

Colorado Revised Statutes
TITLE 7, CORPORATIONS AND ASSOCIATIONS
Nonprofit Corporations

ARTICLE 136, RECORDS, INFORMATION, AND REPORTS

Cross references: For definitions applicable to this article, see §§ 7-90-102 and 7-121-401.

Law reviews: For article, "Public Disclosure of Records: Changes to Come", see 27 Colo. Law. 41 (February 1998).

Section

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7-136-101. Corporate records.

(1) A nonprofit corporation shall keep as permanent records minutes of all meetings of its members and board of directors, a record of all actions taken by the members or 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 nonprofit corporation, and a record of all waivers of notices of meetings of members and of the board of directors or any committee of the board of directors.

(2) A nonprofit corporation shall maintain appropriate accounting records.

(3) A nonprofit corporation or its agent shall maintain a record of its members in a form that permits preparation of a list of the name and address of all members in alphabetical order, by class, showing the number of votes each member is entitled to vote.

(4) A nonprofit corporation shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

(5) A nonprofit corporation shall keep a copy of each of the following records at its principal office:

- (a) Its articles of incorporation;
- (b) Its bylaws;
- (c) Resolutions adopted by its board of directors relating to the characteristics, qualifications, rights, limitations, and obligations of members or any class or category of members;
- (d) The minutes of all members' meetings, and records of all action taken by members without a meeting, for the past three years;
- (e) All written communications within the past three years to members generally as members;
- (f) A list of the names and business or home addresses of its current directors and officers;
- (g) A copy of its most recent annual report pursuant to part 5 of article 90 of this title; and
- (h) All financial statements prepared for periods ending during the last three years that a member could have requested under section 7-136-106.

Source: L. 97: Entire article added, p. 742, § 3, effective July 1, 1998. L. 2000: (5)(g) amended, p. 987, § 98, effective July 1. L. 2003: (5)(g) amended, p. 2350, § 333, effective July 1, 2004.

ANNOTATION

Am. Jur.2d. See 18A Am. Jur.2d, Corporations, §§ 278-284.
C.J.S. See 18 C.J.S., Corporations, § 110.

7-136-102. Inspection of corporate records by members.

(1) A member is entitled to inspect and copy, during regular business hours at the nonprofit corporation's principal office, any of the records of the nonprofit corporation described in section 7-136-101 (5) if the member gives the nonprofit corporation written demand at least five business days before the date on which the member wishes to inspect and copy such records.

(2) Pursuant to subsection (5) of this section, a member is entitled to inspect and copy, during regular business hours at a reasonable location stated by the nonprofit corporation, any of the other records of the nonprofit corporation if the member meets the requirements of subsection (3) of this section and gives the nonprofit corporation written demand at least five business days before the date on which the member wishes to inspect and copy such records.

(3) A member may inspect and copy the records described in subsection (2) of this section only if:

- (a) The member has been a member for at least three months immediately preceding the demand to inspect or copy or is a member holding at least five percent of the voting power as of the date the demand is made;
- (b) The demand is made in good faith and for a proper purpose;
- (c) The member describes with reasonable particularity the purpose and the records the member desires to inspect; and
- (d) The records are directly connected with the described purpose.

(4) For purposes of this section:

- (a) "Member" includes a beneficial owner whose membership interest is held in a voting trust and any other beneficial owner of a membership interest who establishes beneficial ownership.
- (b) "Proper purpose" means a purpose reasonably related to the demanding member's interest as a member.

(5) The right of inspection granted by this section may not be abolished or limited by the articles of incorporation or bylaws.

(6) This section does not affect:

- (a) The right of a member to inspect records under section 7-127-201;
- (b) The right of a member to inspect records to the same extent as any other litigant if the member is in litigation with the nonprofit corporation; or
- (c) The power of a court, independent of articles 121 to 137 of this title, to compel the production of corporate records for examination.

Source: L. 97: Entire article added, p. 743, § 3, effective July 1, 1998. L. 2003: (2) amended, p. 2351, § 334, effective July 1, 2004.

ANNOTATION

Expelled member has no standing to inspect the financial records of the nonprofit corporation. *Levitt v. Calvary Temple of Denver*, 33 P.3d 1227 (Colo. App. 2001).

7-136-103. Scope of member's inspection right.

(1) A member's agent or attorney has the same inspection and copying rights as the member.

(2) The right to copy records under section 7-136-102 includes, if reasonable, the right to receive copies made by photographic, xerographic, electronic, or other means.

(3) Except as provided in section 7-136-106, the nonprofit corporation may impose a reasonable charge, covering the costs of labor and material, for copies of any documents provided to the member. The charge may not exceed the estimated cost of production and reproduction of the records.

(4) The nonprofit corporation may comply with a member's demand to inspect the record of members under section 7-136-102 (2) (c) by furnishing to the member a

list of members that complies with section 7-136-101 (3) and was compiled no earlier than the date of the member's demand.

Source: L. 97: Entire article added, p. 744, § 3, effective July 1, 1998.

7-136-104. Court-ordered inspection of corporate records.

(1) If a nonprofit corporation refuses to allow a member, or the member's agent or attorney, who complies with section 7-136-102 (1) to inspect or copy any records that the member is entitled to inspect or copy by said section, the district court for the county in this state in which the street address of the nonprofit corporation's principal office is located or, if the nonprofit corporation has no principal office in this state, the district court for the county in which the street address of its registered agent is located or, if the nonprofit corporation has no registered agent, the district court for the city and county of Denver may, on application of the member, summarily order the inspection or copying of the records demanded at the nonprofit corporation's expense.

(2) If a nonprofit corporation refuses to allow a member, or the member's agent or attorney, who complies with section 7-136-102 (2) and (3) to inspect or copy any records that the member is entitled to inspect or copy pursuant to section 7-136-102 (2) and (3) within a reasonable time following the member's demand, the district court for the county in this state in which the street address of the nonprofit corporation's principal office is located or, if the nonprofit corporation has no principal office in this state, the district court for the county in which the street address of its registered agent is located or, if the nonprofit corporation has no registered agent, the district court for the city and county of Denver may, on application of the member, summarily order the inspection or copying of the records demanded.

(3) If a court orders inspection or copying of the records demanded, unless the nonprofit corporation proves that it refused inspection or copying in good faith because it had a reasonable basis for doubt about the right of the member, or the member's agent or attorney, to inspect or copy the records demanded:

(a) The court shall also order the nonprofit corporation to pay the member's costs, including reasonable counsel fees, incurred to obtain the order;

(b) The court may order the nonprofit corporation to pay the member for any damages the member incurred;

(c) If inspection or copying is ordered pursuant to subsection (2) of this section, the court may order the nonprofit corporation to pay the member's inspection and copying expenses; and

(d) The court may grant the member any other remedy provided by law.

(4) If a court orders inspection or copying of records demanded, it may impose reasonable restrictions on the use or distribution of the records by the demanding member.

Source: L. 97: Entire article added, p. 745, § 3, effective July 1, 1998. L. 2003: (1) and (2) amended, p. 2351, § 335, effective July 1, 2004.

7-136-105. Limitations on use of membership list.

(1) Without consent of the board of directors, a membership list or any part thereof may not be obtained or used by any person for any purpose unrelated to a member's interest as a member.

(2) Without limiting the generality of subsection (1) of this section, without the consent of the board of directors a membership list or any part thereof may not be:

(a) Used to solicit money or property unless such money or property will be used solely to solicit the votes of the members in an election to be held by the nonprofit corporation;

(b) Used for any commercial purpose; or

(c) Sold to or purchased by any person.

Source: L. 97: Entire article added, p. 746, § 3, effective July 1, 1998.

7-136-106. Financial statements.

Upon the written request of any member, a nonprofit corporation shall mail to such member its most recent annual financial statements, if any, and its most recently published financial statements, if any, showing in reasonable detail its assets and liabilities and results of its operations.

Source: L. 97: Entire article added, p. 746, § 3, effective July 1, 1998.

7-136-107. Annual report to secretary of state.

Part 5 of article 90 of this title, providing for annual reports from reporting entities, applies to domestic nonprofit corporations and applies to foreign nonprofit corporations that are authorized to transact business or conduct activities in this state.

Source: L. 97: Entire article added, p. 746, § 3, effective July 1, 1998. L. 2000: Entire section R&RE, p. 987, § 99, effective July 1. L. 2003: Entire section amended, p. 2351, § 336, effective July 1, 2004. L. 2004: Entire section amended, p. 1515, § 311, effective July 1.

ANNOTATION

Am. Jur.2d. See 18A Am. Jur.2d, Corporations, § 284; 36 Am. Jur.2d, Foreign Corporations, § 222.

C.J.S. See 19 C.J.S., Corporations, §§ 583, 585.

7-136-108. Statement of person named as director or officer. (Repealed)

Source: L. 97: Entire article added, p. 748, § 3, effective July 1, 1998. L. 2000: Entire section repealed, p. 990, § 109, effective July 1.

7-136-109. Interrogatories by secretary of state. (Repealed)

Source: L. 97: Entire article added, p. 748, § 3, effective July 1, 1998. L. 2002: (4) amended, p. 1859, § 154, effective July 1; (4) amended, p. 1724, § 156, effective October 1. L. 2003: (4) and (5) amended, p. 2351, § 337, effective July 1, 2004. L. 2004: (1) amended, p. 1515, § 312, effective July 1. L. 2006: Entire section repealed, p. 884, § 87, effective July 1.