

# BYLAWS OF THE RED CLOUD FOUNDATION, INC.

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## ARTICLE I – NAMES AND PURPOSE

### 1. Names:

- 1.1. The name of the organization is The Red Cloud Foundation, Inc., hereafter referred to as THE CORPORATION.
- 1.2. Names of the BOARD OF DIRECTORS are the secretary, treasurer, vice-president and president.
- 1.3. The people who attend AA meetings are referred to as THE MEMBERSHIP.
- 1.4. The RED CLOUD SERENITY CLUB is the name of the physical building where meetings and other events take place.

### 1.5. Purpose:

- 1.5.1. THE CORPORATION is organized for charitable and educational purposes; specifically, to ensure the continuing existence of THE RED CLOUD SERENITY FOUNDATION, INC. (An entity formed according to Articles of Incorporation for a Nonprofit Corporation filed pursuant to §7-90-301, et seq. and §7-122-101 of the Colorado Revised Statutes) for the purpose of having a recovery meeting place for members of Alcoholics Anonymous, Al-Anon, Alateen, and other twelve-step programs.

## ARTICLE II – MEMBERS

### 2. Qualifications for Membership:

#### 2.1. Individuals and Corporations:

- 2.1.1. Membership ("Membership") in THE CORPORATION may be granted to any individual or corporation that demonstrate a commitment to supporting the mission and purposes established by THE CORPORATION'S and who have been sober for at least one (1) year.

#### 2.2. Alignment with Foundation:

- 2.2.1. Prospective Members shall show a clear alignment with the mission and purposes of THE CORPORATION, governing documents and guidelines. (see Attachment B.)

#### 2.3. Voting Rights:

##### 2.3.1. Exclusion of Voting Rights:

- 2.3.2. THE CORPORATION'S members shall have voting rights within the organization, and their participation in governance matters shall be limited solely to the scope and terms as set forth in this Statement.

#### 2.4. Termination of Membership:

##### 2.4.1. Authority to Suspend or Expel:

- 2.4.2. THE CORPORATION has the power to act against a member by either suspending or expelling them. Such actions are typically taken when a member is found to be in violation of THE CORPORATION'S rules, bylaws, or code of conduct. The authority to suspend or expel members is a fundamental aspect of maintaining order and compliance within THE CORPORATION.

- 2.4.3. Ineligibility may be linked to factors like violating the organization's mission, purpose, or ethical standards. Continually disrupting meetings and/or THE CORPORATION'S goal, or consuming alcohol.

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2.4.4. This Statement is binding upon all individuals and corporations who seek membership in THE CORPORATION and is subject to the governing documents, policies, and bylaws of the Foundation.

### 2.5. Voting Requirement:

2.5.1. A two-thirds majority vote of all the members of the Board is required to suspend or expel a member. This high voting threshold is intended to ensure a substantial level of agreement among the board members before taking such significant action. It signifies that suspension, or expulsion is a serious step and should not be taken lightly.

### 2.6. Resignation:

2.6.1. Any board member may resign by filing a written resignation with the Secretary.

### 2.7. Dues:

2.7.1. Dues shall not be required to be a THE RED CLOUD FOUNDATION, INC.

## ARTICLE III – AUTHORITY AND DUTIES OF FOUNDATION MEMBERS

3. THE BOARD OF DIRECTORS for THE CORPORATION shall consist of president, vice-president, treasurer and secretary. These people are the policy-making body and may exercise all the powers and authority granted to THE CORPORATION by law. (See Attachment A.)

3.1. THE BOARD OF DIRECTORS shall serve without compensation with the exception that expenses incurred in the furtherance of THE CORPORATION'S business are allowed to be reimbursed with documentation and prior approval. In addition, Directors serving the organization in any other capacity, such as staff, are allowed to receive compensation, therefore.

### 3.2. Number, Selection, and Tenure:

3.2.1. THE CORPORATION shall consist of not less than three (3) officers. Each director shall hold office for a term of one (1) year. Vacancies existing by reason of resignation, death, incapacity, or removal before the expiration of his/her term shall be filled by a majority vote of the remaining directors. In the event of a tie vote, the President shall choose the succeeding director. Directors will elect their successors. A director elected to fill a vacancy shall be elected for the un-expired term of that director's predecessor in office.

### 3.3. Officers:

3.3.1. The directors, or officers, of THE CORPORATION shall be a President, a Vice-President, a Secretary and Treasurer, and such other officers as THE CORPORATION may designate. Any two (2) or more offices may be held by the same person, except for the offices of President or Treasurer.

#### 3.3.1.1. President:

3.3.1.1.1. The President shall be a director of THE CORPORATION and will preside at all meetings of THE CORPORATION. The President shall perform all duties attendant to that office, subject, however, to the control of the BOARD OF DIRECTORS, and shall perform such other duties as on occasion shall be assigned by the BOARD OF DIRECTORS. The President shall have direct responsibility for the building, the grounds and interactions with the landlord.

#### 3.3.1.2. Vice-President:

3.3.1.2.1. The Vice-President shall be a director of THE CORPORATION and will preside at meetings of the BOARD OF DIRECTORS in the absence of or request of the President. The Vice-President shall perform other duties as requested and assigned by the President, subject to the control of the BOARD OF DIRECTORS. The Vice President shall assist the President in assigned duties.

#### 3.3.1.3. Secretary:

3.3.1.3.1. The Secretary shall be one of the four directors of THE CORPORATION and shall keep the minutes of all meetings of THE CORPORATION in the books proper for that purpose. The Secretary is responsible for setting the agenda for all meetings in accordance with the President, and keeping the Red Cloud Operating notebook current.

#### 3.3.1.4. Treasurer:

3.3.1.4.1. The Treasurer shall be the director of THE CORPORATION and shall work closely with the club manager to the RED CLOUD SERENITY CLUB to ensure that appropriate procedures are being followed in the financial affairs of THE CORPORATION. The treasurer shall perform such other

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duties as occasionally may be assigned by THE CORPORATION. The Treasurer shall have direct interaction with the club manager in the purchasing of supplies for the RED CLOUD SERENITY CLUB.

### 3.4. Paid Staff:

3.4.1. THE CORPORATION may hire such paid staff as they deem proper and necessary for the operations of THE RED CLOUD FOUNDATION, INC., and/or the RED CLOUD SERENITY CLUB.

### 3.5. Appointment of Officers:

#### 3.5.1. Terms of Office:

3.5.1.1. The BOARD OF DIRECTORS shall be elected by Foundation members at regular meetings of THE RED CLOUD FOUNDATION, INC., or, in the case of vacancies, as soon thereafter as convenient. New offices may be created and filled at any meeting of THE CORPORATION. Terms of office may be established by THE CORPORATION but shall not exceed one (1) year, unless the Foundation members agree to let that person continue. Officers shall hold office until a successor is duly elected and qualified. Officers shall be eligible for reappointment. Election for new officers will take place in December of each year, so that the new calendar year will begin in January with the newly elected BOARD OF DIRECTORS.

3.5.1.2. In accordance with the established corporate governance procedures, the annual meeting scheduled in the month of October shall function as the designated formal nomination period for all BOARD OF DIRECTORS. It is imperative to highlight the significance of this process, particularly with regard to the role of the President. The President's involvement is crucial during this time, given that they will be undertaking the responsibility of executing the lease agreement for the forthcoming year. This practice aligns with THE CORPORATION'S commitment to transparent and lawful nomination procedures, ensuring the proper functioning and continuity of leadership within the organization.

### 3.6. Resignation:

3.6.1. Resignations are effective upon receipt by the Secretary of THE CORPORATION of written notification.

## ARTICLE IV – MEETINGS AND COMMITTEES

4. The annual membership meeting shall be held in December each year. A minimum of fifty percent (50%) of the members present in person or by proxy shall constitute a quorum for business transactions at a membership meeting. Meetings may be called by the President or at the request of at least ten percent (10%) of the foundation members by notice mailed, telephone, e-mailed or telegraphed to each member not less than thirty (30) days before such meeting.

4.1. THE CORPORATION shall hold at least six (6) regular meetings per calendar year. Meetings shall be on such dates, times and places as the Foundation shall determine.

4.2. BOARD MEMBERS who miss three (3) meetings in a fiscal year, are subject to removal from THE CORPORATION unless extenuating circumstances are apparent.

#### 4.3. Special Meetings:

4.3.1. Meetings shall be on such dates, times and places as THE CORPORATION shall determine.

4.3.2. Meetings may be called by the President or at the request of any two (2) officers by notice e-mailed, mailed, telephoned, or texted to each member of THE CORPORATION not less than forty-eight (48) hours before such a meeting.

#### 4.4. Quorum:

4.4.1. A quorum shall consist of 50% of THE BOARD OF DIRECTORS attending in person or through teleconferencing. All decisions will be by majority vote of those present at a meeting at which a quorum is present. If less than a majority of THE CORPORATION is present at said meeting, a majority of the attendees present may adjourn the meeting on occasion without further notice.

#### 4.5. Action Without a Meeting:

4.5.1. Any action that needs to be undertaken during a meeting of THE CORPORATION (including the amendment of these Bylaws) or any committee may be executed without the need for a formal gathering. This can be achieved if all members of THE CORPORATION or the committee provide written consent to the proposed

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action and its approval. These consents hold equivalent weight and significance as a formal vote conducted by THE CORPORATION.

### **4.6. Participation in Meetings by Telephone or Zoom:**

4.6.1. Members of THE CORPORATION may participate in a meeting using a telephone or similar communications equipment, so long as members participating in such a meeting can hear from one another.

### **4.7. In accordance with the legal framework governing the operations of the RED CLOUD SERENITY CLUB and CORPORATION decisions reached during closed and/or special meetings involving and held by the BOARD OF DIRECTORS, particularly those decisions with the potential to impact the existence of the RED CLOUD SERENITY CLUB, shall be subjected to a formal process. Specifically, such decisions must be presented to and subject to a vote by THE MEMBERSHIP of CORPORATION. This procedural requirement ensures transparency, accountability, and adherence to the established governance protocols, fostering a comprehensive and inclusive decision-making process within the organizational structure.**

### **4.8. Member Committees:**

4.8.1. THE CORPORATION may establish committees of the members composed of at least two (2) members which, except for an Executive Committee, may include non-RED CLOUD FOUNDATION INC members.

4.8.2. THE CORPORATION may make such provisions for appointment of the chair of such committees, establish such procedures to govern their activities, and delegate thereto such authority as may be necessary or desirable for the efficient management of the property, affairs, business, activities of THE CORPORATION.

4.8.3. The size, duration, and responsibilities of such boards will be established by a majority vote of THE CORPORATION.

## **ARTICLE V – INDEMNIFICATION**

### **5. Scope of Indemnification:**

5.1. THE CORPORATION is willing to indemnify (protect) every member of THE CORPORATION officers and employees against expenses and liabilities. This includes legal fees incurred in connection with any legal action, lawsuit, or legal proceedings (threatened, pending, or completed) in which they become involved because of their roles in THE CORPORATION.

### **5.2. Conditions for Indemnification:**

5.2.1. The indemnification applies unless the individual is judged to be liable for negligence or misconduct in the performance of their duties. In other words, if the individual is found to have acted negligently or engaged in misconduct, THE CORPORATION may not provide indemnification.

### **5.3. Settlement Approval:**

5.3.1. If a settlement is reached in a legal matter, the indemnification will only apply if THE CORPORATION approves such settlement and reimbursement as being in the best interest of THE CORPORATION. This implies that THE CORPORATION will only cover the costs of a settlement if it deems the settlement to be in its best interests.

## **ARTICLE VI – FINANCIAL ADMINISTRATION**

### **6. Fiscal Year**

6.1. The fiscal year of THE CORPORATION shall be January 1 – December 31, but may be changed by resolution of THE RED CLOUD FOUNDATION, INC.

### **6.2. Checks, Receipts, Drafts, etc.:**

6.2.1. All checks, orders for the payment of money, bills of lading, receipts, obligations, bills of exchange, and insurance certificates shall be signed or endorsed by such officer or officers or agent or agents of THE CORPORATION and in such manner as shall from time to time be determined by resolution of THE CORPORATION or of any committee to which such authority has been delegated.

### **6.3. Deposits and Accounts:**

6.3.1. All funds of THE CORPORATION, not otherwise employed, shall be deposited from time-to-time in general or special accounts in such banks, trust companies, or other depositories as THE CORPORATION or any committee to which such authority has been delegated by THE RED CLOUD FOUNDATION, INC., may

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select, or as may be selected by the President or by any other officer or officers or agent or agents of THE CORPORATION, to whom such power may from time to time be delegated by the Board. For deposit and for the purpose of collecting for that account of THE CORPORATION, checks, drafts, and other orders of THE CORPORATION may be endorsed, assigned, and delivered on behalf of THE CORPORATION by any officer or agent of THE CORPORATION.

### 6.4. Investments:

6.4.1. The funds of THE CORPORATION may be retained in whole or in part in cash or be invested and reinvested on occasion in such property, real, personal, or otherwise, or stock, bonds, or other securities, as THE CORPORATION in its sole discretion may deem desirable, without regard to the limitations, if any, now imposed or which may hereafter be imposed by law regarding such investments, and which are permitted to organizations exempt from Federal income taxation under Section 501(c)(3) of the Internal Revenue Code.

### 6.5. Books and Records:

6.5.1. Correct books of accounts of the activities and transactions of THE CORPORATION shall be kept at the office of THE CORPORATION. These shall include a minute book, which shall contain a copy of the Certificate of Incorporation, a copy of these Bylaws, and all the minutes of meetings of THE CORPORATION.

## ARTICLE VII - CONFLICT OF INTEREST

### 7. Purpose:

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

### 7.2. Definitions:

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

### 7.3. Financial Interest:

7.3.1. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family; An ownership or investment interest in any entity with which THE CORPORATION has a transaction or arrangement; A compensation arrangement with THE CORPORATION or with any entity or individual with which THE CORPORATION has a transaction or arrangement, or 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.

### 7.4. Duty to Disclose:

7.4.1. 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.

### 7.5. Determining Whether a Conflict of Interest Exists:

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

### 7.6. Procedures for Addressing the Conflict of Interest:

7.6.1. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

7.6.2. 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.

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7.6.3. 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.

7.6.4. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in THE RED CLOUD SERENITY CLUB'S best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

### **ARTICLE VIII – AMENDMENT OF BYLAWS**

8. These Bylaws may be amended by a majority vote of THE CORPORATION, provided prior notice is given of the proposed amendment in the notice of the meeting at which such action is taken, or provided all members of the Board waive such notice, or by unanimous consent in writing without a meeting pursuant to Section 3.08.

### **ARTICLE IX – DISSOLUTION OF CORPORATION**

9. Dissolution:

9.1. Authority:

9.1.1. THE BOARD OF DIRECTORS has the authority to dissolve THE CORPORATION.

9.2. Approval:

9.2.1. Dissolution requires an eighty percent (80%) majority vote from both THE BOARD OF DIRECTORS and THE RED CLOUD FOUNDATION MEMBERS.

9.3. Distribution of Assets:

9.3.1. Upon settling all debts and liabilities, remaining assets shall be distributed in accordance with applicable laws governing nonprofit organizations and as determined by THE CORPORATION.

9.4. Notice to Members:

9.4.1. Notice of any proposed dissolution shall be provided to MEMBERSHIP of THE RED CLOUD SERENITY CLUB in writing, in accordance with the bylaws of THE CORPORATION.

9.5. Compliance with Applicable Laws:

9.5.1. The dissolution of The RED CLOUD SERENITY CLUB and THE CORPORATION shall be carried out in compliance with all applicable federal, state, and local laws and regulations governing nonprofit organizations.

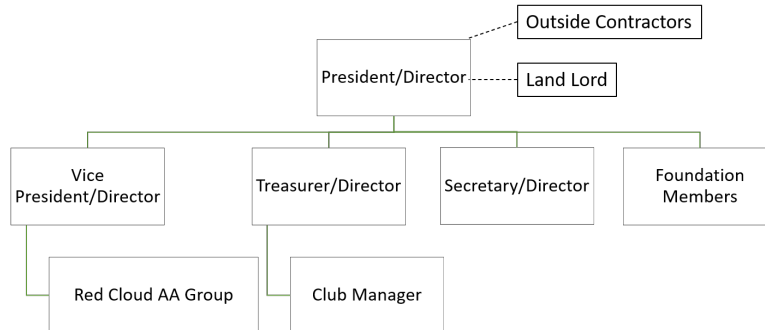
9.6. Disposition of Residual Assets:

9.6.1. Residual assets, if any, shall be distributed to one or more nonprofit organizations with purposes consistent with the vision and mission of the CORPORATION.



# BYLAWS OF THE RED CLOUD FOUNDATION, INC.

## Attachment A. – Organizational Structure THE RED CLOUD FOUNDATION, INC.



## Attachment B. – Red Cloud Mission and Purpose Statements

### *Mission Statement*

- *To assure the continuing existence of the RED CLOUD SERENITY CLUB for the purpose of having a safe recovery meeting place for Alcoholics Anonymous, Al-Anon, Alateen, and other 12 step programs.*

### *Purpose Statements*

- *To raise funds by pledges, legacy gifts and other means in keeping with the 12 Traditions of Alcoholics Anonymous.*
- *To provide oversight and accountability for funds raised, funds distributed, and results achieved.*
- *To supplement the operating expense of the RED CLOUD SERENITY CLUB.*
- *To achieve capitalization that would allow the Foundation to purchase or lease in perpetuity the real property where the RED CLOUD SERENITY CLUB is now a tenant; or to buy, build or lease at another location if for any reason the present location is no longer available.*
- *To provide assistance to organizations providing services to people in alcohol or addiction related 12 Step recovery programs, and their family members.*