

ARTICLE I

CORPORATE NAME, LOCATION, GOVERNANCE

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3
4 Section 1.1 Corporate Name

5 The name of this corporation shall be the [COLORADO ASSOCIATION OF PROFESSIONAL
6 SURETIES, INC.], hereinafter by reference referred to as the "Association", also known
7 as "CAPS".

8 Section 1.2 Location

9 The principal office of the "Association" and location shall be at the office of the
10 Executive Director or as otherwise directed by the Board of Directors, hereinafter
11 referred to by reference as the "Board".

12 1.2.1 Principle Office

13 The principal executive office and the principal office(s) for the transaction of business
14 and of meetings of the "Association" may be established at any place or places within or
15 without the State of Colorado by resolution of the "Board".

16 1.2.2 Other Offices

17 The "Board" may at any time establish branch, subordinate or temporary office(s) at any
18 place or places where the "Association" is qualified or as may be required to transact
19 business.

20 Section 1.3 Governance

21 The "Board" shall review these bylaws, principles and other aspects of the "Association"
22 governance biennially or more often as is deemed necessary and issue a report to the
23 active membership.

ARTICLE II

OBJECTIVES AND PURPOSE

24
25 The object and purpose of this "Association" is to promote a free enterprise for
26 commercial bail and protect the interest, honor and integrity of the professional bail
27 bonding industry; and to promote, upgrade, and perpetuate the bail bond profession
28 thorough the following objectives:
29

- 30 1. Promoting legislation and rules for which will advance this profession.
31 2. Combating legislation and rules for which may be deemed harmful to this
32 profession.
33 3. Promoting and maintaining professional and ethical standards for this
34 profession.
35 4. Improving relations and comradery through public awareness and
36 instruction between this industry and the legal community – Colorado
37 Division of Regulatory Agencies (DORA), Division of Insurance (DOI), Peace
38 Officers Standard Training (POST), attorneys, judges, clerks, police and

39 sheriffs – and the general public as a whole as a consumer, both locally and
40 nationally to which we are accountable to at all times.

41 Section 2.1 General Purpose

42 The general purpose for which this “Association” is organized and formed is to engage in
43 any lawful act or activity for which an “Association” may be organized under the
44 Nonprofit Corporation Law(s) of Colorado, provided; however, nothing in this **Article II**
45 shall be construed to authorize this “Association” to carry on any activity for the profit
46 of its officers, Directors or other persons or to distribute any gains, profits or dividends
47 to any of its officers, Directors or other members as such. Furthermore, nothing in this
48 Article shall be construed as allowing the “Association” to engage in any activity
49 forbidden or prohibited under Section 501(c)(3) of the Internal Revenue Service Code.

50 Section 2.2 Specific Purpose

51 The specific purpose of this “Association” shall include without limitation the
52 furtherance of its goals, the “Association” will convene seminars, petitions, press
53 releases, and meetings to provide its members and non-members with current training
54 and educational material, methods and techniques, to provide a clearinghouse for
55 testing and reviewing techniques and products related the bail bonding profession, and
56 to bring together ideas and disseminate information through peer “Association”.

57 2.2.1 Generated Revenue

58 The “Association” will generate, support and pay indebtedness from revenue generated
59 by other than membership annual dues as outlined in Section 5.4 of Article V of these
60 Bylaws, as a Colorado nonprofit corporation. All monies generated will be in the form of
61 donations, public or governmental contributions, raffles, GoFund me accounts,
62 government and/or private grants, public drives, private and public donations. The
63 “Association” may promote through instruction, video, audio, news articles, online
64 blogs, website presence, or printed means to draw attention to bail or public concerns
65 regarding the bail bond industry (including bail recovery).

66 **ARTICLE III**

67 **BIPARTISAN ACTIVITIES**

68 Section 3.1 Public Purpose

69 This “Association” has been formed and organized under the current laws of Colorado
70 Nonprofit Corporation for the public purpose as established and described above, and it
71 shall be nonprofit and bipartisan. A substantial part of the activities of this “Association”
72 shall consist of the publication and/or dissemination of audio/video or printed materials
73 with the purpose of attempting to influence legislators, lawmakers, lobbyists, judges,
74 clerks, courts or others directly or indirectly associated with the bail bonding industry

75 within and without the State of Colorado. "CAPS" shall participate or intervene in any
76 and all political campaign(s) on behalf of any public office or for or against any cause or
77 measure being submitted to the people for a vote that either directly or indirectly may
78 adversely affect the bail bonding industry within or without the State of Colorado.

79 Section 3.2 Prohibited Activities

80 This "Association" shall not, except in any insubstantial degree, engage in any activities
81 or exercise any powers within or without the State of Colorado that are not in
82 furtherance of the purposes described above in Section 3.1 of this Article III or is
83 deemed illegal under current codified Colorado laws, or as is prohibited by any other
84 Municipal, State or Federal laws.

85 **ARTICLE IV**

86 **DEDICATION OF ASSETS**

87 Section 4.1 Property Use

88 The property of this "Association" is irrevocably dedicated to charitable or educational
89 purposes, or any other purposes permitted under Section 501(c)(3) of the Internal
90 Revenue Service Code. No part of the net income or assets of this "Association" shall
91 ever inure to the benefit of any Director or officer thereof or to the benefit of any
92 private person; provided, however, that this provision shall not prevent payment to any
93 such person of reasonable compensation for services performed for the "Association" in
94 effecting any of its public purposes, as long as such compensation is otherwise
95 permitted by these Bylaws or any other Municipal, State or Federal law and is fixed by
96 resolution by the "Board"; and no such person or persons shall be entitled to share in
97 the distribution of, and shall not receive, any of the "Association" assets on the
98 dissolution of the "Association".

99 Section 4.2 Distribution of Assets Upon Dissolution

100 Upon the dissolution or winding up of business or final conclusion of this "Association",
101 its assets remaining after payment, or provision for payment, of all debts and liabilities
102 of this "Association" shall be distributed to a nonprofit fund, foundation or other such
103 approved corporation which is organized and operated exclusively for charitable,
104 scientific or educational purposes and which has established its current active tax
105 exempt status under Section 501(c)(3) of the Internal Revenue Service Code.

106 **ARTICLE V**

107 **MEMBERSHIPS**

108 "CAPS" is a nonprofit organization and as such its membership is not hinged on
109 membership dues. Each member is encouraged but not forced to contribute, support

110 and/or donate a specific amount of money nor restricted as to how much you may
111 contribute or donate to this "Association".

112 Section 5.1 Membership Types

113 "CAPS" officially recognizes seven (7) types of membership.

114 5.1.1 Individual Voting Members

115 Are members entitled to all membership benefits offered to any voting members.
116 Voting members must be active in the pursuits of the bail bond industry, in good
117 standing and active/current bonding license with appropriate continuing education
118 certificate on file with the Division of Insurance (DOI). This individual may vote and
119 participate in all committees or sub-committees and run for any office when available or
120 vacated. This member may attend all general (open) meetings.

121 5.1.2 Individual Members

122 Are members that have either let their credentials expire, lapse, or under administrative
123 suspension pending adjudication by DOI. This individual may also not have completed
124 the continuing education requirements as outlined by DOI regulations or under Section
125 5.2 of this Article V. H/she cannot hold office nor vote, but may serve on any committee
126 or sub-committee and attend all general (open) meetings.

127 5.1.3 Agency Members

128 Can consist of no less than two (2) individuals (each have one (1) vote) of the same bail
129 bonding agency who each qualify under Section 5.2 of this Article as voting members
130 and up to no more than four (4) individuals who must be an employee or bail agent of
131 said bail agency. This includes in house bail recovery agents for said bail agency. Agents
132 qualifying under Section 5.2 of this Article and may run for any office or serve on any
133 committee or sub-committee. Recovery agents or other employees that do not meet
134 the requirements of Section 5.2 of this Article and may serve on any committee or sub-
135 committee, but cannot run for any office nor are eligible to vote, as outlined in Section
136 5.2 of this Article V.

137 5.1.4 Insurance Company Members

138 Said companies shall name their voting representative in writing. This representative
139 may vote by proxy and h/she may transfer their membership in writing in advance and
140 upon approval by the "Board". That representative is entitled to one (1) vote. That
141 representative may not serve as any elected Officer or serve on the "Board" of this
142 "Association".

143 5.1.5 Non-Voting Members

144 The “Board” may adopt policies and procedures for the admission of associate members
145 or other designated members who shall have NO voting rights in the “Association”. Such
146 associate or other members are not “members” of the “Association” as defined in
147 Section 5.2 of this Article V. This individual would be for example, but not limited to law
148 enforcement, sheriff’s association members, chief of police association members, and
149 district attorneys’ association members, et al.

150 5.1.6 Associate Members

151 Are members who are affiliated with the bail bonding industry, but are not licensed as a
152 bail agent as outlined in Section 5.2 of this Article V. This member may serve on any
153 committee or sub-committee, but cannot run or hold any office nor vote. This individual
154 would be for example, but not limited to a bail bond recovery or bail enforcement
155 agent, pre-trial service employee, member of the Division of Insurance, et al.

156 5.1.7 Honorary Members

157 Only the “Board” may confer this class of membership. This one-year membership is
158 temporary and limited to those individuals who may have no incentive to obtain active
159 membership in any classification; However, by virtue of their position, accomplishments
160 and/or achievements, it is in the best interest of “CAPS” that this individual under
161 consideration receive information regarding “CAPS”, including but not limited to any
162 publications, filings, audio/video or other information regarding the activities of “CAPS”
163 or this industry. This Honorary member shall not vote nor serve in any official capacity
164 or hold office, except that they may serve as *ex-officio* member of any active committee
165 or sub-committee. This membership may be regulated as outlined by Section 5.5 of this
166 Article V.

167 Section 5.2 Eligibility of Membership

168 All membership is open to all person(s) affiliated, associated or employed by the bail
169 bond industry. Members must be over the age of 18. Membership shall be comprised of
170 Voting Members and Individual Members. Voting members shall be comprised of those
171 individuals who are currently licensed or approved by the authorized Governmental
172 agencies within their respective jurisdictions to execute bail bonds for the public sector.
173 Individual members shall be comprised of those individuals who by their deeds, actions
174 and common interests seek to support the bail bond industry by their active
175 membership and support of “CAPS”. Individual members include bail recovery agents
176 who have completed certification and Colorado Bureau of Investigation (CBI)
177 background clearance. Membership shall be revoked if the voting member has his/her
178 license, permit or right to execute bail bonds revoked by any issuing authority and for
179 individual members, membership shall be revoked for conduct or behavior unbecoming
180 an advocate of the bail bond profession. Membership shall not be denied on the basis of
181 gender, race, sex, color, creed, national origin, sexual orientation or religious affiliation.

182 5.2.1 Ethics and Conflict of Interest

183 The "Board" expects the "Association" Directors, as well as its officers, employees and
184 members to act ethically at all times and to acknowledge their adherence to the policies
185 comprising the "Association's" Code of Ethics. The "Board" will not permit any waiver of
186 any ethics policy for any Director or executive officer. If an actual or potential conflict of
187 interest arises for a Director, the Director shall promptly inform the
188 President/Chairperson. If a significant conflict exists and cannot be resolved, then that
189 Director of their own accord and volition willingly resign. All Directors will excuse
190 themselves from any discussion or decision affecting their personal, business or
191 professional interests. The "Board" shall resolve any conflict of interest question
192 involving the President/Chairperson, or any vice president(s), and the
193 President/Chairperson shall resolve any conflict of interest issue involving any other
194 officer of this "Association".

195 5.2.2 Code of Ethics

196 As members of the Colorado Association of Professional Sureties, Inc. (CAPS), we
197 recognize the importance of codifying and making known to the profession and to the
198 general public the ethical principles that guide the frame work of bail bondsperson(s).
199 Ethical dilemmas occur when values are in conflict. The Colorado Association of
200 Professional Sureties, Inc. (CAPS) Code of Ethics states the values to which we are
201 committed, and embodies the ethical responsibilities of our profession in this ever
202 changing environment. We significantly influence or control the selection, organization,
203 preservation, and dissemination of information. In a political system grounded in an
204 informed citizenry, we are members of a profession explicitly committed to intellectual
205 freedom of bail as afforded by our United States Constitution, the freedom of access to
206 information and of due process of law. We have a special obligation to ensure the free
207 flow of information and ideas to present and future generations. The principles of this
208 Code are expressed in broad statements to guide ethical decision making. These
209 statements provide a framework; they cannot and do not dictate conduct to cover
210 particular situations.

- 211 I. We provide the highest level of service to all persons through
212 appropriate and usefully organized resources; equitable service policies;
213 equitable access; and accurate, unbiased, and courteous responses to
214 all requests.
- 215 II. We uphold the principles of a person's right to freedom.
- 216 III. We protect each person's right to privacy and confidentiality with
217 respect to information sought or received and resources consulted,
218 borrowed, acquired or transmitted.
- 219 IV. We respect the public's rights and advocate balance between the
220 interests of information users and rights holders.

- 221 V. We treat co-workers and other colleagues with respect, fairness, and
222 good faith, and advocate conditions that safeguard the rights and
223 welfare of all persons within our profession.
224 VI. We do not advance private interests at the expense of
225 colleagues, peers, or our competitors.
226 VII. We distinguish between our personal convictions and professional
227 duties and do not allow our personal beliefs to interfere with fair
228 representation of the aims of our duties to the general public.
229 VIII. We strive for excellence in the profession by maintaining and enhancing
230 our own knowledge and skills, by encouraging the professional
231 development of coworkers, and by fostering the aspirations of potential
232 members of the profession.

233 Section 5.3 Good Standing

234 Members in good standing are those members who show active interest and support in
235 the advancement and promoting of the bail bond industry. Any member in good
236 standing may publicize such membership, including the use of the “Association’s” logo,
237 so long as said logo is not utilized in a manner that will reflect adversely or negatively
238 upon the “Association”.

239 Section 5.4 Annual Dues

240 This “Association” does not mandate dues; However, contributions, drives, support and
241 donations are requested for the day to day operational costs, office supplies,
242 publications and the promoting of the “Association” as it attempts to focus on industry
243 specific problems.

244 Section 5.5 Revocations

245 Membership in “CAPS” may be suspended or revoked by a two-thirds majority
246 (Quorum) vote by the “Board” upon presentation of documentation of the showing of
247 reasonable cause or documented showing of breach of confidentiality.

248 **ARTICLE VI**

249 **DIRECTORS**

250 Section 6.1 Number of Directors

251 The Board of Directors shall consist of not less than [3] positions nor no more than
252 [5] positions, the exact number of Directors to be fixed, within the limits in this
253 Section 6.1, or by resolution of the current “Board”.

254 6.1.1 Director Emeritus

255 At any “Board” meeting, the “Board” may elect, by two-thirds majority vote of the
256 Directors present, one or more person(s) to hold the position of Director Emeritus. The
257 term for which a Director Emeritus shall serve is one (1) year from the date of his/her
258 election. Any Director Emeritus may succeed him/herself. H/she is entitled to speak to
259 any subject or question appropriate to the agenda, subject to the will of the majority of
260 the “Board” in attendance. A Director Emeritus is entitled by virtue to vote at “Board”
261 meetings.

262 Section 6.2 Powers

263 6.2.1 General Corporate Powers

264 Subject to the provisions of the Colorado Nonprofit Corporation Laws, the business and
265 affairs of the “Association” shall be managed, and all corporate powers shall be
266 exercised, by or under the direction of the “Board”. The “Board” may delegate the
267 management of the activities of the “Association” to any person or persons,
268 management company or committee however composed, provided that those activities
269 and affairs of the “Association” are managed and all corporate powers shall be exercised
270 under the ultimate direction of the “Board”.

271 6.2.2 Specific Powers

272 Without prejudice to the general corporate powers described in Section 6.2.1 above of
273 this Article VI, and subject to the same limitations, the “Board” shall have the following
274 powers.

275 6.2.2.1 Officers, Agents and Employees

276 At its pleasure, select, remove, and supervise all officers, agents and
277 employees of the “Association”; prescribe any powers and duties for them
278 that are consistent with current Colorado law, with the Articles of
279 Incorporation, and with these Bylaws; and fix their compensation (if there be
280 any).

281 6.2.2.2 Principal Executive Office

282 Change the principal executive office or the principal business office in the
283 State of Colorado from one location to another; cause the “Association” to be
284 qualified to conduct activities in any other State and conduct activities within
285 the State of Colorado; and designate any place within the State of Colorado for
286 the holding of meetings, including annual meetings.

287 6.2.2.3 Corporate Seal

288 Adopt, make and use a corporate seal; and alter the form of the seal. Such seal
289 shall be kept at the principal office of the “Association”.

290 6.2.2.4 Borrow Money

291 Borrow money and incur indebtedness on behalf of the “Association” and
292 cause to be executed and delivered for the “Association’s” purposes, in the
293 corporate name, promissory notes, bonds, debentures, deeds of trust,
294 mortgages, pledges, hypothecations, and other evidences of debt and
295 securities.

296 6.2.2.5 Grievance Procedure

297 The “Board” may hear a grievance presented to them in complaint of another
298 member. The grievance must be in writing before the next scheduled regular
299 meeting. The “Board” will address the grievance along with any evidence
300 brought to support Agents claim. The “Board” will adjudicate a decision that is
301 final and binding on both parties. The “Board” may impose fines, restitution,
302 suspension or removal on any member as outlined in these Bylaws.

303 Section 6.3 Terms; Election of Successors

304 The initial organizing “Board” and incorporators shall serve until the conclusion of the
305 fiscal year of [2016] Annual Meeting described in Section 6.6 of this Article VI. Each
306 member of subsequent “Boards” shall serve until the conclusion of the first annual
307 meeting held after h/she assumes that office. At each annual meeting, each seat on the
308 incoming “Board” shall be filled by a separate vote of the current Directors; a majority
309 vote of a quorum of Directors shall be sufficient to fill each seat. Each new Director shall
310 take office at the conclusion of the annual meeting at which h/she is elected. In any
311 event, a Director shall serve until a successor has been elected.

312 Section 6.4 Vacancies

313 6.4.1 Events Causing Vacancy

314 A vacancy or vacancies on the “Board” shall be deemed to exist on the occurrence of the
315 following:

- 316 (i) the death, resignation, or removal of any Director;
- 317 (ii) the declaration by resolution of the “Board” of a vacancy in the office of
318 a Director who has been declared incompetent or of unsound mind by
319 an order of court or conviction of a felony or has been found by final
320 order or judgment of any court to have breached a duty under the
321 Colorado Nonprofit Corporation Law(s);
- 322 (iii) for requested or emergency leave of absence for sufficient reason and
323 approved by the “Board”; or
- 324 (iv) whenever the number of authorized Directors is increased.

325 6.4.2 Removal

326 Directors may be removed without cause by a simple majority of Directors then
327 currently holding office.

328 6.4.3 Resignations

329 Except as provided in this paragraph, any Director may resign, which resignation shall be
330 effective on giving written notice to the Chairperson of the “Board”, the President, the
331 Secretary, or the Board of Directors, unless the notice specifies a later time for the
332 resignation to become effective. No Director may resign if the “Association” would then
333 be left without a duly elected Director or Directors in charge of its affairs, except upon
334 notice to the Attorney General.

335 6.4.4 Appointment to Fill Vacancies

336 If a vacancy is created by any event, a majority of the remaining Directors then currently
337 actively holding office may appoint a new Director – *pro tempore* to serve until the next
338 annual meeting of the Board of Directors. Appointments to fill vacancies shall be made
339 only at Special or Emergency Meetings and with proper notice in keeping with Section
340 6.8 of this Article VI.

341 Section 6.5 Place of Meetings; Meetings by Telephone

342 Regular meetings of the “Board” may be held at any place within the State of Colorado
343 that has been designated from time to time by resolution of the “Board”. In the absence
344 of such designation, regular meetings of the “Board” shall be held at any place within
345 the State of Colorado that has been designated in the notice of the meeting or, if not
346 stated in the notice, or if there is no notice, at the principal executive office of the
347 “Association”. Notwithstanding the above provisions of the Section 6.5 of this Article VI,
348 a regular or special meeting of the “Board” may be held at any place consented to in
349 writing by all the members of the “Board”, either before or after the meeting. If
350 consents are given, they shall be filed with the minutes of that meeting. Any meeting,
351 regular, special or emergency, may be held by telephone conference or other similar
352 communication equipment, so long as all Directors participating in the meeting can hear
353 one another, and all such Directors shall be deemed to be present in person at such
354 meeting as if in person face to face at a regular meeting.

355 Section 6.6 Annual Meeting

356 Unless the “Board” specifies otherwise in a Notice to the Directors, the annual meeting
357 for the purpose of electing Directors and for such other business as may be required,
358 shall be held in October of every fiscal year, commencing in 2017.

359 Section 6.7 Other Regular Meetings

360 The “Board” shall meet four (4) times per year (quarterly) and may set a specified time
361 and place for its regular meetings. Once the “Board” sets the time for regular meetings,

362 each Director shall receive notice, as specified in Section 6.8.2 of this Article VI, of the
363 time and place that regular meetings shall be held. Subsequent to such notice, regular
364 meetings shall be held without call. If the “Board” changes the time and place of a
365 regular meeting, each Director shall receive notice of the change in keeping with Section
366 6.8.2 of this Article VI. If the “Board” does not set a specified time and place for its
367 regular meetings, meetings of the “Board” shall be considered special or emergency
368 meetings and have notice requirements of Section 6.8.2 of this Article VI.

369 Section 6.8 Special or Emergency Meetings

370 6.8.1 Authority to Call

371 Special or emergency meetings of the “Board” for any purpose may be called at any
372 time by the Chairperson of the “Board”, or the President, or any vice president, or the
373 Secretary, or any two currently serving Directors. The “Board” may declare any item of
374 business required to be set forth in writing on the agenda of an annual meeting, or any
375 item coming before the “Board” at a special or emergency matter. The “Board” may
376 waive the requirement(s) that such matter(s) be included on the agenda or in the notice
377 of Special meeting. The “Board” at its discretion may waive this requirement and
378 declare a matter an emergency by two-thirds vote by the “Board”, as long as a quorum
379 is present.

380 6.8.2 Notice

381 6.8.2.1 Manner of Giving

382 Notice of the time and place of special or emergency meetings shall be given
383 to each Director

384 by one of the following methods:

- 385 (i) by personal delivery or written notice;
386 (ii) by United States postal mail first-class postage pre-paid
387 (iii) by telephone, including a voice messaging system or other
388 system or technology designed to recorded and communicate
389 messages, facsimile, electronic mail, or other electronic means;
390 or
391 (iv) by telegram, charges pre-paid.

392 All such notices shall be given or sent to the Director’s address as shown on
393 the records of the “Association”. Any oral notice given personally or by
394 telephone may be communicated directly to the Director or to a person at the
395 Director’s office who would reasonably be expected to communicate such
396 notice promptly to the Director.

397 6.8.2.2 Time Requirements

398 Notices sent via United States Postal Service by first class mail pre-paid
399 postage shall be deposited into a United States mail box at least four (4) days
400 before the scheduled time set for the meeting. Notices given by personal
401 delivery, telephone, voice messaging system(s) or other system or technology
402 designed to record and communicated messages, facsimile, or telegraph shall
403 be delivered, telephoned, telecopied, or given to the telegram company at
404 least 48 hours prior to the time scheduled for the meeting.

405 6.8.2.3 Notice Contents

406 The notice shall state in plain language the time, purpose, and place for the
407 requested scheduled meeting. It need not; However, specify the place of the
408 meeting if it is to be held at the principal executive office of the "Association".

409 Section 6.9 Quorum

410 A majority of the authorized number of Directors shall constitute a quorum for the
411 transaction of business, except to adjourn as provided in Section 6.11 of this Article VI.
412 Every act taken or decision made by a majority of the Directors present at a scheduled
413 meeting duly held at which a quorum is present shall be regarded as the act of the
414 Board of Directors, subject to the provisions of the Colorado Nonprofit Corporation
415 Law(s), including, but not limited to, those provisions relating to:

- 416 (i) approval of contracts or transactions in which a Director has a direct or
417 indirect material financial interest,
- 418 (ii) creation of, and appointment to, committees of the "Board", and
- 419 (iii) indemnification of Directors.

420 A meeting at which a quorum is initially present may continue to transact business,
421 notwithstanding the withdrawal of Directors, if any action taken is approved by at least
422 a majority of the required quorum for that scheduled meeting.

423 Section 6.10 Waiver of Notice

424 The transactions of any meeting of the "Board", however called and noticed or
425 wherever held, shall be as valid as though taken at a meeting duly held after regular call
426 and notice, if:

- 427 (i) a quorum is present, and
- 428 (ii) either before or after the meeting, each of the Directors not present
429 signs a written waiver of notice, a consent to holding the meeting, or an
430 approval of the minutes.

431 The waiver of notice or consent need not specify the purpose or nature of the meeting.
432 All waivers, consents, and approvals shall be filed with the corporate records or made a
433 part of the minutes of the meeting. Notice of a meeting shall also be deemed given to

434 any Director who attends the meeting without protesting before or at its
435 commencement about the lack of adequate notice. Directors can protest the lack of
436 notice only by presenting a written protest to the Secretary of the "Association" either
437 in person, by first-class postage pre-paid mail addressed to the Secretary at the principal
438 office of the "Association" as contained on the Corporation's records as of the date of
439 the protest, or by facsimile addressed to the facsimile number of the Corporation's
440 records as of the date of the protest.

441 Section 6.11 Agenda Matters

442 The President/Chairperson together with the "Board" will establish the agenda for each
443 "Board" meeting. At the beginning of the fiscal year, beginning the November 1 of each
444 year, the President/Chairperson will establish a schedule of agenda subjects to be
445 discussed during the year (to the degree this can be foreseen). Each "Board" member is
446 free to suggest the inclusion of items on the agenda. Each "Board" member is free to
447 raise at any "Board" meeting, subjects that are not on the agenda for that meeting. The
448 "Board" will review the "Association's" long-term strategic plans and the principle issues
449 that the "Association" will face in the near or distant future at least one "Board"
450 meeting each year.

451 Section 6.12 Order of Business

452 The order of business at each annual meeting shall follow as closely as possible the
453 following format:

- 454 (1) Call to order, immediately followed by items 2 through 15;
- 455 (2) Invocation and Pledge of Allegiance;
- 456 (3) Reading of the notice of the scheduled meeting;
- 457 (4) Reading of the minutes of the preceding meeting and actions taken;
- 458 (5) Report of the President/Chairperson;
- 459 (6) Report of the "Association's" financial stability by the Treasurer;
- 460 (7) Report of the officers;
- 461 (8) Committee and Sub-Committee reports;
- 462 (9) Election of the Officers (when applicable);
- 463 (10) Election of all other "Board" members (when applicable);
- 464 (11) Miscellaneous business placed on the agenda by any "Board" member;
- 465 (12) Unfinished business (tabled from previous meeting);
- 466 (13) New business;
- 467 (14) Announcements; and,
- 468 (15) Adjournment.

469 Section 6.13 Adjournment

470 A majority of the Directors present, whether or not constituting a quorum, may adjourn
471 any meeting to another time and place.

472 Section 6.14 Notice of Adjournment

473 Notice of the time and place of holding an adjourned meeting need not be given, unless
474 the meeting is adjourned for more than twenty-four (24) hours, in which case personal
475 notice of the time and place shall be given before the time of the adjourned meeting to
476 the Directors who were not present at the time of adjournment.

477 Section 6.15 Conduct of Meeting

478 Meetings of the "Board" shall be presided over by the Chairperson of the "Board", or, if
479 no such person has been so designated or, in his/her absence, the President of the
480 "Association" or, in his/her absence, by a vice president of the "Association" or, in the
481 absence of each of these persons, by a Chairperson chosen by a majority of the
482 Directors present at the meeting. The Secretary of the "Association" shall act as
483 Secretary of all meetings of the "Board", provided that, in his/her absence, the presiding
484 officer shall appoint another person (pro tem) to act as Secretary of the meeting.
485 Meetings shall be governed by Robert's Parliamentary Rules of Order or by the
486 Consensus Method, as may be determined by the "Board" from time to time., insofar as
487 such rules are not inconsistent with or in conflict of these Bylaws, or the Articles of
488 Incorporation, or with any provision of law.

489 Section 6.16 Action Without Meeting

490 Any action required or permitted to be taken by the "Board" may be taken without a
491 meeting, if all members of the "Board", individually or collectively, consent in writing to
492 the action. For the purposes of the Section only, "all members of the Board" shall not
493 include any "interested Director" as defined in Colorado Nonprofit Corporation Law(s).
494 Such action by unanimous written consent shall have the same force and effect as a
495 unanimous vote by the "Board". Such written consent(s) shall be filed with the minutes
496 of the proceedings of the "Board".

497 Section 6.17 Fees and Compensation of Directors

498 Directors and members of committees may not receive compensation for their services,
499 unless such is reimbursement of expenses, as may be determined by resolution of the
500 "Board" to be just and/or reasonable. Directors may be compensated for rendering
501 services to the "Association" in a capacity other than a Director, provided such
502 compensation is reasonable and further provided that not more than forty-nine percent
503 (49%) of the person(s) serving as Directors may be "interested person(s)", as may be
504 defined in Colorado Nonprofit Corporation Law(s) or any successor provision.

505 "Interested person(s)" means:

- 506 (i) Any person currently being compensated by the "Association" for
507 services rendered to it within the previous twelve (12) months, whether
508 as a full or part-time officer or other employee, independent contractor,

509 advisor, consultant, or otherwise, excluding any reasonable
510 compensation paid to a Director as Director; or
511 (ii) Any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-
512 in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law or
513 any such person.

514 Section 6.18 Non-Liability of Directors

515 The Directors shall not be personally liable for any of the debts, liabilities, nor any other
516 obligations of the "Association".

517 **ARTICLE VII**

518 **COMMITTEES**

519 Section 7.1 Committees of Directors

520 The "Board" may, by resolution adopt by a majority of the Directors then in office,
521 create one or more committees, including an executive committee and or sub-
522 committees, each consisting of two (2) or more Directors, to serve at the discretion of
523 the "Board". Any committee or sub-committee, to the extent provided in the resolution
524 of the "Board", shall have all the authority of the "Board", except that no committee or
525 sub-committee, regardless of the "Boards" resolution, may:

- 526 (i) Fill vacancies on the "Board" or in any committee or sub-committee
527 with which has the authority of the "Board";
- 528 (ii) Fix compensation of the "Board" for serving in an official capacity on the
529 "Board" or any committee or sub-committee;
- 530 (iii) Amend, repeal, abolish, or ratify any current Bylaw(s) or adopt new
531 Bylaws;
- 532 (iv) Amend, repeal, abolish, or ratify any current resolution of the "Board"
533 for which its express terms are not so amendable or repealable;
- 534 (v) Appoint any other committees of the "Board" or the members of these
535 committees or sub-committees;
- 536 (vi) Approve any transaction;
537 a. Between the "Association" and one or more of its Directors, or
538 b. Between the "Association" or any entity in which one or more of its
539 Directors have a material financial interest in whole or in part; or
- 540 (vii) Expend "Association" funds to support a nominee for Director after
541 more persons have been nominated than can be elected.

542 Section 7.2 Meetings and Action of Committees

543 Meetings and action of committees and sub-committees shall be governed by, and held
544 and take in accordance with, the provisions of **Article VI** of these Bylaws, concerning

545 meetings of Directors, with such changes in the context of those Bylaws as are necessary
546 to substitute the committee or sub-committee and its members for the “Board” and its
547 members, except that the time for regular meetings of committees or sub-committees
548 may be determined by resolution of the “Board”. Special or emergency meetings of
549 committees or sub-committees may also be called by resolution of the “Board”. Notice
550 of special or emergency meetings of committees or sub-committees shall also be given
551 to any and all alternate members, who shall have the right to attend all meetings of the
552 committee or sub-committee. Minutes shall be kept of each meeting of any committee
553 or sub-committee and shall be filed with the corporation records. The Committee or
554 sub-committee shall report to the “Board” from time to time as the “Board” may
555 require. The “Board” may adopt rules for the governance of any committee or sub-
556 committee not inconsistent with the provisions by these Bylaws, or, in the absence of
557 rules adopted by the “Board”, the committee or sub-committee may adopt such rules.

558 Section 7.3 Quorum Rules for Committees

559 A majority of the authorized committee or sub-committee members shall constitute a
560 quorum for the transaction or committee or sub-committee business, except to adjourn.
561 A majority of the committee or sub-committee members present, whether or not
562 constituting a quorum, may adjourn any meeting to another time and place. Every act
563 taken or decision made by a majority of the committee or sub-committee members
564 present at a meeting duly held at which a quorum is present shall be regarded as an act
565 of the committee or sub-committee, subject to the provisions of the Colorado Nonprofit
566 Corporation Law(s), including but not limited to those provisions relating to:

- 567 (i) Creation of, or appointment to, committees or sub-committees of the
568 “Board”, and
569 (ii) Indemnification of Directors.

570 A meeting at which a quorum is initially present may continue to transact business,
571 notwithstanding the withdrawal of committee or sub-committee members, if any action
572 taken is approved by at least a majority of the required quorum for that meeting.

573 Section 7.4 Revocation of Delegated Authority

574 The “Board” may, at any time, revoke or modify any or all of the authority so delegated
575 to a committee or sub-committee, increase or decrease but not below two (2) the
576 number of its members, and fill vacancies therein from the members of the “Board”.

577 ARTICLE VIII

578 OFFICERS

579 Section 8.1 Officers

580 The "Association" shall have as officers a Chairperson of the "Board" or a President or
581 both, a Secretary, and a Chief Financial Officer. The "Association" may also have, at the
582 discretion of the "Board", one or more vice presidents, one or more assistant
583 secretaries, one or more assistant treasures, and such other officers as may be
584 appointed and necessary in accordance with the provisions of Section 8.3 of this Article
585 VIII. Any number of offices may be held by the same person, except that neither the
586 Secretary nor the Chief Financial Officer may serve concurrently as either the President
587 or the Chairperson of the "Board". Term limit is for one (1) year ending at the annual
588 meeting conducted at the end of the fiscal year, ending in October.

589 8.1.1 Terms and term limits

590 The "Association" except by resolution will not have any set term limits regarding the
591 number of times one may serve in any official capacity for the "Association".

592 Section 8.2 Election of Officers

593 Any person may serve as an officer of the "Association" as qualified and outlined in
594 Section 5.2 of Article V. The officers of the "Association", except those appointed in
595 accordance with the provisions of Section 8.3 of this Article VIII, shall be chosen by the
596 "Board", and each shall serve at the discretion of the "Board" until their successor shall
597 be elected, subject to the rights, if any, of an officer under any contract of employment.
598 Term limit is for one (1) year ending at the annual meeting conducted at the end of the
599 fiscal year, ending in October.

600 Section 8.3 Subordinate Officers

601 The "Board" may appoint, and may authorize the Chairperson of the "Board" or the
602 President or another officer to appoint, any other officers that the business of the
603 "Association" may require, each of whom shall have the title, hold office for the period,
604 have the authority, and perform the duties specified in the Bylaws or as determined
605 from time to time by the "Board". The "Board" at its discretion may elect to adopt or
606 appoint a parliamentarian and/or a Sergeant of Arms to enforce the adopted Robert's
607 Parliamentary Rules of Order.

608 Section 8.4 Removal or Termination of Officers

609 Subject to the rights, if any, of an officer under any contract of employment, any officer
610 may be removed or terminated, with or without cause, by the "Board", at any regular or
611 special meeting of the "Board", or at the annual meeting of the "Association", or, except
612 in the case of any officer chosen by the "Board", by an officer on whom such power of
613 removal may be conferred by the "Board".

614 Section 8.5 Resignation of Officers

615 Any officer may resign at any time by providing written notice to the “Association”. Any
616 resignation shall take effect at the date of the receipt of that notice or at any later time
617 specified in that notice; and, unless otherwise specified in that notice, the acceptance of
618 the resignation shall not be necessary to make it effective. Any resignation is without
619 prejudice to the rights, if any of the “Association” under any contract to which the
620 officer is a party.

621 Section 8.6 Vacancies of Offices

622 A vacancy in any office because of death, resignation, removal, disqualification, or any
623 other cause shall be filled in the manner prescribed in these Bylaws for regular
624 appointments for that office. In the event of a vacancy in any office other than the
625 President, such vacancy shall be filled temporarily by appointment by the President, and
626 shall remain in office for 60 days, or until the next regular meeting of the “Board”,
627 whichever comes first. Thereafter, the position can be filled only by action of the
628 “Board”.

629 Section 8.7 Responsibilities of Officers

630 8.7.1 Chairperson of the Board

631 If such an officer is elected, the Chairperson of the “Board” shall preside at meetings of
632 the “Board” and exercise and perform such other powers and duties as may from time
633 to time be assigned to him/her by the “Board” or prescribed by the Bylaws. If there is no
634 President, the Chairperson of the Board shall, in addition, be the chief executive officer
635 of the “Association” and shall have the powers and duties as prescribed in Section 8.7.2
636 of this Article VIII as described below.

637 8.7.2 President/Chairperson

638 Subject to such supervisory powers as may be given by the “Board” to the Chairperson,
639 if any, the President shall, subject to the control of the “Board”, supervise, direct,
640 manage and control the business affairs of the “Association” and the activities of the
641 officers of the “Association”. The President/Chairperson shall see that all orders and
642 resolutions of the “Board” are carried into effect. H/she shall sign and execute all legal
643 documents in the name of and on behalf of the “Association” when authorized to do so
644 by the “Board: and shall perform such duties as may be assigned or required of him/her
645 from time to time by the “Board”. The President may delegate his/her responsibilities
646 and powers subject to the control of the “Board”. In addition to all duties incident to
647 his/her office, h/she shall preside, in the absence of the Chairperson; if there be any
648 elected, or if there be no Chairperson, at all meetings of the “Board”. H/she shall have
649 such other powers and duties as may be prescribed by the “Board” or these Bylaws.
650 Term limit is for one (1) year ending at the annual meeting conducted at the end of the
651 fiscal year, ending in October.

652 8.7.3 Vice Presidents

653 In the absence or disability of the President, or in the event of his/her inability or refusal
654 to act, the vice president(s), if any, in order of their rank as fixed by the "Board" or, if
655 not ranked, a vice president designated by the "Board", shall perform all the duties of
656 the President, and when so acting shall have all the powers of, and be subject to all the
657 restrictions upon, the office of the President. H/she shall monitor the state legislative
658 activities that may affect the bail bond profession. H/she shall monitor the national
659 association Professional Bail Agents of the United States (PBUS) for legislative activities
660 that may affect the bail bond profession. The President may delegate any or all of
661 his/her powers to one or more vice presidents. Term limit is for one (1) year ending at
662 the annual meeting conducted at the end of the fiscal year, ending in October.

663 8.7.4 Secretary

664 The Secretary shall attend to the following:

665 8.7.4.1 Bylaws

666 The Secretary shall certify and keep at the principal office of the "Association"
667 the original, or a copy of these Bylaws as amended to date.

668 8.7.4.2 Book of Minutes

669 The Secretary shall keep or cause to be kept, at the principal executive office
670 or such other place as approved by the "Board", a book of minutes,
671 proceedings, and actions of the Directors and "Board" committees and sub-
672 committees, recording the time and place of holding such meeting(s), whether
673 regular, special or emergency meetings; and, if special or emergency, how
674 authorized,; the notice given; the names of those present at such meeting(s);
675 the number of Directors present or represented at Directors' meetings; and
676 the proceedings of such meeting(s). The book of minutes shall also contain any
677 protests concerning lack of adequate notice or dissents from members of the
678 "Board", if the protesting or dissenting members request such protest in
679 writing.

680 8.7.4.3 Notices, Seal and Other Duties

681 The Secretary shall give, or cause to be given, notice of all meetings of the
682 "Board" in accordance with these Bylaws. H/she shall keep the seal of the
683 Corporation in a safe place and custody, and shall have such other powers and
684 perform such other duties incidental to the office of Secretary as may be
685 prescribed by the "Board" or these Bylaws.

686 8.7.4.4 Corporate Records

687 Upon request, the Secretary shall exhibit at all reasonable times during normal
688 business hours to any Director, or to his/her agent or attorney, the Bylaws and
689 book of minutes.

690 8.7.5 Treasurer - Chief Financial Officer (CFO)

691 The Chief Financial Officer (CFO) shall attend to the following;

692 8.7.5.1 Books of Account

693 The CFO shall keep and maintain, or cause to be kept and maintained,
694 adequate and correct books and records of accounting of the properties and
695 transactions of the "Association", including accounts of its assets, liabilities,
696 receipts, disbursements, gains, losses, capital, retained earnings, and all other
697 matters customarily included in financial statements. The books of account
698 shall be open to inspection by any Director at all reasonable times with or
699 without notice and upon demand.

700 8.7.5.2 Financial Reports

701 The CFO shall prepare, or cause to be prepared, and certify, or cause to be
702 certified, the financial statements to be included in any required reports.

703 8.7.5.3 Deposit and Disbursement of Monies and Valuables

704 The CFO shall deposit, or cause to be deposited, all monies and other
705 valuables in the name of the credit of the "Association" with such depositories
706 as may be designated by the "Board"; shall disburse, or cause to be disbursed,
707 the funds of the "Association" as may be ordered by the "Board" or legally due
708 on debts incurred, shall render, or cause to be rendered to the President
709 and/or Directors, whenever they request it, an account of all of his/her
710 transactions as CFO and of the financial condition and/or stability of the
711 "Association"; and shall have other powers and perform such other duties
712 incidental to the office of Chief Financial Officer as may be prescribed by the
713 "Board" or these Bylaws.

714 8.7.5.4 Bond

715 If required by the "Board", the CFO shall give the "Association" a bond in the
716 amount and with the surety or sureties specified by the "Board" for faithful
717 performance of the duties of his/her office and for restoration to the
718 "Association" of all its books, papers, vouchers, monies, and other property;
719 whether real or intangible, of every kind in his/her possession or under his/her
720 control on his/her death, resignation, or removal from office.

721 Section 8.8 Compensation of Officers

722 The salaries of officers, if any, shall be fixed from time to time by resolution of the
723 “Board”, and no officer shall be prevented from receiving such salary by reason of the
724 fact that h/she is also a Director; provided, however, that such compensation paid to a
725 Director while serving as an officer of the “Association” shall only be allowed if
726 permitted under the provisions of Section 6.15 of Article VI of these Bylaws.

727 **ARTICLE IX**

728 **TRANSACTIONS BETWEEN CORPORATION AND DIRECTORS OR OFFICERS**

729 Section 9.1 Contracts with Directors and Officers

730 9.1.1 Prohibited Transactions

731 The “Association” shall not be a party to any contract or transaction.

- 732 (i) In which one or more of its Directors or officers have a material financial
733 interest, or;
- 734 (ii) With any corporation, firm, association, or other entity in which one or
735 more Directors or officers have a material financial interest, or;
- 736 (iii) With any corporation, firm, association, or other entity (other than a
737 Colorado nonprofit corporation) in which one or more of its Directors is
738 a member, unless;
- 739 a. The material facts concerning the contract or transaction and such
740 Director’s or officer’s financial interest or common Directorship are
741 fully disclosed in good faith and are noted in the minutes;
- 742 b. Prior to authorizing or approving the contract or transaction, the
743 “Board” considers and in good faith determines after reasonable
744 investigation that the “Association” could not obtain a more
745 advantages arrangement with reasonable investigation under the
746 circumstances or that the contract or transaction implements a
747 charitable program of the “Association”.
- 748 c. The “Association” enters into the contract or transaction for its own
749 benefit;
- 750 d. The contract or transaction is fair and reasonable to this
751 “Association” or implements a charitable program of the
752 “Association” at the time the contract or transaction was entered
753 into, and;
- 754 e. Such contract or transaction is authorized or approved in good faith
755 by a majority of disinterested Directors at the meeting with any
756 interested Directors abstaining from voting, provided that majority
757 has decision making authority under the quorum provisions as set
758 forth in Section 7.9 of Article VII of these Bylaws.

759 9.1.2 Material Financial Interest

760 A Director or officer of this “Association” shall not be deemed to have a “material
761 financial interest” in a contract or transaction:

- 762 (i) That fixes the compensation of a Director as a Director or officer;
763 (ii) That is authorized by the “Board” in good faith and results in a benefit
764 to a Director or their families because they are in the class of person(s)
765 intended to be benefited by the charitable program of this
766 “Association”; or
767 (iii) Where the interested Director has no actual knowledge of the
768 transaction.

769 Section 9.2 Loans to Directors and Officers

770 The “Association” shall not make any loan of monies or property to or guarantee the
771 obligation of any Director or officer, unless approved by the Attorney General of the
772 State of Colorado; provided, however, the “Association” may advance monies to a
773 Director or officer of the “Association” for expenses reasonably anticipated to be
774 incurred in the performance of their duties as such Director or officer, provided that in
775 the absence of such advance, such Director or officer would be entitled to be reimbursed
776 for such expenses by the “Association”.

777 Section 9.3 Interlocking Directorates

778 No contract or other transaction between the “Association” and any Colorado nonprofit
779 corporation of which one or more Directors are Directors is either void or voidable
780 because such Director(s) are present at a meeting of the “Board” that authorizes,
781 approves, or ratifies the contract or transaction, if the material facts as to the
782 transaction and as to such Director’s other Directorship are fully disclosed to the
783 “Board”, and the “Board” authorizes, approves, or ratifies the contract or transaction in
784 good faith by a vote of disinterested Directors at the meeting (subject to the quorum
785 provisions as set forth in Section 7.9 of Article VII of these Bylaws), or if the contract or
786 transaction is just and reasonable as to the “Association” at the time the contract or
787 transaction was authorized, approved, or ratified by the “Board”.

788 Section 9.4 Duty of Loyalty; Construction with Article X

789 Nothing in this Article shall be construed to derogate in any way from the absolute duty
790 of loyalty that every Director and officer owes to the “Association”. Furthermore,
791 nothing in this Article shall be construed to override or amend the provisions of Article
792 X. All conflicts between the two (2) articles shall be resolved in favor of Article X.

793 **ARTICLE X**

794 **INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS**

795 Section 10.1 Definitions

796 For the purpose of this Article,

797 10.1.1 "Agent"

798 Means any person who is or was a Director, officer, employee, or other agent of this
799 "Association", or is or was serving at the request of this "Association" as a Director,
800 officer, employee, or agent of another foreign or domestic corporation, partnership,
801 joint venture, trust, or other enterprise, or was a Director, officer, employee, or agent of
802 a foreign or domestic corporation that was a predecessor corporation of this
803 "Association" or of another enterprise at the request of the predecessor corporation;

804 10.1.2 "Bail Recovery"

805 Is to mean a person that may or may not be a licensed bail bonding agent in good
806 standing in the State of Colorado, but does retain certification and Colorado Bureau of
807 Investigation (CBI) background clearance for that purpose. Such person may be termed:
808 Agent, recovery agent, bail enforcement, fugitive recovery or the like.

809 10.1.3 "Proceeding"

810 Means any threatened, pending, or completed action or proceeding, whether civil,
811 criminal, administrative, or investigative; and

812 10.1.4 "Expenses"

813 Includes, but not limited to, all reasonable attorneys' fees, court costs, and any other
814 expenses reasonably incurred in the defense of any claims or proceedings against an
815 Agent by reason of his/her position or relationship as an Agent and all attorneys' fees,
816 court costs, and other expenses reasonably incurred in establishing a right to
817 indemnification under this Article X.

818 10.1.5 "Plain English"

819 Should any one part not be understood or applicable because it being contradictive to
820 current Colorado or Federal law, then only that portion is void, and does not invalidate
821 the remaining portion of these Bylaws and those that may remain shall be enforceable.

822 Section 10.2 Successful Defense by Agent

823 To the extent that an Agent of this "Association" has been successful on the merits in
824 the defense of any proceeding referred to in this Article X, or in the defense of any
825 claim, issue, or matter therein, the Agent shall be indemnified against expenses actually
826 and reasonably incurred by the Agent in connection with the claim. If an Agent either
827 settles any such claim or sustains a judgment rendered against him/her, then the
828 provisions of Section 10.3 through Section 10.5 of this Article X of these Bylaws shall
829 determine as to whether or not the Agent is entitled to indemnification.

830 Section 10.3 Actions Brought by Person(s) Other than the "Association"

831 Subject to the required findings to be made pursuant to Section 10.5 of this Article X,
832 below, this "Association" shall indemnify any person who was or is a party, or is
833 threatened to be made a party, to any proceeding by reason of the fact that such person
834 is or was an Agent of this "Association", for all expenses, judgements, fines, fees,
835 settlements, and other amounts as allowed by law or by court order, or other amounts
836 actually and reasonably incurred in connection with the proceeding (defense).
837 Notwithstanding the foregoing, no indemnification shall be permitted under this Section
838 10.3 for any action brought by, or on behalf of this "Association", or by an officer,
839 Director or other person granted relator status by the Attorney General, or by the
840 Attorney General on the ground(s) that the defendant Director was or is engaged in self-
841 dealing within the meaning and understanding of Colorado Nonprofit Corporation
842 Law(s).

843 Section 10.4 Action Brought by or on Behalf of the "Association"

844 10.4.1 Claims Settled Out of Court

845 If any Agent settles or otherwise disposes of a threatened or pending action brought by
846 or on behalf of this "Association", with or without court approval, the Agent shall
847 receive no indemnification for either amounts paid pursuant to the terms of the
848 settlement or other disposition or for any actual expenses reasonably incurred in
849 defense against the proceeding, unless it is settled with the approval of the Attorney
850 General.

851 10.4.2 Claims and Suits Awarded Against Agent

852 This "Association" shall indemnify any person who was or is a party or is threatened to
853 be made a party to any threatened, pending, or completed action brought by or on
854 behalf of this "Association" by reason of the fact that the person is or was an Agent of
855 this "Association", for all expenses actually and reasonably incurred in connection with
856 the defense of that action, provided that both of the following are met;

- 857 (i) The determination of good faith conduct required in Section 10.5 of this
858 Article X of these Bylaws, must be made in the manner provided for in
859 the Section; and
860 (ii) Upon application to the court in which the action was brought must
861 determine that, in view of all of the circumstances of the case, the
862 Agent should be entitled to indemnity for the expenses incurred. If the
863 Agent is found to be so entitled, the court shall determine the
864 appropriate amount of expenses to be reimbursed.

865 Section 10.5 Determination of Agent's Good Faith Conduct

866 The indemnification granted to an Agent in Section 10.3 and Section 10.4 of Article X of
867 these Bylaws, above, is conditioned on the following:

868 10.5.1 Required Standard of Conduct

869 The Agent seeking reimbursement must be found, in the manner provided below, to
870 have acted in good faith, in a manner h/she believed to be in the best interest of this
871 "Association", and with such care, including reasonable inquiry, as an ordinarily prudent
872 person in a like position would use in a similar circumstance(s). The termination of any
873 proceeding by judgement, court order, settlement, conviction, or on a plea of *nolo*
874 *contendere* or its equivalent shall not, of itself, create a presumption that the Agent did
875 not act in good faith or in a manner h/she reasonably believed to be in the best interest
876 of this "Association" or that h/she had reasonable cause to believe that his/her conduct
877 was unlawful. In the case of a criminal proceeding, the Agent must have had no
878 reasonable cause to believe that his/her conduct was unlawful.

879 10.5.2 Manner of Determination of Good Faith Conduct

880 The determination that an Agent did act in a manner complying with Section 10.5.1 of
881 this Article X, above, shall be made by;

- 882 (i) The "Board" by a majority vote of a quorum consisting of Directors who
883 are not a party to the proceeding; or
884 (ii) The court in which the proceeding is or was pending. Such
885 determination may be made on application by this "Association" or the
886 Agent or the attorney or other person rendering defense for or on
887 behalf of the Agent, whether or not the application by the Agent,
888 attorney, or other person is opposed by this "Association".

889 Section 10.6 Limitations

890 No indemnification or advance shall be made under this Article X, except as provided in
891 Sections 10.2 or 10.4.2 of this Article X of these Bylaws, above, in any circumstance(s)
892 when it appears;

- 893 (i) That the indemnification or advance would be inconsistent with a
894 provision of the Article of Incorporation, as amended, or an agreement
895 in effect at the time of the accrual of the alleged cause of action
896 asserted in the proceeding in which the expenses were incurred or
897 other amounts were paid, which prohibit(s) or otherwise limits
898 indemnification; or
899 (ii) That the indemnification would be inconsistent with any condition
900 expressly imposed by a court order in approving a settlement.

901 Section 10.7 Advance of Expenses

902 Expenses incurred in the defense of any proceeding may be advanced by this
903 "Association" before final disposition of the proceeding on receipt of an undertaking by

904 or on behalf of the Agent to repay the amount of the advance unless it is determined
905 ultimately that the Agent is entitled to be indemnified as authorized in the Article X.

906 Section 10.8 Contractual Rights of Non-Directors and Non-Officers

907 Nothing contained in this Article X shall affect any right to indemnification to which
908 persons other than Directors and officers of this "Association", or any subsidiary hereof,
909 may be entitled to by contract or otherwise.

910 Section 10.9 Insurance

911 The "Board" may adopt a resolution authorizing the purchase and maintenance of
912 insurance on behalf of any Agent of this "Association", as defined in this Article X,
913 against any liability asserted against or incurred by any Agent in such capacity or arising
914 out of the Agent's status as such, whether or not this "Association" would have the
915 power to indemnify the Agent against the liability under the provisions of this Article X.
916 The "Association" shall not provide personal injury insurance, automotive insurance
917 (unless is that asset is wholly owned by the "Association"), accidental death and
918 dismemberment insurance, dental insurance, health insurance, burial insurance,
919 homeowner or renter's insurance, or retirement benefits such as 401(k), IRA's, or other
920 interest bearing accounts.

921 **ARTICLE XI**

922 **CORPORATE RECORDS, REPORTS AND SEAL**

923 Section 11.1 Minute Book – Maintenance and Inspection

924 The "Association" shall keep a minute book in written form at its principal office which
925 shall contain a record of all actions by the "Board" or any committee or sub-committee
926 including the time, date and place of each meeting; whether a meeting is regular,
927 special or emergency and, if special or emergency, how called; the manner of giving
928 such notice of each meeting and a copy thereof; the names of those present and
929 attending at each meeting of the "Board" or the executive committee thereof; the
930 minutes of all meetings; any written waivers of notice, consents to the holding of a
931 meeting or approvals of the minutes thereof; all written consents for action without a
932 meeting; all protests concerning lack of adequate notice; and formal dissents from
933 "Board" actions.

934 Section 11.2 Books and Records of Account - Maintenance and Inspection

935 The "Association" shall keep accurate and correct books and records of account to be
936 kept at its principal office. "Accurate and correct books" include, but not limited to:
937 accounts of properties and transactions, "Association" assets, liabilities, accounts
938 receivable, accounts payable, gains, and losses.

939 Section 11.3 Articles of Incorporation and Bylaws - Maintenance and Inspection

940 The "Association" shall keep at its principal office, the original or a copy of its Articles of
941 Incorporation and Bylaws as amended to date.

942 Section 11.4 Annual Report; Statement of Certain Transactions

943 The "Board" shall cause an annual report to be sent to each Director within one
944 hundred twenty (120) days after the close of the "Association's" fiscal year containing
945 the following:

- 946 (i) The assets and liabilities of the "Association" as of the end of that fiscal
947 reporting year;
- 948 (ii) The principal changes in assets and liabilities, including trust funds,
949 during the fiscal reporting year.
- 950 (iii) The revenue or receipts of the "Association", both unrestricted and
951 restricted to particular purposes, for the fiscal reporting year.
- 952 (iv) The expenses or disbursements of the "Association" for both general
953 and restricted purposes during the fiscal reporting year.
- 954 (v) A statement of any transaction:
- 955 a. To which the "Association", its parent, or its subsidiary was a party
956 to;
- 957 b. Which involved more than \$50,000 or which was one of a number
958 of such transactions with the same person involving, in the
959 aggregate, more than \$50,000, and
- 960 c. In which either of the following interested person(s) had a direct or
961 indirect material financial interest (a mere common Directorship is
962 not a financial interest):
- 963 (i) Any Director or officer of this "Association", its parent,
964 or its subsidiary.
- 965 (vi) The statement shall include:
- 966 a. A brief description of the transaction,
967 b. The names of interested person(s) involved,
968 c. Their relationship to the "Association",
969 d. The nature of their interest in the transaction, and;
970 e. When practicable, the amount of that interest, provided that, in the
971 case of a partnership in which such person is a partner, only the
972 interest of the partnership need be stated.
- 973 (vii) A brief description of the amounts and circumstances of any loans,
974 guaranties, indemnifications, or advances aggregating more than
975 \$10,000 paid during the fiscal reporting year to any Director of this
976 "Association" under Article IX of these Bylaws.

977 Section 11.5 Directors' Rights of Inspection

978 Every Director shall have the absolute right, power and authority at any reasonable time
979 to inspect the “Association’s” books, records, documents of every kind, physical
980 properties, and the records of each of its subsidiaries. The inspection may be made in
981 person or by the Director’s agent or attorney. The right of inspection includes the right
982 to copy and make extracts of documents.

983 Section 11.6 Corporate Seal

984 The “Board” may adopt, use, and at will alter, a corporate seal. Such seal shall be kept at
985 the principal office of the “Association”. Failure to affix the seal to corporate
986 instruments; however, shall not affect the validity or veracity of any such instrument(s).

987 **ARTICLE XII**

988 **EXECUTION OF INSTRUMENTS, DEPOSITS AND FUNDS**

989 Section 12.1 Execution of Instruments

990 The “Board”, except as otherwise provided by these Bylaws, may by resolution
991 authorized any officer or agent of this “Association” to enter into any contract or
992 execute and deliver any instrument in the name of and on behalf of the “Association”,
993 and such authority may be general or confined to specific instances. Unless so
994 authorized, no officer, agent, or employee shall have any power or authority to bind the
995 “Association” by any contract or engagement or to pledge its credit or to render it liable
996 monetarily for any purpose or in any amount(s).

997 Section 12.2 Checks and Notes

998 Except as otherwise specifically determined by resolution of the “Board”, or as
999 otherwise required by law, checks, drafts, promissory notes, orders for the payment of
1000 money, and other evidence of indebtedness of the “Association” shall be signed by the
1001 Chief Financial Officer (CFO) – treasurer and countersigned by the President of the
1002 “Association”.

1003 Section 12.3 Deposits

1004 All funds belonging to the “Association” shall be deposited from time to time to the
1005 credit of the “Association” in such banks, trust companies, or other depositories as the
1006 “Board” may elect.

1007 Section 12.4 Gifts/Donations

1008 The “Board” may accept on behalf of the “Association” any contribution(s), gift(s),
1009 bequest(s), donation(s), or devise for the charitable or public purposes of this
1010 “Association”.

1011 **ARTICLE XIII**

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CONSTRUCTION AND DEFINITIONS

Section 13.1 Construction

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the Colorado Nonprofit Public Corporation Law(s) shall govern the construction of these Bylaws. Without limiting the generality of the above, the masculine gender includes feminine and neuter, the singular number includes the plural, the plural number includes the singular, and the term “person” includes both the Corporation “Association” and the natural person.

ARTICLE XIV

AMENDMENTS TO BYLAWS

Section 14.1 Amendment by Directors

The “Board” may adopt, amend, repeal, or ratify Bylaws. Such power is subject to the following limitations:

- (i) The “Board” may not amend Bylaw provisions fixing the authorized number of Directors or establishing procedures for the nomination or appointment of Directors other than by unanimous vote of all Directors
- (ii) This Section may be amended only by unanimous vote by all current serving Directors.

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CERTIFICATE OF SECRETARY

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I certify that I am the duly elected and acting Secretary of the [**COLORADO ASSOCIATION OF**

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PROFESSIONAL SURETIES, INC.], also known as "**CAPS**", a Colorado nonprofit corporation; and that

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these Bylaws, consisting of 30 pages, are the true and correct Bylaws of this Corporation "Association"

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as adopted by the Board of Directors on _____; and that these Bylaws have not been

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amended, modified or altered since that date.

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Executed on _____ day of _____, 20____, Colorado

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Signature of Secretary

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Printed Name