

**November 17, 2021**

## **ARTICLE I: NAME, TRADE NAME, LOCATION AND PURPOSE**

### 1.1 Name

The name of the corporation is Committee for Catholic Secondary Education in Colorado Springs.

### 1.2 Trade Name

The Corporation shall be operated under the trade name of "St. Mary's High School." The trade name will be registered with the State of Colorado.

### 1.3 Location

The principal and regular office of the Corporation in Colorado shall be in Colorado Springs, at 2501 East Yampa Street, Colorado Springs, CO 80909.

### 1.4 Purpose

The purpose and mission of the Corporation/St. Mary's High School (SMHS) is to educate students in the Roman Catholic tradition to be responsible, moral, critical thinkers and leaders well prepared for college and life. Instruction is offered in the major branches of knowledge, arts and sciences usually taught in high school and classical academic courses. To accomplish this purpose, the Corporation may engage in any and all lawful activities, including acquiring, holding cash, cash equivalents, real estate, hiring personnel, and acquiring other property necessary or proper to carry out said objectives. The Corporation may exercise any power necessary or incident to the operation of an institution of learning in the Roman Catholic tradition.

Above all, the Corporation and SMHS exist to educate students consistent with Roman Catholic teaching. Although operated independently of the Diocese of Colorado Springs, the board will maintain communications and seek counsel from the Diocese on matters of Roman Catholic faith. The Corporation will endeavor to align policies where possible with the Unified Catholic Schools of Colorado Springs.

The Corporation is created solely as an organization described in Section 501(c)(3) and exempt from taxation under Section 501(2) of the Internal Revenue Code of 1954 or corresponding provisions thereafter in effect. The Corporation shall be operated exclusively for such purposes: no part of its net earnings shall inure to the benefit of any private member, Director or individual.

St. Mary's is committed to providing an environment free of discrimination, harassment, disrespect, or other unprofessional conduct. Therefore, the School does not discriminate or harass and does not permit its Associates to discriminate against others because of race, color, religion, sex, pregnancy, marital status, national origin, citizenship, political activity, veteran status, membership in state or federal military forces or military reserves, ancestry, age, physical or mental disability (an impairment that limits a major life activity), medical condition (cancer-related or genetic characteristic), or any other consideration made unlawful by applicable laws. Sex and marital status are defined in alignment with the Catholic faith and teachings.

Reference Policy 2001 - Non-Discrimination and Anti-Harassment Policy for complete details.

### 1.5 Bylaws Purpose

The purpose of the Corporation's bylaws is to establish the size, scope and responsibilities of the board of directors, its officers, and the school's president. Because new board directors join the board yearly, the Corporation's bylaws will be reviewed and ratified annually. This ensures new board members have an opportunity to assess and comment on the existing bylaws. Annual reviews ensure the bylaws continue to be current and relevant. A ratification vote will take place during November's regular board meeting.

### 1.6 Articles of Incorporation

The Articles of Incorporation are public record and located at the Corporation's regular office.

## **ARTICLE II MEMBERSHIP IN THE CORPORATION**

### 2.1 Corporation Membership

The Corporation shall not have voting members.

## **ARTICLE III ROLES AND RESPONSIBILITIES**

### 3.1 The Board of Directors

The board of directors, referred to as the board, constitutes the governing body of the Corporation. In addition to its general oversight, the board makes use of policies to govern the operations of the Corporation. Ratified board policies are binding.

Policies developed by the board are implemented by procedures established by the Corporation.

The board shall:

- Nominate and vote to elect board directors and board officers
- Ensure the governance of the Corporation in accordance with the terms set forth in its Articles of Incorporation
- Publish and annually review the Corporation's bylaws
- Ensure the Corporation meets all statutory requirements
- Ensure governing documents (bylaws, the strategic plan, and policies) are aligned with the Corporation's (St. Mary's High School) mission and goals
- Review and Approve the Corporation's annual budget, establishing tuition and fee rates and provide counsel for its general financial administration to ensure the financial health, and long-term sustainability of the Corporation
- Develop and implement a strategic plan with discrete goals and objectives that serves as a rolling five-year guide for the Corporation
- Review and approve the Corporation's strategic plan annually
- Define roles, responsibilities, and evaluation criteria of a school president
- Hire a school president and evaluate his/her performance based on the board's established policies and assessment criteria
- Terminate the employment of the school president when performance is not in compliance with the roles and responsibilities established during the hiring process and the approved performance assessment criteria
- Authorize and oversee capital expenditure including the construction or refurbishment of new or existing buildings and encumbrance of real property of the Corporation
- Authorize the disposition of capital assets including the sale of facilities
- Oversee the standing and establish special committees as required
- Approves the Corporation's Delegation of Authority Policy (reference policy 1114) to ensure operating limits are appropriate for the administration

The board reserves the right to review (and approve/disapprove) policies for the appointment, reappointment, termination, qualifications, salary levels, and classifications of faculty, staff members, and all employees of the Corporation.

The board of directors, in addition to the powers and authority conferred upon them by these bylaws, may exercise *all* such powers and do *all* such things as may be exercised or done by the Corporation but subject to the provisions of the law, the Articles of Incorporation, and these bylaws.

### 3.2 Board Officers

The board of directors shall elect officers of the board to oversee and direct the board. The officers of the board shall be the chair, vice-chair, secretary, treasurer, and such other officers as may be determined and selected by the board. When an elected officer is not available, the board chair may, in consultation with the board, appoint an officer designate.

(A) The Chair shall:

- Preside at all board meetings and have general charge and supervision of the administration of the affairs and business of the Corporation
- See that all orders and resolutions of the board are carried into effect
- Sign and execute all legal documents and instruments in the name of the Corporation and when authorized to do so by the board perform such other duties as may be assigned to him/her from time to time by the board
- Submit to the board plans and suggestions for the work of the Corporation, direct and sign the general correspondence, and shall present his/her recommendations to the board
- Submit a report of the activities and business affairs of the Corporation during regular and annual meeting of the board and at other times when called upon to do so by the board
- Serve as the official spokesperson for the board
- Work with the school president to resolve urgent and time sensitive school matters requiring immediate attention
- Ensure a chairperson is assigned to standing and special committees

(B) The Vice-Chair shall:

- Discharge the duties of the chairperson in the event of his/her absence or disability for any cause whatever and perform additional duties as may be prescribed from time to time by the board.
- Ensure all Bylaw and governance requirements are reviewed and approved in a timely manner.

(C) The Board Secretary shall:

- Have charge of the records and correspondence of the Corporation under the direction of the chair
- Be the custodian of the seal of the Corporation (which shall remain in the Corporation's office)
- Give notice of and attend all meetings of the board, unless excused from attendance by the chair, in which case the Chair shall appoint a member of the board to perform the duties of the secretary
- Maintain minutes of all Board meetings
- Discharge such other duties as assigned by the chair

(D) Treasurer

- The treasurer shall oversee the management and reporting of the Corporation's finances.
- The treasurer shall work with the President and Business Manager to ensure that appropriate financial reports are made available to the Board on a timely basis for each annual meeting of the Board, at each regular meeting of the Board and at such other times as directed by the Board.
- In general, the treasurer shall perform all the duties which are incident to the office of treasurer subject to the directions of the Board and shall perform such additional duties as may be prescribed from time to time by the Board.

- In case of absence or disability of the treasurer, the board may appoint an acting treasurer to perform the duties of the treasurer during such absence or disability.
- The Corporation shall purchase blanket fidelity bonds on all employees and Directors in an amount to be determined by the Board.

#### Requirements of the Treasurer:

1. Financial knowledge of the organization.
2. Personal commitment to devote the time necessary to perform the responsibilities of Treasurer.
3. Understanding of financial accounting for nonprofit organizations.
4. CPA is preferred or equivalent experience

#### The Board Treasurer shall:

- Serve as the Finance and Facility committee co-chair
- Keep account of all monies, credits, and property of the Corporation
- Have custody, except when otherwise directed by the board, of all the funds and securities of the Corporation and shall deposit the same in such banks or depositories as the board shall designate
- Submit a report of the accounts and financial condition of the Corporation at each annual meeting of the board, at each regular meeting of the board and at such other times as directed by the board
- Perform all the duties which are incident to the office of treasurer subject to the directions of the board and shall perform such additional duties as may be prescribed from time to time by the board chair
- On behalf of the Corporation, purchase blanket fidelity bonds on all employees and directors in an amount to be determined by the board
- Represent the Corporation with financial institutions regarding any existing outstanding loans
- Shall represent the Corporation with financial institutions for the purpose of borrowing money or securing a line of credit
- Approve check writing authority and/or fund transfers

No officer or agent of the Corporation has the authority to pledge the credit of the Corporation in any manner which is not (a) approved in a formal budget of the Corporation or (b) approved by proper advance vote of the board.

### 3.3 The School President

In accordance with paragraph 3.1, the board is responsible for hiring and evaluating the school president. The school president reports to the board.

The school president shall:

- Ensure the operation of the Corporation is in accordance with board governances and policies
- Staff the Corporation, providing the Board with review of key positions as denoted in the delegation of authority (reference policy 1114) prior to making an offer of employment.
- Ensure the Corporation's budget is executed as authorized and appropriated by the board and the budget and the actual books of record are kept in accordance with generally accepted accounting principles
- Develop procedures that supplement the policies established by the board e.g., budget execution, staffing, nondiscrimination, and others required by the board
- Provide a written report, four business days prior (e.g., the weekend prior to the board meeting) to the board monthly meetings
- Provide to the board a corporation succession plan for key positions, e.g., school president, school principal, director of development and others as recommended by the school president
- Attend board meetings
- Ensure a corporation employee is assigned as co-chairs to standing and special committees
- For urgent and time sensitive school matters requiring immediate attention, may work with the board chair, or vice-chair if the chair is unavailable, to resolve
- Sign for contracts entered by the Corporation within the approved delegation of authority (reference policy 1114 ) , provided that checks for the Corporation may be signed as otherwise provided by the board resolution or the delegation of authority (reference policy 1114)

### 3.4 Board Membership

The number of board directors shall be at least five (5) no more than thirteen (13).

Salaried employees of the school or their spouses, and spouses of a sitting director shall not be considered candidates for membership on the board.

Members must be at least 25 years old.

Board membership shall:

- Membership should strive to reflect the diversity of the student population in which it serves
- Include at least one lawyer
- Consist of representatives from various professions and occupations, i.e., human resources, finance, marketing, and education
- Include a member of the clergy or religious from the Diocese of Colorado Springs
- Include at least one parent of a student attending St. Mary's High School
- Include at least one graduate of St. Mary's High School

### 3.5 Board Elections / Nominations

Officer positions shall be nominated by the Board followed by a vote at a subsequent meeting. Ideally, but not required, nominations occur at the May board meeting, the vote on the nominations occurs at the June board meeting and officer positions are effective in July.

### 3.6 Board Terms

Each director shall be elected by the board for a term of three (3) years, with the term of each director commencing on July 1<sup>st</sup> of the year of election, provided however in the event that a director is elected as an officer of the Corporation in his or her third (3<sup>rd</sup>) year as a director, then such director's term on the board shall be extended for a fourth (4<sup>th</sup>) year. Elections for directors shall take place in the first half of each calendar year in a manner and schedule determined by the board.

No elected director shall serve for more than two consecutive full terms, provided, however, that each director elected as provided in these bylaws for less than a full three-year term shall be eligible to serve two full terms in addition to the partial term for which the director was originally elected.

To ensure board continuity, no more than one-third of board director's terms shall expire in any given year.

Individual officer terms may be modified, amended, or extended by the board outside the general terms of the bylaws by the affirmative vote of two-thirds majority of the directors.

Officers of the board shall be elected at the regular meeting held in May from the membership of the board of directors. Nominations will be accepted from the membership of the board of directors. The entire board, or a quorum thereof, shall vote on the approval of the final candidates. The elected officers shall hold office for a period of two (2) years. Should an officer resign their position prior to two (2) years, the resignation shall be submitted in writing to the executive committee. The board shall begin a replacement search for an interim officer immediately upon resignation submission.

### 3.7 Board Meetings

#### **A. Annual Meeting**

The annual meeting of the Corporation shall be held each year at a time and place designated by the Chair.

## **B. Regular Meetings**

Regular meetings of the board will be held on a mutually agreeable date and time for the transaction of such business as may lawfully come before the meetings. The secretary or chair shall prepare and distribute an agenda of the meeting and the prior board minutes at least four (4) business days before the regular meeting. The board meetings shall be open to the public, but the chair of the board may close the meeting to the public upon a vote of the majority of the board. Draft board meeting minutes shall be submitted to the board within ten (10) business days after regular board meetings and approved at the next regular board meeting. The approved board minutes shall be available to the public.

## **C. Special Meetings**

Special meetings of the board shall be held whenever called by the secretary of the Corporation upon the direction of the chair, or in the event of the chair's absence or inability to act, the vice-chair. It shall be the duty of the secretary to give sufficient notice of such meetings in person or by mail, fax or email to enable the directors so notified to attend such meetings. The agenda or purpose of the special meeting shall be set forth in writing by the secretary or chair. Any three directors may also call for a special meeting of the board.

### 3.8 Attendance at Meetings

Board officers, board directors, and the school president shall attend board meetings. If necessary, board members may attend via telephone and/or video meeting. If a board officer or director is not able to attend, they should send an email to the board secretary a day in advance of the meeting. If the school president is not able to attend, he/she should designate a representative from the administrative staff.

### 3.9 Agenda for Meetings

Matters may be placed on the agenda for any annual meeting or regular meetings by any director by notifying the secretary or chair by telephone, email, or in writing of the matter no later than five (5) business days before the annual meeting or the regular meeting. No matter shall be considered by the board unless it has been placed on the agenda or unless it has been determined to be a necessary addition to the agenda by the chair with the concurrence of a majority of the directors present for the meeting.

### 3.10 Quorum for Meetings

A majority of the Directors shall constitute a quorum for the transaction of business at all meetings convened according to these By-Laws. No business shall be conducted by the Board unless a quorum is present. Unless a greater vote is required, the act of the majority of the Directors present at a meeting at which a quorum is present shall be an act of the Board.



### 3.11 E-Mail Voting

A vote may also be taken by e-mail. The e-mail vote must be initiated by the Executive Committee and polled by the Secretary or other designated executive committee member. All board members must respond to the vote. Votes may be "Yes", "No", or "Defer to Next Meeting". Any one or more "Defer to Next Meeting" votes would nullify the email vote and move the matter to the next regular meeting or require the Board to call a special meeting. An e-mail vote must receive a majority of all Directors' votes in order to be considered an act of the Board.

### 3.10 Manner of Acting

No action of the Board shall be considered legal or binding unless approved by an affirmative vote of a majority of a quorum at a regular or special meeting of said board. Said action to be binding shall be recorded in the official minutes of the board.

## **ARTICLE IV ABSENCES, RESIGNATIONS, REMOVAL, AND VACANCIES**

### 4.1 Leave of Absence

At any time, a director may obtain a leave of absence if granted upon a 2/3 vote by the Board.

### 4.2 Resignation

An elected director may at any time resign by written resignation filed with the secretary of the board. A written resignation from a board member shall be acted upon at the next regular meeting of the board.

If a board officer resigns, the chair may designate a current member to serve as the acting officer until the new officer is elected.

### 4.3 Removal

An elected director may be removed from office for cause by a two-thirds vote of the board. Cause shall include but not be limited to breach of confidentiality affecting student records or information, personnel records or information, or matters discussed in a proper executive session of the Board; or failure to disclose, or other violations related to, a conflict of interest. Removal under this provision shall be made effective on a date certain as determined by the board.

A director may be removed, without cause, by vote of all other directors then serving on the Board.

#### 4.4 Vacancies

In the event of one or more vacancies among the elected directors other than by expiration of a term of office, such vacancy or vacancies shall be filled as promptly as possible by the board.

As a result of a board director or officer resignation, the board may fill the vacancy by nominating and electing a new member. The new member shall complete the term of the resigning member. The board shall ensure there are at least five (5) board members.

### **ARTICLE V BOARD COMMITTEES**

Board shall establish committees to divide the labor of governing into manageable functional categories. Committees are then able to delve into functional governance in greater detail than possible at the full board level. Board members shall serve on at least one committee.

The board chair shall ensure standing and special committees have a chair selected from the board. And, in consultation with the school president, ensure committees have a school employee assigned as co-chair.

There are two categories of committees: standing committees and special committees. The Corporation's standing committees are established to ensure the Corporation is compliant with laws and regulations, adheres to generally accepted accounting principles, and that the corporation remains an ongoing concern. Special committees are established as required to address specific issues.

Standing committee chairs, in coordination with the board chair, may charter sub-committees as required.

#### 5.1 Standing Committees

The following shall be the standing committees of the board. Unless specifically described elsewhere in these bylaws, and with the exception of the executive committee, each standing committee shall consist of at least one (1) member of the board appointed by the chair with the advice and consent of the board and may include non-board members. A board member shall serve as committee chair. The committee shall keep minutes of its meetings and report its activities to the board from time to time and when directed by the board.

Appointments to standing committees shall be for the duration of the fiscal year in which they are made or until such times as they are dissolved by the board.

Standing committees shall be advisory only, the recommendations and actions of such committees shall be brought to the full board and are not binding until approved by the board.

## **A. Executive Committee**

The executive committee acts as a steering committee that prioritizes the agenda of the board meetings. Executive committee members may also address urgent board matters between board meetings.

The executive committee consists of the chair, vice-chair, secretary, and treasurer. If appropriate and recommended by the executive committee, the immediate past chair may be invited to participate in the business of the executive committee as a non-voting member of the executive committee. The executive committee acts on behalf of the board between regularly scheduled board meetings. Such actions are reviewed by the board at its regularly scheduled meetings. The full board retains final approval of all items.

The executive committee will meet as needed throughout the year, but at least quarterly, in addition to regularly scheduled board meetings to conduct its activities.

In addition, the executive committee is responsible for recommending to the board policies that serve to set the direction of the Corporation.

The executive committee shall:

- Be led by the board chair
- Assign a board member as a co-chair for standing committees
- In coordination with the school president, assign school employees as committee co-chairs
- In coordination with committee chairs, assign sub-committee chairs
- In coordination with the school president, assign sub-committee co-chairs
- Develop policies required by law or contract
- Ensure that written policies are aligned with and serve as a means to implement the school's mission, goals and strategic plan
- Schedule a board vote for proposed policies
- Ensure policies are reviewed periodically
- Develop, in collaboration with school administration, a SMHS policy and procedure manual
- Develop the job description and assessment criteria to assess the performance of the school's president.
- Establish policy for staff management as it relates to the purpose of the Corporation.
- Recruit community business, education and civic leaders for service on the board of directors and submit appropriate nomination of these individuals to the St. Mary's High School board of directors for election.

## **B. Academic and Extracurricular Programs Committee**

The academic and extracurricular programs committee is responsible for the development and periodic review of governance policies, specifically:

- Curriculum, Instruction and Assessment
- Extracurricular Activities, e.g., athletics, music, forensics, and clubs
- International Programs, e.g., Exchange Students
- Concurrent Enrollment e.g., Pikes Peak Community College
- Shared Enrollment, e.g., Career Technical Education
- Community Services
- Other Academic and Student Programs, e.g., Project Lead The Way, National Honor Society

The academic and extracurricular programs committee shall consist of a minimum of four members:

- One member with expertise in educational policy
- One member of the clergy, normally the school's Theology department head
- One member from the school's staff
- One parent of a student currently enrolled in the school

### **C. Finance and Facilities Committee**

The finance and facilities committee shall consist of a minimum of three members and will include at least one board member with expertise in accounting or finance. The board treasurer shall serve as the finance and facilities co-chair.

The finance and facilities committee shall:

- Recommend fiscal policies and assist with procedure development
- Determine financial requirements necessary to best implement strategic objectives
- Develop long-range budget forecasts
- Review and recommend five-year financial plans and annual operating budgets
- Reconcile actual revenue and expenses with annual budgets and oversee insurance coverage.

The finance committee shall specifically undertake the following duties and may create subcommittees as it deems necessary to accomplish them:

#### **1. Audit**

Arranges annual audit, coordinates with auditors during audit process, meets to review audit report and auditor's letter of advisory comments and summarizes to the executive committee, board of directors and parents. Reconciles annual cash flow with budget. Oversees any necessary financial corrective actions.

## 2. Strategic Planning

Reviews financial policies and procedures. Recommends annual five-year financial plans. Recommends annual budgets and cash flow projections and conducts periodic meetings with staff and parents to discuss budget issues.

## 3. Insurance Coverage

Reviews insurance coverage of the Corporation on an annual basis to determine adequacy of insurance coverage, together with administration and independent legal counsel.

### **D. Marketing, Enrollment, and Development Committee**

The marketing, enrollment, and development committee shall, in coordination with the school administration, develop a SMHS marketing plan to advance the Corporation's mission, vision and five-year strategic plan.

In addition, the marketing, enrollment, and development committee is responsible for the development of governance policies to generate and distribute revenue, specifically:

- Develop policies to enhance revenue generation
- Develop policies for the governance of:
  - An Endowment
  - Planned Giving
  - Campaigns
  - Special Events
  - Revenue distribution of the SMHS foundation
- Develop enrollment policies and strategic enrollment goals
- Plan and oversee special fund-raising events to generate additional operating funds and pre-funding dollars
- Annually review the SMHS marketing plan

The marketing, enrollment, and development committee shall consist of a minimum of three (3) members, to include:

- A board member with expertise in marketing and fundraising (normally the co-chair)
- The school's Director of Development (normally the committee co-chair)
- One additional board member with business expertise

### **E. Human Resources Committee**

Purpose: The Committee's purpose is to assist the Board and management in development and oversight of compensation and human resources strategies and policies.

The Committee's primary duties and responsibilities are to:

- Work with the Corporation's President to establish general compensation policies for the Corporation that (i) support the school's overall strategies and objectives, (ii) enhance the School's efforts to attract and retain skilled professionals, (iii) provide competitive compensation opportunities for the School's key leaders
- Review and approve Corporation's goals and objectives relevant to the compensation of the President, evaluate the President's performance annually in light of those goals and objectives, and recommend to the Board the President's compensation level based on this evaluation.
- Review and approve recommendations with respect to the compensation of all other key personnel (Principal, Dean of Students and Athletic Director)
- Review and approve any employment agreements and any severance arrangements or plans for key personnel
- Review and oversee the policies and procedures of the Company regarding discrimination and harassment in the school, including reporting systems and treatment of received complaints, and monitor compliance with such policies and applicable law.
- Provide perspectives to the school regarding the Company's talent management programs and processes, which may include performance management, succession planning, leadership development, diversity, recruiting, retention, and employee training
- Lead the School Corporation's anonymous hotline process

## 5.2 Special Committees

The chair shall appoint such special committees as are deemed necessary by the chair. Special committees shall consist of such members of the board as are selected by the chair with the advice and consent of the board. Special committee appointments and the life of the special committee shall be for the duration of the times set forth in the appointment thereof, or until such time as they are dissolved by the board. Special committees shall be advisory only and recommendations and actions of such committees shall not be binding upon the board.

## **ARTICLE VI GENERAL PROVISIONS**

### 6.1 Uniformity of Interpretation and Severability

These Bylaws shall be so interpreted and construed as to conform to the Articles of Incorporation and the statutes of the State of Colorado or of any other state in which conformity may become necessary by reason of the qualification of the corporation to do business in such foreign state, where conflict between these Bylaws and the Articles of Incorporation or the statutes of the state of incorporation has arisen or shall arise, these Bylaws shall be considered to be modified to the extent, but only to the extent, conformity shall require. If any provision hereof or the application thereof shall be deemed to be invalid by reason of the foregoing sentence, such invalidity shall

not affect the validity of the remainder of the Bylaws without the invalid provision or the application thereof, and the provisions of these Bylaws are declared to be severable. Any reference to a "member" in these Bylaws shall be a reference to a "Director."

## 6.2 References to Articles of Incorporation

Reference to the Articles of Incorporation in these Bylaws shall include all amendments thereto or changes thereof unless specifically excepted.

## 6.3 Indemnification and Related Matters

### **(A) Indemnification - Third Party Actions**

The corporation shall indemnify any person who was, is, or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal (other than an action by or in the right of the corporation). Such indemnification shall arise only by reason of the fact that the person 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, employee, fiduciary, or agent of another corporation, partnership, joint venture, trust, other enterprise, or employee benefit plan. Such indemnification shall be against expenses (including attorney fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit, or proceeding, to the extent that and under the circumstances wherefore the Colorado Revised Nonprofit Corporation Code permits indemnification of directors.

### **(B) Indemnification - Actions Brought in the Right of the Corporation**

The corporation shall indemnify any person who was, is, or is threatened to be made a party to any threatened, pending, or completed action, suit or proceeding by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he 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, employee, fiduciary, or agent of another corporation, partnership, joint venture, trust, other enterprise, or employee benefit plan. Such indemnification shall be against expenses (including attorney's fees) actually and reasonably incurred by such person in connection with such action, suit, or proceeding, to the extent that and under the circumstances wherefore the Colorado Revised Nonprofit Corporation Code permits indemnification of Directors.

### **(C) Determination of Entitlement to Indemnification**

Any indemnification under this Article (unless ordered by a court) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee, fiduciary, or agent is proper in the circumstances because he has

met the applicable standard of conduct set forth in the Colorado Revised Nonprofit Corporation Code with respect to indemnification of directors. Such determination shall be made: (a) by the board by a majority vote of a quorum consisting of directors who were not parties to such action, suit, or proceeding, or (b) if such a quorum is not obtainable, by a majority vote of a committee of the board designated by the board, which committee shall consist of four (4) or more directors who were not parties to the action, suit, or proceeding, except that directors who were parties to the action, suit, or proceeding may participate in the designation of directors for the committee. If such quorum is not obtainable or such committee cannot be established pursuant to (a) and (b) above, or even if such quorum is obtained or such committee is designated if such quorum or committee so directs, such determination shall be made: (a) by independent legal counsel selected by majority vote of the board of directors or the committee in the manner specified in (a) or (b) above (as the case may be) or, if a quorum cannot be obtained and a committee cannot be established pursuant to (a) and (b) above, by independent legal counsel selected by a majority vote of the full board. Authorization of indemnification and evaluation as to reasonableness of expenses shall be made in the same manner as the determination that indemnification is proper is made; except that, if the determination that indemnification is proper is made by independent legal counsel (as set forth above), authorization of indemnification and evaluation as to reasonableness of expenses may be made by the body that selected said counsel.

#### **(D) Advancement of Expenses**

Reasonable expenses incurred in defending a civil or criminal action, suit, or proceeding may be paid by the corporation in advance of the final disposition of such action, suit, or proceeding, to the extent that and under the circumstances wherefore the Colorado Revised Nonprofit Corporation Code permits such advancement for directors.

#### **(E) Savings Clause**

The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of disinterested Directors or otherwise, both as to action in the person's official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Director, officer, employee, fiduciary, or agent and shall inure to the benefit of the heirs and legal representatives of such a person.

#### **(F) Insurance**

The corporation shall have power to purchase and maintain insurance on behalf of 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, employee, or agent of another corporation, partnership, joint venture, trust, other enterprise, or employee benefit plan, against any liability asserted against him or incurred by him in any such capacity or arising out of his status as such,



whether or not the corporation would have the power to indemnify him against such liability under the provisions of this Article and the Colorado Revised Nonprofit Corporation Code.

## **ARTICLE VII FISCAL YEAR**

The fiscal year of the Corporation shall begin on the first day of July in each calendar year and end on the 30<sup>th</sup> day of June in the following calendar year.

## **ARTICLE VIII SEAL**

The Corporation shall have and use a corporate seal, and there is hereby adopted the seal, an impression of which is shown on the margin hereof.

## **ARTICLE IX WAIVER OF NOTICE**

Whenever any notice is required to be given to any member of the board of directors of the Corporation, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein shall be deemed equivalent to the giving of such notice.

## **ARTICLE X AMENDMENT TO BYLAWS**

These bylaws may be amended by the board by the affirmative vote of two-thirds majority of the directors, provided that notice of the proposed amendment shall have been made available to each director at least three (3) business days prior to meeting.

## **ARTICLE XI: PRIVATE INUREMENT**

No part of the income or principal of the Corporation shall inure to the benefit of or be distributed to any Director, or officer of the Corporation or any other private individual, but reimbursement for expenditures or the payment of reasonable compensation for services rendered shall not be deemed to be a distribution of income or principal.

Directors and officers are volunteers and shall receive no compensation for service on the Board, provided that the Board may take provision for the Corporation to reimburse Directors or officers for reasonable and appropriate out-of-pocket expenses incurred for the benefit of the Corporation and school and properly documented for the records of the Corporation. Directors shall not be disqualified from receiving reasonable compensation for services rendered to or for the benefit of the Corporation in any other capacity subject to Section 4.2

## **ARTICLE XII: RESTRICTION ON POWERS**

Notwithstanding any other provision of these Articles of Incorporation, the powers of the Corporation are restricted as follows:

(a) The Corporation shall not conduct or carry on any activities not permitted to be conducted or carried on [I] by an organization exempt from federal income taxation under Section 501(c) (3) of the Internal Revenue Code of 1986, as amended, (the "Code") or [2] by an organization the contributions to which are deductible under Sections 170, 642, 2055, or 2522 of the Code.

(b) No solicitation of contributions to the Corporation shall be made, and no gift, bequest, or devise to the Corporation shall be accepted, upon any condition or limitation that in the opinion of the Corporation may cause the Corporation to lose its federal income tax exemption.

## **ARTICLE XIII: POLITICAL ACTIVITIES**

No substantial part of the Corporation's activities shall be the carrying on of propaganda or otherwise attempting to influence legislation, and the Corporation shall not participate or intervene in (including the publication or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office.

## **ARTICLE XIV DISSOLUTION**

In the event the Corporation is dissolved for any reason and after all liabilities are paid, the remaining assets will be turned over to the Catholic schools of Colorado Springs, Colorado, which have been "feeder" schools to the Corporation. The allocation of the remaining assets will be determined by a 2/3 vote of the Directors.

The undersigned, being the Secretary of the Corporation, hereby attests that the foregoing action is an accurate recitation of a 2/3 vote taken by the Board of Directors on the above referenced date.