

BYLAWS
of
Red Feather Lakes Colorado Fire Protection District Supporters
ARTICLE I

NAME AND OFFICE

1.01 Name and Office

The name of this corporation shall be **Red Feather Lakes Fire Protection District Supporters**. The business of this corporation may be conducted as **Firehouse Supporters**. The principal office of the corporation is located in Red Feather Lakes, Larimer County, State of Colorado.

1.02 Change of Address

The designation of the county or state of the corporation's principal office may not be changed. The Board of Directors may change the principal office from one location to another within the Red Feather Lakes Fire Protection District in Larimer County by noting the changed address and effective date below and such changes of address shall not be deemed, nor required, an amendment of these bylaws.

New address _____
Dated: _____, 20_____

New address _____
Dated: _____, 20_____

ARTICLE II

NONPROFIT PURPOSES

2.01 IRS Section 501(c)(3) Purposes

This corporation is organized exclusively for one or more of the purposes as specified in Section 501(c)(3) of the Internal Revenue Code.

2.02 Specific Objectives and Purposes

Red Feather Lakes Fire Protection District Supporters is a non-profit corporation and shall be operated (1) for the purpose of receiving charitable donations for the Red Feather Lakes Fire Protection District which operates the Red Feather Lakes Volunteer Fire Department, and (2) for the purpose of providing volunteer services to both the Fire Department and the Fire Protection District.

The corporation shall have the power, directly or indirectly, alone or in conjunction or cooperation with others, to do any and all lawful acts which may be necessary or convenient to effect the charitable purposes for which the corporation is organized, and to aid or assist other organizations or persons whose activities further accomplish, foster, or attain such purposes. The powers of the corporation may include, but not be limited to, the acceptance of contributions from public and private sectors, whether financial or in-kind.

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2.03 Non-profit Status and Exempt Activities Limitation

- (a) Non-profit Legal Status Red Feather Lakes Fire Protection District Supporters is a Colorado non-profit public benefit corporation, recognized as tax-exempt under Section 501(c)3 of the United States Internal Revenue Code on _____.(date)
- (b) Exempt Activities Limitation Notwithstanding any other provision of these bylaws, no director, officer, employee, member, or representative of this corporation shall take any action or carry on any activity by or on behalf of the corporation that is not permitted to be taken or carried on by an organization except under Section 501(c)3 of the Internal Revenue Code as it now exists or may be amended. No part of the net earnings of the corporation shall inure to the benefit or or be distributable to any director, officer, member, or other private person, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in the Articles of Incorporation and these Bylaws.
- (c) Distribution upon Dissolution Upon termination or dissolution of the Red Feather Lakes Fire Protection District Supporters, any assets lawfully available for distribution shall be given to the Red Feather Lakes Fire Protection District or its designee(s). If the Red Feather Lakes Fire Protection District or its designee(s) shall no longer exist, the court shall direct the distribution of remaining assets of the Red Feather Lakes Fire Protection District Supporters to a similar organization supporting a fire protection district in Larimer County, Colorado.

ARTICLE III

DIRECTORS

3.01 Number

The corporation shall have five (5) to ten (10) directors, and collectively they shall be known as the Board of Directors.

3.02 Qualifications

Directors shall be of the age of majority in the State of Colorado. Other qualifications for directors of this corporation shall be as follows:

A property owner - residential or business - in the Red Feather Lakes Fire Protection District
or
a year round resident in the Red Feather Lakes Fire Protection District.

3.03 Powers

Subject to the provisions of the laws of the State of Colorado and any limitations in the articles of incorporation and these bylaws relating to action required or permitted to be taken or approved by the members, if any, of this corporation, the activities and affairs of this corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board of Directors.

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3.04 Duties

It shall be the duty of the directors to:

- a. Perform any and all duties imposed on them collectively or individually by law, by the articles of incorporation, or by these bylaws;
- b. Appoint and remove, employ and discharge, and except as otherwise provided in these bylaws, prescribe the duties and fix the compensation, if any, of all officers, agents, and employees of the corporation;
- c. Supervise all officers, agents, and employees of the corporation to assure that their duties are performed properly;
- d. Meet at such times and places as required by these bylaws;
- e. Register their addresses with the secretary of the corporation; and, notices of meetings mailed or emailed to them at such addresses shall be valid notices thereof.

3.05 Term of Office

Each director shall hold office of a period of one year, renewable five (5) times for six (6) years continuous service and until his or her successor is elected and qualified.

3.06 Compensation

Directors shall serve without compensation except that a reasonable fee may be paid to directors for attending regular and special meetings of the board. In addition, they shall be allowed reasonable advancement or reimbursement of expenses incurred in the performance of their duties. Any payments to directors shall be approved in advance in accordance with this corporation's conflict of interest policy as set forth in Article IX of these bylaws.

3.07 Place of Meetings

Meetings shall be held at the Red Feather Lakes Fire Department building unless otherwise provided by the board or at such other place as may be designated from time to time by resolution of the Board of Directors.

3.08 Regular Meetings

Regular meetings of directors shall be held a minimum of four (4) times per year in April, June, August, and September.

If this corporation makes no provision for members, then, at the regular meeting of directors held in April, directors shall be elected by the Board of Directors. Voting for the election of directors shall be by written ballot. Each director shall cast no more than one (1) vote per candidate, and may vote for as many candidates as the number of directors to be elected to the board.

The candidates receiving the highest number of votes up to the number of directors to be elected shall be elected to serve on the board.

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3.09 Special Meetings

Special meetings of the Board of Directors may be called by the chairperson of the board or by any two (2) directors. Such meetings shall be held at the firehouse and shall adhere to the notification requirements unless the governor of the state or the commissioners of Larimer County have declared a state of emergency in which case the Board of Directors may meet as necessary without notification protocols.

3.10 Notification of Meetings

Unless otherwise provided by the articles of incorporation, these bylaws, or provisions of the laws of the State of Colorado, the following provisions shall govern the giving of notice for meetings of the Board of Directors:

a. Regular Meetings - The agenda shall be emailed to members of the board and posted in the Red Feather Lakes Post Office and at the Firehouse at least seven (7) days before the date of the meeting.

b. Special Meetings - At least one (1) week prior, notice shall be given by the secretary of the corporation to each director of the special meeting of the board. A copy of the call to meeting shall be posted at the Red Feather Lakes Post Office and at the Firehouse. Such notice shall state the place, date and time of the meeting, and the matters proposed to be acted upon at the meeting. In the case of email notification, each director shall acknowledge personal receipt of the notice of the meeting and the intention to attend or to not attend.

3.11 Quorum for Meetings

A quorum shall consist of 50% of the members of the Board of Directors. Persons attending a meeting by electronic means shall confer with the president at least one (1) day before the meeting.

Except as otherwise provided under the articles of incorporation, these bylaws, or provisions of law, no business shall be considered by the board at any meeting at which the required quorum is not present, and the only motion which the chair shall entertain at such meeting is a motion to adjourn and re-convene at a later date.

3.12 Majority Action as Board Action

Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present is the act of the Board of Directors unless the articles of incorporation, these bylaws, or provisions of law require a greater percentage or different voting rules for approval of a matter by the board.

3.13 Conduct of Meetings

Meetings of the Board of Directors shall be presided over by the chairperson of the board, or in his or her absence, by the vice-president of the board, or in the absence of each of these persons, by a chairperson chosen by a majority of the directors present at the meeting. The secre-

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tary of the corporation shall act as secretary of all meetings of the board, provided that in his or her absence, the presiding officer shall appoint another person to act as secretary of the meeting.

Meetings shall be governed by Robert's Rules of Order, insofar as such rules are not inconsistent with or in conflict with the articles of incorporation, these bylaws, or with provisions of the law.

3.14 Vacancies

Vacancies on the Board of Directors shall exist (1) on the death, resignation, or removal of any director, and (2) whenever the number of authorized directors is increased.

Any director may resign effective upon giving written notice to the president, the secretary, or the Board of Directors unless the notice specifies a later time for the effectiveness of such resignation. No director may resign if the corporation would then be left without a duly elected director or directors in charge of its affairs, except upon notice to the Office of the Attorney General or the appropriate agency of this state.

Directors may be removed from office, with or without cause, as permitted by and in accordance with the laws of the State of Colorado.

Unless otherwise prohibited by the articles of incorporation, these bylaws, or provisions of law, vacancies on the board may be filled by approval of the Board of Directors. If the number of directors then in office is less than a quorum, a vacancy on the board may be filled by approval of the majority of the directors then in office or by a sole remaining director. A person elected to fill a vacancy on the board shall hold office until the next election of the Board of Directors or until his or her death, resignation, or removal from office.

3.15 Non-liability of Directors

The directors shall not be personally liable for the debts, liabilities, or other obligations of the corporation.

3.16 Indemnification by Corporation of Directors and Officers

The directors and officers of the corporation shall be indemnified by the corporation to the fullest extent permissible under the laws of this state.

3.17 Insurance for Corporate Agents

Except as may be otherwise provided under provisions of law, the Board of Directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the corporation (including a director, officer, employee, or other agent of the corporation) against liabilities asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the corporation would have the power to indemnify the agent against such liability under the articles of incorporation, these bylaws, or provisions of law.

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ARTICLE IV

OFFICERS

4.01 Board Officers

The officers of the corporation shall be a president, a vice president, a secretary, and a treasurer, all of whom shall be chosen by, and serve at the pleasure of, the Board of Directors. The officers of the corporation shall also serve as the officers of the Board of Directors. Each board officer shall have the authority and shall perform the duties set forth in these bylaws or by resolution of the board. One (1) person may hold two board offices but no board officer may act in more than one (1) capacity where action of two (2) or more officers is required.

4.02 Qualifications

Any person who is of majority age and a property owner or year-round resident of the Red Feather Lakes Fire Protection District may serve as an officer of this corporation.

4.03 Election and Term of Office

Each officer shall serve a one (1) year term and may not serve more than three (3) consecutive terms of office. Each board officer's term of office shall begin upon adjournment of the board meeting at which elected and shall end upon the adjournment of the board meeting during which a successor is elected.

4.04 Removal and Resignation

The Board of Directors may remove, either with or without cause, an officer at any time by a majority vote of the board. Any officer may resign at any time by giving written notice to the corporation without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party. Any resignation shall take effect at the date of the receipt of the notice by the President, or in case of the President by the Vice-President, or at the time specified in the notice of resignation. The acceptance of the resignation shall not be necessary to make it effective. The above provisions of this section shall be superseded by any conflicting terms of a contract which has been approved or ratified by the Board of Directors relating to the employment of any officer of the corporation.

4.05 Vacancies

Any vacancy caused by the death, resignation, removal, disqualification, or otherwise, of any officer shall be filled by the Board of Directors. In the event of a vacancy in any office other than that of president, such vacancy may be filled temporarily by appointment by the president until such time as the board shall fill the vacancy. Vacancies occurring in offices of officers appointed at the discretion of the board may or may not be filled as the board shall determine.

4.06 Duties of President

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The president shall:

Be the chief executive officer of the corporation and shall, subject to the control of the Board of Directors, supervise and control the affairs of the corporation and the activities of the officers.

Perform all duties incident to his or her office and such other duties as may be required by law, by the articles of incorporation, or by these bylaws, or which may be prescribed from time to time by the Board of Directors.

Preside at all meetings of the Board of Directors and, if this corporation has members, at all meetings of the members.

Except as otherwise expressly provided by law, by the articles of incorporation, or by these bylaws, he or she shall, in the name of the corporation, execute such deeds, mortgages, bonds, contracts, checks, or other instruments which may from time to time be authorized by the Board of Directors.

4.07 Duties of Vice-President

The vice president shall:

In the absence or disability of the board president, perform all the duties of the president, and when so acting shall have all the powers of, and be subject to all restraints on, the president.

Have such other powers and perform such other duties prescribed by law, by the articles of incorporation, or by these bylaws, or as may be prescribed by the Board of Directors.

4.08 Duties of Secretary

The secretary shall:

Certify and keep at the principal office of the corporation the original, or a copy, of these bylaws as amended or otherwise altered to date.

Keep at the principal office of the corporation or at such other place as the board may determine, a book of minutes of all meetings of the directors, and, if applicable, meetings of committees of directors and of members, recording therein the time and place of holding, whether regular or special, how called, how notice thereof was given, the names of those present or represented at the meeting, and the proceedings thereof.

Ensure that the minutes of the corporation, any written consents approving action taken without a meeting, or any supporting documents pertaining to meetings, minutes, and consents shall be contemporaneously recorded in the corporate records of this corporation. "Contemporaneously" in this context means that the minutes, consents, and supporting documents shall be recorded in the records of the corporation by the later of 1) the next meeting of the board committee membership, or other body for which the minutes, consents, or supporting documents are being recorded, or 2) sixty (60) days after the date of the meeting or written consent.

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See that all notices are duly given in accordance with the provisions of these bylaws or as required by law.

Be custodian of the records and of the seal of the corporation and affix the seal, as authorized by law or the provisions of these bylaws to duly executed documents of the corporation.

Keep at the principal office of the corporation a membership book containing the name and address of each and any members, and, in the case where any membership has been terminated, he or she shall record such fact in the membership book together with the date which such membership ceased.

Exhibit at all reasonable times to any director of the corporation, or to his or her agent or attorney, on request therefor, the bylaws, the membership book, and the minutes of the proceedings of the directors of the corporation.

In general perform all duties incident of the office of secretary and such other duties as may be required by law, by the articles of incorporation, or by these bylaws, or which may be assigned to him or her from time to time by the Board of Directors.

4.09 Duties of Treasurer

The treasurer shall:

Have charge and custody of, and be responsible for, all funds and securities of the corporation, and deposit all such funds in the name of the corporation in such banks, trust companies, or other depositories as shall be selected by the Board of Directors.

Receive, and give receipt for, monies due and payable to the corporation from any source whatsoever.

Disburse, or cause to be disbursed, the funds of the corporation as may be directed by the Board of Directors, taking proper vouchers for such disbursements.

Keep and maintain adequate and correct accounts of the corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, and losses.

Exhibit at all reasonable times the books of account and financial records to any director of the corporation, or to his or her agent or attorney, on request therefor.

Render to the president and directors, whenever requested, an account of any or all of his or her transactions as treasurer and of the financial condition of the corporation.

Prepare or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports.

Serve as chairperson of the Financial Committee.

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In general, perform all duties incident to the office of treasurer and such other duties as may be required by law, the the articles of incorporation of the corporation, or by these bylaws, or which may be assigned to him or her from time to time by the Board of Directors.

4.10 Compensation

No officer shall receive compensation for carrying out their duties as a member of the Board. The Board shall adopt a policy and procedure that outlines the process for reimbursement of expenses requested by the Board in a meeting.

ARTICLE V

COMMITTEES

5.01 Executive Committee

The Board of Directors may, by a majority vote of its members, designate an Executive Committee consisting of three (3) board members and may delegate to such committee the powers and authority of the board in the management of the business and affairs of the corporation, to the extent permitted and, except as may otherwise be provided, by provisions of law.

By a majority vote of its members, the board may at any time revoke or modify any of all of the executive committee authority so delegated, increase or decrease but not below two (2) the number of the members of the executive committee and fill vacancies on the executive committee from the members of the board. The executive committee shall keep regular minutes of its proceedings, cause them to be filed with the corporate records, and report the same to the board from time to time as the board may require.

5.02 Standing Committees

The Standing Committees shall be Finance, Events, and Nominations.

The Board of Directors shall appoint a member of the Board as chairperson of the standing committee and one other person as a member of the committee.

Committees shall be responsible for bringing motions related to the nature of their content to the Board for discussion and vote. A committee may not take final action on any matters in lieu of Board of Directors action.

The Finance Committee shall be responsible for proposing the annual budget, reporting at each meeting the finances of the organization in accord with the budget, reporting the financial condition of each event, and proposing actions which ensure the compliance of the organization with the Special District Laws of the State of Colorado regarding financial responsibilities. Only the Board of Directors may authorize by vote the monies given to the Fire Protection District.

The Events Committee shall be responsible for proposing, organizing, presenting, and evaluating each event sponsored by the Board. Each event shall be endorsed by the Board who shall receive a complete report from the committee about the specific event.

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The Nominating Committee shall be responsible for proposing persons to be elected to the board. Nominations and elections shall follow the guidelines established by the Board of Directors and in the laws of the State of Colorado.

5.03 Work Groups

The Board of Directors may establish a work group for the execution of a particular task. All work groups established by the Board shall be defined in scope and task and shall have a termination clause in their description. These work groups may consist of persons who are not also members of the board, but shall be coordinated by a member of the board.

5.04 Minutes

All committees and work groups shall keep a complete set of minutes of their meetings. Such minutes shall be given to the Board Secretary annually by a standing committee and at the end of their task by a work group.

5.05 Finances

All expenses of committees and work groups shall be approved by the board prior to the expenditure. The board may accomplish this by approval of the annual budget. Expenses outside the budget shall be approved by the Board before the expenditure is made; board approval may be accomplished by email vote ratified at the next regular meeting for expenditures up to three hundred dollars (\$300).

ARTICLE VI

EXECUTION OF INSTRUMENTS, DEPOSITS AND FUNDS

6.01 Execution of Instruments

The Board of Directors, except as otherwise provided in these bylaws, may by resolution authorize any officer or agent of the corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

6.02 Checks and Notes

Except as otherwise specifically determined by resolution of the Board of Directors, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money and other evidence of indebtedness of the corporation shall be signed by the treasurer and countersigned by the president of the corporation.

6.03 Deposits

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All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

6.04 Gifts

The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest, or device for the nonprofit purpose of this corporation.

ARTICLE VII

CORPORATE RECORDS, REPORTS, AND SEAL

7.01 Maintenance of Corporate Records

The corporation shall keep at its principal office:

a. Minutes of all meetings of directors, committees, and work groups of the board, and, if this corporation has members, of all meetings of members indicating the time and place of holding such meetings, whether regular or special, how called the notice given and the names of those present and the proceedings thereof;

b. Adequate and correct books and records of account, including account of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains, and losses;

c. A record of its members, if any, indicating their names and addresses and, if applicable, the class of membership held by each member and the termination date of any membership;

d. A copy of the corporation's articles of incorporation and bylaws as amended to date, which shall be open to inspection by the members, if any, of the corporation at all reasonable times during office hours.

7.02 Corporate Seal

The Board of Directors may adopt, use, and at will alter, a corporate seal. Such seal shall be kept at the principal office of the corporation. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

7.03 Directors' Inspection Rights

Every director shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents of every kind and to inspect the physical properties of the corporation, and shall have such other rights to inspect the books, records, and properties of this corporation as may be required under the articles of incorporation, other provisions of these bylaws, and the provisions of law.

7.04 Members' Inspection Rights

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If this corporation has any members, then each and every member shall have the following inspection rights for a purpose reasonably related to such person's interest as a member:

- a. To inspect and copy the record of all members' names, addresses, and voting rights, at reasonable times upon written demand on the secretary of the corporation, which demand shall state the purpose for which the inspection rights are requested.
- b. To obtain from the secretary of the corporation, upon written demand on, and payment of a responsible charge, to the secretary of the corporation, a list of names, addresses, and voting rights of those members entitled to vote for the election of directors as of the most recent record date for which the list has been compiled or as of the date specified by the member subsequent to the date of demand. The demand shall state the purpose for which the list is requested. The membership list shall be made available within a reasonable time after the demand is received by the secretary of the corporation or after the date specified therein as of which the list is to be compiled.
- c. To inspect any any reasonable time the books, records, or minutes of proceedings of the members or of the board or committees and work groups of the board, upon written demand on the secretary of the corporation by the member, for a purpose reasonable related to such person's interests as a member.

Members shall have such other rights to inspect the books, records, and properties of this corporation as may be required under the articles of incorporation, other provisions of these by-laws, and provisions of law.

7.5 Right to Copy and Make Extracts

Any inspection under the provisions of this article may be made in person or by agent or attorney and the right to inspection shall include the right to copy and make extracts.

7.6 Periodic Report

The board shall cause any annual or periodic report required under law to be prepared and delivered to an office of this state or to the members, if any, of this corporation, to be so prepared and delivered within the time limits set by law.

ARTICLE VIII

IRS 501(C)(3) TAX EXEMPTION PROVISIONS

8.01 Limitations on Activities

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No substantial part of the activities of this corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation (except as otherwise provided by Section 501(c) (3) of the Internal Revenue Code), and this corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of, or in opposition to, any candidate for public office.

Notwithstanding any other provisions of these bylaws, the corporation shall not carry on any activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code.

8.02 Prohibition Against Private Inurement

No part of the net earnings of this corporation shall inure to the benefit of, or be distributable to, its members, directors or trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes of this corporation.

8.03 Distribution of Assets

Upon dissolution of this corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation, shall be distributed for one or more exempt purposes with the meaning of Section 501(c)(3) of the Internal Revenue Code and Article 2.03 (c) of these bylaws or shall be distributed to a local government for a public purpose. Such distribution shall be made in accordance with all applicable provisions of the laws of the State of Colorado.

8.04 Private Foundation Requirements and Restrictions

In any taxable year in which this corporation is a private foundation as described in Section 509(a) of the Internal Revenue Code, the corporation (1) shall distribute its income for said period at such time and manner as not to subject it to tax under Section 4942 of the Internal Revenue Code; (2) shall not engage in any act of self-dealing as defined in Section 4941(d) of the Internal Revenue Code; (3) shall not retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code; (4) shall not make any investments in such manner as to subject the corporation to tax under Section 4944 of the Internal Revenue Code; and (5) shall not make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code.

ARTICLE IX

CONFLICT OF INTEREST AND COMPENSATION APPROVAL POLICIES

9.01 Purpose of Conflict of Interest Policy

The purpose of this conflict of interest policy is to protect this tax-exempt corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the corporation of any "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations and which might result in a possible "excess benefit transaction" as defined in Sec-

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tion 4958(c)(1)(A) of the Internal Revenue Code and as amplified by Section 53.4958 of the IRS Regulations. 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.

9.02 Definitions

- a. **Interested Person.** Any director, principal officer, member of a committee with governing board delegated powers, or any other person who is a “disqualified person” as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations, 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:
 1. An ownership or investment interest in any entity with which the corporation has a transaction or arrangement,
 2. A compensation arrangement with the corporation or with any entity or individual with which the corporation has a transaction or arrangement, or
 3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under 9.03.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.

9.03 Conflict of Interest Avoidance 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 interest 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. **Procedure for Addressing the Conflict of Interest.** An interested person may make a presentation at the governing board of 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.

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1. 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.
 2. After exercising due diligence, the governing board or committee shall determine whether the corporation 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.
 3. If a more advantageous transaction or arrangement is not reasonably possible under circumstances nor 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 the corporation's best interest, for its own benefit, and where 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.** 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.

If after hearing the member's response and 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.

9.04 Records of Board and Board Committee Proceedings

The minutes of meetings 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.

9.05 Compensation Approval Policies

A voting member of the governing board who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.

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A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.

No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

When approving compensation for directors, officers, and employees, contractors, and any other compensation contract or arrangement, in addition to complying with the conflict of interest requirements and policies contained in the preceding and following sections of this article as well as the preceding paragraphs of the section of this article, the board or a duly constituted compensation committee of the board shall also comply with the following additional requirements and procedures:

- a. the terms of compensation shall be approved by the board or compensation committee prior to the first payment of compensation;
- b. all members of the board or compensation committee who approve compensation arrangements must not have a conflict of interest with respect to the compensation arrangement as specified in IRS Regulation Section 53-4958-6(c)(iii) which generally requires that each board member or committee member approving a compensation arrangement between the organization and a "disqualified person" (as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulation):
 1. is not the person who is the subject of the compensation arrangement, or a family member of such person;
 2. is not in an employment relationship subject to the direction or control of the person who is the subject of the compensation arrangement;
 3. does not receive compensation or other payments subject to approval by the person who is the subject of the compensation arrangement;
 4. has no material financial interest affected by the compensation arrangement; and
 5. does not approve a transaction providing economic benefits to the person who is the subject of the compensation arrangement, who in turn has approved or will approve a transaction providing benefits to the board or committee member.
- c. the board or compensation committee shall obtain and rely upon appropriate data as to comparability prior to approving the terms of compensation. Appropriate data may include the following:
 1. compensation levels paid by similarly situated organizations, both taxable and tax-exempt, for functionally comparable positions. "Similarly situated" organizations are those of a similar size, purpose, and with similar resources;

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2. the availability of similar services in the geographic area of this organization;
 3. current compensation surveys compiled by independent firms;
 4. actual written offers from similar institutions competing for the services of the person who is the subject of compensation arrangement.
- d.** the terms of compensation and the basis for approving them shall be recorded in written minutes of the meeting of the board or compensation committee that approved the compensation. Such documentation shall include:
1. the terms of the compensation arrangement and the date it was obtained;
 2. the members of the board or compensation committee who were present during debate on the transaction, those who voted on it, and the votes cast by each board or committee member;
 3. the comparability data obtained and relied upon and how the data was obtained;
 4. if the board or compensation committee determines that reasonable compensation for a specific position in this organization or for providing services under any other compensation arrangement with this organization is higher or lower than the range of comparability data obtained, the board or committee shall record in the minutes of the meeting the basis for its determination;
 5. if the board or committee makes adjustments to comparability data due to geographic area of other specific conditions, these adjustments and the reasons for them shall be recorded in the minutes of the board or committee meeting;
 6. any actions taken with respect to determining a board or committee member had a conflict of interest with respect to the compensation arrangement and a thing of the votes to approve the arrangement);
 7. the minutes of board or committee meetings at which compensation arrangements are approved must be prepared before the later of the date of the next board or committee meeting of 30 days after the final actions of the board or committee are taken with respect to the approval of the compensation arrangements. The minutes must be reviewed and approved by the board and committee as reasonable, accurate, and complete within a reasonable period thereafter, normally prior to or at the next board or committee meeting following final action on the arrangement by the board or committee.

9.06 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;

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- c. has agreed to comply with the policy; and
- d. understands the corporation 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.

9.07 Periodic Reviews

To ensure the corporation 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 organization conform to the corporation's written policies, are properly recorded, reflect reasonable investment of payments for goods and services, further charitable purposes, and do not result in inurement, impermissible private benefit, or in an excess benefit transaction.

9.08 Use of Outside Experts

When conducting the periodic reviews as provided for in 9.07, the corporation 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 X

AMENDMENT OF BYLAWS

10.01 Amendment

Subject to the power, of the members, if any, of this corporation to adopt, amend, or repeal the bylaws of the corporation and except as may otherwise be specified under provisions of law, these bylaws, or any of them, may be altered, amended, or repealed, and the new bylaws adopted by approval of the Board of Directors.

ARTICLE XI

CONSTRUCTION AND TERMS

If there is any conflict between the provisions of these bylaws and the articles of incorporation of this corporation, the provisions of the articles of incorporation shall govern.

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Should any of the provisions or portions of these bylaws be held unenforceable or invalid for any reason, the remaining provisions and portions of these bylaws shall be unaffected by such holding.

All references in these bylaws to the articles of incorporation shall be to the articles of incorporation, articles of organization, certificate of incorporation, organizational charter, corporate charter, or other founding document of this corporation filed with an office of this state and used to establish the legal existence of this corporation.

All references in these bylaws to a section or sections of the Internal Revenue Code shall be to such such of the Internal Revenue Code of 1986 as added from time to time, or to corresponding provisions of any future federal tax code.

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ADOPTION OF BYLAWS

We, the undersigned, are all of the initial directors of incorporation of this corporation, and we consent to, and hereby do, adopt the foregoing bylaws, consisting of ____ preceding pages, as the bylaws of this corporation.

Dated: _____

Printed Name

Printed Name

Printed Name

Printed Name

Printed Name