

BYLAWS
OF
AVALON THEATRE FOUNDATION, INC.

ARTICLE I

The principal office of the Corporation shall be located in the County of Mesa.

ARTICLE II

Section 1. Purposes. The Corporation is formed for the transaction of any lawful purpose including but not limited to the following purposes:

(A) To seek, receive and administer donations and grants from federal, state and local governments and from private sources, in order to assist in and influence the restoration and operations of the Avalon Theatre for the benefit of local residents and in meeting purposes of the Corporation.

(B) For charitable, benevolent, civic, social, literary, cultural and educational purposes for the benefit of the local community but no part of the activities of the Corporation shall be devoted to carrying on propaganda or otherwise attempting to influence legislation. The Corporation shall not participate in or intervene in any political campaign on behalf of any candidate for public office.

(C) To represent the interests of local nonprofits and area residents in their utilization of the facility.

Section 2. Powers. The corporation shall have all the powers permitted to corporations under the laws of Colorado exclusively for charitable, benevolent, civic, social, literary, cultural and educational purposes within the meaning of Section 501(c)(3) or Section 170(c)(2) of the Internal Revenue Code of 1986, or any superseding section or sections thereof.

ARTICLE III

Board of Directors

Section 1. General Powers. The business and affairs of the Corporation shall be managed by its board of directors, except or as otherwise provided in the Colorado Nonprofit Corporation Code or the Articles of Incorporation.

Section 2. Number. The number of directors of the Corporation shall be no less than five but not more than eleven.

Section 3. Term of Office. The term of office for a director shall be for a period of three (3) full years from the date of their appointment to the board. No director shall serve more than two consecutive terms. A partial term shall not be counted for this purpose. After one year's absence from the board, a person is again eligible to serve.

Section 4. Vacancies. Any director may resign at any time by giving written notice to the president or to the secretary of the Corporation. Such resignation shall take effect at the time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. A vacancy may be established at the discretion of the board by a given director missing three consecutive regularly scheduled meetings without giving advance notice of extenuating circumstances to a member of the executive committee. Vacancies on the board other than by expiration of term, shall be filled at the recommendation of the executive board and by the majority vote of the board remaining in office, though less than a quorum. The director filling such vacancy shall hold office for the remainder of the term of the vacating director.

Section 5. Removal. Any director may be removed by the board of directors whenever in its judgment the best interests of the Corporation will be served thereby. This requires a decision made by the majority of the entire board, not a simple majority of the quorum present.

Section 6. Regular Meetings. The board of directors will set regular business meetings each month at a day, time and place specified by the current board. At each board meeting, the date, time and place of the next board meeting will be determined and announced and will be recorded in the minutes.

Section 7. Special Board Meetings. Additional special meetings may be called by the president or any two directors, with at least 3 business days' notice.

Section 8. Annual Board Meetings. The annual board meeting will take place within 90 days of the fiscal year end or during the month of January unless otherwise determined by the board.

Section 9. Manner of Acting.

(A) Quorum. A majority of the board (one half of the total number of current board members or more) present immediately before a meeting shall constitute a quorum for the transaction of business at that meeting of the board. No business

shall be acted upon by the board at any meeting at which a quorum is not present.

(B) Majority Vote. Except as otherwise required by law or by the Articles of Incorporation, the act of the majority of the board of directors present at a meeting at which a quorum is present shall be the act of the board.

(C) Hung Board Decisions. On the occasion that the board of directors are unable to make a decision based on a tied number of votes, the president or treasurer in the order of presence shall have the power to swing the vote based on his/her discretion.

(D) Participation. Except as required otherwise by law, the Articles of Incorporation, or these Bylaws, directors may participate in a regular or special meeting through the use of any means of communication by which all directors participating may simultaneously hear each other during the meeting, including in person, internet video meeting or by telephonic conference call.

Section 10. Compensation for Board Service

Directors shall receive no compensation for carrying out their duties as directors. The board may adopt policies providing for reasonable reimbursement of directors for expenses incurred in conjunction with carrying out board responsibilities.

Section 11. Action without meeting.

(A) Any action that would normally be taken at a board of directors' meeting may be taken without a meeting if notice is transmitted in writing to each member of the board and each member of the board by the time stated in the notice:

(a) Votes in writing for such action; or

(b) (I) Votes in writing against such action, abstains in writing from voting, or fails to respond or vote; and

(II) Fails to demand in writing that action not be taken without a meeting.

(B) The notice shall state:

(a) The action to be taken;

(b) The time by which a director must respond; and

(c) That failure to respond by the time stated in the notice will have the same effect as abstaining in writing by the time stated in the notice and failing to

demand in writing by the time stated in the notice that action not be taken without a meeting.

(C) Action is taken under this section only if, at the end of the time stated in the notice transmitted pursuant to subsection (1) of this section:

(a) The affirmative votes in writing for such action received and not revoked pursuant to subsection (5) of this section equal or exceed the minimum number of votes that would be necessary to take such action at a meeting at which all of the current directors were present and voted; and

(b) The Avalon Foundation board has not received a written demand by a director that such action not be taken without a meeting other than a demand that has been revoked pursuant to subsection (5) of this section.

(D) A director's right to demand that action not be taken without a meeting shall be deemed to have been waived unless the Avalon Foundation board receives such demand from the director in writing by the time stated in the notice transmitted pursuant to subsection (1) of this section and such demand has not been revoked pursuant to subsection (5) of this section.

(E) Any director who in writing has voted, abstained, or demanded action not be taken without a meeting pursuant to this section may revoke such vote, abstention, or demand in writing received by the nonprofit corporation by the time stated in the notice transmitted pursuant to subsection (1) of this section.

(F) Unless the notice transmitted pursuant to subsection (1) of this section states a different effective date, action taken pursuant to this section shall be effective at the end of the time stated in the notice transmitted pursuant to subsection (1) of this section.

(G) A writing by a director under this section shall be in a form sufficient to inform the nonprofit corporation of the identity of the director, the vote, abstention, demand, or revocation of the director, and the proposed action to which such vote, abstention, demand, or revocation relates. Unless otherwise provided by the bylaws, all communications under this section may be transmitted or received by the nonprofit corporation by electronically transmitted facsimile, e-mail, or other form of wire or wireless communication. For purposes of this section, communications to the nonprofit corporation are not effective until received.

(H) Action taken pursuant to this section has the same effect as action taken at a meeting of directors and may be described as such in any document.

(I) All writings made pursuant to this section shall be filed with the minutes of the meetings of the board of directors.

ARTICLE IV

Officers

Section 1. General Officers shall be members of the board of directors. The officers of the Corporation shall be president, a vice president, a secretary and a treasurer. The board of directors may appoint such other officers, assistant officers, committees and agents, including a president of the board, assistant secretaries and assistant treasurers, as they may consider necessary, who shall be chosen in such manner and hold their offices for such terms and have such authority and duties as from time to time may be determined by the board of directors.

(A) No one person may hold two offices concurrently.

(B) Duties. In all cases where the duties of any office, agent or employee are not prescribed by the bylaws of the board of directors or operations manual, such officer, agent or employee shall follow the orders and instructions of the president. Operations manual shall be reviewed and updated annually by the board of directors.

Section 2. Election and Term of Office. The officers of the Corporation shall be elected for two (2) year terms by the board of directors at the annual meeting of the board. If the election of officers shall not be held at such meeting, such elections shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first of the following to occur: until his/her successor shall have been duly elected and shall have qualified; or until his/her death; or until he/she resigns; or until he/she shall have been removed and in the manner hereinafter provided. The outgoing officer(s) with signature authority will retain signature authority until the incoming officer(s) assuming that position have executed the necessary documents unless specially rescinded by an appropriate board motion.

Section 3. Removal. Any officer or agent may be removed by the board of directors whenever in its judgment the best interests of the Corporation will be served thereby. This requires a decision made by the majority of the entire board, not a simple majority of the quorum present.

Section 4. Vacancies. A vacancy in any office, however occurring, may be filled by the board for the unexpired portion of the term.

Section 5. President. The president shall, subject to the direction and supervision of the board of directors, be the chief executive officer of the Corporation and shall have general and active control of its affairs and business and general supervision of its officers, agents and employees. The president shall serve as president of the board of directors and of the executive committee.

Section 6. Vice President

In the absence or disability of the board president, the ranking vice-president or vice-president designated by the board of directors shall perform the duties of the board president. When so acting, the vice-president shall have all the powers of and be subject to all the restrictions upon the board president. The vice-president shall have such other powers and perform such other duties prescribed for them by the board of directors or the board president. The vice-president shall normally accede to the office of board president upon the completion of the board president's term of office.

Section 7. The Secretary and Assistant Secretaries. The secretary shall:

- (A) Keep all the minutes of the proceedings of the members, executive committee and the board of directors;
- (B) See that all notices are duly given in accordance with the provisions of these bylaws or as required by law;
- (C) Be custodian of the corporate records and of the seal of the Corporation and affix the seal to all documents when authorized by the board of directors;
- (D) In general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him/her by the president or by the board of directors. Assistant secretaries, if any, shall have the same duties and powers, subject to supervision by the secretary. The secretary and assistant secretaries may be assisted in the performance of their duties by paid or volunteer staff personnel as available.

Section 8. Treasurer and Assistant Treasurers. The treasurer shall be the principal financial officer of the Corporation and shall have the care and custody of all funds, securities, evidences of indebtedness and other personal property of the Corporation and shall deposit the same in accordance with the instructions of the board of directors. He/she shall receive and give receipts and a quittance for money paid in on account of the Corporation, and shall pay out of the funds on

hand all bills and other just debts of the Corporation of whatever nature upon maturity. He/she shall perform all other duties incident to the office of the treasurer, and, upon request of the board shall make such reports to it as may be required at any time. He/she shall, if required by the board give the Corporation a bond in such sums and with such sureties as shall be satisfactory to the board, conditioned upon the faithful performance of his/her duties and for the restoration to the Corporation of all books, papers, vouchers, money and other property of whatever kind in his/her possession or under his/her control belongings to the Corporation. He/she shall have such other powers and perform such other duties as may be from time to time prescribed by the board of directors or the president. The assistant treasurers, if any, shall have the same powers and duties, subject to the supervision of the treasurer. The treasurer and assistant treasurer may be assisted in the performance of their duties by paid or volunteer staff personnel as available.

Section 9. Executive Committee. An executive committee consists of the president, vice president, secretary and treasurer and shall conduct the day to day business and affairs of the Corporation. The executive committee shall have the power to authorize expenditures up to \$1,000. The president of the Corporation shall act as the president of the executive committee. Any member of the executive committee may request that a matter coming before the executive committee be referred to the board.

ARTICLE V

Disbursement of Funds.

The funds of the Corporation shall be deposited in a bank or banks to be selected by the president with board agreement. All financial obligations of the Corporation shall be discharged by check issued by order of the president, signed by the treasurer or the president only in the case the treasurer is unable to sign in a timely manner. The authority to sign checks is exclusively controlled by the board of directors and not subject to delegation without specific formal motion approval of the board of directors. Payments out of corporation funds in excess of \$1000 shall be made as authorized by the board. The treasurer has the full authorization to transfer funds between corporation accounts as necessary.

ARTICLE VI

Indemnification of Officers and Directors.

The corporation shall indemnify current or former directors, officers, employees, fiduciaries and agents of the Corporation to the fullest extent provided in its

Articles of Incorporation, and the provisions of the Colorado Nonprofit Corporation Codes, as amended. The board of directors may authorize and direct the treasurer to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, against any liability asserted against him/her, incurred by him/her or arising out of his/her status as such.

ARTICLE VII

Dissolution.

The board of directors, by a two-thirds vote of the active members, may elect to dissolve the Corporation. Upon dissolution, the board of directors shall, after paying or making provisions for the payment of all of the liabilities of the Corporation, dispose of all the assets of the Corporation exclusively for the purposes of the Corporation to organizations organized exclusively for charitable, educational, religious, or scientific purposes which follow in the intent of the board's mission statement and shall, at the time, qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1986.

Section 1. Waivers of Notice. Whenever notice is required by law, by the certificate of incorporation or by these bylaws, a waiver thereof in writing signed by the director, member or other person entitled to said notice, whether before, at or after the time stated therein, or his/her appearance at such meeting in person shall be equivalent to such notice.

Section 2. The Corporate seal of the Corporation shall be circular in form and shall contain the name of the Corporation and the words "Seal, Colorado." The Corporate seal shall be held by the president, treasurer or secretary as appointed by the board of directors. The president shall ensure the seal is physically present and passed to the subsequent board at the annual meeting.

Section 3. Amendments. The board of directors, by majority vote, shall have power to make, amend and repeal the bylaws of the Corporation at any regular meeting of the board or any special meeting call for that purpose.

Date:

Revised: October 10, 1996

Revised: July 10, 2003

Revised: January 22, 2015

Revised: March 16, 2016