



**BYLAWS
OF THE
HEATHER GARDENS METROPOLITAN DISTRICT**
Adopted July 18, 2019

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ARTICLE I – APPLICATION OF BYLAWS

Section 1. Authority. Heather Gardens Metropolitan District (District) is a quasi-municipal corporation and political subdivision of the State of Colorado with those powers specifically authorized by, and in compliance with the Special District Act, Article 1 of Title 32, C.R.S. (Special District Act), including, but not limited to the power to adopt, amend, and enforce bylaws and rules and regulations not in conflict with the constitution and laws of this state for carrying on the business, objectives, and affairs of the Board of Directors (Board) of the District and the District.

Section 2. Purpose. It is hereby declared that the Bylaws hereunder set forth will serve a public purpose and aid the Board and the District in carrying on its business, objectives, and affairs.

Section 3. Scope. These Bylaws shall supersede all previous versions of the District’s bylaws and policy manuals, as well as all previous resolutions, actions and informal practices and policies of the District or portions thereof which may be in conflict with the provisions hereof.

ARTICLE II – ORGANIZATION

Section 1. Powers and Duties. All powers, privileges and duties vested in, or imposed upon the District by law shall be exercised and performed by and through the Board, whether set forth specifically or impliedly in these Bylaws, provided, however, the Board:

- A. May delegate to officers, contractors or employees of the District any or all administrative or ministerial duties;
- B. Has delegated to the Heather Gardens Association and the Association’s general manager (District’s Agent) certain managerial, administrative and ministerial duties in accordance with the Management Agreement by and between the District and the Heather Gardens Association dated August 23, 2018, as may be amended from time to time (Management Agreement);
- C. May delegate the authority to make purchases, negotiate leases for office space, and sign contracts, receipts, endorsements, checks, releases and other documents; and
- D. May create standing or special committees and delegate such authority thereto as the Board deems necessary and proper for the performance of such committee’s functions and obligations.

Section 2. Office.

- A. Business Office.** The principal business office of the District shall be at 2888 South Heather Gardens Way, Aurora, Colorado 80014, until otherwise designated by the Board.

Section 3. Meetings.

- A. Regular Meetings.** Regular meetings of the Board shall be conducted on the third Thursday of each month at 1:00 p.m., at the Heather Gardens Clubhouse Board Room, 2888 South Heather Gardens Way, Aurora, Colorado, unless otherwise designated by the Board.
- B. Special Meetings.** From time to time the Board may call special meetings of the Board upon advance written notice in compliance with the Special District Act and other applicable laws.
- C. Study Sessions.** From time to time the Board may hold study sessions to receive, present and/or discuss information but not take any official actions.
- D. Public Meetings.** All meetings of the Board and its committees, including study sessions, other than executive sessions, shall be noticed in compliance with applicable laws and, with the exception of the executive sessions, open to the public and allow time for public comments.
- E. No Informal Action by the Board/Quorum.** Except as otherwise provided herein or as allowed by law, all official business of the Board shall be transacted at a regular or special meeting at which a quorum (more than one-half of the number of Board members serving on the Board at that time) shall be present in person or telephonically.
- F. Executive Sessions.** Executive sessions may be called at regular or special meetings of the Board in compliance with the Colorado Open Meetings Law, §§ 24-6-401 *et seq.*, C.R.S. No adoption of any proposed policy, position, resolution, rule, regulation, or formal action shall take place in an executive session. The discussion in executive session shall be limited to the reasons for which the executive session was called.

- G. Continuance of Meetings.** When a regular or special meeting is for any reason continued to another time and place, further notice need not be given of the continued meeting if the time and place of such meeting are announced at the meeting at which the continuance is taken, except as required by law. At the continued meeting, any business may be transacted which could have been transacted at the original meeting.
- H. Emergency Meetings.** Emergency meetings may be called without notice, if notice is not practicable, by the president of the Board or any two (2) Board members in the event of an emergency that requires the immediate action of the Board in order to protect the public health, safety and welfare of the property owners and residents of the District. If possible, notice of such emergency meeting may be given to the members of the Board by telephone or whatever other means are reasonable to meet the circumstances of the emergency, and shall be provided to the public via any practicable means available, if any, including, but not limited to, posting notice of such emergency meeting on the District's website, if any. At such emergency meeting, any action within the power of the Board that is necessary for the immediate protection of the public health, safety and welfare may be taken; provided however, that any action taken at an emergency meeting shall be ratified at the first to occur: (a) the next regular meeting of the Board, or (b) the next special meeting of the Board.

Section 4. Preparation for and Conduct of Meetings. The Board recognizes that establishing a uniform and systematic protocol for preparing for and conducting its regular, special, and committee meetings and study sessions will help assure the efficient operations of the District and transparency to and participation of the public. As such, the Board hereby adopts the following procedures for the preparation of and conduct at meetings which the Board, the District's Agent, and the officers, agents and employees of the District shall use all reasonable efforts to follow and which shall be in addition to and shall be subject to other legal requirements set forth relating to the notice of and conduct at meetings:

- A. Agenda.** The agenda for all meetings and study sessions of the District is set by the chairperson with recommendations from other Board members and the District's Agent, and if appropriate, by legal counsel. The agenda for all meetings will include an agenda item for public comment for non-agenda items. The District's Agent is responsible for posting the notice and agenda in accordance with law and as provided in the District's annual administrative resolution. The agenda for any meeting or study session may be revised by motion, second and a majority vote of members of the Board.

B. Order of Business. The business of all regular and special meetings of the Board shall be transacted, as far as practicable, as follows:

1. Determine quorum is present.
2. Call meeting to order.
3. Consider approval of the minutes of the previous meeting/meetings.
4. Addition or changes to agenda.
5. President's comments.
6. Review of Financial Reports
7. Discussion of General Manager's report.
8. Reports of Directors, committees and professional consultants
9. Unfinished business.
10. New business.
11. Other business.
12. Residents wishing to address the Board on non-agenda items. (Time Limit – Three Minutes.)
13. Adjournment.

C. Motions.

1. Motions to take an action may be made at any meeting (but not study session) in open session (not executive session) by any member of the Board.
2. A motion may be made to take the following illustrative (but not exhaustive) list of actions:
 - a. Approve;
 - b. Disapprove;
 - c. Table to a date certain;
 - d. Table indefinitely; or
 - e. Refer to a committee.
3. A motion must receive a second. If there is not a second then the motion dies without further discussion.
4. After a motion and second, the members of the Board will have further discussion and public comment will be allowed (see below).

D. Public Review/Comment.

1. The Board, when possible, will endeavor to provide advance notice to the residents of Heather Gardens (in addition to that required by law) prior to adopting any new or revised bylaws or policy/procedure manuals by publishing information regarding such new or revised bylaws or policy/procedure manuals in the newsletter and the Heather Gardens Association electronic distribution and by making copies of such new or revised bylaws or policies manuals available for review.
2. The agenda for all meetings and study sessions will include an agenda item for public comment for non-agenda items. Public comment during this item is limited to 3 minutes per person. Members of the public wishing to address the Board during this agenda item will be asked to sign-up in advance and public comment will be received by the chairperson.
3. Public comment will be solicited and received by the chairperson after a motion and second have been made for a Board action and before a vote is taken. Public comment during this item is limited to 3 minutes per person. Members of the public wishing to address the Board during Board action items may, but will not be asked to, sign-up in advance. Public comment may be solicited and received by the chairperson after discussion of items at a study session.
4. No response to public comment is expected or required. However, when a response is made the following order may be used:
 - a. Chairperson;
 - b. District's Agent;
 - c. Board members; and
 - d. Legal counsel.

E. Discussion. After a motion and second have been made regarding a Board action item, the following rules will apply to discussions by members of the Board:

1. All discussion must stay on topic and be polite.
2. Discussion can be closed by:
 - a. The chairperson if there is no objection; or

- b. If there is an objection, the Board members shall vote on whether to close discussion.
- F. **Voting.** After the close of discussion, the chairperson will call for a vote and announce the results. The chairperson may take the vote by show of hands, orally or by roll call. All votes will be open, not by secret ballot, except as allowed by law. Except as otherwise provided herein or required by law or contract, any action of the Board shall require the affirmative vote of a majority of the Board members present, or attending telephonically, and voting.
- G. **Disruptive, Disorderly and Unlawful Conduct.** If a member of the Board, member of the public or any attendee of a District meeting or study session engages in disruptive, disorderly or unlawful conduct during a District meeting or study session the chairperson may issue a warning regarding such conduct, call a recess in the meeting or study session, adjourn the meeting or study session, and/or call security/law enforcement.

ARTICLE III – BOARD MEMBERS AND OFFICERS

Section 1. Board Members.

- A. **Board Member Qualifications and Terms.** Board members shall be eligible electors of the District as that term is defined by law. The term of each Board member shall be determined by relevant statutory provisions with elections held and conducted in the manner prescribed by the Special District Act, the Uniform Election Code of 1992, Articles 1 to 13 of Title 1, C.R.S. and the Colorado Local Government Election Code, Article 13.5 of Title 1, C.R.S. The eligible electors of the District have not exercised the rights granted to them in Article XVIII, Section 11 of the Colorado Constitution to lengthen, shorten or eliminate the limitations on the terms of office imposed by such section, therefore, members of the Board are subject to term limits as provided by law.
- B. **Board Member’s Performance of Duties.** A Board member of the District shall perform all duties of a Board member, including duties as a member of any committee of the Board upon which the Board member may serve, in a manner which the Board member reasonably believes to be in the best interest of the District. Board members have a common-law fiduciary obligation to the District. As a fiduciary, each Board member has the duty to exercise the utmost good faith, business sense and astuteness on the

District's behalf and is prohibited from taking personal advantage of a situation to benefit the Board member or to prejudice the District.

In performing the Board member's duties, each Board member shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data provided, however, a Board member shall not be considered to be acting in good faith if the Board member has knowledge concerning the matter in question that would cause such reliance to be unwarranted.

- C. Oath of Office and Bond.** Each member of the Board, before assuming the responsibilities of the office, shall take and subscribe to an oath of office and provide a bond as required by law and provided at the expense of the District.
- D. Vacancies.** Any vacancy occurring on the Board shall be filled by an affirmative vote of a majority of the remaining Board members, as provided by law. The appointed individual must meet the statutorily prescribed qualifications for Board members and shall serve until the next regular election.
- E. Resignation and Removal.** Board members may be removed from office only by recall as provided by law. A Board member may resign as a Board member or an elected office (president, vice-president, secretary, treasurer) at any time by giving written notice to the Board, and acceptance of such resignation shall not be necessary to make it effective. Removal from an elected office may occur when, for a demonstrable reason, an officer becomes unable to perform the duties of the office. In such a case, a member of the Board shall make a motion to that effect, and upon a majority of the Board voting in favor of such motion, the officer shall be removed immediately. The officer position shall then be declared vacant. An election by the Board shall then be held to fill the vacant officer position.
- F. Disclosure of Conflict of Interest.** A potential conflict of interest of any Board member shall be disclosed by such Board member in accordance with law, particularly Article 18 of Title 24, C.R.S., and §§ 32-1-902(3) and 18-8-308, C.R.S.
- G. Compensation.** Board members may receive compensation for services in accordance with §§ 32-1-902(3)(a)(I) & (II), C.R.S. if so authorized by resolution of the Board. The District shall allow reimbursement of

reasonable and actual expenses of the Board members while acting on behalf of the District.

Section 2. Officers.

- A. Election of Officers.** The Board shall elect from its membership a president, secretary, and a treasurer. The office of secretary and treasurer may be held by one person. The Board may also elect from its membership a vice president.
1. The officers shall be elected by a majority of the Board members voting at such meeting at which the election of officers is considered.
 2. Election of officers shall be conducted annually at the first regular or special District meeting held in May and the officers shall serve for a term of one year. Election of officers may also be conducted at other meetings in order to fill a vacant office.
- B. President/Chairperson.** The president (also referred to as the chairperson) shall preside at all meetings. The president is authorized to sign all Board approved contracts, deeds, notes, debentures, warrants and other instruments on behalf of the District.
- C. Vice President.** The vice president shall preside at all meetings of the Board and perform the presidential duties in the absence of the president.
- D. Secretary.**
1. In the absence of the president and, if applicable, the vice-president, the secretary shall preside at all meetings of the Board.
 2. The secretary shall be responsible for the records of the District; may act as secretary at meetings of the Board and record all votes; may be responsible for composing a record of the proceedings of the Board in a minute book kept for that purpose, which shall be an official record of the Board; and shall perform all duties incident to that office.
 3. The secretary shall have the authority to affix the District seal to and attest to all contracts and instruments authorized to be executed by the Board.

E. Treasurer.

1. The treasurer shall be authorized to invest all surplus funds or other available funds of the District in permitted investments authorized by law or as specified by the Board. The Board may authorize investments only as authorized by law.
2. The treasurer shall keep or cause to be kept strict and accurate accounts of all money received by and disbursed for and on behalf of District in permanent records.
3. The treasurer shall ensure that a corporate fidelity bond in an amount determined by the Board but not less than \$5,000, conditioned on the faithful performance of the duties of the Treasurer's office is filed with the Clerk of the Court, at the expense of the District.
4. The treasurer shall be responsible for the presentation of the Budget to the District.

F. Recording Secretary. The Board shall have the authority to appoint a recording secretary who need not be a member of the Board, and who will be responsible for recording all votes and composing a record of the proceedings of the Board in the minute archive and will be the custodian of the seal of the District. The recording secretary shall not be required to take an oath of office, nor post a performance bond.

G. Additional Duties. The officers of the Board shall perform such other duties and functions as may from time to time be required by the Board or which are required by law.

ARTICLE IV – STANDING AND SPECIAL COMMITTEES

Section 1. Functions. The primary purpose of a committee is to serve in an advisory role and recommend courses of action to the Board. In particular, committees:

- A. Monitor, in cooperation with the District's Agent, or designated staff, the effectiveness of policies and rules within its area of concern;
- B. Review and/or make recommendations concerning the policies and procedures of the District for its area of concern;
- C. Review and/or make recommendations concerning fees, if any, for its area of concern; and

- D. Make recommendations to assist in the preparation of the annual budget for its area of concern.

Section 2. Committee Composition. Each committee consists of a chairperson and up to seven eligible electors of the District. Eligible electors of the District may apply for membership on committees by completing an application obtained in the business office and submitting it to the chairperson of the committee on which membership is desired.

Section 3. Committee Chairperson. Unless otherwise authorized by the Board, the chairperson of each committee shall be a Board member appointed by the District president, subject to approval by the Board.

Section 4. Duties of the Chairperson. The chairperson of each committee shall enroll members in the committee as required to ensure that all members meet the criteria of these bylaws and act in the best interest of the District;

Section 5. Substitute Chairpersons. Committee chairpersons shall arrange for another Board member to chair any meeting of the committee at which the chairperson will be unable to attend.

Section 6. Tenure of Committee Members. Members of committees may serve for a maximum of four consecutive years. After a one-year break in service, such person may return to the committee at the recommendation of the chairperson and after approval by the Board. Approval for a member to be permitted to exceed this limitation may be granted on a case-by-case basis by the Board. Such extensions will be valid for only one year at a time and should normally be requested and approved because of one or both of the following circumstances:

- A. Losing the member will reduce membership below the minimums specified in these bylaws; and/or
- B. The member has professional experience (e.g., finance, law, engineering, etc.) that is particularly valuable to the committee.

Once seated, members of a committee, may be removed with or without cause by a vote of the Board.

Section 7. Cohabitants. No two persons living in the same unit shall be permitted to serve on the same committee.

Section 8. Committee Quorum. A committee's quorum is a majority of its minimum number of voting members, including the chairperson.

Section 9. Standing Committees. The following standing committees are hereby created by the Board: Clubhouse/Restaurant, Golf, Foundation, and Property Policy. The Board, at its discretion, may from time to time form additional standing committees or dissolve a standing committee. The duration, composition, purpose, duties and responsibilities of any standing committee, are set forth in the composition, membership, purpose, duties and responsibilities of a Procedure Memorandum approved by the Board.

Section 10. Special Committees. From time to time a project outside the concerns of the standing committees may occur, in which case the Board may create a special committee for such project. The duration, membership, chairperson, purpose, duties and responsibilities of any special committee of the Board shall be as defined by the Board. Once the project is completed the special committee may be dissolved.

Section 11. Open Meetings. All committee meetings shall be open to the public and allow time for public comment.

ARTICLE V – ADMINISTRATION

Section 1. The District's Agent shall perform all duties necessary to fulfil the obligations of the Management Agreement.

Section 2. Financial Administration.

- A. Fiscal Year.** The fiscal year of the District shall commence on January 1 of each year and end on December 31.
- B. Budget.** The District's Agent, in cooperation with the treasurer of the Board, shall be responsible for preparation, presentation, notice and filing of the annual budget for the District in accordance with law.
- C. Contracts.** Neither the Board nor the District's Agent has authority to enter into any contract, or otherwise bind or obligate the District to any liability for payment of money for which funds have not been appropriated by the Board. Any contract, verbal or written, contrary to this Section shall be void ad initio, and no District funds shall be expended in payment of such contracts, except as may be allowed by law.
- D. Annual Audit.** The Board shall cause an annual audit to be performed at the end of each fiscal year of all financial affairs of the District through December 31 of such fiscal year in accordance with law.

Section 3. Selection of and Consultation with Consultants and Contractors. Agents, engineers, accountants, special consultants and legal counsel of the District shall be selected by the Board. The District's President, the District's Agent and any other

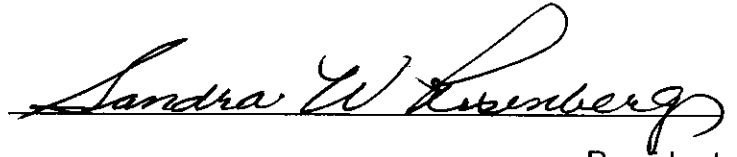
individual authorized by the District's President, Agent or Board may contact the legal counsel, auditor or other consultants engaged by the Board to seek advice.

ARTICLE VI – GENERAL


Section 1. Modification of Bylaws. These Bylaws may be altered, amended or repealed at any regular or special meeting of the Board by a majority vote of the Board members to become effective immediately or at a subsequent date.

ADOPTED the 18th day of July, 2019, by the Board of Directors of Heather Gardens Metropolitan District.

HEATHER GARDEN METROPOLITAN DISTRICT


_____, President

ATTEST:


_____, Secretary