

## Bylaws of the Bicycle Collective

### ARTICLE 1 - PURPOSES

The corporation is organized exclusively for charitable, religious, educational, and/or scientific purposes, including, for such purposes, making distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1986, or the corresponding section of any future federal tax code (the "Code"). Without limiting the foregoing, the corporation is organized to:

- (1) operate as owner or lessee or in other capacity bicycle shop facilities for the benefit of the bicycling community;
- (2) provide comprehensive and affordable bicycling resources and services, including knowledgeable staff trained in bicycle mechanics, bicycle repair stands and tools for community use, and bicycle safety and maintenance information and classes;
- (3) provide employment and training in bicycle mechanics for at-risk youth .
- (4) receive, repair, and refurbish donated bicycles for distribution to the community at no or low cost;
- (5) promote bicycling as safe, fun, healthy, effective, and pollution-free transportation;
- (6) promote bicycling as an integral part of livable and sustainable communities; and
- (7) accomplish the foregoing purposes consistent with the corporation continuing to be classified as an organization described in Section 501(c)(3) of the Code.

### ARTICLE 2 - OFFICES OF THE CORPORATION

The principal office of the Corporation is located at 2312 S West Temple Street, Salt Lake City, UT 84115-2623. The Board of Directors (Board) may change the principal office. The Board may designate other offices, either within or without the State of Utah.

The registered office of the Corporation in the State of Utah is at 2312 S West Temple Street, Salt Lake City, UT 84115-2623, and the Board may change the address of the registered office.

### ARTICLE 3- MEMBERS

Section 3.1. Membership and Benefits. Employees are members of the Corporation. Any person may become a member of the Corporation by donating money, products, or time to the Corporation in an amount established by the Board. The Board will establish the benefits of membership. Free public services will remain free, even if included as a benefit of membership.

Section 3.2. Annual Meeting of Members. An annual meeting of members will be held in October on a date established by the Board.

## ARTICLE 4 - BOARD OF DIRECTORS

### Section 4.1. General Powers.

The Board of Directors has all powers, privileges and rights of a governing board under the Utah Nonprofit Corporation Act, and has final authority to establish and resolve all matters of policy.

### Section 4.2. Number, Qualification, and Term of Directors.

(a) The Board has 12 directors elected by the members, one director from each of the Ogden, Provo, Salt Lake City, and St George shops elected by the employees and core volunteers of the respective shops, and up to 4 directors selected by the Board based on the changing needs of the organization. A director must be a natural person 18 years of age or older. A director representing a shop must be a core volunteer of the shop. The term of office is 3 years. No person may serve as a director for more than 3 consecutive terms and the remainder of a predecessor's term. The term of office of directors will be staggered to balance the number of terms ending in the same year.

(b) A director elected by the members must be a member of the Corporation. Board directors are selected across 3 categories to ensure a diverse composition of leaders.

#### (b)(1) Community Leaders (4)

May include any members of the community with a devotion to the mission of the Bicycle Collective.

#### (b)(2) Industry Leaders (4)

May include anyone with proven experience in professional fields directly related to the Bicycle Collective's operations.

#### (b)(3) Professional Leaders (4)

May include anyone with proven experience in professional fields that are complimentary in nature to the Bicycle Collective's mission.

### Section 4.3. Election of Directors.

Directors elected by the members are elected by majority vote cast at or before the annual meeting of the members. Directors elected by the employees and core volunteers of the respective shops are elected by majority vote cast at or before the annual meeting of the members. Directors may be re-elected, but only upon a showing that the director has met the duties and responsibilities of office in an exemplary manner. Directors elected by the members take office at the first Board meeting after the election.

### Section 4.4. Selection of Directors by the Board.

The Board may identify organizations, interests, or skills to be represented on the Board and select a person from that organization, interest, or skill to serve as a director.

The Board will seek to balance its membership across three areas of expertise: volunteers; industry knowledge; and professional background.

Section 4.5. Resignation or Removal of Directors.

A director may resign by giving written notice to the Chair of the Board. A director may be removed from office, with or without cause, by resolution of the Board at a meeting expressly called for that purpose.

Section 4.6. Vacancies.

If a director elected by the members, employees, or volunteers does not complete his or her term of office, the Board will conduct a special election of a director to complete the term of office.

Section 4.7. Compensation.

By resolution the Board may direct the Corporation to pay directors a fixed sum and any expenses for attending meetings of the Board. Paying a director for attending meetings does preclude the director from receiving compensation for serving the Corporation in any other capacity; provided that each service and the compensation for the service is approved by the Board.

Section 4.8. Chair.

The Board will elect one director as Chair. The term of the Chair is one year or a longer period designated by the Board. The Chair:

- (a) presides at meetings of the Board
- (b) reports on the condition of the business of the Corporation at the annual meeting of the Board;
- (c) supervises the development of the Board's professionalism, including recruitment, training, formation of committees, and recognition of service;
- (d) supervises the Executive Director; and
- (e) performs other duties that are incident to the position, are required by law or these Bylaws, or are specified by the Board.

Section 4.9. Vice Chair.

The Board will elect two directors as Vice Chairs. The Vice Chairs have the same powers as the Chair, but may not exercise those powers unless acting under the delegation or direction of the Chair, or in the absence, incapacity, or recusal of the Chair.

Section 4.10. Secretary.

The Board will elect one of the directors as Secretary. The Secretary:

- (a) keeps the minutes of the Board of Directors' meetings;

- (b) notifies directors of meetings;
- (c) keeps the records of the Corporation; and
- (d) performs all duties incident to the office of Secretary and other duties assigned by the Board.

Section 4.11. Treasurer.

The Board will elect one of the directors as Treasurer. The Treasurer:

- (a) keeps all corporate funds and securities;
- (b) keeps a full and accurate account of all receipts and disbursements;
- (c) deposits all moneys, securities, and other valuable effects in the name of the Corporation in depositories designated for that purpose by the Board;
- (e) disburses funds of the Corporation as ordered by the Board, taking proper vouchers for the disbursements;
- (f) renders to the directors an account of all of the transactions of the Treasurer and of the financial condition of the Corporation;
- (g) performs all duties incident to the office of Treasurer and other duties assigned by the Board; and
- (h) if required by the Board, delivers to the Executive Director and keep in force a bond in form, amount, and with a surety or sureties satisfactory to the Board, conditioned upon the faithful performance of the duties of the office and for restoration to the Corporation of all books, papers, vouchers, money, and property of whatever kind in the possession or under the control of the Treasurer which belong to the Corporation.

Section 4.12. Assistant Secretary and Assistant Treasurer.

The Board may elect an Assistant Secretary or Assistant Treasurer, who will perform the duties and exercise the powers of the Secretary or Treasurer in the absence, incapacity, or recusal of the Secretary or Treasurer.

Section 4.13. Multiple Offices.

No person may simultaneously hold more than one office of the Board.

Section 4.14. Standards of Conduct.

A director must discharge his or her duties:

- (a) in good faith;
- (b) with the care an ordinarily prudent person in a like position would exercise under similar circumstances;
- (c) with loyalty to the Corporation; and

(d) in a manner the director reasonably believes to be in the best interest of the Corporation.

Section 4.15. Transition to New Board.

The Board by lottery will be divided into 3 groups of 4. Unless a director has served the maximum number of terms, the directors elected by the members who have met the duties and responsibilities of office in an exemplary manner:

- (a) in Group 1 will be subject to election at the annual meeting in 2017;
- (b) in Group 2 will be subject to election at the annual meeting in 2018; and
- (c) in Group 3 will be subject to election at the annual meeting in 2019.

ARTICLE 5 - BOARD MEETINGS

Section 5.1. Meetings.

The first Board meeting after the election of directors at the annual meeting of members is the annual meeting. The Board will establish its meeting schedule for the following 12-month period at the annual meeting. Unless waived, the agenda for a meeting must be delivered to each director at least 5 days before the meeting. Meetings are open to all persons unless closed to discuss:

- (a) a personnel matter;
- (b) litigation;
- (c) contract negotiation; or
- (d) the sale, purchase, exchange or lease of real property.

Section 5.2. Voting.

Each director present at a meeting has one vote on any matter. The act of a majority of the directors present at a meeting at which a quorum is present is the act of the Board.

Section 5.3. Quorum.

A majority of the directors present at a meeting is a quorum. A director may be present by any means of communication that allows all persons present to hear one another.

ARTICLE – 6 – EXECUTIVE DIRECTOR

Section 6.1. Appointment and Authority. The Board will appoint an Executive Director, who is the chief executive officer of the Corporation. The Executive Director manages the day-to-day business affairs of the Corporation, including:

- (a) hiring, training, supervising, and disciplining personnel; and

(b) executing contracts on behalf of the Corporation.

Section 6.2. Resignation or Removal.

The Executive Director may resign by giving written notice to the Chair of the Board. The Executive Director may be removed, with or without cause, by resolution of the Board at a meeting expressly called for that purpose.

Section 6.3. Authority of the Chair of the Board.

If the position of Executive Director is vacant, or if the Executive Director does not act due to absence, incapacity, or recusal, or if the Board has removed the Executive Director's authority, the Chair of the Board will exercise the Executive Director's authority.

Section 6.4. Standard of Conduct.

The Executive Director will discharge his or her duties:

(a) in good faith;

(d) with the care an ordinarily prudent person in a like position would exercise under similar circumstances;

(c) with loyalty to the Corporation; and

(d) in a manner the Executive Director reasonably believes to be in the best interest of the Corporation.

ARTICLE 7 - COMMITTEES

Section 7.1. Executive Committee.

The Executive Committee is composed of the Chair of the Board, who serves as chair of the committee, and the Vice Chairs, Secretary, and Treasurer. Three committee members constitute a quorum. The Executive Committee will:

(a) propose potential officer and committee nominees to the Board;

(b) formulate the agenda of Board meetings;

(c) propose and review policies of the Corporation under the direction of the Board;

(d) call special meetings of the Board as needed;

(e) act on any matter expressly delegated to it by the Board; and

(f) act on behalf of the Board between meetings of the Board.

Section 7.2. Fundraising Committee.

The Board may appoint a Fundraising Committee to propose plans for raising money from contributions and to identify sources of contributions. At least one member must be a director.

Section 7.3. Audit Committee.

The Board may appoint an Audit Committee composed solely of persons (at least one of whom must be a director) who are independent of the officers of the Corporation and free from any relationships that, in the opinion of the Board, would interfere with the independent judgment of the committee member. The Audit Committee will:

- (a) assist the Board in fulfilling its responsibilities for the Corporation's accounting and financial reporting practices;
- (b) provide a channel of communication between the Board and the Corporation's independent auditors; and
- (c) have other powers and perform other duties assigned by the Board.

Section 7.4 Election Committee.

The Board may appoint an Elections Committee to develop, publish, and administer procedures to ensure the timely election of directors. At least one member must be a director.

Section 7.5 Other Committees.

The Board may appoint other standing and ad hoc committees. At least one member of any committee must be a director.

Section 7.6 Term of Committees.

The term of Committee members is one year, after which they may be reappointed.

ARTICLE 8 - EXECUTION OF INSTRUMENTS

Section 8.1. Checks, Drafts, etc.

All checks, drafts and orders for payment of money, and notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, or agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 8.2. Deposits.

All Funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositaries as the Board of Directors may select.

Section 8.3. Contracts.

The Board of Directors may authorize any officer or officers, or agent or agents, 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.

Section 8.4. Conflicts of Interest.

The Directors and Officers of the Corporation shall have no undisclosed economic interest in the process of securing contracts. No bid or contract may be awarded to (i) a director or officer of this Corporation, (ii) any entity which such person owns, directly or indirectly or through relatives, more than thirty-five percent (35%) of the voting interest thereof, (iii) any entity of which such person is a director or officer, or has a financial interest, or (iv) a relative of such person, meaning his or her spouse, ancestor, brother, sister, children, grandchildren or the spouses of brothers, sisters, children or grandchildren, unless such relationship has been disclosed to the Board and the Board or committee thereof in good faith authorizes the award by the affirmative vote of a majority of the disinterested directors, even though the disinterested directors are less than a quorum.

ARTICLE 9 - POWER OF THE BOARD TO BORROW MONEY

The Board of Directors shall have full power and authority to borrow money whenever in the discretion of the Board the exercise of such power is required in the general interests of this Corporation, and in such case the Board may authorize the proper officers of this Corporation to make, execute and deliver in the name of and in behalf of this Corporation such notes, bonds and other evidences of indebtedness as the Board shall deem proper, and the Board shall have full power to mortgage the property of this Corporation, or any part thereof, as security for such indebtedness, and no further action shall be requisite to the validity of any such note, bond, evidence of indebtedness or mortgage.

ARTICLE 10 - INDEMNIFICATION

Section 10.1. Indemnification.

(a) To the extent allowed by the Articles of Incorporation and law, the Corporation shall indemnify against reasonable expenses incurred in the proceeding, any director or officer who was successful on the merits in any proceeding or matter in the proceeding, to which the director was a party by reason of having served as a director or officer of the Corporation.

(b) The Corporation may indemnify an individual made a party to a proceeding because the individual is or was a director, officer, employee, fiduciary or agent of the Corporation or of any at the request of the Corporation or by reason of any reason of any action alleged to have been taken, omitted or neglected as such director, officer, employee, fiduciary or agent against reasonable expenses incurred in connection with the proceeding, if:

(b)(1) the individual's conduct was in good faith;

(b)(2) the individual reasonably believed that the individual's conduct was in the corporation's best interests; and

(b)(3) in the case of any criminal proceeding, the individual had no reasonable cause to believe the individual's conduct was unlawful.

(c) The Corporation shall not indemnify a director (of officer, employee, fiduciary, or agent) in connection with a proceeding in which the director was adjudged liable to the Corporation, or in connection with any other proceeding charging that the director derived an improper personal benefit, whether or not involving action in the director's official capacity, in which proceeding the director was adjudged liable on the basis that the director derived an improper personal benefit.

#### Section 10.2. Advances of Costs and Expenses.

The Corporation may pay for reasonable expenses incurred by a director, officer, employee or agent (in defending a civil or criminal action, suit or proceeding) who is a party to a proceeding in advance of final disposition of the proceeding if:

(1) the director furnishes the Corporation a written affirmation of the director's good faith belief that the director has met the applicable standard of conduct described above in Section 4.13.

(2) the director furnishes the Corporation a written undertaking, executed personally or on the director's behalf, to repay the advance, if it is ultimately determined that the director did not meet the standard of conduct; and

(3) a determination is made that the facts then known to those making the determination would not preclude indemnification.

#### Section 10.3. Notice to Board of Directors of Indemnification of Director.

If the Corporation indemnifies or advances expenses to a director in connection with a proceeding by or in the right of the Corporation, the Corporation shall give written notice of the indemnification or advance to the Board of Directors with or before the notice of the next voting meeting.

#### Section 10.4. Insurance.

The Board may, at its discretion, purchase and maintain insurance on behalf of the directors, officers, employees and agents, and former directors, officers, employees and agents, against any liability or settlement based upon asserted liability incurred by them by reason of being or having been directors, officers, employees or agents of the Corporation, whether or not the Corporation would have the power to indemnify them against such liability or settlement under the provisions of applicable law.

#### Section 10.5. Personal Liabilities of Directors and Officers.

No director or officer of the Corporation shall be personally liable to the Corporation for civil claims arising from acts or omissions made in the performance of his or her duties as a director or officer, unless the director or officer has breached or failed to

perform his or her duties and the breach of failure to perform constitutes willful misconduct or intentional infliction of harm on the Corporation.

#### ARTICLE 11 - LIMITATIONS

##### Section 11.1. Prohibition Against Sharing in Corporate Earnings.

No director, officer or employee of or person connected with the Corporation, or any other private individual shall receive at any time any of the net earnings or pecuniary profit from the operations of the Corporation, provided that this shall not prevent the payment to any such person of such reasonable compensation for services rendered to or for the Corporation in effecting any of its purposes as shall be fixed by the Board of Directors; and no such person or persons shall be entitled to share in the distribution of any of the corporate assets upon the dissolution of the Corporation. All directors of the Corporation shall be deemed to have expressly consented and agreed that upon such dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, the assets of the Corporation, after all debts have been satisfied, then remaining in the hands of the Board of Directors shall be distributed, transferred, conveyed, delivered, and paid over, in such amounts as the Board of Directors may determine or as may be determined by a court of competent jurisdiction upon application of the Board of Directors, exclusive to charitable, religious, scientific, literary, or educational organizations which would then qualify under the provisions of Section 501(c)(3) of the Internal Revenue Code of 1986 the regulations promulgated thereunder as they now exist or as they may hereafter be amended.

##### Section 11.2. Investments.

The Corporation shall have the right to retain all or any part of any securities or property acquired by it in whatever manner, and to invest and reinvest any funds held by it, according to the judgment of the Board of Directors, without being restricted to the class of investments which a nonprofit corporation is or may hereafter be permitted by law to make, or any similar restriction, provided, however, that no action shall be taken by or on behalf of the Corporation if such action is a prohibited transaction or would result in the denial of the tax exemption under Sections 502 or 503 or any other Section of the Internal Revenue Code of 1986 and the Regulations promulgated thereunder as they now exist or as they may hereafter be amended.

##### Section 11.3. Exempt Activities.

Notwithstanding any other provision of these bylaws, no director, officer, employee, or representative of this Corporation shall take any action or carry on any activity by or on behalf of the Corporation not permitted to be taken or carried on by an organization exempt under Section 501(c)(3) of the Internal Revenue Code of 1986 and the Regulations promulgated thereunder as they now exist or as they may hereafter be amended, or by an organization contributions to which are deductible under Section

170(c)(2) of such Code and Regulations as they now exist or as they may hereafter be amended.

ARTICLE 12 - AMENDMENT OF BYLAWS

These bylaws may be amended, altered, changed, added to or repealed by an affirmative vote of two-thirds of the directors of the Board.

SECRETARY'S CERTIFICATE

I, the undersigned, being the Secretary of the Board of the Bicycle Collective, Inc., certify the foregoing to be the bylaws of the corporation, as adopted by a vote of the Board of Directors on March 28, 2018.

Timothy M. Shea

Secretary