



Position Description: Governance Committee Member

PURPOSE

The Governance Committee of Pikes Peak PPHFH for Humanity (PPHFH) serves to develop and recommend best-practices in governance for the Board including, but not limited to, recruitment, nomination, and training of new Board members; evaluation/assessment of the Board and planning for continuous quality improvement; updates needed to the bylaws and/or policies concerning functions of the Board.

CHAIR

Martha Johnson
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martha.johnson@usoc.org

STAFF

Kris Medina
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MEMBERS

Members shall be from the PPHFH Board of Directors, the Executive Director or others they choose to invite.

FREQUENCY

The committee meets bi-weekly until initial projects are completed, then 4 times per year.

RESPONSIBILITIES

- Review and recommend updates needed in the bylaws and policies pertaining to function of the Board.
- Review past Board assessment results and devise a plan for future evaluation and Board training based on those results. Make recommendations to the Board concerning Board professional development budget and types of training to be obtained.
- Evaluate the skill sets needed in future recruiting of Board members.
- Create and manage a nominating process for new Board members.
- Create and manage a mentoring process for new Board members.
- Review and update the Board Manual.
- Review and recommend topics for future Board retreats.
- *Chair:* Devise meeting agendas (with staff liaison), chair and conduct Committee meetings, represent the Governance Committee to the full Board.
- *Executive Director/CEO:* Act as expert advisor to the Committee with regard to Habitat accepted practices, historical PPHFH information, and give input regarding PPHFH function.

EXPECTATIONS

- Members shall be expected to commit to at least one two-year term beginning in July.
- Make the appropriate time commitment to attend and participate in meetings, with additional time as required for other preparation and special projects – providing periodic status updates in Committee activities and assignments.
- Be prompt and attend all meetings of the Governance Committee. If it is necessary to be absent (i.e. an unavoidable work situation or illness) the member will inform the committee chair or staff. No more than two unexcused committee meetings within a 12 month period.

QUALIFICATIONS

- Enthusiasm for PPHFH and its story.
- Understanding of the PPHFH mission / philosophy and wishing to promote it. A demonstrated interest in affordable housing issues in El Paso County.
- Familiarity with governance in a nonprofit setting.
- Willingness to help develop PPHFH’s Board in its next stage of growth.



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TRAINING

- BoardSource.org (contact staff for access)
- MyHabitat.org
- Habitat for Humanity Colorado
- Colorado Secretary of State Nonprofit Board Member Course
<https://www.sos.state.co.us/pubs/charities/boardTraining.html>

BENEFITS TO YOU

- Being personally rewarded by assisting in improving the effectiveness and functionality of the PPHFH Board.
- Work with other professionals to ensure El Paso County's low income families have an opportunity to achieve safe, decent and affordable housing.
- Access to PPHFH for Humanity training resources such as HFH Knowledge Center and PPHFHLeads at my.habitat.org.

Pikes Peak Habitat for Humanity

Board of Directors' Assessment

An assessment tool is designed to assist in the developing of information on the “strengths” and the “weaknesses” of an organization. The results of an assessment tool are very effective in the planning of any needed board training and changes that should be considered. It can also reveal the successfulness of fulfilling the purpose and the mission of the organization. The following assessment is divided into two sections:

Section One: Evaluation of an Individual Board Member

Section Two: Evaluation of the Board of Directors as a group.

Section One: Individual Board Member Evaluation

	5 Always	4	3	2	1 Never
1. I enthusiastically support the mission and values of the organization.					
2. I understand the role of the board and my legal and ethical responsibilities as a board member.					
3. I further the mission with my time, skills, and financial support.					
4. I have attended all regular and special board meetings and other events requiring board participation.					
5. I notify someone on the board or staff if I cannot attend a meeting.					
6. If I miss a meeting, I call another board member or a staff member for an update.					
7. I try to be an objective decision maker by considering the impact					

of issues on individuals, on the organization, and the community.					
	5 Always	4	3	2	1 Never
8. I avoid participation in board issues which are self-serving or may be perceived as a conflict of interest.					
9. I read all the materials I receive before the board meeting and come prepared with questions.					
10. I make a yearly financial contribution that is at the highest level within my means.					
11. I can explain to friends and associates why <u>PPHFH</u> is important and why <u>PPHFH</u> needs financial support.					
12. I assist in recruiting new donors and increased giving by current donors who I know personally by calling to ask for contributions, writing personal notes on appeals or invitations, and setting up meetings between philanthropically minded people and PPHFH staff and/or officers					
13. If I chair a committee, I take responsibility for the fulfillment of the committee's assignments.					
14. I understand the difference between the staff's responsibilities and my own as a member of the board.					

Section Two: Board of Directors' Evaluation

Considerations	5 Strongly Agree	4 Agree	3 Unsure	2 Disagree	1 Strongly Disagree
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<p>1. The Board has a full and a common understanding of its responsibilities.</p>					
<p>2. Board members understand the organization's mission, vision, and services/programs.</p>					
<p>3. Structural pattern (board, officers, committees, executives, and staff) is clear as delineated in the bylaws and followed by the board.</p>					
<p>4. There is an adequate number of well-functioning board committees and other work groups.</p>					
<p>5. Board members actively participate in strategic planning and ongoing strategic thinking with the Executive Director.</p>					
<p>6. The Board has adopted, and uses, explicit measures of progress toward identified outcomes as stated in the approved strategic plan.</p>					
<p>7. The Board attends to policy-related decisions which</p>					

effectively guide operational activities of staff.					
8. The Board receives regular reports on finances/budgets, service/program performance, and other important matters.					
9. The Board helps set fundraising goals through the appropriate committee and is actively involved in some aspect of fundraising.					
10. All board members make a personal financial contribution to the organization.					
11. The Board effectively represents the organization to the community with a positive marketing program.					
12. Board meetings facilitate focus and progress on important organizational matters with reporting kept to a minimum.					
13. Board meetings are adequate in length and held at the right time of the day.					

<p>14. The Executive Committee of Board reviews the compensation of the Executive Director based on industry standards.</p>					
<p>15. The Board has approved comprehensive personnel policies which have been reviewed by a qualified professional.</p>					
<p>16. All necessary skills, stakeholders, and diversity are represented on the board.</p>					
<p>17. Board culture encourages and welcomes open discussion, even when members disagree.</p>					
<p>18. The Board has an emergency succession plan for the Executive.</p>					
<p>19. The Board is attentive to building leadership capacity on both board and staff.</p>					
<p>20. The Board with the Executive Director has a packet of materials and an orientation process for new board members.</p>					
<p>21. The Board has a board agreement, a whistleblower policy, and a conflict of</p>					

interest policy and Anti-money laundering policy that all board members must sign and follow.					
22. A strategic process is in place for developing the Board.					
23. The board regularly monitors financial performance and projections.					
24. Board members are sufficiently knowledgeable to ask meaningful questions about finances and financial management.					
25. The Board reviews the audit report and has an opportunity to ask questions of the auditor at an exit conference.					
26. The Board reviews the 990 report before filing.					
27. The Board discussions focus on the organization's future not its past.					
28. Each board member feels involved and interested in the board's work.					

Are there any issues on which you believe the Board should focus its attention in addressing?

Pikes Peak Habitat for Humanity

Board of Directors' Assessment Results

December, 2016

Section One: Assessment as an Individual Board Member results

- The board scored strongest in the following areas;
 - Support of PPHFH as an organization and its mission and values
 - Understanding thier role as a Board member
 - Being objective in decision making
 - Avoids self-interest issues that are self-serving
 - Financially and verbally supports PPHFH in a positive manner
- The board scored average in the following areas:
 - Attended all regular and special meetings and other PPHFH events
 - Reading all materials received before board meetings
 - Understanding differences between staff responsibilities and board members responsibilities.
- The board scored below average in the following areas:
 - Recruiting new donors and increase giving by current donors

Section Two: Assessment of the *Board of Directors as a group* results:

- The board scored strongest in the following areas:
 - All board members make a personal financial contribution
 - The board receives regular reports on financial and budget issues
 - The board culture encourages and welcomes open discussion---even when members disagree.
 - The board has a conflict of interest policy and a whistleblowing policy.
 - The board regularly monitors financial performance.
 - The board has sufficient knowledge to ask meaningful questions about finance.
 - Each board member feels involved and interest in the board's responsibilities.
 - The board understands PPHFH's mission, vision, and programs.
 - The board is actively involved in the strategic planning of the organization.
- The board scored average in following areas:
 - The board has a common understanding of its responsivities but not a full understanding.
 - The board meetings are adequate in length and held at the right time of day.

- The board understands the structural pattern of PPHFH ---board, officers, committees, staff, etc.
- There are an adequate number of well-functioning board committees and other service groups.
- The board attends to policy-related decisions which give guidance to the staff.
- The board has approved comprehensive personal policies which have been reviewed and approved by qualified professionals.
- The board with the executive director has a packet of materials and an orientation process for new board members.
- The board reviews the audit report and has the opportunity to ask questions of the audit at an exit meeting.
- The board reviews the 990 report before filing.
- The board discussion focuses on the future for PPHFH and not the past.
- The board scored below average in the following areas:
 - The board helps set fundraising goals through the appropriate committees.
 - The board has an emergency succession plan for the executive position. ←
 - The board is attentive to building leadership capacity on both the board and staff. ←
 - All necessary skills, stakeholders, and diversities are represented on the board.

The following are some summary statements that were written at the end of some of the assessment forms:

- ✓ “I think our top issue—today and potentially for the next few years—may be to find the next piece of land for Habitat to develop. I know we are pursuing the “repair” program, in lieu of finding land to build new houses—but ideally we can make progress on both fronts.”
- ✓ “I believe the single biggest issue we face is fund raising and bringing onto the board well connected individuals in the Colorado Springs community who can help us raise our public profile and funds. I do not believe our current board has an adequate number of such people and therefore the board is generally limited in its fund raising impact because of the lack of connections.”
- ✓ I think a key 2017-18 fiscal year project is to begin to figure out how to leverage donors and purchasers from the ReStore into additional financial donors or building volunteers. The ReStore appears to be our largest public “advertisement” for PPHFH, but we appear to do little to leverage the contact we make with donors and customers. I think this is a longer term project that requires a lot of research, clearly honed objectives and related action plans, and ongoing monitoring.”

**AMENDED AND RESTATED
BYLAWS
OF
PIKES PEAK HABITAT FOR HUMANITY, INC.**

AMENDED AND RESTATED
BYLAWS
OF
PIKES PEAK HABITAT FOR HUMANITY, INC.

THESE BYLAWS (these "*Bylaws*") are made as of the ___ day of _____, 2018, by the party signing this Agreement on the signature page attached hereto, as the Secretary of Pikes Peak Habitat for Humanity, Inc., a Colorado non-profit corporation (the "*Corporation*").

ARTICLE I
OFFICES

The principal office of the Corporation shall be located at 2802 N. Prospect Street, Colorado Springs, Colorado 80907. The Board of Directors may from time to time designate another location as the principal office. The Corporation may have such other offices, either within or outside Colorado, as the Board of Directors may designate from time to time. The Corporation shall continuously maintain in Colorado a registered agent and a registered office.

ARTICLE II
MEMBERS AND DIRECTORS

Section 1. *Designation.* The Corporation shall be managed by a Board of Directors, who shall each have one (1) vote in the conduct of the affairs of the Corporation. There shall not be any members of the Corporation.

The provisions for the appointment or election of Directors, the term of office thereof, and the provisions for meetings of Directors shall be as hereafter set forth in Article III relating to Directors.

Section 2. *Property Interest of Directors.* No Director of the Corporation shall have any right, title, or interest in or to any real or personal property or other assets of the Corporation during its existence, or upon the dissolution of the Corporation.

Section 3. *Non-Liability for Debts.* The private property of the Directors shall be exempt from execution or other liability for any debts of the Corporation and no Director shall be liable or responsible for the debts or liabilities of the Corporation.

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 as otherwise provided by law or by the Articles of Incorporation.

Section 2. Performance of Duties. A director of the Corporation shall perform his or her duties as a director, including his or her duties as a member of any committee of the Board of Directors upon which he or she may serve, in good faith, in a manner he or she reasonably believes to be in the best interests of the Corporation, and with such care as an ordinarily prudent person in a like position would use under similar circumstances. In performing his or her duties, a director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by persons and groups listed in paragraphs i, ii and iii of this Section 2; but he or she shall not be considered to be acting in good faith if he or she has knowledge concerning the matter in question that would cause such reliance to be unwarranted. A person who so performs his or her duties shall not have any liability by reason of being or having been a director of the Corporation. Those persons and groups on whose information, opinions, reports, and statements a director is entitled to rely are:

- (i) One or more officers or employees of the Corporation whom the director reasonably believes to be reliable and competent in the matters presented;
- (ii) Counsel, public accountants, or other persons as to matters which the director reasonably believes to be within such persons' professional or expert competence; or
- (iii) A committee of the Board of Directors upon which he or she does not serve, which committee the director reasonably believes merits confidence.

Section 3. Number, Election, Tenure; Qualifications; Removal.

(i) *Number.* The number of directors of the Corporation shall be fixed from time to time by the Board of Directors, provided that the number of directors shall not be less than [one (1) nor more than eighteen (18)]. Within the limits above specified, the number of directors shall be determined by resolution of the Board of Directors.

(ii) *Election.* Directors shall be elected by the affirmative vote of a majority of the directors at each annual meeting of the Board of Directors.

(iii) *Tenure.* Each director shall serve for a term of two (2) years until his or her successor shall be elected, shall qualify and shall commence his or her term; or until such director's earlier resignation, removal, death or incapacity. Each director's term shall commence on the July 1 following the annual meeting of the Board of Directors at which he or she is elected. No director shall serve more than three (3) consecutive two (2)-year terms. A director who has served three (3) consecutive two (2)-year terms may not be elected again to serve as a director until not less than one (1) year has passed since the end of the third such term.

(iv) *Qualifications.* Directors need not be residents of the State of Colorado. No director shall be a paid staff member of the Corporation or of any organization receiving financial support from the Corporation. Additionally, each director shall:

- (a) Have a commitment to the mission and goals of the Corporation;

Commented [ISPP1]: The former Bylaws set a lower limit of 12, but we recommend giving the Board more flexibility with respect to size.

The former Bylaws also required an amendment to the Bylaws to change the size of the Board. Since there will no longer be members, Board resolutions and amendments require the same level of votes, and Board resolutions are administratively simpler, so we recommend allowing changes by resolution.

Commented [ISPP2]: This provision is adapted from the former Bylaws. It is significantly more complicated than we usually see for nonprofit entities. Please let us know if you would like to discuss simplifying it.

(b) Be willing to sign the covenant of support for the purposes and objectives of Habitat for Humanity;

(c) Be willing and able to contribute financially to the Corporation;

(d) Be willing to commit the time and effort necessary to achieve the mission and goals of the Corporation; and

(e) Be eighteen (18) years of age or older at the time of his or her election.

(v) *Removal.* Directors shall be removable in the manner provided by the Colorado Revised Nonprofit Corporation Act.

Section 4. Regular Meetings. The annual meeting of the Board of Directors shall be held at during the last quarter of each fiscal year of the Corporation or at such other time as the Board of Directors may determine, for the purpose of electing directors and officers and the transaction of such other business as may come before the meeting. The Board of Directors may provide, by resolution, the time and place for the holding of additional regular meetings without other notice than such resolution.

Section 5. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the president or any two (2) directors. If there are two or fewer directors, any director may call a special meeting of the Board of Directors. The person or persons authorized to call special meetings of the Board of Directors may fix the place for holding any special meeting of the Board of Directors called by them.

Section 6. Notice. Reasonable notice of any special meeting (which need not in any event exceed two (2) days) shall be given by mail, e-mail, telecopy, or telephone to each director at his or her last known business or residence address. If mailed, such notice is effective at the earliest of: (i) the date received; or (ii) five days after mailing. If notice is given by e-mail, such notice shall be deemed to be given when the e-mail is shown as delivered to the receiving party. If notice is given by telecopy, such notice shall be deemed given when sent if the sending telecopier receives automatic notice the telecopy has been received, otherwise such notice shall be deemed given when received by the receiving telecopier. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the meeting because it is not lawfully called or convened. Except as required by law, the purpose of any regular or special meeting of the Board of Directors need not be specified in the notice of such meeting.

Section 7. Quorum and Manner of Acting. A majority of the number of directors fixed in accordance with Section 3 of this Article III shall constitute a quorum of the Board of Directors and, except as otherwise required by law or by the Articles of Incorporation, the act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. If less than a quorum is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice. Voting by proxy shall not be allowed.

Section 8. *Presumption of Assent.* A director of the Corporation who is present at a meeting of the Board of Directors when action is taken is deemed to have assented to all action taken at the meeting unless his or her dissent as to a specific action shall be entered in the minutes of the meeting or unless he or she shall file his or her written dissent as to a specific action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the secretary of the Corporation within five (5) days after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

Section 9. *Committees.*

(i) *Formation.* The Board of Directors shall, by resolution adopted by a majority of the number of directors fixed in accordance with Section 3 of this Article III, designate from among its members the following committees: (a) Executive Committee, (b) Resource Development Committee, (c) Finance Committee, (d) Family Selection & Services Committee, (e) Construction Committee, (f) Faith Relations Committee, (g) Governance Committee, and (h) ReStore Committee. The standing committees set forth in the foregoing sentence shall have the composition, powers and duties set forth in Article IV, below. The Board of Directors may, by resolution adopted by a majority of the number of directors fixed in accordance with Section 3 of this Article III, designate from among its members one or more other committees. The president shall be an ex-officio member of all committees. Each committee shall report directly to the Board of Directors and shall receive direction from the Board of Directors.

(ii) *Authority.* Each committee may, to the extent provided in the resolution of the Board of Directors and except as may be limited by statute, exercise all of the authority of the Board of Directors. Such delegation of authority shall not relieve the Board of Directors or any member thereof from any responsibility imposed by law.

(iii) *Meetings; Notice.* Regular meetings of any such committee may be held without notice at such times and places as the committee may fix from time to time by resolution. Special meetings of any such committee may be called by any member thereof upon not less than one day's notice stating the place, date and hour of the meeting, such notice may be given by mail, e-mail, telecopy, or telephone to each director.

Section 10. *Meetings by Telecommunication.* Any director may participate in a regular or special meeting by, or the Board of Directors or any committee may conduct the meeting through the use of, any means of communication by which all directors participating may hear each other during the meeting; provided that each director participating by such means is positively identified. A director participating in a meeting by such means shall be deemed to be present in person at the meeting.

Section 11. *Informal Action by Directors.* Any action required or permitted to be taken at a meeting of the Board of Directors or any committee thereof may be taken without a meeting if a consent in writing, or counterparts thereof, setting forth the action so taken, shall be signed by a majority of the directors, or a majority of the committee members, entitled to vote with respect to the subject matter thereof. Email mail constitute written consent. Such written

consent shall be inserted in the minutes of the Board of Directors or committee as if it were the minutes of a Board of Directors or committee meeting. Prompt notice of the taking of an action without a meeting by less than unanimous written consent shall be given to those directors who have not consented in writing.

Section 12. Resignation and Vacancies. Any director may resign at any time by giving written notice to the president or secretary of the Corporation. Such resignation shall take effect when the notice is received by the Corporation unless the notice specifies a later effective date; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. If a vacancy occurs in the Board of Directors, the remaining directors, even if less than a majority, may elect a successor director. Any directorship to be filled by reason of an increase in the number of directors shall be filled by the affirmative vote of a majority of the directors then in office at a regular meeting or at a special meeting called for that purpose. A director chosen to fill a vacancy or a newly created directorship shall hold office until his or her successor is elected, qualified and commences his or her term; or until such director's earlier death, incapacity, resignation or removal.

Section 13. Compensation. Each director shall serve without compensation; provided, however that the Board of Directors may authorize the Corporation to reimburse a director for expenses actually incurred by the director in the performance of his or her duties as a director.

Section 14. Duties of Directors. Each director is expected to perform the following duties to the best of his or her ability:

- (i) Regularly attend and participate in meetings of the Board of Directors and in an annual retreat;
- (ii) Provide support to the staff of the Corporation in the execution of their duties;
- (iii) Be an emissary of the Corporation in the community;
- (iv) Regularly participate in fundraising activities and events of the Corporation; and
- (v) Perform or provide support to tasks as from time to time may be requested by the president.

ARTICLE IV STANDING COMMITTEES

Section 1. Executive Committee. The executive committee of the Corporation will be comprised of the president, vice president, secretary, and treasurer and up to three (3) additional directors elected by a majority of all the directors then in office. The president, or the president's designee shall serve as the chairperson of the executive committee and shall preside at all of its meetings. Except to the extent prohibited or limited by resolution of the Board of Directors, the executive committee may exercise the authority of the Board of Directors at such times as the Board is not in session and/or when rapid action is deemed essential. The executive

committee shall coordinate activities of the Corporation and focus issues for action by the Board of Directors. In addition, the executive committee shall perform the functions described below:

(i) *Human Resources Functions.* In performing this function, the executive committee shall oversee the implementation and administration of policies and procedures relating to volunteers and employees of the Corporation.

(ii) *Strategic and Long-Range Planning Functions.* In performing this function, the executive committee shall: (i) coordinate the strategic and long-range planning activities of the Corporation; and, (ii) monitor and evaluate the performance of the Corporation with respect to the achievement of its mission, purposes, and goals.

Section 2. *Resource Development Committee.* This committee works with the Corporation's staff to plan and conduct activities/events to raise funds and solicit contributions and donations for the Corporation. This committee will create fundraising strategies and work with the Corporation's staff to publicize events.

Section 3. *Finance Committee.* This committee coordinates the financial activities of the Corporation. It maintains the financial records, handles donor contributions and pledges, and oversees the mortgage origination and servicing processes. This committee is responsible for preparing a yearly budget for the Corporation and recommends and provides oversight of financial policies, generates financial reports, and works with the Resource Development Committee and ReStore Committee to secure funds. The treasurer is the chairperson of this committee.

Section 4. *Family Selection & Services Committee.* This committee drafts family selection criteria for Board of Directors approval, develops application and other related forms, holds public meetings to inform applicants about the selection process and qualifications, evaluates applicants, and recommends families to the Board of Directors for approval as prospective homeowners. This committee also provides a communication link between the Corporation and homeowners. It provides help to new homeowners with the process of becoming a homeowner, budgeting, construction choices, media interviews, keeping track of sweat equity hours, and the fundamentals of homeownership.

Section 5. *Construction Committee.* This committee supports planning and scheduling the actual construction/rehabilitation of homes. It oversees the development of lots and the building of each home and coordinates donations of time and materials.

Section 6. *Faith Relations Committee.* This committee provides a communication and action link between the Corporation and covenant and faith institutions. It fosters and maintains the relationships with existing faith partners and it constantly seeks out new faith relationships and provides help to them with becoming a partner in the mission of the Corporation.

Section 7. *Governance Committee.* This committee shall manage overall Board of Directors development. Its responsibilities include determining the priorities for Board of

Directors composition, being responsible for identifying and recruiting prospective directors of the Corporation and presenting a slate of nominees for election as directors at the annual meeting. Committee responsibilities also include organizing orientation for new board members, organizing ongoing education for the entire Board of Directors, and overseeing Board of Directors evaluation activities. This committee shall also present a slate of nominees for election as officers of the Corporation.

Section 8. ReStore Committee. This committee coordinates the finances and operations of the Pikes Peak Habitat ReStore in partnership with the Finance Committee. This committee is responsible for developing a yearly ReStore budget for inclusion in the Corporation's overall budget, a strategic plan, and ReStore operations policies and procedures and presenting these to the Board of Directors for ratification as required.

ARTICLE V OFFICERS

Section 1. Officers. The officers of the Corporation shall be a president, a vice president, a secretary, and a treasurer. The officers shall be natural persons twenty-one years of age or older. Any two or more offices may be held by the same person. These officers shall be elected annually at the annual meeting of the Board of Directors. Each officer shall hold office until the first of the following to occur: the time at which his or her successor shall have been duly elected and shall have qualified; his or her death or incapacity; or the time at which his or her resignation or removal is effective. Unless otherwise determined by the Board of Directors, officers of the Corporation shall serve without compensation.

Section 2. Resignation, Removal and Vacancies. An officer may resign at any time by giving written notice of resignation to the Corporation. The resignation is effective when the notice is received by the Corporation unless the notice specifies a later effective date. Any officer may be removed by the Board of Directors, or by the executive committee, or by another officer if so specified in these Bylaws or by the Board of Directors, whenever in his, her or its judgment the best interests of the Corporation will be served thereby.

Section 3. President. Subject to the control of the Board of Directors, the president shall supervise and control the management of the Corporation in accordance with these bylaws. The president may sign, with the secretary, or any other proper officer of the Corporation so authorized by the Board of Directors, any deeds, leases, mortgages, bonds, contracts, or other instruments which lawfully may be executed on behalf of the Corporation, except where signing thereof expressly shall be delegated by the Board of Directors to some other officer or agent of the Corporation, or where required by law to be otherwise signed. The president shall serve as the chairperson of the Board of Directors and shall preside at all meetings of the Board of Directors. The president shall, in general, perform all duties incident to the office of president and such other duties as may be prescribed from time to time by the Board of Directors.

Section 4. Vice President. In the absence of the president, or in the event of the death, inability or refusal to act of the president, the vice president, unless otherwise determined by the Board of Directors, shall perform the duties of the president and, when so acting, shall have all the powers of and be subject to all the restrictions upon the president. The vice

Commented [ISPP3]: These provisions come from the former Bylaws. Much of this is more detailed than we usually see in Bylaws. Please let us know if you would like to simplify it or move it to policies or Board resolutions instead of the Bylaws..

president shall also serve as the vice chairperson of the Board of Directors and, in the absence of the president, shall preside at all meetings of the Board of Directors. The vice president shall perform such other duties as may be assigned from time to time by the president or the Board of Directors.

Section 5. Secretary. The secretary shall (i) prepare and maintain as permanent records the minutes of the proceedings of the Board of Directors, a record of all actions taken by the Board of Directors without a meeting, a record of all actions taken by a committee of the Board of Directors in place of the Board of Directors on behalf of the Corporation, and a record of all waivers of notice of meetings of the Board of Directors or any committee thereof and (ii) in general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned by the president or the Board of Directors. The Board of Directors and any committee may designate a person other than the secretary or an assistant secretary to keep the minutes of their respective meetings.

Section 6. Treasurer. The treasurer shall (i) have custody of, and when proper may pay out, disburse or otherwise dispose of, all funds and securities of the Corporation which may have come into his or her hands; (ii) receive and give receipts for moneys due and payable to the Corporation, and deposit all such moneys in the name of the Corporation in such banks, trust companies or other depositories as shall be selected by the Board of Directors; (iii) enter or cause to be entered regularly in the books of the Corporation kept for that purpose full and accurate accounts of all moneys received or paid or otherwise disposed of by him or her; and (iv) in general perform all duties incident to the office of treasurer and such other duties as may be assigned to him or her from time to time by the Board of Directors or the president.

Section 7. Additional Officers. The Corporation shall have such other officers, including, but not limited to, one or more additional vice-presidents, assistant treasurers, and assistant secretaries, as the Board of Directors may from time to time deem advisable. Unless otherwise specified by the Board of Directors, all such officers shall be elected and shall hold office in accordance with Section 1 of this Article V. Such officers shall perform all the duties normally incident to their offices and shall perform such other duties as may be assigned from time to time by the Board of Directors or the president.

ARTICLE VI CHECKS AND DEPOSITS

Section 1. Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by the executive director of the Corporation or such officer or officers, agent or agents or the Corporation as shall from time to time be determined by resolution of the Board of Directors, in each case, in such manner as shall be determined by resolution of the Board of Directors.

Section 2. Deposits. All funds of the Corporation not otherwise employed may be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select.

ARTICLE VI INDEMNIFICATION

Section 4. *Directors and Officers.* The Corporation shall indemnify directors and officers of the Corporation in their capacities as directors and officers pursuant to the procedures set forth in, and to the fullest extent authorized by, Colorado law as the same exists or may hereafter be amended. The right to indemnification provided herein shall be a contract right and shall include the right to be paid by the Corporation in accordance with Colorado law for expenses incurred in advance of any proceeding's final disposition.

Section 5. *Insurance.* The Corporation may purchase and maintain insurance for itself and on behalf of any person who is or was a director or officer of the Corporation or who, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee, fiduciary, or agent of another foreign or domestic corporation or of any partnership, joint venture, trust, other enterprise, other person, or employee benefit plan against any liability asserted against or incurred by him or her in any such capacity or arising from his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability.

Section 6. *Non-Exclusivity of Rights.* The foregoing rights of indemnification and insurance shall not be exclusive of, or in any manner limit, other rights to which any director or officer may be entitled as a matter of law, or to the extent not prohibited by law, by a contract approved by the Board of Directors.

ARTICLE VII MISCELLANEOUS

Section 1. *Waiver of Notice.* Whenever notice is required by law, by the Articles of Incorporation or by these Bylaws, a waiver thereof in writing signed by the person or persons entitled to said notice, whether before, at or after the time stated therein, shall be deemed the equivalent of giving such notice.

Section 2. *Seal.* The corporate seal of the Corporation shall be in such form as the Board of Directors shall prescribe. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

Section 3. *Fiscal Year.* The fiscal year of the Corporation shall begin on the first day of July and end on the last day of the next June, unless otherwise determined by resolution of the Board of Directors.

Section 4. *Amendments.* The Bylaws may be altered, amended or repealed by the vote of two-thirds (2/3) of the Board of Directors at any regular meeting of the Board of Directors or at any special meeting called for this purpose.

Section 5. *Transfer of Corporation Property.* Any sale or transfer of any real or personal property standing in the name of the Corporation shall be valid only after the approval of the Board of Directors.

Section 6. Financial Reports. The books of the Corporation shall be closed at the end of each fiscal year and financial statements shall be prepared and submitted to the Board of Directors. At the discretion of the Board of Directors, the Corporation may engage an independent certified public accountant to audit or review the financial statements.

Section 7. No Loans to or Guarantees for Directors. The Corporation may not lend money to or guarantee the obligation of a director or officer of the Corporation, but the fact that a loan or guarantee is made in violation of this section does not affect the borrower's liability on the loan.

Section 8. Corporate Books and Records. Pursuant to the Colorado Nonprofit Corporation Act, the books and records of the Corporation shall be kept in such place as is designated by the Board of Directors.

Section 9. Audit. An audit of the records of the Board of Directors shall be performed not less often than once every two (2) years.

Section 10. Parliamentary Authority. The latest edition of *Robert's Rules of Order* shall serve as the basis for governing the meetings of the Board of Directors and any committee thereof.

Section 11. Dissolution. In the event of the dissolution of the Corporation, the Board of Directors shall, after paying or making provision for the payment of all liabilities of the Corporation, dispose of all of the assets of the Corporation directly to Habitat for Humanity, Inc.; provided, however that, if, at the time of such dissolution, Habitat for Humanity, Inc. (i) does not exist, (ii) is not an organization qualified as exempt under section 501(c)(3) of the Internal Revenue Code of 1986, as amended, (the "*Code*"), contributions to which are deductible under section 170(c)(2) of the Code, or (iii) has, in the determination of the Board of Directors significantly deviated from its mission as construed as of the date these Bylaws were adopted, then all assets remaining after paying or making provision for the payment of all liabilities of the Corporation shall be conveyed or distributed only to an organization or organizations created and operated for nonprofit purposes similar to those of the Corporation and qualified as exempt under section 501(c)(3) of the Code, contributions to which are deductible under section 170(c)(2) of the Code, which organization shall be designated by the Board of Directors of the Corporation consistent with the purposes of the Corporation.

Commented [ISPP4]: These provisions come from the former Bylaws. Much of this is more detailed than we usually see in Bylaws. Please let us know if you would like to simplify them or move them to policies or resolutions instead of the Bylaws.

Additionally, the provisions of Section 5 are potentially contradictory with the powers of the President in Article V, Section 4.

CERTIFICATE

I hereby certify that the foregoing Bylaws, consisting of fifteen (15) pages, including this page, constitute the Amended and Restated Bylaws of Pikes Peak Habitat for Humanity, Inc., adopted by the Corporation as of the _____ day of _____, 2018.

_____, Secretary

ATTACHMENT TO
AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF

PIKES PEAK HABITAT FOR HUMANITY, INC.

Pursuant to § 7-122-102 and part 3 of Article 90, Title 7, Colorado Revised Statutes (C.R.S.), this attachment to the Amended and Restated Articles of Incorporation is delivered to the Colorado Secretary of State for filing.

1. The name of the corporation is Pikes Peak Habitat for Humanity, Inc. (the "*Corporation*").

2. The street and mailing address of the principal office of the Corporation is 2802 N. Prospect Street, Colorado Springs, Colorado 80907.

3. The registered agent of the Corporation is Kristina J. Medina. The street and mailing address of the registered agent of the Corporation is 2802 N. Prospect Street, Colorado Springs, Colorado 80907. The person appointed as registered agent of the Corporation in these Amended and Restated Articles of Incorporation has consented to being so appointed.

4. The Corporation's period of duration is perpetual.

5. The purpose for which the Corporation is organized is to engage in any lawful activity to promote the welfare of low-income persons who have inadequate housing by making low-cost housing available to such persons. In order to accomplish this purpose, the Corporation shall be permitted to do any or all of the following:

(a) To implement the gospel of Jesus Christ, by working with economically disadvantaged people without regard to or consideration for any individual's gender, sex, pregnancy, race, color, national origin, ancestry, creed, religion, age, physical or mental disability, genetic information, marital status, sexual orientation, transgender status, military status, or any other basis protected by federal, state or local law, to help them create a better human habitat in which to live and work;

(b) To witness the gospel of Jesus Christ through loving acts and the spoken and written word;

(c) To build or rehabilitate low-cost housing and sell such housing on a no-profit basis;

(d) To cooperate with other benevolent and charitable organizations to develop better habitats for economically disadvantaged people;

(e) To engage in fund-raising and social ventures to accomplish the foregoing purposes; and

(f) To do everything necessary, proper, advisable, or convenient for the accomplishment of the foregoing purposes, and to do all other things incidental to them or connected with them that are not forbidden by law, or by these Articles of Incorporation.

6. In furtherance of its lawful purposes the Corporation shall have and may exercise all of the rights, powers and privileges now or hereafter exercisable by corporations organized under the laws of Colorado. In addition, it may do everything necessary, suitable, convenient or proper for the accomplishment of any of its corporate purposes.

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

8. The number of directors of the Corporation shall be fixed by the Bylaws, or if the Bylaws fail to fix such number, then by resolution adopted from time-to-time by the Board of Directors.

9. No director of the Corporation shall be liable to the Corporation for monetary damages for breach of fiduciary duty as a director, except that this provision shall not eliminate or limit the liability of a director to the Corporation for monetary damages for (i) any breach of the director's duty of loyalty to the Corporation (ii) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) acts specified in C.R.S. § 7-128-403, or (iv) any transaction from which the director derived an improper personal benefit. Nothing contained herein shall be construed to deprive any director of his or her right to all defenses ordinarily available to a director nor shall anything herein be construed to deprive any director of any right he or she may have to contribution from any other director or other person, nor shall this provision increase the liability of any director beyond that otherwise existing from time to time.

10. The Corporation may indemnify any director, officer, employee, fiduciary or agent of the Corporation as permitted by law or as provided in the Bylaws of the Corporation.

11. In the event of the dissolution of the Corporation or the winding up of its affairs, the Corporation's property shall not be conveyed to any organization created or operated for profit or to any individual for less than the fair market value of such property, and all assets remaining after the payment of the Corporation's debts shall be conveyed or distributed only to an organization or organizations created and operated for nonprofit purposes similar to those of the Corporation and qualified as exempt under section 501(c)(3) of the Code, contributions to which are deductible under section 170(c)(2) of the Code. The organization(s) to receive such property and conditions imposed on the use thereof shall be designated by the Board of Directors of the

Corporation consistent with the purposes of the Corporation.

12. The Corporation shall not have any voting members.

13. The name and address of the individual causing this document to be delivered for filing is Eric R. Benson, Esq., Ireland, Stapleton, Pryor & Pascoe, P.C., 717 17th Street, Suite 2800, Denver, Colorado 80202.

Eric R. Benson [via irelandstapleton.onmicrosoft.com](mailto:via@irelandstapleton.onmicrosoft.com)

May 22 (7 days ago)

to Kris, me, Russell, Martha

Hi Kris,

Please see my responses below in red. Revised drafts are attached.

Best,
Eric

From: Kris Medina [mailto:kris@pikespeakhabitat.org]

Sent: Tuesday, May 22, 2018 3:57 PM

To: Eric R. Benson <EBenson@irelandstapleton.com>; Linda Stahnke <linda@pikespeakhabitat.org>

Cc: Russell W. Kemp <RKemp@irelandstapleton.com>; Martha Johnson <Martha.Johnson@usoc.org>

Subject: RE: e-introduction

Eric,

Thank you for tackling this so quickly. I have copied Martha Johnson, board chair for the Governance Committee as we will be meeting next week and the bylaw topic is on the top of the agenda.

A couple of comments regarding the Articles. Maybe I am not understanding correctly, but shouldn't the Articles state the same as the Bylaws that in case of the affiliate's dissolution, all assets/liabilities should go to HFHI? **There is no requirement that the Articles and Bylaws have the same language. As long as the Bylaws don't allow anything outside the scope of what is permitted by the Articles, differences between them are not a problem. Bylaws are easier to change, so they are typically more detailed. If the details change it is easier to modify the Bylaws accordingly than it would be to modify the Articles to accommodate the changes. In this case, the general requirements of both documents are the same (delivering assets to a nonprofit with a similar purpose); the Bylaws just give more detail about the specific fulfillment of the requirements. If you want, we can make the language match, but it is not necessary. Also, I recommend keeping the alternative language, just in case something completely unexpected happens to HFHI. Also, shouldn't this be "forbidden" and not "forbitten"? You are correct. Sorry about the typo.**

To do everything necessary, proper, advisable, or convenient for the accomplishment of the foregoing purposes, and to do all other things incidental to them or connected with them that are not **forbitten** by law, or by these Articles of Incorporation.

Bummer that we can't get this changed without members voting on June 4. Darn. Yes, please provide some verbiage regarding presenting the upcoming change and an additional "special meeting" to occur. However, the bylaws do permit amendments to occur without a "special meeting" if I am interpreting this clause correctly. **Section 4. Amendments.** The Bylaws may be altered, amended or repealed by the vote of two-thirds (2/3) of the Board of Directors at any regular meeting of the Board of Directors or at any special meeting called for this purpose. **You are correct that the Bylaws can be amended by the Board (please note that the language you quoted was from**

the draft Bylaws and not the Bylaws that are currently in effect, but the current Bylaws also provide for amendment of the Bylaws by a 2/3 vote of the Board). However, any changes to the Bylaws that deviate from the current Articles cannot be effective until the Articles are changed, and since PPHFH currently has members, a vote of the members is required to change the Articles. Therefore, I felt that it doesn't make sense to change the Bylaws without simultaneously changing the Articles. I can put together some talking points and a draft notice of a special meeting.

We (Executive, Governance Committee and I) would prefer NOT to have "classes" of board members. It makes it quite difficult to recruit and keep a full board when having to recruit a significant number of potential vacant positions. That sounds good; I changed the draft according.

Let's have the commitment letter as part of policy and not bylaws. Ok, I removed it from the draft. Please note that in the draft I sent earlier today I included some recommended revisions to the commitment letter. I can send those to you in a separate document if you would like.

To the best of my knowledge, the annual meeting has historically been held in June; however, I like the flexibility of stating the 4th quarter of the fiscal year in case of unforeseen issues. That sounds fine.

Why would we NOT want voting by proxy to be allowed? Allowing voting by proxy makes it easier for directors to skip meetings and have other directors vote on their behalf. If a director knows he or she has to be present for his vote to count, it creates more of an incentive for them to attend meetings. We like to encourage directors to try to participate by phone if they can't be present in person. That being said, if prohibiting proxies creates difficulties getting votes, it's fine to allow them.

I would like to see the committees be broken into 2 groups; 1 that is supporting the board's decision-making governance responsibilities and not overseeing staff work; 1 that is supporting staff duties.

Committees that directly support the board's work would be: executive; governance; finance (& audit); and the current program committees (currently these are Family Selection & Support; ReStore; Construction; Faith Relations and the Resource Development Committees). Though not to be determined in this amended bylaws exercise, I propose that PPHFH has grown beyond needing grass roots support committees and no longer needs ReStore, Family Selection & Support or Building Committee being board governance committees and moved to staff supporting program committees. I would appreciate your comments regarding this. If you think that there is no longer a need for such committees, or that they should be restructured, then I think it is fine to eliminate or restructure them; reducing the number of committee meetings could make service on the Board more appealing.

I would also support the reduction of verbiage/committee duties in Article IV. As PPHFH grows into governance and then hopefully into a fundraising board, we have the qualified staff to perform the daily operations that the committees are currently decreed to oversee. Any input you can provide on this is welcomed and can discuss with the governance committee which is meeting next week. (Given the bylaw changes won't be happening at the June 4 meeting, the more we can get in front of Governance now and get the changes made in one future annual meeting would be desirable.) I think that makes sense. As I mentioned above, I think reducing Board members' committee duties would be appreciated by the Board members. And having dedicated staff address the issues should promote efficiency and consistency. I think it would make sense to have a call to discuss some of these issues in more detail. I will hold off on making any changes to this part of the Bylaws until after that call.

Article V

Currently “executive director” is listed as an officer. This title is currently used for the ED/CEO of the affiliate, so I suggest this specific title be removed as, to my knowledge, I do not believe the ED position has been approved annually by vote. **Ok, I removed it. We should discuss at some point what processes are used for selecting the ED and determining the ED’s duties and powers.**

Article VIII

Number 5 – I would prefer this be through resolution or policy instead of stated in the bylaws. This will take some board education by governance committee to explain why better via resolution or policies than in bylaws. **I removed it from the Bylaws. Off the top of my head, the biggest reason to move this is to give more flexibility and make day to day operations easier.**