

**BYLAWS
OF THE
SPECIAL DISTRICT ASSOCIATION OF COLORADO**
(A Colorado Nonprofit Association)

As Amended and Restated as of September 11, 2014

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ARTICLE I - OFFICES AND AGENTS

1.01 Principal Office. The principal office of the Association shall be located within the State of Colorado, as designated by the board of directors.

1.02 Registered Office. The registered office of the Association required by the Colorado Revised Nonprofit Corporation Act shall be maintained in the State of Colorado, and it may be, but need not be, identical with the principal office. The address of the registered office of the Association may be changed from time to time as provided in the Colorado Revised Nonprofit Corporation Act.

1.03 Registered Agent. The Association shall maintain a registered agent in the State of Colorado as required by the Colorado Revised Nonprofit Corporation Act. Such registered agent may be changed from time to time as provided in the Colorado Revised Nonprofit Corporation Act.

ARTICLE II - STATEMENT OF PURPOSE

The purposes for which the Association was formed and shall be operated are:

1. To stimulate community understanding of Special Districts and promote the general welfare of the public through the use of Special Districts.
2. To cooperate with Special Districts in the development and improvement of Special Districts.
3. To assist in securing legislative enactments beneficial to Special Districts and to oppose all legislation deemed injurious thereto.
4. To cultivate a more general knowledge and to encourage a greater interest among the Special Districts in the administration and functioning of Special Districts.
5. To provide a means whereby the members of the Association can associate with each other in the furtherance of the purposes of the Association.
6. To have and exercise all the powers presently conferred by the provisions of the Colorado Revised Nonprofit Corporation Act, together with such additional powers as may be added by future amendments of said Act.
7. To act as an association of political subdivisions pursuant to sections 29-1-401, *et seq.*, Colorado Revised Statutes, as amended from time to time.

ARTICLE III - MEMBERSHIP AND VOTING

3.01. Classes of Members and Eligibility. The Association shall have two classes of members: regular members and associate members. Any Special District organized and existing under the laws of the State of Colorado is eligible to be a regular member of the Association. Special Districts are those political subdivisions of the State of Colorado and shall include those organized pursuant to:

- i. Title 32;
- ii. Articles 1-8, 20-33, 40-48, 50 and 90 of Title 37;
- iii. Parts 1, 8 and 12 of Article 25 of Title 31;
- iv. Part 8 of Article 20 of Title 30;
- v. Articles 5 and 70 of Title 35;
- vi. Article 90 of Title 24 ; and
- vii. Part 13 of Article 20 of Title 30

of the Colorado Revised Statutes, as amended from time to time, including as amended by the addition of new articles/parts within the titles enumerated herein which create new special districts of the same type as are already eligible to be regular members of the Association, or the corresponding provisions of subsequent laws. In addition, any authority, group, association or other entity formed pursuant to Title 29, Article 1, Part 2 of the Colorado Revised Statutes, as amended (with corresponding provision of subsequent laws), which includes at least one such Special District shall be eligible to be a regular member of the Association. Throughout these bylaws other than this Section 3.01, references to Special Districts or to districts shall include all entities described in this Section 3.01 eligible to be regular members of the Association. Any private professional person or business interested in the purposes of the Association is eligible to become an associate member. From time to time, by resolution of the board of directors, an amendment to the classes of membership may be established or any class of membership terminated, and the qualifications, manner of election or appointment, and the rights of members of the various classes may be established or modified.

3.02 Membership. Any eligible district may become a regular member, and any eligible person or business may become an associate member, by submitting a written application for membership in form acceptable to the board of directors and paying such annual dues as the board of directors may establish from time to time. The decision of the board of directors with respect to eligibility for membership and the sufficiency of any application for membership shall be binding and conclusive.

3.03 Termination of Membership. Membership of any regular or associate member shall terminate automatically, without further action, if such member's annual membership dues, or special or emergency assessments are not paid on or before the date established for payment by the board of directors, provided that the board may allow for later payment in a particular case or may establish generally applicable rules for later payments. The board of directors may refuse any application for regular or associate membership, and may terminate any regular or associate membership, provided that written statement of the reasons for such refusal or termination shall be provided to the party whose membership was refused or terminated at the written request of such party.

3.04 Rights of Members.

- a) Regular Members. Regular members shall enjoy all the privileges of membership in the Association and shall be entitled to attend and participate in all annual, regular and special meetings of the members of the Association. Regular members may be represented at any such meeting by any number of representatives or delegates. At any such meeting, each regular member shall be entitled to cast one vote for each matter submitted to a vote of the members.

- b) Associate Members. Except as otherwise provided in these bylaws or in a resolution of the board of directors, associate members shall enjoy all the privileges of regular members. Associate members shall be entitled to attend and participate in any annual, regular or special meeting of the Association, provided that the board may, in its discretion, restrict attendance at or participation in meetings or portions of meetings to regular members. Associate members shall not be entitled to vote on any matter and shall not be entitled to serve as directors or officers of the Association.

ARTICLE IV - INTERGOVERNMENTAL AGREEMENTS

The Association may, from time to time with the consent of the board of directors, jointly undertake projects and enter into agreements and other arrangements with units of local government in Colorado, with associations or entities representing such units of local government or with their respective officers, directors, employees or agents, for the purpose of identifying, studying and promoting solutions to issues and problems faced by local governments in Colorado.

ARTICLE V - DUES AND ASSESSMENTS

5.01 Annual Dues. Each regular and associate member shall pay annual dues in such amount(s) as determined by the board of directors from time to time in accordance with the following procedure: The board of directors shall first approve the annual dues which shall then be submitted for approval of the members at any annual, regular or special meeting. Action establishing annual dues shall be effective upon approval by the members.

5.02 Special or Emergency Assessments. Special or emergency assessments may be levied by the board of directors only if approved by vote of the members at an annual, regular or special meeting called for that purpose.

ARTICLE VI - MEMBERSHIP MEETINGS

6.01 Annual Meeting. An annual meeting of the members of the Association shall be held at a time and place determined by the board of directors.

6.02 Special Meeting. Special meetings of the members of the Association may be called at any time by the board of directors. A special meeting of the members shall be called within thirty (30) days after written request therefor signed by at least ten percent (10%) of the regular members of the Association.

6.03 Notice of Meeting. Written notice of the date, time and place of each annual meeting shall be given to all members at least thirty (30) days prior to the date thereof. At least ten (10) days prior written notice of each special meeting shall be given specifying the purpose for which such meeting has been called. Notice of meetings may be either given personally, personally by telephone, by sending a copy of the notice through the United States mail, by facsimile or by electronic mail to the address of members. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed to the member as its address as it appears on the books of the Association, with postage prepaid thereon. If notice be given by facsimile or electronic mail, such notice shall be deemed to be received upon transmission by the Association of such facsimile or electronic mail transmission.

6.04 Waiver of Notice. Any member may waive notice of any meeting before, at, or after the meeting, by a writing signed by such member. Such waiver shall be deemed the equivalent of giving notice. Attendance at a members' meeting by a person entitled to notice thereof shall constitute waiver of notice of the meeting unless attendance is for the express purpose of objecting to the transaction of business on the grounds that the meeting was not lawfully called or convened.

6.05. Quorum. Thirty percent (30%) of the regular members which are registered and in attendance at any annual conference shall constitute a quorum for the conduct of business at the annual meeting. For any special meeting, the regular members present shall constitute a quorum for any action.

6.06 Voting. At any annual, regular or special meeting of the members of the Association, each regular member shall be entitled to one vote on any question submitted to a vote of the members. Each regular member shall determine how and by whom its vote shall be cast on any issue. Voting by written proxy shall be allowed, provided the proxy is in a form approved by the board of directors. Unless a greater number is required by these bylaws, the Articles of Incorporation, or the Colorado Revised Nonprofit Corporation Act, the affirmative vote of at least a majority of the regular members present in person or by proxy at a meeting at which a quorum is present shall be required to take action.

ARTICLE VII - BOARD OF DIRECTORS

7.01 Powers. The business, affairs, activities and properties of the Association shall be managed, directed, governed and controlled, and the powers of the Association shall be vested in and exercised by its board of directors.

7.02. Number and Geographic Distribution.

- a) Number. The board of directors shall be composed of eleven (11) members, no more than two of whom can be from any one of the following types of special districts:
- i) fire districts;
 - ii) metropolitan districts;
 - iii) park and recreation districts;
 - iv) sanitation districts;

- v) water districts;
 - vi) water and sanitation districts;
 - vii) hospital and other districts or entities.
- b) **Geographic Distribution.** At least one director shall be a director of a special district located in each of the following geographic areas:
- i) An area including the counties of Delta, Montrose, Gunnison, Chaffee, Saguache, Alamosa, Costilla, Conejos, Rio Grande, Archuleta, Mineral, Hinsdale, La Plata, Montezuma, San Juan, Dolores, San Miguel and Ouray.
 - ii) An area including the counties of Mesa, Pitkin, Eagle, Garfield, Rio Blanco, Moffat, Routt, Grand, Jackson, Lake, Summit, Clear Creek and Gilpin.
 - iii) An area including the counties of Park, Teller, Fremont, Custer, Huerfano, Las Animas, Baca, Bent, Prowers, Pueblo, Otero, Crowley, Kiowa, Cheyenne, Kit Carson, Lincoln, Elbert and El Paso.
 - iv) An area including the counties of Larimer, Weld, Morgan, Logan, Sedgwick, Phillips, Yuma and Washington.
 - v) An area including the counties of Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas and Jefferson.
- c) Notwithstanding the provisions of Paragraph 7.06(d) of this Article VII, the two additional directors provided for by this paragraph shall initially be appointed by the board of directors, one for a term of one year and one for a term of two years, after which they should be elected pursuant to these bylaws.

7.03 Qualifications. Each member of the board of directors shall be an elected director of a special district that is a regular member of this Association.

7.04 Nominations. Regular members of the Association may nominate any number of qualified individuals as directors of the Association. Nominations need not be seconded. Nominations must be received by the Association in writing at least twenty (20) days prior to the meeting at which the election of directors is to be considered in order for the nominee's name to appear on the printed ballot. Nominations received less than twenty (20) days prior to the meeting will be considered nominations for write-in candidates.

Nominations for write-in candidates may also be made at the meeting at which the election of directors is to be considered.

7.05. Election and Term of Office. Directors shall be elected from the persons nominated and write-in candidates. The nominees and write-in candidates receiving the highest number of votes cast in the election shall be elected. In the event of a tie vote, the nominee or write-in candidate elected shall be determined by a flip of a coin. Cumulative voting shall not be allowed. The term of office of any newly elected director shall commence immediately upon adjournment of the members' meeting at which he was elected. All directors shall serve until resignation, removal, failure to qualify pursuant to paragraph 7.02 or 7.03 of this Article, or until their successors have been duly elected and qualified. The term of

office of directors shall be two (2) years, with the term of five (5) directors expiring in even-numbered years and the terms of the remaining six (6) directors expiring in odd-numbered years.

7.06 Resignations; Vacancies; Removal; Increase or Decrease.

(a) Resignations. Any director may resign at any time by giving written notice to the president or to the secretary of the Association. Such resignation shall take effect at the time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

(b) Vacancy. Any vacancy occurring on the board of directors by reason of resignation, removal, death, or otherwise may be filled by the affirmative vote of a majority of the remaining directors, though less than a quorum. A director appointed to fill a vacancy shall be appointed for the unexpired term of his predecessor in office. The term of office of a director appointed to fill a vacancy shall commence upon appointment.

(c) Removal of Directors. At any meeting of members duly called expressly for that purpose, any one or more of the directors may be removed, with or without cause, by the vote of two-thirds (2/3) of the regular members present at such meeting. Any director whose removal has been proposed by the board of directors shall be given an opportunity to be heard at the meeting.

(d) Increase or Decrease. The number of directors may be increased or decreased by amendment to these bylaws. If increased, the newly created positions on the board shall be filled by election of the members. Subject to Section 7.06(c), a decrease in the number of directors shall shorten the term of any incumbent director.

7.07 Compensation of Directors. No compensation shall be paid to directors for their services as such, but directors may be reimbursed for actual expenses incurred by them in the performance of their duties. Nothing herein shall preclude any director from serving the Association in any other capacity and receiving compensation therefor.

ARTICLE VIII - MEETINGS OF THE BOARD

8.01 Place of Meetings. The annual meeting of the board of directors shall be held as determined by the board of directors, and unless otherwise determined shall be the first regular meeting of the board after the annual convention of the members. Any regular or special meetings of the board of directors or any committee designated by the board shall be held at the principal office of the Association or at any other place within or without the State of Colorado that the board of directors or any such committee, as the case may be, may designate from time to time.

8.02 Annual Meeting. The annual meeting of directors shall be held for the purpose of electing officers and transacting such other business as may come before the meeting.

8.03 Regular Meetings. In addition to the annual meeting, regular meetings of the board of directors or any committee designated by the board shall be held at such time and place as the board of directors or any such committee, as the case may be, may designate from time to time by resolution.

8.04 Special Meetings. Special meetings of the board of directors or any committee designated by the board may be called at any time by the president or executive director, and shall be called by the president or executive director upon receipt of the written request therefor signed by at least three (3) directors. In addition, the chairman of any committee designated by the board may call a special meeting of such committee at any time and shall call a special meeting of such committee upon receipt of the written request of a majority of the members of such committee.

8.05 Notice of Meetings. Notice is not required to be given for any regular meeting of the board of directors or any committee designated by the board or of any annual meeting which is also a regular meeting. Notice of each special meeting of the board of directors or any such committee, setting forth the time and the place of the meeting, shall be given to each director not less than five (5) days prior to the time fixed for the meeting. Notice of meetings may be either given personally, personally by telephone, by sending a copy of the notice through the United States mail, by facsimile or by electronic mail to the address of each director appearing on the books of the Association. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage prepaid thereon. If notice be given by facsimile or electronic mail, such notice shall be deemed to be received upon delivery of such facsimile or electronic mail transmission. Except as otherwise provided in these bylaws or required by law, neither the business to be transacted at, nor the purpose of, any annual, regular, or special meeting of the board of directors or any committee need be specified in the notice or waiver of notice of such meeting.

8.06 Waiver of Notice. A director may in writing waive notice of any meeting of the board of directors or any committee, either before, at, or after the meeting, and his waiver shall be deemed the equivalent of giving notice. Attendance of a director at a meeting of the board or any committee shall constitute waiver of notice of that meeting, unless he attends for the express purpose of objecting to the transaction of business because the meeting has not been lawfully called or convened.

8.07 Quorum and Voting. At meetings of the board of directors or any committee designated by the board, a majority of the number of directors fixed by these bylaws or a majority of the members of any such committee, as the case may be, shall be necessary to constitute a quorum for the transaction of business; provided, however, that in the event of a vacancy on the board of directors or any such committee by reason of resignation, removal, death or otherwise, pending the appointment of a replacement director, a majority of the directors then serving on the board of directors or any such committee shall constitute a quorum. A director personally interested in the business being transacted shall be counted for purposes of determining a quorum. If a quorum is present, the act of the majority of directors in attendance shall be the act of the board of directors or any such committee, as the case may be, unless the act of a greater number is required by these bylaws, the Articles of Incorporation or the Colorado Revised Nonprofit Corporation Act. Any reference to the members of the board of

directors in these bylaws shall be deemed to refer to the members then serving on the board. Each director shall have one (1) vote on each matter submitted to a vote of the board or such committee. Voting by proxy shall not be allowed.

8.08 Committees. The board of directors, by resolution adopted by a majority of the directors in office, may designate and appoint one or more committees each of which shall consist of two (2) or more directors, which committees, to the extent provided in the resolution, the Articles of Incorporation, or these bylaws, shall have all the authority of the board of directors, except that no such committee shall have the authority of the board of directors in reference to amending, altering or repealing these bylaws; electing, appointing, or removing any member of such committee or any officer or director of the Association; amending the Articles of Incorporation; restating the Articles of Incorporation; adopting a plan of merger or adopting a plan of consolidation with another corporation; authorizing the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the Association; authorizing the voluntary dissolution of the Association or revoking proceedings therefor; adopting a plan for the distribution of the assets of the Association; or amending, altering or repealing any resolution of the board of directors which by its terms provides that it shall not be amended, altered or repealed by such committee. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the board of directors or any individual director of any responsibility imposed upon him by law. If any such delegation of authority of the board of directors is made as provided herein, all references to the board of directors contained in these bylaws, the Articles of Incorporation, the Colorado Revised Nonprofit Corporation Act, or any other applicable law or regulation relating to the authority so delegated, shall be deemed to refer to such committee.

8.09 Informal Action by Directors. Any action required or permitted to be taken at a meeting of the directors may be taken without a meeting if consent in writing, setting forth the action so taken, shall be signed by all the directors entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the directors and may be stated as such in any articles or documents filed with the Secretary of State of Colorado under the Colorado Revised Nonprofit Corporation Act.

8.10 Telephonic Meetings. Members of the board of directors or any committee designated by the board may participate in any annual, regular or special meeting of the board or committee by means of a conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting.

ARTICLE IX - OFFICERS

9.01 General. The officers of the Association shall consist of a president, one or more vice presidents, a secretary, and a treasurer. In addition, one or more vice presidents, executive directors

and such other officers, assistant officers, agents and employees that the board of directors may from time to time deem necessary may be elected or appointed by the board of directors in any manner prescribed by the board consistent with these bylaws. Two or more offices may be held by the same person except that one person shall not at the same time hold the offices of president and secretary. All officers of the Association shall be natural persons of the age of eighteen (18) years or older and shall have the additional qualifications specified below.

9.02 Election and Term of Office. The officers of the Association shall be elected annually by the board of directors at the annual meeting of the board. Officers shall hold office until their successors are chosen and have qualified unless they are sooner removed from office as provided in these bylaws.

9.03 Resignation and Removal. Any officer of the Association may resign at any time by giving written notice to the president or to the secretary of the Association. Such resignation shall take effect at the time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any officer or agent of the Association may be removed by the board of directors whenever in its judgment the best interests of the Association may be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or an agent shall not of itself create contract rights.

9.04 Vacancies. When a vacancy occurs in one of the offices of the Association by reason of death, resignation or otherwise, it shall be filled by a resolution of the board of directors. The officer so selected shall hold office until his successor is chosen and qualified.

9.05 General Duties. All officers and agents of the Association, as between themselves and the Association, shall have such authority and shall perform such duties in the management of the Association as may be provided in these bylaws or as may be determined by resolution of the board of directors not inconsistent with these bylaws. In all cases where the duties of any officer, agent or employee are not prescribed by the bylaws or by the board of directors, such officer, agent or employee shall follow the orders and instructions of the president.

9.06 President. The president of the Association shall be chosen annually by the board of directors from among its members as soon as possible after the annual election. The president shall preside over the annual and special meetings of the Association and meetings of the board of directors. The president shall appoint such standing and special committees as the board may authorize.

9.07 Vice President. The vice president of the Association shall be chosen annually by the board of directors from among its members. The vice president shall serve in the absence of the president.

9.08 Secretary and Treasurer. The secretary and treasurer of the Association shall be chosen annually by the board of directors from among its members and may be filled by one individual serving both as secretary and treasurer or may be two individuals serving as secretary and treasurer, respectively.

9.09 Executive Director. The board of directors of the Association shall appoint and employ an executive director of the Association. The executive director shall be responsible for the efficient administration of the affairs of the Association and the term of office, duties and compensation shall be prescribed by the board.

9.10 Executive Vice President. The board may, in its discretion, appoint an executive vice president who shall serve at the pleasure of the board. The executive vice president shall be an *ex officio*, nonvoting member of the Board, shall be an attorney who is experienced in special district law, and shall participate in the board's deliberations.

9.11 Delegation of Duties. Whenever an officer is absent, or whenever, for any reason, the board of directors may deem it desirable, the board may delegate the powers and duties of an officer to any other officer or officers or to any director or directors.

ARTICLE X - INDEMNIFICATION

10.01 General. The Association shall indemnify directors, officers, employees and agents of the Association to the fullest extent and in the manner permitted by law, including, but not limited to, the provisions of the Colorado Revised Nonprofit Corporation Act, as it exists at present and as it may be hereafter amended from time to time, and advance and pay any and all expenses to the fullest extent permitted by law, subject to any limitation of such indemnification and advance and payment as may be set forth in the bylaws or any directors' resolution or by contract or law. Directors shall be indemnified and receive advancements and payments as of right. Reference in this Article to any individual or other person, including the Association, shall include legal representatives, successors, and assigns thereof.

10.02 Specific. Without in any way limiting the generality of the foregoing and subject to the provisions of this Article, any director, officer, employee or agent of the Association, against whom any action is or was brought or is threatened by reason of the fact that such person is or was a director, officer, employee or agent of the Association or is or was serving at the Association's request as a director, officer, partner, trustee, employee, or agent of any other foreign or domestic corporation or of any partnership, joint venture, trust, other enterprise, or employee benefit plan, shall be indemnified by the Association for:

(a) Reasonable costs and expenses, including attorneys' fees, paid or incurred by such person with respect to any such action or proceeding;

(b) Any amount for which such person becomes liable by reason of any judgment, settlement, penalty, or fine (including an excise tax assessed with respect to any employee benefit plan) in such action or proceeding; and

(c) Reasonable costs and expenses, including attorneys' fees, paid or incurred in any action or proceeding, to enforce his rights under this Article, which results in a final judgment in favor of such person.

10.03 Limitations. The indemnification provided for in Section 10.02 of this Article shall be made to such director, officer, employee or agent if:

(a) Such person was wholly successful, on the merits or otherwise, in defense of any action or proceeding; or

(b) Upon application to the court by such person, the court determines that such person is fairly and reasonably entitled to indemnification, whether or not the standard of conduct in this Article is met; or

(c) In case of settlement of any action or proceeding, final judgment against or final judgment in favor of a director other than on the merits, if a determination is made (as provided herein) that he conducted himself in good faith and reasonably believed:

(1) In the case of conduct in his official capacity, that his conduct was in the Association's best interests; or

(2) In all other cases, that his conduct was at least not opposed to the Association's best interests (including conduct with respect to any employee benefit plan for a purpose reasonably believed to be in the interests of the participants in or beneficiaries of the plan); and, in the case of any criminal proceeding, he had no reasonable cause to believe his conduct was unlawful.

Notwithstanding the foregoing, the Association shall not indemnify a director, officer, employee or agent in connection with an action or proceeding by or in the right of the Association in which the director, officer, employee or agent was adjudged liable to the Association; or in connection with any action or proceeding charging improper personal benefit to the director, whether or not involving action in his official capacity in which he was adjudged liable on the basis that personal benefit was improperly received by him, unless the court orders indemnification pursuant to the above. The termination of any proceeding by judgment, order, settlement or conviction or upon a plea of *nolo contendere* or its equivalent is not of itself determinative that the individual did not meet the standard of conduct set forth in this Article.

(d) The determination to be made under the provisions of Section 10.03(c) above shall be made:

(1) By the board of directors by a majority vote of a quorum, which quorum shall consist of directors not parties to the action or proceeding; or

(2) If such a quorum cannot be obtained, by a majority vote of a committee of the board designated by the board, which committee shall consist of two or more directors not parties to the action or proceeding, except that directors who are parties to the action may participate in the designation of directors for the committee; or

(3) If such a quorum cannot be obtained or such committee cannot be established under (1) and (2) above, or even if a quorum is obtained or a committee designated if such quorum or committee so directs:

(i) By independent legal counsel selected by a vote of the board of directors or the committee in the manner specified in (1) or (2) above or, if a quorum of the full board cannot be obtained and a committee cannot be established, by independent legal counsel selected by a majority vote of the full board; or

(ii) By the members.

Authorization of indemnification and evaluation as to reasonableness of expenses shall be made in the same manner as the determination that indemnification is permissible; except that, if the determination that indemnification is permissible is made by independent legal counsel, authorization of indemnification and evaluation as to reasonableness of expenses shall be made by the body that selected said counsel.

(e) Any indemnification of, or advance of expenses to, a director in accordance with this Article, if arising out of a proceeding by or on behalf of the Association shall be reported in writing to the members with or before the notice of the next members' meeting.

10.04 Insurance. The Association may purchase and maintain insurance on behalf of a person who is or was a director, officer, employee, or agent of the Association or is or was serving at the request of the Association as a director, officer, partner, trustee, employee, or agent of any other foreign or domestic corporation or of any partnership, joint venture, trust, other enterprise, or employee benefit plan against any liability asserted against or incurred by him in any such capacity or arising out of his status as such.

10.05 Costs and Expenses. The Association may pay for or reimburse the reasonable costs and expenses incurred by any director, officer, employee or agent who is a party to an action or proceeding in advance of the final disposition of the action or proceeding if:

(a) Such person furnishes the Association a written affirmation of his good-faith belief that he has met the standard of conduct described in Paragraph 10.03(c) above;

(b) Such person furnishes the Association a written undertaking, executed personally or on his behalf, to repay the advance if it is determined that he did not meet such standard of conduct. This undertaking shall be an unlimited general obligation of such person, but need not be secured and may be accepted without reference to financial ability to make repayment; and

(c) A determination is made that the facts then known to those making the determination would not preclude indemnification under this Section. This determination shall be made as provided in Section 10.03(d) above.

10.06 Non-Exclusive. The provisions of this Article shall not be deemed exclusive of any other rights to which such director, officer, employee or agent may be entitled, under any agreement or contract, vote of the members, or otherwise.

ARTICLE XI - AMENDMENTS

11.01 Amendment. The bylaws of the Association may be altered, amended, or repealed, and the bylaws may be adopted in accordance with the following procedure: the proposed action shall first be approved by the board of directors and then submitted to a vote of the members of the Association at any annual or special meeting. The action shall be effective upon adoption by at least a majority of the members of the Association present at any such meeting at which a quorum is present.

11.02 Conflict. In case of any conflict between the Articles of Incorporation and these bylaws, the Articles shall control.

ARTICLE XII - FISCAL MANAGEMENT

12.01 Fiscal Year. The fiscal year of the Association shall be such year as shall be adopted by the board of directors.

12.02 Books and Accounts. The Association shall keep correct and complete books and records of accounts and shall keep minutes of the proceedings of the board of directors and any committees having any of the authority of the board. All such books and records shall be kept at the principal office of the Association unless the board of directors, by resolution, determines otherwise, subject to any requirements of law. All books and records of the Association may be inspected by any director or his agent or attorney for any proper purpose at any reasonable time.

12.03 Auditing and Reports. An annual report of the affairs of the Association for the previous fiscal year shall be submitted to the board of directors at each annual meeting and filed with the secretary of the Association. The books and records of the Association will be audited annually at the expense of the Association, and at such other times as may be designated by vote of three-fourths (3/4) of the entire board of directors.

12.04 Checks and Endorsements. All checks and drafts upon the funds or credit of the Association in any of its depositories shall be signed by such officer(s) or agent(s) as shall from time to time be determined by the board of directors. All checks, notes, bills receivable, trade acceptances, drafts, and other evidences of indebtedness payable to the Association shall, for the purpose of deposit, discount or collection, be endorsed by such officer(s) or agent(s) of the Association or in such manner as shall from time to time be determined by the board of directors. The board of directors may provide for the use of facsimile signatures under specified conditions for any of the foregoing purposes.

ARTICLE XIII - CORPORATE SEAL

The corporate seal shall be in such form as shall be approved by resolution of the board of directors. Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise. The impression of the seal may be made and attested by either the secretary or an assistant secretary for the authentication of contracts or other documents or instruments requiring the seal.

ARTICLE XIV - MISCELLANEOUS PROVISIONS

14.01 Headings. The headings throughout these bylaws are for convenience and reference only and shall in no way be deemed to define, limit or add to the meaning of any provision hereof.

14.02 Conduct of Meetings. *Roberts Rules of Order* shall serve as a guide for conducting meetings of the members, board of directors or any committee.

The foregoing Bylaws of the Special District Association of Colorado are a true and correct copy of the Amended and Restated Bylaws of the Association dated as of September 9, 1999, as further amended by Bylaw Amendment 2014-1, adopted by the regular members of the Association at a meeting thereof held on September 11, 2014.

Secretary