithstanding any other provision of this Article IV, during any period that the Corporation is a "private foundation" within the meaning of Section 509 of the Code, or any corresponding provision of any future United States tax law, the Corporation shall not indemnify any person from or against or advance to any person the cost of, such expenses, judgments, fines, or amounts paid or necessarily incurred, nor shall the Corporation purchase or maintain such insurance, to the extent that any such indemnification, purchase, or maintenance would be determined to be an act of self-dealing within the meaning of Section 4941 of the Code, to be a taxable expenditure within the meaning of Section 4945 of the Code, or to be otherwise prohibited under the Code, unless and to the extent (a) a court orders such indemnification, or (b) the purchase or maintenance of such insurance can be treated as reasonable compensation to such person.

## ***Section 2. Insurance***

The Corporation shall purchase and maintain insurance on behalf of any person who is a director, officer, employee, fiduciary or agent of the Corporation or who is or was serving at the request of the Corporation as a director, officer, employee, fiduciary or agent of the Corporation as a director, officer, employee, fiduciary or agent of another corporation, partnership, joint venture, trust, or other enterprise against any liability asserted against him/her and incurred by him/her in any such capacity or arising out of his/her status as such, whether or not the Corporation would have the power to indemnify him/her against such liability under provision of this Article IV.

## **Article V – Officers - Executive Committee**

### ***Section 1. Membership***

The membership of the Executive Committee shall be composed of the officers of the corporation and up to two persons selected from the remaining Board members.

### ***Section 2. Election, Number, Term of Office***

Officers of the Corporation shall be President, Vice President, Secretary, Treasurer, each of whom (and any additional executive committee members) shall be elected by the Board. Other officers and assistant officers as may be deemed necessary may also be elected or appointed by the Board. All officers shall be Board members of the Corporation. Officers shall serve for one year and may serve in their capacity for two consecutive terms. Exceptions may be granted from time to time by a two-thirds majority vote of the Board.

### ***Section 3. Powers and Duties***

The Executive Committee, if necessary, can hold special meetings between regular meetings and waive notice in the event of an emergency of the Corporation. Actions of the Executive Committee are subject to ratification by the Board.

A. The President shall be the principal executive officer of the Corporation and shall:

- Be subject to the direction of the Board ;
- Have general supervision, direction, and control of the business affairs of the Corporation and its officers, agents and employees;
- Preside at all the meetings of the Board and membership meetings;
- Sign, with the Secretary or other proper officer of the Corporation designated by the Board, any deeds, mortgages, bonds, contracts, or other instruments which the Board has authorization to be executed on behalf of the Corporation, except in the case where the signing and execution thereof shall be expressly delegated by the Board or by these by-laws or a written resolution of the Board to some other officer;
- Coordinate and oversee the appointment of the Nominating Committee on an annual basis;
- Appoint ad hoc committees as necessary to address any issue or grievances; and
- Perform all the duties commonly incident to such office and such other duties as the Board shall designate.

B. The Vice President shall:

- In the absence of the President, perform all 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; and
- Have such other powers and perform such other duties as may from time to time be assigned to such person by the President or by the Board.

C. The Secretary shall:

- Keep accurate minutes of the proceedings of the Board and of the Annual and other Meetings;
- See that all notices are duly given in accordance with the provisions of these by-laws;
- Be the custodian of the records and of the seal of the Corporation, and shall attest the affixing of the seal of the Corporation when authorized by the Board; and
- In general, shall perform all the duties incident to such office and such other duties as may from time to time be assigned to such person by the President or by the Board.

D. The Treasurer shall:

- Chair the Audit & Finance Committee;
- Be the principal finance officer of the Corporation.
- Have the general charge of all funds and securities of the Corporation;
- Help develop the annual budget with the Chief Executive Officer, Audit Committee and such other people that may be necessary; and
- Review the monthly financial statements.

#### ***Section 4. Removal***

Any officer or member of the Executive Committee may be removed by a two-thirds majority vote of the Board whenever, in its judgment, the best interests of the Corporation would be served thereby. Such removal shall be without prejudice to the contracts rights, if any, of the person so removed. Election or appointment of an officer, member, or agent shall not of itself create contract rights.

#### ***Section 5. Vacancies***

Any vacancy in the Executive Committee because of death, resignation, removal, disqualification, or otherwise, may be filled by the Board.

### ***Section 6. Meetings***

Meetings of the Executive Committee will be as needed. Any other member of the Corporation may attend, but without vote.

### ***Section 7. Quorum***

A quorum for meetings of the Executive Committee will be one more than 50 percent of those serving.

## **Article VI - Contracts, Loans, and Deposits**

### ***Section 1. Contracts***

The Board may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

### ***Section 2. Loans***

No loans shall be contracted for or on behalf of the Corporation and no evidence of indebtedness shall be issued in the name of the Corporation unless authorized by the Board. Such authorization may be general if confined to a maximum dollar amount specified by the Board by resolution from time to time. Such authority shall otherwise be confined to specific instances.

### ***Section 3. Checks, Drafts, and Notes***

All checks, drafts or other orders for payment of money, notes, or other evidence of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the Board.

## **Article VII - Nondiscrimination and Harassment**

No officer, Board member, committee member, employee, volunteer, or other persons of this Corporation shall be discriminated against for any reason of race, color, religion, national origin, gender, age, sexual orientation, gender variance, military status or physical or mental disability. All meetings of the Corporation will be held in a location that is accessible to people with disabilities.

The Corporation in its operations prohibits sexual harassment in any of its various forms, and provides for the rigorous enforcement of all federal, state and local civil rights laws.

## **Article VIII - Books and Records**

The Secretary or other person designated by the Corporation and the Board shall keep correct and complete books and records of accounts and shall also keep minutes of the proceedings of the Members and the Board.

## **Article IX - Fiscal Year**

The fiscal year of the Corporation shall end on the last day of June in each calendar year.

## **Article X - Corporate Seal**

The Board may provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Corporation and the state of incorporation and the words "Corporate Seal".

## **Article XI - Waiver of Notice**

Whenever any notice is required to be given under the provisions of these by-laws or under the provisions of the articles of incorporation or under the Revised Colorado Nonprofit Corporation Act, or otherwise, a waiver thereof in writing, signed by the person or persons entitled to such a notice, whether before or after the event or other circumstance requiring such notice, shall be deemed equivalent to the giving of such notice.

## **Article XII – Amendments to Bylaws**

These by-laws may be amended, altered, or repealed and new by-laws may be adopted by a two-thirds majority vote of the Board provided that the full text of the proposed amendment or repeal shall have been delivered by mail or email to each Board member of the Corporation at least ten (10) days and the full corporation membership at least thirty (30) days prior to the meeting at which the proposed amendment or repeal will be presented for action. Additionally, the full membership must be notified of any amended, altered, or repealed and new by-laws by mail or email by at the most thirty (30) days after such action. Article II, Section 1.A.3; Article II, Section 6; and Article III, Section 2 are exempt from Article XII and can only be amended, altered, or repealed by a two-thirds majority vote of the membership present at a meeting at which a quorum is present.

## **Article XIII - Chief Executive Officer**

The Board may appoint a Chief Executive Officer, or other officer to administer the operations of the Corporation, and may designate the duties and salary of the Chief Executive Officer, or other officer. The Chief Executive Officer shall at all times be accountable to the Board. The Chief Executive Officer may be removed by the vote of a two-thirds majority of the Board then holding office whenever, in their judgment, the best interests of the Corporation would be served thereby.

## **Article XIV- Dissolution**

Upon dissolution or other termination of the Corporation, any assets remaining after all debts of the corporation have been paid shall be disposed of in a manner acceptable to the Board and in accordance with State and applicable Federal laws.

## **ARTICLE XV - PURPOSE**

### **Section 1. Purpose.**

The corporation is organized exclusively for the charitable, scientific, literary or educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding section of any future federal tax code (the "Code"). The corporation may carry on any other lawful activity consistent with its Articles of Incorporation, these by-laws and the Colorado Revised Nonprofit Corporation Act (the "Act") . These by-laws are adopted for the sole purpose of facilitating the discharge, in an orderly manner, of the purpose of the corporation.

Except as amended hereby, the Bylaws remain in full force and effect and is reaffirmed and ratified.

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Secretary of the Board  
Community Shares of Colorado, Inc.

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Date