

**Bylaws  
of  
Chasm Riders Mountain Bike Club, Inc.**

**Article I  
Name and Location**

**Section 1. Name**

The name of the Corporation shall be Chasm Riders Mountain Bike Club, Inc., hereinafter referred to as the "Corporation".

**Section 2. Location**

The principal office of the Corporation is located in Clinton County, State of New York.

**Section 3. Change of Address**

The designation of the county or state of the Corporation's principal office may be changed by amendment of these bylaws. The Board of Directors may change the principal office from one location to another within the named county by noting the changed address and effective date below, and such changes of address shall not be deemed, nor require, an amendment of these bylaws:

New Address: \_\_\_\_\_  
\_\_\_\_\_

Dated: \_\_\_\_\_, 20\_\_

New Address: \_\_\_\_\_  
\_\_\_\_\_

Dated: \_\_\_\_\_, 20\_\_

New Address: \_\_\_\_\_  
\_\_\_\_\_

Dated: \_\_\_\_\_, 20\_\_

## **Article II Purposes**

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

The Corporation is organized exclusively for one or more of the purposes as specified in Section 501(c)(3) of the Internal Revenue Code, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code.

### **Section 2. Specific Objectives and Purposes**

The specific objectives and purposes of the Corporation shall be:

- a. To support the design, development and maintenance of mountain bike trails in Essex and Clinton Counties in New York State.
- b. To support the development of mountain biking activity within Northern New York by:
  1. Organizing and hosting competitive mountain bike events in Clinton and Essex counties in the State of New York.
  2. Organizing group mountain bike rides both locally and outside of the Northern New York area.
  3. Providing educational programs for athletes and parents covering riding skills, training programs, and bicycle maintenance and repair.
  4. Providing direct support to athletes from Clinton or Essex counties in the State of New York participating at national and international mountain bike competitions.

## **Article III Membership**

### **Section 1. Membership**

There shall be a minimum of two (2) classes of membership:

- a. Individual – Any person shall be entitled to membership in the Corporation upon the payment of annual dues and completion of the membership form and Waiver and Release.
- b. Family – Any family consisting of one or two adults in the same household and any additional children, age 18 or under, shall be entitled to membership in the Corporation upon the payment of annual dues and completion of the membership form and Waiver and Release by all family members.

- c. The Board of Directors may establish additional classes (such as “benefactor,” “patron,” “honorary”, etc.) in order to recognize outstanding contributions to the sport or the Corporation.

## **Section 2. Dues**

The annual dues for each membership class shall be established by the Board of Directors from time to time and shall be payable on an April 1 – March 31 membership year. Continued membership is contingent upon being up to date on membership dues.

## **Section 3. Membership Record**

The Corporation shall keep a record of the names and addresses of all members of the Corporation.

## **Section 4. Nonliability of Members**

A member of the Corporation is not, as such, personally liable for the debts, liabilities, or obligations of the Corporation.

## **Section 5. Termination of Membership**

The membership of a member shall terminate upon the occurrence of any of the following events:

- a. Upon his or her notice of such termination delivered to the president or secretary of the Corporation personally or by mail, such membership to terminate upon the date of delivery of the notice or date of deposit in the mail.
- b. After providing the member with reasonable written notice and an opportunity to be heard either orally or in writing, upon a determination by the Board of Directors that the member has engaged in conduct materially and seriously prejudicial to the interests or purposes of the Corporation. Any person expelled from the Corporation shall receive a refund of dues already paid for the current dues period.

All rights of a member in the Corporation shall cease on termination of membership as herein provided.

# **Article IV Board of Directors**

## **Section 1. Number**

The Board of Directors of the Corporation shall consist of not less than three (3) nor more than nine (9) members, including the President, Vice President, Secretary, and Treasurer of the Corporation. Additional Directors may be determined from time to time by a majority of the then current members of the Board of Directors.

## **Section 2. Qualifications**

- a. Directors shall be of the age of majority in this state.
- b. All Directors shall be members of the Corporation.
- c. No two Directors may be related by blood.

## **Section 3. Election and Term of Office**

Directors shall be elected by the membership at the Annual Meeting of the Members of the Corporation. Nominations shall be submitted by the Board of Directors. Nominations from the membership may also be accepted. Each Director shall serve three (3) year terms commencing from the conclusion of the annual meeting of the Board of Directors at which they were elected and ending at the conclusion of the Annual Meeting of the Members of the Corporation in three (3) years.

## **Section 4. Vacancies**

Any vacancy occurring on the Board of Directors by reason of resignation, death or removal of a Board member may be filled for the remainder of the vacant term by a majority vote of the remaining members of the Board of Directors in attendance at a regular or properly warned special meeting of the Board.

## **Section 5. Attendance**

Absent a prior arrangement with the Board, any Director who fails to attend at least 50% of all regularly scheduled Board meetings per calendar year will be asked to step down from the Board.

## **Section 6. Removal**

A director may be removed by an affirmative vote of at least two-thirds (2/3) of the remaining directors for just cause specified by the Board.

## **Section 7. Powers**

The Board of Directors shall have absolute and complete authority to manage and direct the funds, programs and business of the Corporation. It shall have the right and power to make all contracts and agreements on behalf of the Corporation and shall employ and remove all personnel and agents as deemed necessary and proper and shall determine the

compensation and duties of each. The Board of Directors may create and designate such committees as it may deem necessary to facilitate the operations of the Corporation. All committees shall be subordinate and responsible to the Board of Directors.

### **Section 8. Compensation**

No member of the Board of Directors shall be paid for services as such rendered to the Corporation, provided, however, that reasonable expenses of Directors may be paid or reimbursed by the Corporation.

### **Section 9. Nonliability of Directors**

The directors shall not be personally liable for the debts, liabilities, or other obligations of the Corporation.

## **Article V Officers**

### **Section 1. Designation of Officers**

The required officers shall be President, Vice President, Secretary, and Treasurer. Any two or more officers may be held by the same person, except the offices of President and Secretary.

### **Section 2. Qualifications**

- a. All officers shall be of the age of majority in this state.
- b. All officers shall be members of the Corporation.

### **Section 3. Election and Term of Office**

The initial officers of the Corporation shall be nominated and elected by the Board of Directors. The initial appointments for the President and Vice President shall be for three (3) years. The initial appointment of the Treasurer will be for two (2) years, and the initial appointment of the Secretary shall be for one (1) year.

For all subsequent elections, the officers of the Corporation shall be nominated and elected by the Board of Directors at its annual meeting. They shall serve three (3) year terms commencing from the conclusion of the annual meeting of the Board of Directors at which they were elected and ending at the conclusion of the Annual Meeting in three (3) years.

#### **Section 4. Removal and Resignation**

Any officer may be removed, either with or without cause, by an affirmative vote of at least two-thirds (2/3) of the Board of Directors, at any time. Any officer may resign at any time by giving written notice to the Board of Directors or to the President or Secretary of the Corporation. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

#### **Section 5. Vacancies**

Any vacancy caused by the death, resignation, removal, disqualification, or otherwise, of any officer shall be filled by the Board of Directors for the remainder of the vacant term.

#### **Section 6. President**

The President shall be the formal head of the Corporation and shall preside at all meetings of the Corporation and Board of Directors and at the annual membership meeting, the annual Board of Directors meeting and all social and fundraising events of the Corporation. He or she shall sign contracts or agreements of the Corporation when so directed by the Board of Directors. The President shall be an ex-officio member of all committees and shall be the Corporation's primary spokesperson, together with the Executive Director, if applicable, for public relations and fundraising purposes.

#### **Section 7. Vice President**

The Vice President shall, in the absence, disability, resignation, or death of the President, possess all the powers and perform all the duties of the President. The Vice President shall perform such other duties as the President or Board of Directors may designate.

#### **Section 8. Secretary**

The Secretary shall keep or cause to be kept minutes of all meetings of the Board of Directors and of the Corporation and may sign with the President instruments when so authorized by the Board of Directors. The Secretary shall have charge of the seal, if any, the Articles, Bylaws and records of the Corporation. The Secretary shall notify or cause to be notified the Board of Directors and the members of the Corporation of meetings.

#### **Section 9. Treasurer**

The Treasurer shall receive and hold all documents of property or funds of the Corporation and shall, under the direction of the Board of Directors, pay or cause to be paid, all bills and make expenditures and investments. The Treasurer shall present financial reports to the Board of Directors. The Treasurer shall also present a detailed report of receipts and expenditures of the preceding fiscal year at the annual membership meeting, and print an annual financial report to be presented to and accepted by the Board

of Directors at the first regular meeting of the Board of Directors following the end of the fiscal year.

### **Section 10. Compensation**

No officers shall be paid for services as such rendered to the Corporation, provided, however, that reasonable expenses of officers may be paid or reimbursed by the Corporation.

## **Article VI Meetings and Quorum**

### **Section 1. Annual Meeting of the Members of the Corporation**

There shall be an Annual Meeting of the Members of the Corporation in April each year, to be held at such time and at such place as the Board of Directors shall determine.

### **Section 2. Special Meetings of the Members of the Corporation**

A petition signed by 10 % of the membership may call a special Meeting of the Members of the Corporation.

### **Section 2. Voting Rights**

Each member is entitled to one vote on each matter submitted to a vote by the members at the Annual Meeting of the Members of the Corporation. Representation of a member by proxy shall not be permitted unless a majority of the Board of Directors consents to representation by proxy. Voting shall be by voice vote. Election of Directors, however, shall be by written ballot. Unless otherwise specified in these bylaws, a majority vote of those persons actually present at a meeting at which there is a quorum shall prevail on all matters.

### **Section 4. Annual and Regular Meetings of the Board of Directors**

The Board of Directors shall hold an annual meeting in April of each year, which will be the regularly scheduled Board meeting immediately prior to the annual Meeting of the Members of the Corporation, or as otherwise determined by the Board. The Board of Directors shall hold at least four (4) regularly scheduled meetings during the calendar year. The annual meeting of the Board of Directors is open to the general membership, but the Board may go into executive session if necessary or advisable.

### **Section 5. Special Meetings of the Board of Directors**

Special meetings of the Board of Directors may be called by any two directors, which may be written or via email.

### **Section 6. Action Without a Meeting**

Any action by the Board of Directors may be taken without a meeting if all Directors individually consent to the action. Such written consent shall be filed with the minutes of the proceedings of the Board of Directors. Written consent means and shall require either: (a) the Director's original signature; (b) the Director's facsimile or scanned signature, provided that the original of the facsimile or scanned signature is delivered to the Corporation for inclusion in the minutes filed with the corporate records; or (c) the Director's consent via email, provided that the email consent is printed and delivered to the Corporation for inclusion in the minutes filed with the corporate records

### **Section 7. Executive Session**

At any meeting of the Board of Directors, a majority of Board members present may vote to go into closed executive session in order to consider matters of a sensitive or confidential nature

### **Section 8. Notice of Meetings**

Notice of meetings shall state the date, time, and location of meetings and may be provided by mail or email. The following provisions shall govern the giving of notice for meetings of the Board of Directors:

- a. Annual Meetings** - Not less than fourteen (14) days prior to each annual meeting of the Board of Directors.
- b. Regular Meetings** - Not less than ten (10) days prior to each regular meeting of the Board of Directors.
- c. Special Meetings** – Not less than ten (10) days prior to each special meeting of the Board of Directors.

### **Section 9. Quorum for Voting**

- a. Meetings of the Members** - The quorum for any meeting of members, including the Annual Meeting of the Members of the Corporation, shall be members entitled to cast one-tenth (1/10) of the total number of votes entitled to be cast thereat. Unless otherwise specified in these bylaws, a majority vote of those persons actually present at a meeting at which there is a quorum shall prevail on all matters.
- b. Meetings of the Board of Directors** - The presence of a majority of the current Directors shall constitute a quorum. Representation by proxy shall not be permitted unless a majority of the Board consents to representation by proxy. Unless otherwise specified in these bylaws, a majority vote of those persons



actually present at a meeting at which there is a quorum shall prevail on all matters.

### **Section 10. Conduct of Meetings**

- a. Meetings of the Members and Meetings of the Board of Directors shall be presided over by the President, or if, or in his or her absence, by the Vice President of the Corporation, or in the absence of each of these persons, by a chairperson chosen by a majority of the Directors present at the meeting. The Secretary of the Corporation shall act as secretary of all meetings of the board, provided that, in his or her absence, the presiding officer shall appoint another person to act as secretary of the meeting.
- b. Meetings shall be governed by the latest edition of Robert's Rules of Order, insofar as such rules are not inconsistent with or in conflict with the articles of incorporation, these bylaws, or with provisions of law.

### **Section 11. Meeting by Telecommunications Devices**

Any member of the Board of Directors or any member of a committee designated by the Board who is temporarily incapacitated, residing temporarily outside of Essex or Clinton Counties, or is otherwise unable to attend a meeting, may participate in a meeting of the Board or committee by means of a conference telephone or similar telecommunications device by which all persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting

## **Article VII Corporate Staff**

### **Section 1. Executive Director**

The Board of Directors may appoint an Executive Director of the Corporation, with responsibilities and compensation as the Board may determine. The Executive Director shall make such reports at the Board of Directors meetings as shall be required by the President or the Board. The Executive Director shall be an ad-hoc member of all committees.

## **Article VIII Committees**

### **Section 1. Standing Committees**

The following standing committees are hereby established:

- a. Membership Committee
- b. Finance Committee - The purpose of the Finance Committee is to manage the finances and coordinate fundraising efforts in order to meet the financial needs of the Corporation. The Treasurer will serve as the Chairperson of the Committee.
- c. Events Committee
- d. Trails Committee
- e. Marketing Committee

### **Section 2. Additional Committees**

Additional committees and/or ad hoc committees may be established by the Board of Directors to assist in the achievement of the goals of the Corporation with chairpersons appointed by the Board.

### **Section 3. Committee Membership**

The chairperson of each of the standing committees shall be established annually by the Board of Directors, with members of each committee to be chosen by the chairperson. Members of the standing committees need not be members of the Board of Directors, but they must be members of the Corporation. Each standing committee shall take direction from the Board of Directors and shall report periodically to the Board of Directors.

## **Article IX Execution of Instruments, Deposits, and Funds**

### **Section 1. Fiscal Year**

The fiscal year of the Corporation shall be the calendar year.

### **Section 2. Contracts**

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

### **Section 2. Bank Accounts**

A checking account shall be maintained by the Corporation and the Treasurer shall be responsible for maintaining the records of such account. In the discretion of the Board of Directors, other accounts, such as interest-bearing accounts, money market accounts or certificates of deposit may also be set up and maintained by the Treasurer in the name of the Corporation. The President, Treasurer or Executive Director, acting singly, subject to Section 4 below, shall have authority to sign checks and receive funds. Any and all funds received shall be promptly deposited in bank accounts of the Corporation.

### **Section 3. Annual Report**

The Board of Directors may make the fiscal report available to the membership as soon as practical after the end of the fiscal year.

### **Section 4. Limitation of Authority as to Expenditures**

All expenditures shall be made at the discretion of the Treasurer, subject to Board approval, if applicable.

## **Article X Corporate Records, Reports, and Seal**

### **Section 1. Maintenance of Corporate Records**

The Corporation shall keep at its principal office:

- a. Minutes of all meetings of Directors, committees of the board, and meetings of members, indicating the time and place of holding such meetings, whether regular or special, how called, the notice given, and the names of those present and the proceedings thereof;
- b. Adequate and correct books and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains, and losses;
- c. A record of its members, indicating their names and addresses, and the class of membership held by each member and the termination date of any membership;
- d. A copy of the Corporation's articles of incorporation and bylaws as amended to date, which shall be open to inspection by the members.

### **Section 2. Corporate Seal**

The Board of Directors may adopt, use, and at will alter, a corporate seal. Such seal shall be kept at the principal office of the Corporation. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

### **Section 3. Periodic Report**

The board shall cause any annual or periodic report required under law to be prepared and delivered to an office of this state and to the members of the Corporation, to be so prepared and delivered within the time limits set by law.

## **Article XI Safe Sport**

As a condition of membership in the Corporation and a condition for participation in any event sanctioned by the Corporation, each participant (whether or not member of the Corporation), agrees to comply with and be bound by the safe sport rules, policies and procedures of the Corporation and the U.S. Center for SafeSport and to submit, without reservation or condition, to the jurisdiction of the U.S. Center for SafeSport for the resolution of any alleged violations of those rules, policies and procedures, as may be amended from time to time. To the extent any rule of the Corporation is inconsistent with the rules of the U.S. Center for SafeSport, such rule is hereby superseded.

## **Article XII Indemnification of Directors and Officers**

### **Section 1. General**

The Corporation shall, to the extent legally permissible and only to the extent that the status of the Corporation as an Corporation exempt under Section 501(c)(3) of the Internal Revenue Code of 1954, as amended, is not affected thereby, indemnify each of its directors, officers, employees and other agents (including persons who serve at its request as directors, officers, employees or other agents of another Corporation in which it has an interest) against all liabilities and expenses, including amounts paid in satisfaction of judgments, in compromise or as fines and penalties, and counsel fees, reasonably incurred by him or her in connection with the defense or disposition of any action, suit or other proceeding, whether civil or criminal, in which he may be involved or with which he may be threatened, while in office or thereafter, by reason of his being or having been such a director, officer, employee or agent, except with respect to any matter as to which he shall have been adjudicated in any proceeding not to have acted in good faith in the reasonable belief that his or her action was in the best interests of the Corporation; provided, however, that as to any matter disposed of by a compromise payment by such director, officer, employee or agent, pursuant to a consent decree or otherwise, no indemnification either for said payment or for any other expenses shall be provided unless such compromise shall be approved as in the best interests of the Corporation, after notice that it involves such indemnification by a majority of the

disinterested directors then in office, provided that there has been obtained an opinion in writing of independent legal counsel to the effect that such director, officer, employee or agent appears to have acted in good faith in the reasonable belief that his or her action was in the best interests of the Corporation.

## **Section 2. Expenses**

Expenses including counsel fees, reasonably incurred by any such director, officer, employee or agent in connection with the defense or disposition of any such action, suit or other proceeding may be paid from time to time by the Corporation in advance of the final disposition thereof upon receipt of an undertaking by such individual to repay the amounts so paid to the Corporation if he or she shall be adjudicated to be not entitled to indemnification under state law. The right of indemnification hereby provided shall not be exclusive of or affect any other rights to which any director, officer, employee or agent may be entitled. Nothing contained herein shall affect any rights to indemnification to which corporate personnel may be entitled by contract or otherwise under law. As used in this paragraph, the terms "director", "officer", "employee", and "agent" include their respective heirs, executors and administrators, and an "interested" director is one against whom in such capacity the proceedings in question or another proceeding on the same or similar grounds is then pending.

## **Section 3. Insurance**

The corporation may purchase and maintain insurance on behalf of any person who is or was a member, director, officer, employee, or agent against any liability asserted against such person and incurred by such person in any such capacity or arising out of such person's status as such, whether or not the Corporation would have the power or obligation to indemnify such person against such liability under this Article.

# **Article XIII**

## **IRC 501(c)(3) Tax Exemption Provisions**

### **Section 1. Limitations on Activities**

No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation (except as otherwise provided by Section 501(h) of the Internal Revenue Code), and the Corporation 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, the Corporation 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 Inurement**

No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its members, directors or trustees, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes of the Corporation.

## **Section 3. Distribution of Assets**

Upon the dissolution of the Corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of the Corporation, 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 the federal government, or to a state or local government, for a public purpose. 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 in which the Corporation is a private foundation as described in Section 509(a) of the Internal Revenue Code, the Corporation (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 Corporation 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.

# **Article XIV 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 Corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Corporation 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 director, 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 a 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 Corporation has a transaction or arrangement;
  2. A compensation arrangement with the Corporation or with any entity or individual with which the Corporation 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 Corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

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.
- 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.

After exercising due diligence, the governing board or committee shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

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 Corporation'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 disciplinary and corrective action.

#### **Section 4. Records of Board and Board Committee Proceedings**

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

- a. The names of the persons 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.

#### **Section 5. Compensation Approval Policies**

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

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.



No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

When approving compensation for directors, officers and employees, 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;
  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 average 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 (for example, a notation in the records that after a finding of conflict of interest by a member, the member with the conflict of interest was asked to, and did, leave the meeting prior to a discussion of the compensation arrangement and a taking of the votes to approve the arrangement);
  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 director, principal officer, and member of a committee with governing board delegated powers shall annually sign a statement that affirms such person:

- a. has received a copy of the conflicts of interest policy;
- b. has read and understands the policy;
- c. has agreed to comply with the policy; and
- d. understands the Corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

### **Section 7. Periodic Reviews**

To ensure the Corporation 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 Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in inurement, 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 Corporation may, but need not, use outside advisers. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

## **Article XV Amendment of Bylaws**

### **Section 1. Amendment**

These bylaws can only be amended by the action of the Board of Directors at either an Annual Meeting of the Members of the Corporation or a Special Meeting of the Members of the Corporation. The proposed amendment must be presented in writing to the Board

of Directors a minimum of sixty (60) days prior to the meeting in which the amendment is to be considered. Passage requires a two-thirds (2/3) vote of the members present.

## **Section 2. Adoption**

Amendments to the bylaws shall be effective as of the close of the meeting at which they are adopted, unless the proposal specifies that the amendment shall be effective immediately upon passage or at such later date as may be specified in the proposal.

## **Article XVI Construction and Terms**

If there is any conflict between the provisions of these bylaws and the articles of incorporation of the Corporation, 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 the Corporation filed with an office of this state and used to establish the legal existence of the Corporation.

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.

## **ADOPTION OF BYLAWS**

We, the undersigned, are all of the initial directors or incorporators of the Corporation, and we consent to, and hereby do, adopt the foregoing bylaws, consisting of 20 preceding pages, as the bylaws of the Corporation.

ADOPTED AND APPROVED by the Board of Directors on this 6<sup>th</sup> day of May, 2022.

Thomas M Moffett Jr.

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Thomas M. Moffett Jr, President – Chasm Riders Mountain Bike Club, Inc.

Christopher Rose

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ATTEST: Christopher Rose, Secretary – Chasm Riders Mountain Bike Club, Inc.