

**BYLAWS of  
Southern Colorado Velo  
March 10, 2010**

**ARTICLE 1 – NAME AND LOCATION**

- 1.1 The name of this corporation, which is a nonprofit corporation organized under the Colorado Revised Nonprofit Corporation Act (“Act”), is Southern Colorado Velo (“SoCoVelo”).
- 1.2 The principal office of SoCoVelo shall be situated in the State of Colorado at such specific location as the Board of Trustees shall determine from time to time.

**ARTICLE 2 – PURPOSE**

- 2.1. SoCoVelo is organized and operated exclusively for educational and charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 (as amended) or the corresponding provision of any future United States Internal Revenue law, including for such purposes, the making of distributions to organizations which are recognized as exempt from tax under Internal Revenue Code Section 501(c)(3); and
- 2.2 To exercise such of the rights, powers, duties and authority of a nonprofit corporation organized under the Act of the State of Colorado which are consistent with the preceding paragraph, including:
  - a. To encourage and educate cyclists of all levels of skill and interests in cycling through making the cycling community in Southern Colorado more accessible and visible;
  - b. To encourage participation in race events, organized group and training rides, cycling specific clinics, and/or social events.
  - c. To establish and support a developmental bike racing team.
  - d. To organize and participate in trail work.
  - e. To educate cyclists on riding and maintaining bikes.

**ARTICLE 3 – MEMBERSHIP**

3.1. Membership. The members of SoCoVelo shall consist of all cyclist participating in SoCoVelo and members of the Board of Directors (“Board”).

3.2. No Voting Rights. Southern Colorado Velo has no voting members. Members under this article are not voting members.

**ARTICLE 4 – BOARD OF DIRECTORS**

- 4.1. Powers. All corporate powers shall be exercised by, or under the authority of, and the business affairs of SoCoVelo shall be controlled by the Board.
- 4.2. Number of Directors. The number of directors constituting the entire Board shall be a minimum of three and a maximum of seven.
- 4.3. Qualifications for Office. Each director is to be selected for knowledge of the needs of the community, and shall serve without compensation except for reasonable expenses incurred for SoCoVelo.
- 4.4. Term of Office. The regular term of office for each director shall be two years, unless sooner terminated by death, incapacity, resignation or removal.
- 4.5. Nomination of Trustees. Candidates for Board membership shall be screened and nominated by the directors. As each director's first term expires, it is the responsibility of the Board to review his or her qualifications and to re-nominate, if appropriate. Each director shall be elected by the majority vote of those directors present at the meeting at which the candidate is presented.
- 4.6. Directors' Duties. All directors are expected to participate through individual contributions of their skills and efforts. It is recognized that different directors bring different particular capabilities to SoCoVelo. Regular attendance at meetings of the Board and assigned committees, if any, is expected.
- 4.7. Honorary Directors. In addition to the trustees, honorary directors may be appointed by a majority vote of the Board to recognize his or her particular services to SoCoVelo.
- 4.8. Resignation and Removal. Any director may resign from office at any time by giving written notice thereof to the Board. Any director may be removed, with or without cause, by a majority vote of the currently serving directors excluding the director to be removed. Notice that such business is one of the purposes of the meeting shall be given in advance to each director in the same time and manner as provided for notice of meetings.
- 4.9. Filling of Vacancies. Any vacancy occurring on the Board may be filled by a vote of the majority of the remaining directors.
- 4.10. Regular Meetings. Meetings of the Board shall be held at least four times each year at such place and time as may be designated by the Board.

- 4.11. Annual and Special Meetings. Unless otherwise directed by resolution of the Board, the annual meeting of the Board shall be held in January of each year. Special meetings of the Board may be called by resolution of the Board, by the President, or by 50% or more of the then elected directors. The time and place of the meeting shall be set by such resolution or by the person or persons calling the meeting.
- 4.12. Notice of Meetings. Notice of time and place of meetings shall be given to each director by phone, fax or e-mail. Directors present when the time and place of the meeting was set need not be notified.
- 4.13. Quorum and Voting. A majority of the elected and qualified directors shall be necessary to constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at the meeting duly held, at which a quorum was present, shall be regarded as the act of the Board. Each director present shall be entitled to one (1) vote. Voting by proxy shall be permitted.

The Board may also act without a meeting in the manner allowed by the Act.

## **ARTICLE 5 – OFFICERS**

- 5.1. Responsibility. All officers are subordinate and responsible to the Board.
- 5.2. Number, Selection, Term and Qualifications. The Board shall elect a President, a Vice President, a Secretary and a Treasurer, and may elect other officers and assistant officers as they may determine, at or before its annual meeting. All officers must be members of the Board.
- 5.3. President. The President shall interest himself or herself in all affairs of SoCoVelo; he or she shall preside at all meetings of the Board. He or she shall do and perform such other duties as are usually incident to the office or as from time to time may be assigned to them by the Board.
- 5.4. Vice President. At the request of the President, or in the President's absence or disability, the Vice President shall perform all the duties of the President. When so acting, the Vice President shall have all the powers of, and be subject to all the restrictions upon the President. The Vice President shall have such other duties and responsibilities and may exercise such other powers as from time to time may be assigned by the President or the Board.
- 5.5. Secretary. The Secretary shall cause to be kept at the office of SoCoVelo a book of minutes of all meetings of the Board. The Secretary shall

perform such other and further duties as may be required by law or as may be prescribed or required from time to time by the Board.

- 5.6. Treasurer. The Treasurer shall keep or supervise the keeping of the books and records of the accounts of SoCoVelo as required by law, by the President or by the Board. The Treasurer shall have such other duties and responsibilities and may exercise such other powers as are usually incident to the office or as from time to time may be assigned by the Board or the President.

## **ARTICLE 6 - ADMINISTRATION OF DONATIONS**

All donations of any nature, unless designated for a specific purpose, shall be used for such purposes as the Board may direct; and in the absence of any direction by the Board, such may be used for the general purposes of SoCoVelo. At the discretion of the Board, SoCoVelo may raise revenues through fund-raising activities and donations. The Board has the right to refuse any donation made or offered to SoCoVelo with or without cause in its sole discretion.

## **ARTICLE 7 – FINANCIAL MATTERS**

- 8.1 Fiscal Year. The fiscal year of the SOCOVELO shall commence on January 1st of each calendar year and shall end on December 31<sup>st</sup> of the same calendar year.
- 8.2. Liability of Directors and Officers. No director or officer of SoCoVelo shall be personally liable to its creditors or for any indebtedness or liability and any and all creditors shall look only to SoCoVelo's assets for payment. Further, neither any officer, the Board nor any of its individual members shall be liable for acts, neglects or defaults of any employee, agent or representative selected with reasonable care, nor for anything the same may do or refrain from doing in good faith, including the following of done in good faith: errors in judgment, acts done or committed on advice of counsel, or any mistakes of fact or law.
- 8.4. Financial Statements and Reports. An independent auditor appointed or approved by the Board shall at such time as the Board determines prepare for SoCoVelo as a whole a consolidated financial statement, including a statement of combined capital assets and liabilities, a statement of revenues, expenses and distributions, a list of projects and/or organizations to or for which funds were used or distributed for charitable purposes, and such other additional reports or information as may be ordered from time to time by the Board. The auditor shall also prepare such financial data as may be necessary for returns or reports required by state or federal government to be filed by SoCoVelo. The auditor's charges and expenses shall be proper expenses of administration.

- 8.5. Appointment and Employment of Advisors. The Board may from time to time appoint, as advisors, persons whose advice, assistance and support may be deemed helpful in determining policies and formulating programs for carrying out SoCoVelo's purposes. The Board is authorized to employ such persons, including an executive officer, attorneys, accountants, agents and assistants as in its opinion are needed for the administration of SoCoVelo and to pay reasonable compensation for services and expenses thereof.
- 8.6. Disposition upon Dissolution. Upon the dissolution or winding up of SoCoVelo, or in the event it shall cease to engage in carrying out the purposes and goals set forth in these Bylaws, all of the business, properties, assets and income of SoCoVelo remaining after payment, or provision for payment, of all debts and liabilities of SoCoVelo, shall be distributed to a nonprofit fund, foundation, or corporation which is organized and operated exclusively for tax exempt purposes which are reasonably related to the purposes and goals of SoCoVelo, as may be determined by the Board in its sole discretion, and which has established its tax exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. In no event shall any of the business, properties, assets or income of SoCoVelo, in the event of dissolution thereof, be distributed to the directors, members or officers, either for the reimbursement of any sums subscribed, donated or contributed by the same, or for any other purposes.

## **ARTICLE 9 – PROHIBITED ACTIVITIES**

- 9.1. Actions Jeopardizing Tax Status. SoCoVelo shall not carry on any activities not permitted to be carried on by an organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding provision of any future United States internal revenue law.
- 9.2. Lobbying and Political Activities.
- a. SoCoVelo shall not lobby (including the publishing or distribution of statements) or otherwise attempt to influence legislation except as authorized by a resolution adopted by the Board.
  - b. SoCoVelo shall not participate or intervene in (including the publishing or distribution of statements) any political or judicial campaign on behalf of any candidate for public office whatsoever.
- 9.3. Private Inurement. No part of the net income or net assets of SoCoVelo shall inure to the benefit of, or be distributable to, its directors, officers, members or other private persons. However, SOCOVELO is authorized

to pay reasonable compensation for services actually rendered and to make payments and distributions in furtherance of its tax exempt purposes.

## **ARTICLE 10 – INDEMNIFICATION.**

SoCoVelo shall indemnify any person who was or is a party to or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, formal or informal (other than an action by or in the right of SoCoVelo, by reason of the fact that the person is or was a director, officer, agent or employee of SoCoVelo, against expenses (including actual and reasonable attorney fees), judgments, penalties, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit, or proceeding, if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of SOCOVELO or its members, and with respect to any criminal action or proceeding, if the person had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or on a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner that the person reasonably believed to be in or not opposed to the best interests of SoCoVelo or its members and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

## **ARTICLE 11 – CONFLICT OF INTEREST POLICY**

11.1 Purpose. The purpose of the conflict of interest policy is to protect SoCovelo's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of SoCoVelo or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

11.2 Definitions.

a. Interested Person.

Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

b. Financial Interest.

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- i. An ownership or investment interest in any entity with which SoCoVelo has a transaction or arrangement,
  - ii. A compensation arrangement with SoCoVelo or with any entity or individual with which SoCoVelo has a transaction or arrangement, or
  - iii. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.
- c. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.
- d. A financial interest is not necessarily a conflict of interest. Under **Article 11, Section 11.3 b**, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

### 11.3 Procedures.

#### a. Duty to Disclose.

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

#### b. Determining Whether a Conflict of Interest Exists.

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

#### c. Procedures for Addressing the Conflict of Interest.

- i. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- ii. The **chairperson** of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to

investigate alternatives to the proposed transaction or arrangement.

- iii. After exercising due diligence, the governing board or committee shall determine whether SoCoVelo can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- iv. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in SoCoVelo's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

d. Violations of the Conflicts of Interest Policy.

- i. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- ii. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

11.4 Records of Proceedings. The minutes of the governing board and all committees with board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.



11.5 Compensation.

- a. A voting member of the governing board who receives compensation, directly or indirectly, from SoCoVelo for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from SoCoVelo for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

11.6 Annual Statements. Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands SoCoVelo is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

11.7 Periodic Reviews. To ensure SoCoVelo operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to SoCoVelo's written

policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

- 11.8 Use of Outside Experts. When conducting the periodic reviews as provided for in Article VII, SoCoVelo may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

## **ARTICLE 12 – AMENDMENTS**

- 12.1 Bylaws. These Bylaws may be adopted, amended, restated or repealed at any meeting of the Board by a majority vote of the directors, excluding vacancies. Notice that such proposed amendments to the Bylaws is one of the purposes of the meeting shall be given in advance to each director in the time and manner as provided for notice of meetings set forth in Article 4.

### **MEMORANDUM OF ACTION OF THE ORGANIZATIONAL MEETING OF BOARD OF DIRECTORS OF SOUTHERN COLORADO VELO**

The undersigned, being the Directors of Southern Colorado Velo, a Colorado nonprofit corporation (“**Corporation**”), pursuant to the Colorado Nonprofit Business Corporation Act, takes/take the following actions, by consent and without a meeting, as if by unanimous vote, and waive all notice of such meeting:

1 Articles of Incorporation. The Articles of Incorporation of the Corporation as filed in the office of the Secretary of State of Colorado on January 6, 2010 are hereby adopted, ratified and approved, and said Articles of Incorporation shall be placed in the records of the Corporation.

2 Bylaws. The Bylaws, dated effective as of March 10, 2010 are hereby adopted, ratified and approved as the Bylaws of this Corporation. A copy of the Bylaws shall be placed in the records of the Corporation.

3 Number of Directors. Pursuant to Article 4.2 of this Corporation's Bylaws, the number of Directors of this Corporation is set at three (3).

4. Election of Directors. The following individuals are elected to the Board of Directors for a two-year term beginning March, 2010, and until a successor shall have been elected and qualified.

Brent Buenger  
Joseph McNerney  
Scott Sheehan  
Eric Vaillancourt

5. Officers. The following individuals are elected to the offices set opposite their names to serve for the term provided in the Bylaws:

Brent Buenger	President
Joseph McNerney	Vice-President
Scott Sheehan	Secretary
Eric Vaillancourt	Treasurer

6. Fiscal Year. The Board of Directors hereby adopts a fiscal and taxable year for the Corporation ending the 31st day of December of each year.

7. Expenses. The Officers of Corporation are hereby authorized and directed to pay all fees and expenses reasonably necessary for the incorporation of the Corporation and to reimburse those persons who have advanced said fees and expenses on behalf of the Corporation.

8. Ratification. Any and all actions taken or contracts entered into by an Organizer, promoter, or Officer for the Corporation, either as an Organizer, promoter, or Officer, as well as any and all actions taken or contracts entered into by said persons as individuals, acting for the Corporation are hereby ratified, approved and confirmed, and all such contracts adopted as though said individual had at such time full power and authority to act for the Corporation and in the same manner as if each and every act had been done pursuant to the specific authorization of the Corporation.

9. Discharge of Incorporator. The Incorporator of this Corporation is hereby forever discharged and relieved from all further responsibility and liability for any and all matters relating to or arising from this Corporation.

This consent of the Directors when signed by the Directors of this Corporation shall have the same effect as having been unanimously adopted by vote of the Board of Directors of this Corporation effective as of the tenth of March, 2010.

IN WITNESS WHEREOF, the undersigned Directors have evidenced their approval of the above proceedings as of the date last above mentioned.

Approved: March 10<sup>th</sup> 2010

**DIRECTORS:**

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[Brent Buenger]

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[Joseph McNerney]

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[Scott Sheehan]

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[Eric Vaillancourt]