

SOUTHERN COLORADO ROCKETEERS, INC. BYLAWS

ARTICLE 1: PURPOSES

Section 1. IRC Section 501(c)(3) Purposes

This club is organized for one or more of the purposes as specified in Section 501(c)(3) of the Internal Revenue Code.

- A. Advancement of education and science purposes within the meaning of 501(c)(3) of the Internal Revenue Code.
- B. Social Club within the meaning of 501(c)(3) of the Internal Revenue Code.

Section 2. Specific Objectives and Purposes

To maintain an organization open to the general public :

- A. To provide aerospace for low, mid, and high power hobby rocketry.
- B. To provide education and scientific research in the area of rocketry. Including but not limited to lectures, seminars, study groups, model rocket building sessions, public and classroom exhibition launches, exhibits, experiments.

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ARTICLE 2: OFFICERS

Section 1. Designation of Officers

The officers shall be President, Vice President, Secretary, Treasurer, TRA Prefect.

Section 2. Qualifications

A member, that is of the age of majority in the state of Colorado and in good standing with the club, may serve as an officer of this club.

Section 3. Term of Office

All officers will have a one year term, at which time they can step down or run for another term in office.

Section 4. Election Process

Officers shall be elected by a majority vote.

- A. Voting options shall be: Online or Paper Ballot
- B. Following the December meeting each year, nominations for candidates will be accepted through December 31st.
 - a) Candidates can self nominate or accept a nomination from a club member in good standing.
 - b) Each candidate will provide a half page summary of their qualifications and or goals by the first Saturday in January.
- C. Voting
 - a) Online voting will be open the Monday immediately following the first Saturday of January and close the third Friday of January.
 - b) In person paper ballots will be made available at the open of the third Saturday of January launch. In person voting will close no later than 4:00 PM MST on the third Saturday of January.
 - c) Ballots shall be counted and verified by no less than three club members in good standing, none of whom shall be a candidate.
 - d) The candidate with the majority of the votes shall be designated the corresponding officer position.
 - 1) Final results shall be announced by posting on the club website and a club notification email.

Section 5. Resignation

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Any officer may resign with or without cause, at any time, by giving verbal or written notice to the most senior club officer.

Section 6. Vacancies

Any vacancy caused by the death, resignation, or otherwise, of any officer shall be filled by special election within 45 calendar days of vacancy.

Section 7. Duties of President

The President shall:

- A. Chair all meetings.
- B. Supervise the affairs of the club and the activities of the officers.
- C. Maintain the proper FAA Waiver.
- D. Maintain communication between the club and National Association of Rocketry (NAR)
- E. Maintain club website

Section 8. Duties of the Vice President

The Vice President shall:

- A. Assist the President and serve in their stead when they cannot function for any reason.
 - a) While interim President, the Vice President shall have all the powers and responsibilities of the president.
- B. The Vice President may also hold a secondary officer role. (Optional)

Section 9. Duties of Secretary

The Secretary shall:

- A. Maintain a record of minutes of all club meetings.
 - a) Minutes shall include: date, time, place of meeting, whether regular or special, how notice was given of meeting, officers present, number of members present, and all club business discussed.
 - b) Minutes shall be posted to the club website.
- B. Maintain a membership Roster.
 - a) Roster shall include: member name, contact email address, phone number (optional), membership status, and when last payment was received.
 - 1) Roster can be maintained on the club website.
 - 2) Roster will not be sold or provided to any individual or organization outside of the club.
 - 3) Roster will only be used for club business.

Section 10. Duties of Treasurer

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The Treasurer shall:

- A. Have charge and custody of, and be responsible for, all funds and securities of the club, and deposit all such funds in the name of the club in bank account held at:
- B. Be responsible for payment of all bills and invoices associated with maintaining the club.
- C. Make no purchases without approval of the club by quorum vote.

There shall be a backup to the Treasurer on any club account for the purpose of maintaining access to the club funds should the Treasurer be unable to complete club business for any reason. The backup shall be the President.

Section 11. Compensation

All officers shall serve without compensation.

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ARTICLE 3: MEMBERS

Section 1. Determination and Rights of Members

The club shall have only one class of members. No member shall hold more than one membership in the club. All memberships shall have the same rights, privileges, restrictions, and conditions.

Membership includes:

- A. Flying at all club launches (weather permitting).
- B. Launch day fees waived.
- C. Discounted event registration.
- D. Option to attend the monthly member meeting.

Section 2. Admission of Members.

Applicants shall be admitted to membership upon payment of dues.

Section 3. Fees and Dues

Annual dues payable to the club by members shall be set by a majority vote of the members and officers present at any meeting where the issue is motioned and so passed.

Current Dues:

- A. Individual membership \$20.00
- B. Family membership \$25.00
- C. Renewals are due January every year.
- D. Weekend Flying fee is \$5.00

Section 4. Membership Roster

The club shall maintain a membership roster. This roster shall be maintained by the club Secretary as noted in Article 2 of these bylaws. Termination of any membership shall be recorded in the roster, together with the date and reason of termination of membership.

Section 5. Non Liability of Members

A member of this club is not personally liable for the debts, liabilities, or obligations of the club.

Section 6. Termination of Membership

A membership shall terminate upon the occurrence of any of the following events:

- A. The member notifies the President or Secretary of the club personally or by mail.
- B. The member fails to pay membership renewal.

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- B. Upon a determination by the officers that the member has engaged in conduct seriously prejudicial to the interests or purposes of the club.

Any person expelled from the club shall receive a prorated refund of dues already paid for the current dues period. All rights of a member in the club shall cease on termination of membership as herein provided.

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ARTICLE 4: MEETINGS

Section 1. Place of Meetings

Meetings of members shall be held at the Hudson Ranch Launch site unless other arrangements are needed and can be made. Members will be notified by email and by a posting on the club website for each meeting.

Section 2. Date and Time of Meetings

Meetings shall be held on the first Saturday of the month every month at the end of launch operations.

Section 3. Notice of Meetings

Notice stating the place, day, and hour of the meeting and, in the case of a special meeting, the purpose for which the meeting is called, shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting, by email and posting on the club's website.

Section 4. Quorum for Meetings

A quorum shall consist of four of the voting members of the club.

Except as otherwise provided under these bylaws, or provisions of law, no business shall be considered by the members at any meeting at which the required quorum not present, and the only motion which the chair shall entertain at such meeting is a motion to adjourn.

Section 6. Majority Action as Membership Action

Every act or decision done or made by a majority of voting members present in person or by proxy at a duly held meeting at which a quorum is present is the act of the members unless these bylaws or provisions of law require a greater number.

Section 7. Voting Rights

Each member is entitled to one vote on each matter submitted to a vote. Voting at meetings shall be by voice vote. Election of officers, however, shall be by written ballot.

Section 9. Conduct of Meetings

Meetings of members shall be presided over by the president of the club or, in his or her absence, by the vice president of the club or, in the absence of these persons, by a

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chairperson chosen by a majority of the voting members present at the meeting. The secretary of the club shall act as secretary of all meetings of members, provided that, in his or her absence, the presiding officer shall appoint another person to act as secretary of the meeting.

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ARTICLE 5: EXECUTION OF INSTRUMENTS, CONTRACTS, AND FUNDS

Section 1. Execution of Instruments

The officers, except as otherwise provided in these bylaws, may by resolution authorize any officer or agent of the club to enter into any contract or execute and deliver any instrument in the name of and on behalf of the club, and such authority may be general or confined to specific instances. Unless so authorized, no officer shall have any power or authority to bind the club by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

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ARTICLE 6: IRC 501(c)(3) TAX EXEMPTION PROVISIONS

Section 1. Limitations on Activities

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

Notwithstanding any other provisions of these bylaws, this club shall not carry on any activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code.

Section 2. Prohibition Against Private Benefit

No part of the net earnings of this club shall benefit, or be distributable to, its members, directors or trustees, officers, or other private persons, except that the club shall authorize, by majority vote, to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes of this club.

Section 3. Distribution of Assets

Upon the dissolution of this club, its assets remaining after payment, or provision for payment, of all debts and liabilities of this club, shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code or shall be distributed to a 501(c)(3) qualified entity or other nonprofit organization. Such distribution shall be made in accordance with all applicable provisions of the laws of this state.

Section 4. Private Foundation Requirements and Restrictions

In any taxable year of which this club is a private foundation as described in Section 509(a) of the Internal Revenue Code, the club 1) shall distribute its income for said period at such time and manner as not to subject it to tax under Section 4942 of the Internal Revenue Code; 2) shall not engage in any act of self-dealing as defined in Section 4941(d) of the Internal Revenue Code; 3) shall not retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code; 4) shall not make any investments in such manner as to subject the club to tax under Section 4944 of the Internal Revenue Code; and 5) shall not make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code.

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ARTICLE 7: CONFLICT OF INTEREST AND COMPENSATION APPROVAL POLICIES

Section 1. Purpose of Conflict of Interest Policy

The purpose of this conflict of interest policy is to protect this tax-exempt club's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer of the club or any "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations and which might result in a possible "excess benefit transaction" as defined in Section 4958(c)(1)(A) of the Internal Revenue Code and as amplified by Section 53.4958 of the IRS Regulations. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Section 2. Definitions

A. Interested Person. Any principal officer, member of a committee with governing board delegated powers, or any other person who is a "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations, who has a direct or indirect financial interest, as defined below, is an interested person.

B. Financial Interest. A person has financial interest if the person has, directly or indirectly, through business, investment, or family:

1. An ownership or investment interest in any entity with which the club has a transaction or arrangement,
2. A compensation arrangement with the club or with any entity or individual with which the club has a transaction or arrangement, or
3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the club is negotiating a transaction or arrangement.

Compensation includes direct and indirect payment as well as gifts or favors.

A financial interest is not necessarily a conflict of interest. Under Section 3, paragraph B, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Section 3. Conflict of Interest Avoidance Procedures

A. Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

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

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

The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

1. After exercising due diligence, the governing board or committee shall determine whether the club can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
2. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the club's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

D. Violations of the Conflicts of Interest Policy. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate corrective action.

Section 4. Records of Conflict of Interest Proceedings

The minutes of meetings of the governing board and all committees with board delegated powers shall contain:

- A. The name(s) of the person(s) who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- B. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

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Section 5. Compensation Approval Policies

Note: Currently the bylaws state that there is no compensation for officers. These provisions are being included in the unlikely event there is a change which allows for compensation.

A voting member of the governing board who receives compensation, directly or indirectly, from the club for services is precluded from voting on matters pertaining to that member's compensation.

When approving compensation for officers, contractors, and any other compensation contract or arrangement, in addition to complying with the conflict of interest requirements and policies contained in the preceding and following sections of this article as well as the preceding paragraphs of this section of this article, the board or a duly constituted compensation committee of the board shall also comply with the following additional requirements and procedures:

- A. the terms of compensation shall be approved by the board or compensation committee prior to the first payment of compensation,
- B. all members of the board or compensation committee who approve compensation arrangements must not have a conflict of interest with respect to the compensation arrangement as specified in IRS Regulation Section 53.4958-6(c)(iii), which generally requires that each board member or committee member approving a compensation arrangement between this organization and a "disqualified person" (as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations):
 - 1. is not the person who is the subject of the compensation arrangement, or a family member of such person;
 - 2. is not in an employment relationship subject to the direction or control of the person who is the subject of the compensation arrangement
 - 3. does not receive compensation or other payments subject to approval by the person who is the subject of the compensation arrangement
 - 4. has no material financial interest affected by the compensation arrangement; and
 - 5. does not approve a transaction providing economic benefits to the person who is the subject of the compensation arrangement, who in turn has approved or will approve a transaction providing benefits to the board or committee member.
- C. the board or compensation committee shall obtain and rely upon appropriate data as to comparability prior to approving the terms of compensation. Appropriate data may include the following:
 - 1. compensation levels paid by similarly situated organizations, both taxable and tax-exempt, for functionally comparable positions. "Similarly situated" organizations are those of a similar size, purpose, and with similar resources
 - 2. the availability of similar services in the geographic area of this organization

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3. current compensation surveys compiled by independent firms
4. actual written offers from similar institutions competing for the services of the person who is the subject of the compensation arrangement.

As allowed by IRS Regulation 4958-6, if this organization has averaged annual gross receipts (including contributions) for its three prior tax years of less than \$1 million, the board or compensation committee will have obtained and relied upon appropriate data as to comparability if it obtains and relies upon data on compensation paid by three comparable organizations in the same or similar communities for similar services.

- D. the terms of compensation and the basis for approving them shall be recorded in written minutes of the meeting of the board or compensation committee that approved the compensation. Such documentation shall include:
 1. the terms of the compensation arrangement and the date it was approved
 2. the members of the board or compensation committee who were present during debate on the transaction, those who voted on it, and the votes cast by each board or committee member
 3. the comparability data obtained and relied upon and how the data was obtained
 4. If the board or compensation committee determines that reasonable compensation for a specific position in this organization or for providing services under any other compensation arrangement with this organization is higher or lower than the range of comparability data obtained, the board or committee shall record in the minutes of the meeting the basis for its determination.
 5. If the board or committee makes adjustments to comparability data due to geographic area or other specific conditions, these adjustments and the reasons for them shall be recorded in the minutes of the board or committee meeting.
 6. any actions taken with respect to determining if a board or committee member had a conflict of interest with respect to the compensation arrangement, and if so, actions taken to make sure the member with the conflict of interest did not affect or participate in the approval of the transaction.
 7. The minutes of board or committee meetings at which compensation arrangements are approved must be prepared before the later of the date of the next board or committee meeting or 60 days after the final actions of the board or committee are taken with respect to the approval of the compensation arrangements. The minutes must be reviewed and approved by the board and committee as reasonable, accurate, and complete within a reasonable period thereafter, normally prior to or at the next board or committee meeting following final action on the arrangement by the board or committee.

Section 6. Annual Statements

Each officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a. has received a copy of the conflicts of interest policy,

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- b. has read and understands the policy,
- c. has agreed to comply with the policy, and
- d. understands the club is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Section 7. Periodic Reviews

To ensure the club operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's-length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the club's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in benefit, impermissible private benefit, or in an excess benefit transaction.

Section 8. Use of Outside Experts

When conducting the periodic reviews as provided for in Section 7, the club may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

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ARTICLE 8: CONSTRUCTION AND TERMS

If there is any conflict between the provisions of these bylaws and the articles of incorporation of this club, the provisions of the articles of incorporation shall govern.

Should any of the provisions or portions of these bylaws be held unenforceable or invalid for any reason, the remaining provisions and portions of these bylaws shall be unaffected by such holding.

All references in these bylaws to the articles of incorporation shall be to the articles of incorporation, articles of organization, certificate of incorporation, organizational charter, corporate charter, or other founding document of this club, filed with an office of this state and used to establish the legal existence of this club.

All references in these bylaws to a section or sections of the Internal Revenue Code shall be to such sections of the Internal Revenue Code of 1986 as amended from time to time, or to corresponding provisions of any future federal tax code.

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ARTICLE 9: AMENDMENT OF BYLAWS

Subject to the power of the members of this club to adopt, amend, or repeal the bylaws of this club and except as may otherwise be specified under provisions of law, these bylaws may be altered, amended, or repealed, and new bylaws adopted by approval of the officers and members of this club.

ADOPTION OF BYLAWS

We, the undersigned, are officers of this club, and we consent to, and hereby do, adopt the foregoing bylaws as the bylaws of this club.

_____ Date _____
President

_____ Date _____
Vice President

_____ Date _____
Secretary