

# **BYLAWS**

## Calvary Family of Churches

Effective May 19, 2015

## Preamble

In order to affirm and preserve the principles of our faith, to guarantee that this body may be governed in an orderly and efficient manner consistent with the Scriptures and applicable law, and for the purpose of preserving the unity of this church, the liberties inherent in each individual member, and the freedom of action of this body with respect to its relation to other churches of the same faith, we do declare and establish these By-laws.

## Article 1. Name

The official name of the corporation, a nonprofit corporation, shall be the Calvary Family of Churches. This organization will do business as the “**Calvary Family of Churches.**” It may be referred to as the “**CFC**” within these Bylaws.

## Article 2. Office

The principal office of the CFC shall be 5649 S. Curtice Street, Littleton, CO 80120. The CFC may also have offices at such other places as the Board of Elders may determine.

## Article 3. Seal

The seal of the Calvary Family of Churches shall have inscribed thereon the name of the CFC, and the words, “Colorado” and “Seal,” and shall be in such form as may be approved by the Board of Elders. The Board of Elders shall have the power to alter the seal of the CFC at its pleasure.

## Article 4. Membership

### Section 1. Classes of Membership and Dues

- A. There shall be one class of membership in the CFC, which will be comprised of churches and congregations. These nonvoting members shall be referred to herein as the “**Calvary Churches**” or individually as the “**Calvary Church**” or the “**Member.**”
- B. All memberships are renewable on an annual basis, as determined from time to time by the Board of Elders. Memberships are non-refundable and non-transferable.
- C. The Calvary Churches shall be eligible to receive certain benefits as the Board of Elders may from time to time decide to offer to the Calvary Churches.

- D. Membership shall be subject to such rules and regulations as the Board of Elders may from time to time decide to adopt.

## **Section 2. Voting of Members**

The CFC shall have no voting members, and all voting powers shall be vested in the Board of Elders.

## **Section 3. Admission to Membership**

All applications for membership in the CFC shall be in writing on the form approved by the Board of Elders and accompanied by a copy of the resolution of the governing authority of the applicant authorizing the application. The application for membership shall include, among other things, the agreement by the Calvary Church to comply with the Membership Covenant, as promulgated by the Board of Elders. The Board of Elders shall have the right to reject or revoke any application for membership or active membership.

## **Section 4. Membership in Good Standing**

- A. For the purpose of membership, the Calvary Church must be in good standing to use the following CFC items: the CFC facilities; license to use the CFC trademarks, service marks, service names, trade names, logos, Internet domain names, business symbols, copyrights, all goodwill associated therewith and all common law rights relating thereto (collectively, “**Intellectual Property**”); ministry support; administrative support; and serving on the Board of Elders. A Member in good standing is one that has complied with the rules and regulations of the CFC as promulgated by the Board of Elders, adhered to the Membership Covenant, and has met all of said Member’s current financial obligations to the CFC.
- B. If a Member’s financial obligations are not paid within the periods established by the Executive Director, from time to time, then they shall be considered not in good standing.

## **Section 5. Termination of Membership**

Membership of any Member of the CFC may be terminated upon occurrence of any of the following events:

- a. the dissolution of the Calvary Church;

- b. issuance of a letter of dismissal by the Board of Elders, but the Member must have the opportunity to be heard, either orally or in writing, prior to the final action by the Board of Elders; or
- c. the Member's request.

For terminations stemming from actions under Section 5.b of this Article, the letter of dismissal must be received by the affected Calvary Church at least 15 days before the proposed termination date and must contain the reasons for the proposed termination. The member's opportunity to be heard before the applicable body must occur at least 5 days before the proposed effective date of the termination.

Upon termination of the membership, the terminated Calvary Church shall immediately discontinue all use of any Intellectual Property, return any Intellectual Property to the CFC, and the limited license to use such Intellectual Property shall be revoked.

## **Article 5. Board of Elders**

### **Section 1. Number of Elders**

The affairs of the CFC shall be managed by a board of directors ("**Board of Elders**") of not less than four (4) Elders, consisting of two (2) Elders from each Calvary Church as chosen by each Calvary Church (the "**Elders**" or an "**Elder**"). The Elders from each Calvary Church must be considered an elder within the individual church, as determined by each Calvary Church, and must be affirmed as an Elder of the CFC by the elders of the specific Calvary Church. The Elders shall be natural persons at least eighteen years of age or older. The Elders need not be residents of the State of Colorado.

### **Section 2. Term of Office**

Each Elder shall hold office until the Elder resigns, dies, is removed pursuant to these Bylaws, or until a successor has been elected or appointed and qualified by the respective Calvary Church from which the Elder was elected or appointed.

### **Section 3. Meetings**

- A. The Board of Elders shall meet at least six (6) times during any calendar year at such time and place as shall be determined by the Board of Elders. Regular meetings of the Board of Elders or any committee designated by the Board of Elders may be held without notice of the date, time, place, or purposes of the meeting if the Board of Elders establishes a schedule for the regular meetings.

B. Any member of a Calvary Church may attend any meeting of the Board of Elders, unless and until the Board of Elders goes into an Executive Session.

#### **Section 4. Special Meetings**

Special meetings of the Board of Elders may be called by or at the request of the President or the Executive Director or any two Elders. At least twenty-four (24) hours notice shall be given, stating the place, date, and hour thereof, but need not state the purpose or purposes thereof.

#### **Section 5. Manner of Acting and Proxy Voting**

A quorum of the Board of Elders shall be one-half of the Elders fixed by the Board of Elders, as decided under Section I of this Article, represented in person or by written proxy. An Elder may vote or act by proxy through an agent authorized by a written proxy from such Elder and filed with the Secretary of the Corporation. The act of a majority of the Elders present in person or by written proxy at a meeting at which a quorum is present shall be the act of the Board of Elders, unless the act of a greater number is required by law or these Bylaws. If a quorum is present at the beginning of a meeting, a quorum is deemed present until such meeting is adjourned. An Elder who participates in a meeting by telephone or any similar communications equipment shall be counted as part of the quorum; provided that all such persons so participating in such meeting can hear each other at the same time.

#### **Section 6. Real Estate**

The CFC shall not purchase any real property, nor sell, mortgage, or lease real property, as related to the operation of the CFC, unless authorized by unanimous vote of the Board of Elders in attendance at a meeting specifically called for that purpose or at a regular Board of Elders meeting at which said subject has been placed on the agenda and all Elders properly notified at least ten (10) days prior to the meeting. The Board of Elders may appoint one or more of the officers to, on behalf of the CFC, affix their signatures to legal documents involving the sale, mortgaging, purchase, or rental of the CFC property, or to any other legal document where a signature is required.

#### **Section 7. Vacancies**

Any vacancy occurring in the Board of Elders shall be promptly filled within sixty (60) days, or as soon as reasonably possible thereafter, by the Calvary Church from which the vacancy occurs.

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

Any Elder who misses three (3) meetings in any 12-month period without prior approval from the Board of Elders or who consistently fails to carry out the duties and responsibil-

ities of an Elder may be terminated from membership on the Board of Elders by vote of a majority of the entire Board of Elders, not just those present at a meeting.

### **Section 9. Compensation**

Elders as such shall not receive any stated salaries for their services. Elders may be reimbursed for money spent on behalf of the CFC, if such expenditure is approved and authorized by the Finance Committee.

### **Section 10. Action by Written Consent of Elders**

Any action required by law to be taken at a meeting of Elders may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the Elders.

### **Section 11. Meetings by Telephone**

Members of the Board of Elders or any committee designated thereby may hold or participate in a meeting of the Board of Elders or such committee by means of conference telephone or similar communications equipment; provided that all such persons so participating in such meeting can hear each other at the same time.

### **Section 12. Delivery by Facsimile or Email**

All notices, waivers, or other communications required to be delivered under these By-laws may be delivered by facsimile or email transmission.

### **Section 13. Conflicting Interest Transaction**

The CFC and the members of the Board of Elders shall at all times be subject to the provisions of C.R.S. § 7-128-501 as follows:

- A. As used in this section, “conflicting interest transaction” means: A contract, transaction, or other financial relationship between the CFC and an Elder of the CFC, or between the CFC and a party related to an Elder, or between the CFC and an entity in which an Elder of the CFC is a director or officer or has a financial interest.
- B. No loans shall be made by the CFC to its Elders or officers. Any Elder or officer who assents to or participates in the making of any such loan shall be liable to the CFC for the amount of such loan until the repayment thereof.
- C. No conflicting interest transaction shall be void or voidable or be enjoined, set aside, or give rise to an award of damages or other sanctions in a proceeding by

a member or by or in the right of the CFC, solely because the conflicting interest transaction involves an Elder of the CFC or a party related to an Elder or an entity in which an Elder of the CFC is a director or officer or has a financial interest or solely because the Elder is present at or participates in the meeting of the CFC's Board of Elders or of the committee of the Board of Elders that authorizes, approves, or ratifies the conflicting interest transaction or solely because the Elder's vote is counted for such purpose if:

- (a) The material facts as to the Elder's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the Board of Elders or the committee, and the Board of Elders or committee in good faith authorizes, approves, or ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested Elders, even though the disinterested Elders are less than a quorum; or
- (b) The conflicting interest transaction is fair as to the CFC.

## **Article 6. Officers**

### **Section 1. Election and Tenure**

- A. The officers shall consist of a President, a Vice-President, a Secretary, Treasurer, Executive Director, and such other officers as deemed necessary by the Board of Elders.
- B. The officers of the CFC, with the exception of the Executive Director, shall be elected by a passing vote of the Board of Elders, and shall serve terms of at least two (2) years. Officers may be re-elected. The same individual may simultaneously hold more than one office in the CFC.
- C. Each officer so elected or appointed shall commence serving in their office on the first day of the first month following their election or appointment and shall continue in office until a successor shall be elected or appointed.
- D. The Executive Director shall be elected by the Board of Elders and shall hold the office of Executive Director until such person's resignation, death, or removal. The Executive Director holds the responsibilities as set forth in Section 5 of this Article 8 below.

### **Section 2. Resignation, Removal, and Vacancies**

Any officer may resign at any time by giving written notice thereof to the Board of Elders or the Executive Director. Such resignation shall take effect on the date specified therein and no acceptance of the same shall be necessary to render the same effective. Any

officer who consistently fails to carry out the duties and responsibilities of an officer may be removed by the affirmative vote of a majority of the Elders. Vacancies in the officers of the CFC by reason of death, resignation, removal, or otherwise shall be filled by election of the Board of Elders as soon as is reasonably possible. Until such time, an Elder may be appointed by the remaining Board of Elders to serve in such vacancy. An officer appointed to fill a vacancy shall be appointed for the unexpired term of the predecessor in office and shall continue in office until a successor shall be elected or appointed.

### **Section 3. President**

The President shall be a member of the Board of Elders, shall preside at all meetings of the Board of Elders, shall be their official spokesperson, and shall have such other powers and duties not inconsistent with these Bylaws as may be assigned from time to time by the Board of Elders. The President shall be an ex-officio member of all committees.

### **Section 4. Vice President**

In the absence of the President, the Vice President shall preside over meetings of the Board of Elders. The Vice President shall perform such other duties as from time to time may be assigned by the President or the Board of Elders.

### **Section 5. Executive Director**

The Executive Director shall be the chief executive officer of the CFC and, subject to the control of the Board of Elders, shall have general and active management authority and responsibility for the day-to-day operations and business of the CFC. The Executive Director shall be responsible for overseeing the addition and termination of all employees of the CFC. The Executive Director shall see that all orders and resolutions of the Board of Elders are carried into effect and in general the Executive Director shall perform such duties and possess such powers as may be assigned by the Board of Elders. The Executive Director shall not be a member of the Board of Elders, but shall attend all meetings of the Board of Elders and may attend other committee meetings. The Executive Director may participate in all discussions of the Board of Elders and committees, except those which concern personnel and salary matters relating to such Executive Director.

### **Section 6. Secretary**

The Secretary shall perform such duties and shall have such powers as may from time to time be assigned by the Board of Elders or the President. In addition, the Secretary shall perform such duties and have such powers as are incident to the office of Secretary, including, without limitation, the duty and power to give notice of all meetings of the Board of Elders, to attend such meetings and keep a record of the proceedings, and to be custodian of corporate records and the corporate seal and to affix and attest to the same on documents, the execution of which on behalf of the Corporation is authorized by these Bylaws or by action of the Board of Elders.



## **Section 7. Treasurer**

The Treasurer shall perform such duties and shall have such powers as may from time to time be assigned by the Board of Elders or the President. In addition, the Treasurer shall perform such duties and have such powers as are incident to the office of Treasurer, including, without limitation, the duty to oversee that all funds and securities of the CFC are properly kept and deposited in depositories selected in accordance with resolutions adopted by the Board of Elders, and that all funds are disbursed in accordance with budgets or other resolutions adopted by the Board of Elders, the duty to oversee that proper accounts are made thereof, and that as required by the Board of Elders of statements of all such transactions and of the financial condition of the CFC are prepared as required by the Board of Elders. The CFC staff members shall be accountable to the Treasurer for the adherence to the budget of the CFC.

## **Article 7. Executive Committee**

### **Section 1. Composition**

The Board of Elders may, in its discretion, form an Executive Committee. Once formed, the Executive Committee shall consist of all the officers of the CFC, the Executive Director (as a non-voting member), and not less than four and no more than six (6) Elders from separate churches of the CFC which will be appointed to the Executive Committee by the President.

### **Section 2. Agenda**

The Executive Committee shall plan the agenda for each meeting of the Board of Elders, assign matters to committees of the Board of Elders, and review the performance of the Executive Director. The Executive Committee shall be responsible for and shall oversee the search process for a new Executive Director when necessary and may appoint a search committee for such purpose. The Executive Committee may consider matters brought to its attention by the Executive Director or members of the Board of Elders of the CFC and determine the proper disposition of such matters. The Executive Committee shall act upon any and all emergency matters, but only where or when it is not feasible to call a special meeting of the Board of Elders. All actions of the Executive Committee shall be submitted to the Board of Elders at its next meeting for ratification.

### **Section 3. Quorum**

A majority of the Executive Committee shall constitute a quorum at any Executive Committee meeting, and all actions at Executive Committee meetings shall be by a majority vote of those present and voting.

### **Section 4. Notice of Meetings**

The Executive Committee shall meet at intervals between meetings of the Board of Elders upon the call of the President. The Executive Director shall cause notice to be giv-

en by mail or otherwise of meetings of the Executive Committee to all members thereof, and cause minutes of all meetings to be kept.

## **Article 8. Finance Committee**

### **Section 1. Composition**

The Board of Elders shall form the Finance Committee, which shall consist of the Treasurer, who shall preside over the meetings, the Executive Director, and at least two (2) other members who shall be Elders or members of a Calvary Church and who will be appointed to the Finance Committee by the President.

### **Section 2. Agenda**

The Finance Committee will provide oversight to the annual budget process as well as review the budget of the CFC on a quarterly basis.

Specifically, the Finance Committee will:

- Analyze the income of the CFC and plan and present a proposed budget for the coming year to submit to the Board of Elders;
- Study the budget for any needed changes;
- Establish a plan for paying any indebtedness of the CFC;
- Establish a plan for financing future programs and initiatives;
- Recommend ways to alleviate current budget deficiencies;
- Schedule expansion programs and real estate purchases;
- Establish policies to minimize financial risks (i.e., spending limits, vendor selection, contribution management); and,
- Assist in establishing appropriate salary/wage levels for paid employees of the CFC.

## **Article 9. Personnel Committee**

### **Section 1. Composition**

The Board of Elders shall form the Personnel Committee, which shall consist of the Executive Director, who shall preside over the meetings, and an additional two (2) Elders who will be appointed to the Personnel Committee by the President. No paid staff may serve on the Personnel Committee, except for the Executive Director who shall serve as a nonvoting member if paid.

### **Section 2. Agenda**

The Personnel Committee will discuss and direct the following activities:

- Salaries – the Personnel Committee will provide recommendations to the CFC for approval on salary or hourly wages paid to any employee of the CFC.
- Benefits – the Personnel Committee will recommend for approval by the CFC all benefits (vacation, insurance, sabbatical, etc.) provided to any paid employee of the CFC.
- Job Descriptions – the Personnel Committee will recommend for approval by the CFC job descriptions for any employee and ministry director of the CFC.

## **Article 10. Other Committees**

- A. The Board of Elders may designate and appoint one or more committees to advise and assist the Board of Elders in its management of the CFC. Members thereof serve at the pleasure of the Board of Elders. Any committee may have both officers and Elders as the committee's members.
- B. Each member of any committee having the authority of the Board of Elders shall serve until a successor is appointed, unless the committee shall be abolished, or unless such member shall be removed, or unless such member shall cease to qualify as a member thereof

## **Article 11. Contracts, Checks, and Budget**

### **Section 1. Contracts**

The Board of Elders may authorize any officer or officers, employee, agent, or agents of the CFC, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the CFC, and such authority may be general or confined to specific instances.

## **Section 2. Checks**

All checks, drafts, or orders for the payment of money shall be signed by such officer or officers, employee, agent or agents of the CFC and in such manner as shall from time to time be determined by the Board of Elders. All checks over \$250.00, with the exception of payroll checks, require two signatures.

## **Section 3. Budget**

Expenditures by or on behalf of the CFC shall not exceed the total annual budget approved by the Board of Elders without the consent of the Board of Elders.

## **Article 12. Indemnification of Directors, Officers, Employees, and Agents.**

### **Section 1. Definitions.**

For purposes of this Article, the following terms shall have the meanings set forth below:

- A. "Corporation" means the CFC and, in addition to the resulting or surviving corporation, any domestic or foreign entity that is a predecessor of a corporation by reason of a merger, consolidation or other transaction in which the predecessor's existence ceased upon consummation of the transaction.
- B. "Director" means an individual who is or was an Elder of the Corporation, and an individual who, while such an Elder of the Corporation, is or was serving at the Corporation's request as an Elder, officer, partner, trustee, employee, fiduciary or agent of any other foreign or domestic corporation or other entity or employee benefit plan. A Director shall be considered to be serving an employee benefit plan at the Corporation's request if his or her duties to the Corporation also impose duties on, or otherwise involve services by, the director to the plan or to participants in or beneficiaries of the plan. "Director" includes, unless the context otherwise requires, the estate or personal representative of a director.
- C. "Expenses" means the actual and reasonable expenses, including counsel's fees, incurred by a party in connection with a proceeding.
- D. "Liability" means the obligation incurred with respect to a proceeding to pay a judgment, settlement, penalty, fine (including an excise tax assessed with respect to a private foundation or an employee benefit plan) or reasonable expenses.
- E. "Official capacity," when used with respect to a director of the Corporation, means the office of director in the Corporation and, when used with respect to a person in a capacity other than as a director (even if such person is also a director), means the office in the Corporation held by the officer or the employment, fiduciary, or agency relationship undertaken by the employee, fiduciary, or agent

on behalf of the Corporation in the performance of his or her duties in his or her capacity as such officer, employee, fiduciary, or agent. "Official capacity" does not include service for any other foreign or domestic corporation or for any other entity or employee benefit plan when acting directly on behalf of such other corporation, entity or employee benefit plan as a director, officer, employee, fiduciary or agent thereof.

- F. "Party" means any person who was, is, or is threatened to be made, a named defendant or respondent in a proceeding by reason of the fact that such person is or was a director, officer, employee or fiduciary of the Corporation, and any person who, while a director, officer, employee or fiduciary of the Corporation, is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee, fiduciary or agent of any other foreign or domestic corporation or of any other entity or employee benefit plan. A party shall be considered to be serving an employee benefit plan at the Corporation's request if such party's duties to the Corporation also impose duties on or otherwise involve services by such party to the plan or to participants in or beneficiaries of the plan. "Party" includes, unless the context otherwise requires, the estate or personal representative of such party.
- G. "Proceeding" means any threatened, pending or completed action, suit or proceeding, or any appeal therein, whether civil, criminal, administrative, arbitral or investigative (including an action by or in the right of the Corporation) and whether formal or informal.

## **Section 2. Right to Indemnification.**

- A. Standards of Conduct. Except as provided in Paragraph D below, the Corporation shall indemnify any party to a proceeding against liability incurred in or as a result of the proceeding if (a) such party conducted himself or herself in good faith, (b) such party reasonably believed (i) in the case of a director acting in his or her official capacity, that his or her conduct was in the Corporation's best interests, or (ii) in all other cases, that such party's conduct was at least not opposed to the Corporation's best interests, and (c) in the case of any criminal proceeding, such party had no reasonable cause to believe his or her conduct was unlawful. For purposes of determining the applicable standard of conduct under this Section 2, any party acting in his or her official capacity who is also a director of the Corporation shall be held to the standard of conduct set forth in Paragraph A(b)(i), even if such party is sued solely in a capacity other than as such director.
- B. Employee Benefit Plan. A party's conduct with respect to an employee benefit plan for a purpose such party reasonably believed to be in the interests of the participants in or beneficiaries of the plan is conduct that satisfies the requirement of Paragraph A(b)(ii). A party's conduct with respect to an employee benefit plan for a purpose that such party did not reasonably believe to be in the inter-

ests of the participants in or beneficiaries of the plan shall be deemed not to satisfy the requirements of Paragraph A(a).

- C. Settlement. The termination of any proceeding by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, is not, of itself, determinative that the party did not meet the applicable standard of conduct set forth in Paragraph A.
- D. Indemnification Prohibited. Except as hereinafter set forth in Paragraph E, the Corporation may not indemnify a party under this Section 2 either in connection with (a) any proceeding by or in the right of the Corporation in which the party is or has been adjudged liable to the Corporation, or (b) any proceeding charging that the party derived an improper personal benefit, whether or not involving action in the party's official capacity, in which proceeding the party is adjudged liable on the basis that he or she derived an improper personal benefit (even if the Corporation was not thereby damaged).
- E. Court-Ordered Indemnification. Notwithstanding the foregoing, the Corporation shall indemnify any party if and to the extent required by the court conducting the proceeding, or any other court of competent jurisdiction to which the party has applied, if it is determined by such court, upon application by the party, that despite the adjudication of liability in the circumstances described in clauses (a) and (b) of Paragraph D or whether or not the party met the applicable standard of conduct set forth in Paragraph A, and in view of all relevant circumstances, the party is fairly and reasonably entitled to indemnification for such expenses as the court deems proper in accordance with the Colorado Revised Nonprofit Corporation Act.
- F. Claims by or in the Right of Corporation. Indemnification permitted under this Section 2 in connection with a proceeding by or in the right of the Corporation shall be limited to reasonable expenses incurred in connection with the proceeding. If the corporation indemnifies or advances expenses to a party under this Article in connection with a proceeding by or in the right of the Corporation, the Corporation shall give written notice of such indemnification or advance to the voting members, if any, with or before the notice of the next members' meeting. If the next member action is taken without a meeting at the instigation of the Board of Elders, such notice shall be given to the voting members at or before the time the first member signs a writing consenting to such action.
- G. Combined Proceedings. If any claim made by or in the right of the Corporation against a party is joined with any other claim against such party in a single proceeding, the claim by or in the right of the Corporation (and all expenses related thereto) shall nevertheless be deemed the subject of a separate and distinct proceeding for purposes of this Article.

### **Section 3. Prior Authorization Required.**

Any indemnification under Section 2 (unless ordered by a court) shall be made by the Corporation only if authorized in the specific case after a determination has been made that the party is eligible for indemnification in the circumstances because the party has met the applicable standard of conduct set forth in Section 2, Paragraph A and after an evaluation has been made as to the reasonableness of the expenses. Any such determination, evaluation and authorization shall be made by the Board of Elders by a three-quarters (3/4) vote of a quorum of such Board of Elders, which quorum shall consist of all Elders not parties to the subject proceeding, or by such other person or body as permitted by law.

#### **Section 4. Success on Merits or Otherwise.**

Notwithstanding any other provision of this Article, the Corporation shall indemnify a party to the extent such party has been wholly successful, on the merits or otherwise, including without limitation, dismissal without prejudice or settlement without admission of liability, in defense of any proceeding, against reasonable expenses incurred by such party in connection therewith.

#### **Section 5. Advancement of Expenses.**

The Corporation shall pay for or reimburse the reasonable expenses, or a portion thereof, incurred by a party in advance of the final disposition of the proceeding if: (1) the party furnishes the Corporation a written affirmation of such party's good faith belief that he or she has met the standard of conduct described in Section 2, Paragraph A; (2) the party furnishes the Corporation a written undertaking, executed personally or on behalf of such party, to repay the advance if it is ultimately determined that the party did not meet such standard of conduct; and (3) authorization of a payment and a determination that the facts then known to those making the determination would not preclude indemnification under this Article have been made in the manner provided in Section 3. The undertaking required by clause (2) must be an unlimited general obligation of the party, but need not be secured and may be accepted without reference to financial ability to make repayment.

#### **Section 6. Payment Procedures.**

The Corporation shall promptly act upon any request for indemnification, which request must be in writing and accompanied by the order of court or other reasonably satisfactory evidence documenting disposition of the proceeding in the case of indemnification under Paragraph Section 4 and by the written affirmation and undertaking to repay as required by Section 5 in the case of indemnification under such section. If no disposition of such claim is made within ninety (90) days after written request for indemnification is made, the claimant may apply by way of civil action in any court of competent jurisdiction for an adjudication as to the validity and extent of the claim. A party's expenses incurred in connection with successfully establishing such party's right to indemnification, in whole or in part, in any such proceeding shall also be paid by the Corporation.

## **Section 7. Insurance.**

By action of the Board of Elders, notwithstanding any interest of the Elders in such action, the Corporation may purchase and maintain insurance in such amounts as the Board of Elders deems appropriate to protect itself and any person who is or was a director, officer, employee, fiduciary or agent of the Corporation, or who, while a director, officer, employee, fiduciary or agent of the Corporation, is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee, fiduciary or agent of any other foreign or domestic corporation or of any other entity or employee benefit plan against any liability asserted against or incurred by such person in any such capacity or arising out of such person's status as such, whether or not the Corporation would have the power to indemnify such person against such liability under applicable provisions of law or this Article. Any such insurance may be procured from any insurance company designated by the Board of Elders, whether such insurance company is formed under the laws of Colorado or any other jurisdiction, including any insurance company in which the Corporation has an equity or any other interest, through stock ownership or otherwise. The Corporation may create a trust fund, grant a security interest or use other means (including, without limitation, a letter of credit) to ensure the payment of such sums as may become necessary to effect indemnification as provided herein.

## **Section 8. Right to Impose Conditions to Indemnification.**

The Corporation shall have the right to impose, as conditions to any indemnification provided or permitted in this Article, such reasonable requirements and conditions as may appear appropriate to the Board of Elders in each specific case and circumstances, including but not limited to any one or more of the following: (1) that any counsel representing the party to be indemnified in connection with the defense or settlement of any proceeding shall be counsel mutually agreeable to the party and to the Corporation; (2) that the Corporation shall have the right, at its option, to assume and control the defense or settlement of any claim or proceeding made, initiated or threatened against the party to be indemnified; and (3) that the Corporation shall be subrogated, to the extent of any payments made by way of indemnification, to all of the indemnified party's right of recovery, and that the party to be indemnified shall execute all writings and do everything necessary to assure such rights of subrogation to the Corporation.

## **Section 9. Other Rights and Remedies.**

The indemnification provided by this Article shall be in addition to other rights to indemnification which a party may have or hereafter acquire by virtue of applicable statute.

## **Section 10. Applicability; Effect.**

The indemnification provided in this Article shall be applicable to acts or omissions that occurred prior to the adoption of this Article, shall continue as to any party entitled to in-



demnification under this Article who has ceased to be a director, officer, employee, fiduciary or agent of the Corporation or, at the request of the Corporation, was serving as and has since ceased to be a director, officer, partner, trustee, employee, fiduciary or agent of any other domestic or foreign corporation, or of any other entity or employee benefit plan, and shall inure to the benefit of the estate and personal representatives of each such person. The repeal or amendment of this Article or of any section or provision hereof that would have the effect of limiting, qualifying or restricting any of the powers or rights of indemnification provided or permitted in this Article shall not, solely by reason of such repeal or amendment, eliminate, restrict or otherwise affect the right or power of the Corporation to indemnify any person, or affect any right of indemnification of such person, with respect to any acts or omissions that occurred prior to such repeal or amendment. All rights to indemnification under this Article shall be deemed to be provided by a contract between the Corporation and each party covered hereby.

### **Section 11. Indemnification of Agents.**

The Corporation shall have the right, but shall not be obligated, to indemnify any agent of the Corporation who is not otherwise covered by this Article to the fullest extent permissible by the laws of Colorado. Unless otherwise provided in any separate indemnification arrangement, any such indemnification shall be made only as authorized in the specific case in the manner provided in Section 3.

### **Section 12. Savings Clause; Limitation.**

If this Article or any paragraph or provision hereof 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 this Article 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 of 1986, as amended (the "Code"). Notwithstanding any other provision of these Bylaws, if the Corporation is found to be a private foundation in a final determination, then the Corporation shall neither indemnify any person nor purchase any insurance if such indemnification or purchase of insurance would be considered an act of self-dealing under Section 4941 of the Code.

### **Article 13. Books and Records**

The CFC shall keep accurate and complete books and records and shall also keep minutes of the proceedings of its Board of Elders. All books and records of the CFC may be inspected by any Elder of the CFC or Member.

#### **Article 14. Fiscal Year**

The fiscal year of the CFC shall begin on the first day of January and end on the last day of December in each year.

#### **Article 15. Registered Agent**

The registered agent of the CFC shall be the Executive Director of the CFC. The Registered Agent shall receive communications from the State, receipt of service of process, maintain the CFC's legal standing as a non-profit corporation in the State of Colorado, such as by filing the annual report, and maintain the CFC's status as an exempt corporation under Section 501(c)(3) of the Internal Revenue Code. The registered office street address is 5649 S. Curtice Street, Littleton, CO 80120 and the mailing address is 40 W. Littleton Blvd., Suite 210, PMB 215, Littleton, CO 80120.

#### **Article 16. Emergency Power and Bylaws**

An "emergency" exists for the purposes of this section if a quorum of the Elders cannot readily be obtained because of some catastrophic event. In the event of an emergency, the Board of Elders may: (i) modify lines of succession to accommodate the incapacity of any Elder, officer, employee or agent; and (ii) relocate the principal office, designate alternative principal offices or regional offices, or authorize officers to do so. During an emergency, notice of a meeting of the Board of Elders, if normally required, only needs to be given to those Elders whom it is practicable to reach and may be given in any practicable manner including by publication or radio. One or more officers of the CFC present at a meeting of the Board of Elders may be deemed Elders for the meeting, in order of rank and within the same rank in order of seniority, as necessary to achieve a quorum. Corporate action taken in good faith during an emergency binds the CFC and may not be the basis for imposing liability on any Elder, officer, employee or agent of the CFC on the ground that the action was not authorized. The Board of Elders may also adopt emergency bylaws, which may include provisions necessary for managing the CFC during the emergency including: (i) procedures for calling a meeting of the Board of Elders; (ii) quorum requirements for the meeting; and (iii) designation of additional or substitute Elders. The emergency bylaws shall remain in effect during the emergency and not be in effect after the emergency ends.

#### **Article 17. Amendments**

The Bylaws of the CFC may be amended, revised, supplemented, or superseded at any time by the Board of Elders by the affirmative vote of a majority of all the Elders.

**Article 18. Dissolution**

In accordance with the Articles of Incorporation, upon the dissolution of the CFC or winding up of its affairs, the Board of Elders shall, after paying or making provision for the payment of all the liabilities of the Corporation, distribute the remaining assets of the Corporation to such other organizations having similar purposes which at the time qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code, as the Board of Elders shall determine. No officer of the Corporation or any private individual shall be entitled to share in the distribution of any of the corporate assets on dissolution of the CFC.

AS APPROVED BY THE BOARD OF ELDERS OF  
THE CFC.

Effective May 19, 2015.

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Mark Hallock

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Dan Freng

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Steve Anderson

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Scott Iken