



**BYLAWS
OF THE
HEATHER GARDENS METROPOLITAN DISTRICT**

Adopted June 15, 2023

- Amended 11.17.2016 – Article II. Organization, Section 4. Meetings, Items C&D & Article IV. Standing & Special Committees, Section 11. Standing Committees; Item B. Golf)
- Amended 1.12.17 – Article VII. General, Added new Section 3. HGMD attorney. Modification to Bylaws previously Section 3 re-numbered to Section 4.
- 8.31.17 – Motion approved to rescind Bylaw changes made on January 10, 2017 and March 10, 2017, Article VII. General, Section 3. HGMD Attorney removed from Bylaws.
- Amended 7.18.2019 – Amended and Restated
- Amended 1.26.2023 – Amended and Restated in its Entirety
- June 15, 2023 - Motion approved to Amend & Restate Bylaws

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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, rules, procedure memoranda, and regulations not in conflict with the constitution or the laws of this state for conducting the business, objectives, and affairs of the District and the Heather Gardens Metropolitan District Board of Directors (Board).

Section 2. Purpose. It is hereby declared that the Bylaws hereunder set forth will serve a public purpose. The District provides primarily recreational services and facilities to the residents of Heather Gardens, as well as members of the public, including providing a restaurant; a clubhouse which includes meeting and class rooms, a library, swimming pools, exercise equipment, a billiards room, and houses a wide variety of classes and serves as a center for social activities and entertainment; a golf course, tennis courts, pickleball courts, and a recreational vehicle storage lot. The District also provides street improvement and maintenance of Linvale Place and landscaping adjacent to city streets in Heather Gardens.

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.

Section 4. General Policy. It shall be the policy of the Board, consistent with the availability of revenues, personnel, and equipment, to use its best efforts to provide the authorized services to the residents of Heather Gardens, as well as members of the public, equally, without regard to status, race, age, gender or sexual orientation.

ARTICLE II - DEFINITIONS

Section 1. Definitions. To be completed

- A. Board – the board of directors of the District.
- B. Budget
- C. Clubhouse
- D. District – the Heather Gardens Metropolitan District, a quasi- municipal corporation and political subdivision of the State of Colorado.
- E. District Manager – the individual employed by the HGA pursuant to the Management Agreement and referred therein as the “Association Manager”.
- F. District's Properties

- G.** Director – a member of the Board.
- H.** Eligible Elector – shall be defined as set forth in Section 32-1-103(5), C.R.S. but shall generally refer to a person who, at the designated time or event, is registered to vote pursuant to the “Uniform Election Code of 1992”, articles 1 to 13 of title 1, C.R.S. and who is a resident of the District, or who, or whose spouse or civil union partner, owns taxable real or personal property situated within the boundaries of the special district whether said person resides within the special district or not.
- I.** Golf Course
- J.** HGA – the Heather Gardens Association, a non-profit Colorado corporation.
- K.** Management Agreement – that certain management agreement entered into by and between the District and HGA dated August 23, 2018, as the same may be amended or replaced from time to time.
- L.** Restaurant
- M.** Meeting - means any kind of gathering, convened to discuss public business, in person, by telephone, electronically, or by other means of communication at which a quorum of the Board is in attendance.

ARTICLE III - ORGANIZATION

Section 1. Delegation. 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:

- A.** The Board has and may delegate to an agent, as District Manager through the execution of a Management Agreement the day to day operation, management, administrative and ministerial duties for the operation of District properties, specifically retaining authority as required by law.
- B.** The Board may delegate to an agent, as a consultant, independent contractor, professional, or other agent or their employees, any or all construction, repairs, accounting, financial, audit, administrative duty, ministerial duty, or other service.
- C.** The Board may delegate the authority to make purchases not to exceed the amount appropriated as part of the current year’s budget, specifically for and only for the line item amount set forth in the current year’s adopted budget not to exceed \$5,000. Any contract, verbal or written, made in violation of this section shall be void, and no monies belonging to the District shall be paid on such contract.

Section 2. Powers and Duties. Without restricting the general powers conferred by law, it is hereby expressly declared that the Board shall have the following powers and duties:

- A. To adopt such rules and regulations or procedure memoranda, in accordance with the law, consistent with the terms and conditions of these Bylaws, as the Board shall deem necessary or beneficial to the efficient operation of the District.
- B. To choose, remove or suspend agents who represent the District or perform services on behalf of the District, upon such terms and conditions as the Board determines to be fair and just and in the best interests of the District.
- C. To determine and designate, except as otherwise provided by law or these Bylaws, who shall be authorized to sign contracts and other documents on behalf of the District.
- D. To create standing or special committees, and subject to such limitations as provided by law, to delegate such authority thereto as the Board deems necessary and proper for the performance of such committee's functions and obligations.
- E. To require the District Manager to prepare and submit to the District detailed monthly reports of revenue and expenditures with reference to the amount authorized by the budget line item; a record of the transfer of monies from one fund or account to another, and a record of the unexpended balance of each appropriated fund or account.
- F. To require the District Manager to prepare annual financial reports, which are prepared consistent with generally accepted accounting principles, applicable to local governments and sufficient to comply with the District's statutorily required annual audit, and to complete and file such audit in a timely manner as required by law. Such reports shall be made available for inspection by the public as provided by law under the Colorado Open Record Act.

Section 3. Business Office.

- A. **Business Office.** The principal business office of the District shall be at 2888 South Heather Gardens Way, Aurora, Colorado 80014, at the clubhouse management office, until otherwise designated by the Board.
- B. **Establishing Other Offices and Relocation.** The Board, by resolution, may from time to time, designate, locate and relocate its executive and business office and such other offices as, in its judgment are necessary to conduct the business of the District.

ARTICLE IV - ELECTION OF DIRECTORS

Section 1. To be added

ARTICLE V - BOARD DIRECTORS AND OFFICERS

Section 1. Directors.

- A. Director Qualifications and Terms.** Directors shall be eligible electors of the District as that term is defined by law. The term of each Director shall be determined by relevant statutory provisions with regular elections held in May of odd number years 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. Director's Performance of Duties.** A director of the District shall perform all duties of a director, including duties as a member of any committee of the District upon which the director may serve, in good faith, in a manner which the director reasonably believes to be in the best interest of the District, and shall comply with the District's Code of Conduct. Directors have a common-law fiduciary obligation to the District. As a fiduciary, each director 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 themselves or to prejudice the District.
- C. Reliance on Reports.** In performing the director's duties, a director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, however, a director shall not be considered to be acting in good faith, if the director has knowledge concerning the matter in question that would cause such reliance to be unwarranted.
- D. Oath of Office and Bond.** Each director, before assuming the responsibilities of the office, shall take and subscribe to an oath of office and, at the expense of the District, provide a bond or acceptable insurance coverage as required by law no later than 30 days after appointment or election to office.
- E. Vacancies.** Any vacancy occurring on the Board shall be filled by an affirmative vote of a majority of the remaining Directors, as provided by law. The appointed individual must meet the statutorily prescribed qualifications for Directors and shall serve until the next regular election.

- F. Recall.** Directors may be removed from office only by recall as prescribed by law. Any director may resign as a director or an elected office (president, vice-president, secretary, treasurer) by giving written notice to the Board, and acceptance of such resignation shall not be necessary to make it effective, unless the notice so provides. 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 director 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.
- G. Disclosure of Conflict of Interest.** A potential conflict of interest of any director shall be disclosed in accordance with law, particularly Article 18 of Title 24, C.R.S., and Sections 32-1-902(3) and 18-8-308, C.R.S.
- H. Compensation.** Directors shall not receive any compensation for their service. No director shall receive any compensation as an employee of the District. No contract for work or material including a contract for services, regardless of the amount, shall be entered into between the District and a director unless done so in accordance with the law and a notice has been published for bids and such director submits the lowest responsible and responsive bid.
- I. Reimbursement.** The District shall allow reimbursement of reasonable and actual expenses of the directors while acting on behalf of the District.

Section 2. Officers.

- A. Election of Officers.** The Board shall elect from its membership a president, vice-president, secretary, and treasurer. The secretary and treasurer may be one individual. The Board may also elect one or more assistant secretaries to serve in the absence of the secretary.
- (1) The officers shall be elected by a majority of the Directors 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 meeting held in May, which, in odd-numbered years occurs after the election, and at any other time that a vacancy in an office may occur.
 - (3) The election for president shall be conducted first. Followed by the election for vice-president, secretary and treasurer, separately, in that order.
 - (4) Each officer shall be elected to serve a term of one year, which term shall expire upon the election of a successor.

B. President.

- (1) The president shall preside at all meetings.
- (2) The president is authorized to sign all Board approved contracts, deeds, notes, debentures, warrants, and other instruments on behalf of the District.
- (3) The president shall be the primary person to consult with the District's attorney, and shall give direction to District Manager.
- (4) In matters of general concern between the District and HGA, the president shall serve as the liaison between the District and HGA Boards.

C. Vice President.

- (1) The vice president shall preside at all meetings of the Board and perform the presidential duties in the absence of the president.
- (2) Additionally, the vice-president may prepare and present motions for committees with a non-director chair and on behalf of clubs.

D. Secretary.

- (1) In the absence of the president and 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.
- (3) The secretary shall record all votes.
- (4) The secretary shall see that adequate records of all proceedings are kept in a minute book, which shall be an official record of the Board, and shall perform all duties incident to that office.
- (5) The secretary shall have the authority to affix the District seal to and attest to all contracts, motions, resolutions, and instruments authorized to be executed by the Board.
- (6) Unless the Board designates otherwise, the secretary is the designated election official for District elections.

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 the District in permanent records, in accordance with generally accepted accounting principles applicable to local governments.
- (3) The treasurer shall conduct all internal audits, and review the monthly profit and loss statements for all District properties.
- (4) The treasurer shall authorize the District's Manager to make expenditures, collect monies due to the District, transfer funds, and make other such transactions on behalf of the District, as the treasurer may direct or as stated in the Audit/Finance Committee Procedure Memorandum.
- (5) The treasurer shall review the budget components of all business plans, and shall coordinate the preparation of the annual budget with the assistance of the District committees and managers of the clubhouse, restaurant, and golf course.
- (6) The treasurer shall present the annual budget to the Board, and coordinates the annual audit of the District's financial statements.
- (7) The treasurer shall ensure that a corporate fidelity bond or acceptable insurance coverage 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.

F. 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.

Section 3. Board Assistants. The Board shall have the authority to appoint assistants to the Board who need not be a director, need not take an oath of office, nor post a performance bond.

A. Recording Secretary. The Board shall have the authority to appoint a recording secretary who need not be a director, and who will be responsible for recording all votes and composing a record of the proceedings of the Board in the minute book. The recording secretary shall not be required to take an oath of office, nor post a performance bond, and shall be responsible to and take direction from the secretary.

B. Board Coordinator. The Board shall have the authority to appoint a Board coordinator who need not be a director, and who will assist in communicating with the HGA management office, various committees and clubs, residents and resident groups to support District projects and in District policy

development. The Board coordinator shall not be required to take an oath of office, nor post a performance bond.

ARTICLE VI - MEETINGS

Section 1. Regular Meetings. Regular meetings of the Board shall be conducted on the third Thursday of each month at 1:00 p.m. and held at the Heather Gardens Clubhouse Board Room, 2888 South Heather Gardens Way, Aurora, Colorado 80014, and electronically, unless otherwise designated by the Board.

Section 2. Special Meetings. Special meetings of the Board may be called in accordance with the law. The Board shall endeavor to provide seven (7) days' advance notice, (24 hour-notice as required by law for an urgently required special meeting), stating the date, time, location, and purpose of the special meeting, which shall be posted on the clubhouse bulletin boards, the District website, and transmitted by email to the community at large for those residents who have chosen to participate in that form of communication. Special meetings shall be held at the Heather Gardens Clubhouse Board Room, 2888 South Heather Gardens Way, Aurora, Colorado 80014, and electronically, unless otherwise designated by the Board.

Section 3. Study Sessions. Study sessions of the Board may be called in accordance with the law. The Board shall endeavor to provide seven (7) days' advance notice, stating the date, time, location, and purpose of the study session, which shall be posted on the clubhouse bulletin boards, the District website, and transmitted by email to the community at large for those residents who have chosen to participate in that form of communication. A study session may be held to present, receive, and/or discuss information, but not to take official action. Study sessions shall be held at the Heather Gardens Clubhouse Board Room, 2888 South Heather Gardens Way, Aurora, Colorado 80014, and electronically, unless otherwise designated by the Board.

Section 4. Public Meeting. All Meetings of the Board and its committees or clubs, including regular meetings, special meetings, and study sessions, other than executive sessions, shall be open to the public. Notice shall be provided in accordance with Section 24-6-402(2)(c) C.R.S.

Section 5. Official Action by Directors/Quorum. All official business of the Board shall be conducted at a regular or special meeting at which a quorum (more than one half of the directors serving on the Board at that time) is present in person, telephonically or electronically.

Section 6. Executive Sessions. Executive sessions may be called at a regular or special meeting of the Board in compliance with the Colorado Open Meetings Law, Sections 24-6-401 *et seq.*, C.R.S., and conducted according to the following guidelines:

- A. The topic for discussion in the executive session shall be announced in the motion, and the specific statute that authorizes the executive session shall be cited.

- B. The matter to be discussed shall be described in as much detail as possible without compromising the purpose of being in executive session.
- C. An affirmative vote of two-thirds (2/3) of the quorum present shall be required to go into executive session.
- D. 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.
- E. Discussions that occur in an executive session shall be electronically recorded and shall be retained for at least ninety days after the date of the executive session.
- F. If, in the opinion of the attorney who is representing District and who is in attendance at an executive session, all or a portion of the discussion during the executive session constitutes a privileged attorney-client communication, no record or electronic recording shall be required to be kept of the part of the discussion that constitutes a privileged attorney-client communication. The electronic recording of said executive session discussion shall reflect that no further record or electronic recording was kept of the discussion based on the opinion of the attorney representing the local public body, as stated for the record during the executive session, that the discussion constituted a privileged attorney-client communication, or the attorney representing the local public body may provide a signed statement attesting that the portion of the executive session that was not recorded constituted a privileged attorney-client communication in the opinion of the attorney.

Section 7. Continuance of Meetings. When a regular or special meeting is for any reason continued to another time and/or place, 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.

Section 8. Emergency Meetings.

- A. Emergency meetings may be called by the President or any two (2) Directors 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 electors of the District, without notice if notice is not practicable.
- B. Notice of such emergency meeting may be given to 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.

- C. 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 effective only until the first to occur of (a) the next regular meeting, or (b) the next special meeting of the Board at which the emergency issue is on the public notice of the meeting.
- D. At such subsequent meeting, the Board shall ratify any emergency action taken. If any emergency action taken is not ratified, then it shall be deemed rescinded as of the date of such subsequent meeting.

Section 9. Conduct of Meeting. 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, encourage public participation, and provide for transparency to the public. As such, the Board hereby adopts the following procedures for the preparation and conduct of meetings which the Board, its officers, District Manager, consultants, contractors, agents or 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 compiled by the President and shall be posted with the meeting notice in accordance with the law. The District will endeavor to post the notice and agenda at least seven (7) days prior to the meeting. Any Director may place an item on the agenda.
- B. **Quorum.** All official business of the Board shall be transacted at a Meeting at which a quorum (more than one-half of the number of directors serving on the Board at that time) shall be present in person, telephonically, or electronically.
- C. **Vote Requirements.** Any action of the Board shall require the affirmative vote of a majority of the directors present and voting. When emergency circumstances affecting the affairs of the District and the health, safety and welfare of District residents so dictate, then those directors available at the time may undertake any action within the power of the Board that is necessary for the immediate protection of the public health, safety and welfare; provide 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.
- D. **Order of Business.** The business of all regular and special meetings of the Board shall be transacted, as far as practicable, as follows:
 - (1) Pledge of Allegiance
 - (2) Determine a quorum is present.

- (3) Call the meeting to order.
- (4) Consider approval of the minutes of the previous meeting.
- (5) Consider changes to the agenda such as additions, deletions, or items requiring action by the Board – a motion, second, and a majority vote is required.
- (6) President's Report
- (7) Treasurer's Report
- (8) District Manager's Report
- (9) Committee Chair Reports.
- (10) Consultant/Advisor Reports.
- (11) Review of financial reports.
- (12) Unfinished business.
- (13) New business.
- (14) Public comments on non-agenda items (The time limit is five (5) minutes per speaker).
- (15) Announcements.
- (16) Adjournment.

E. Motions and Resolutions. Each and every action of the Board necessary for the governance and management of the affairs of the District, for the execution of the powers vested in the District, and for carrying into effect the provisions the Special District Act shall be taken by the passage of motions or resolutions.

- (1) A motion to take an action, which is on the agenda and after notice to the public in accordance with the law, may be made at any regular or special meeting in open session by any director, including the President.
- (2) A motion may be made to take the following actions, including but not limited to, approve, disapprove, table to a certain date, table indefinitely, or refer an item to a committee or club.
- (3) A Director may provide a rationale for consideration by the Board.

- (4) After the rationale is explained the motion must receive a second or the motion dies without a vote.
- (5) After a motion and a second, the Directors may have further discussions about the motion. If there is no objection, the President may end the discussion.
- (6) Public comment will be heard on the motion prior to the vote. Public comments will be limited to 5 minutes per speaker. The President may limit the number of speakers expressing the same position as reasonable.
- (7) The directors will then vote on the motion.

F. Public Comment. Public comment will be solicited and received by the President prior to when any vote is taken. Public comment on non-action items will be solicited and received by the President after the completion of new business. Members of the public shall raise their hand whether in person or appearing electronically, and may comment after being recognized by the President. The time limit is five (5) minutes per speaker.

G. Response to Public Comment. No response to public comment is expected or required, however, the Board will endeavour to respond. When a response is made, the following order may be used:

- (1) President
- (2) Vice-President
- (3) Secretary
- (4) Treasurer
- (5) Director
- (6) District's Attorney
- (7) District Manager

H. Discussion Protocol. All discussions must stay on topic and be polite in accordance with the District's Code of Conduct. If there is no objection, the discussion may be closed by the President. If there is an objection, the Board shall vote on whether to close the discussion by majority vote.

I. Voting. After the close of discussion, the President will call for a vote. The President 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. The Secretary shall record the votes and announce the results. 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 directors present, in person, telephonically, or electronically, and voting.

- J. Disruptive, Disorderly or Unlawful Conduct.** If a Director, manager, consultant, contractor, agent or employee of the Board, member of the public or other attendee of a District Meeting, study session, or any committee meeting becomes disruptive, disorderly or engages in unlawful conduct, the President or meeting chairperson shall issue a warning to cease the conduct or the disruptive person will be asked to leave the meeting. If the disruptive person refuses to leave the meeting, the President or meeting chairperson may call a recess or adjourn the meeting.

ARTICLE VII - 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.** Oversee the operation of the District's properties and the effectiveness of its policies and rules within its area of concern, including the monthly review of profit and loss statements or relevant financial reports.
- 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, revenues, and expenditures for its area of concern with the goal of minimizing subsidies and maximizing the services provided.
- D.** Assist in the preparation of the annual budget with the District treasurer and the clubhouse, golf, or restaurant manager for its area of concern.
- E.** Hear recommendations or concerns from residents for its area of concern. If an idea or concern is outside of the committee's area of concern, the committee shall refer the resident to the appropriate committee or the committee/club liaison for assistance.
- F.** Any member of the committee may request that an idea, concern or motion be placed on the committee meeting agenda for discussion.

Section 2. Open Meetings. All committee meetings shall be open to the public and notice thereof be provided in accordance with the Colorado Open Meetings Law. Members of the public shall be allowed to speak before the committee takes formal action on any item under discussion. Committee chairs may limit a member of the public's comment to five (5) minutes.

Section 3. Committee Composition. Each committee consists of a Chair and a minimum of four (4) eligible electors and up to nine (9) eligible electors of the District.

Eligible electors of the District may apply for membership on committees by completing an application obtained in the HGA management office located in the Heathers Gardens clubhouse and submitting it to the management office. Committee chairs may increase the number of members if beneficial to the committee and the District. All District committee members shall conform to the District's Code of Conduct.

Section 4. Committee Chairs. The Board shall appoint the committee chairs by a majority vote. Committee chairs need not be directors of the Board. The duties of the committee chair include:

- A. 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.
- B. Ensure that the committee carries out the key responsibilities as set forth in these Bylaws, and in accordance with the committee's purpose and procedures as stated in the committee's procedure memorandum.
- C. Ensure that the committee is serving the District members and representing their interests.
- D. Removal of a seated committee member can be for cause and/or what is in the best interest of the District upon the recommendation of the committee chair. Once a recommendation for removal has been received, the committee member will be informed as to the reason for the recommendation for removal. The committee member will be given the opportunity to be heard. The Board will then vote to either approve or disapprove removal of the committee member.
- E. Facilitate effective committee meetings, and ensure that all proposals to the Board are in the proper format and contain the required information.
- F. Accompany the Board president to meetings when necessary.

Section 5. Substitute Chairs. Committee chairpersons shall arrange for another committee 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 minimum of four (4) members specified above and/or...

- B. The member has professional experience (e.g., finance, law, engineering, etc.) that is particularly valuable to the committee.

Section 7. Standing Committees. The following standing committees are hereby created by the Board:

- A. Audit/Finance Committee.** The audit/finance committee recommends policies to the Board; conducts internal audits; reviews the monthly profit and loss statements; reviews the budget component of all business plans; coordinates the preparation of the annual budget; coordinates the annual audit of financial statements, and coordinates the establishment and monitoring of a capital reserve plan.
- B. Clubhouse Committee.** The clubhouse committee recommends policies to the Board; participates and coordinates the preparation of a business plan and periodic reviews of such plan; reviews the monthly profit and loss statements; coordinates the preparation of the annual budget with the clubhouse manager; coordinates with the restaurant and golf committees; and assists the clubhouse manager with special projects and events. The clubhouse manager shall be a non-voting member of the committee.
- C. Clubs/Activities Committee.** The clubs/activities committee members will be members of current clubs and residents who are leading activities of interest to the District. Members will receive support in preparing motions, reporting concerns, creating presentations, etc. so that members can have access to the Board.
- D. Compliance Committee.** The compliance committee recommends policies to the Board; reviews and amends governing documents; establishes and implements a record retention policy; assists the Secretary in maintaining records; assists committees/clubs in drafting their procedure memoranda and motions to the Board; monitors legislation affecting special districts; promotes District interests with legislators; and educates residents regarding the District operation.
- E. Foundation Committee.** The foundation committee recommends policies to the Board; reviews monthly accountings; solicits donations; develops and investigates potential projects; and coordinates the preparation of the annual budget.
- F. Golf Committee.** The golf committee recommends policies to the Board; participates and coordinates the preparation of a business plan and periodic reviews of such plan; reviews the monthly profit and loss statements; coordinates the preparation of the annual budget with the golf course manager; monitors golf course maintenance; coordinates with the restaurant and clubhouse committees; and assists the golf course manager with special

projects and events. The golf course manager shall be a non-voting member of the committee.

G. Restaurant Committee. The restaurant committee recommends policies to the Board; participates and coordinates the preparation of a business plan and periodic reviews of such plan; reviews the monthly profit and loss statements; coordinates the preparation of the annual budget with the restaurant manager; coordinates with the clubhouse and golf committees; and assists the restaurant manager with special projects and events. The restaurant manager shall be a non-voting member of the committee.

H. Recreational Vehicle (RV) Committee. The RV committee will recommend policies to the Board; review monthly accounts; recommend lot fees; develop, coordinate, and oversee projects to provide security for the lot; and report maintenance/repairs needs to the Board.

Section 8. 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 9. Joint Committees. Joint committees with the Heather Gardens Association may be formed from time to time.

ARTICLE VIII - ADMINISTRATION

Section 1. General Administration. The Board is responsible for the administration of the District but may delegate, from time to time, various duties as set forth in Article III, Section 1.

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 Manager, in cooperation with the treasurer of the Board, shall be responsible for the compilation of the annual budget recommended by each committee and for areas without committee representation, for preparation and presentation to the Board. The District Manager shall publish the proposed annual budget with notice of the date for hearing as required by law, and upon adoption, file the annual budget for the District in accordance with law.

C. Contracts. Neither the Board nor the District Manager 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 ab 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.

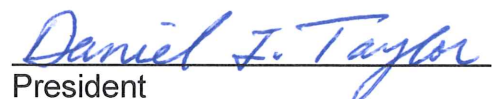
Section 3. Consultation with Professionals. Agents, engineers, accountants, special consultants and legal counsel of the District shall be selected by the Board. The District's President shall be the primary contact with legal counsel, the auditor or other consultants engaged by the Board. Any director also has the legal authority to contact such professionals directly.

Section 4. Open Records Act. All "Public Records" of the District, as such term is defined in Section 24-72-202(6), C.R.S., shall be available for public inspection by any person at reasonable times as provided in the Colorado Open Records Act, except as otherwise provided in the Colorado Open Records Act or as otherwise provided by law. A reasonable period of time for response shall be presumed to be three business days. Requests for Public Records shall be made and responded to in accordance with the District's Rules Related To Requests For Inspection of Public Records. Public records generally include any documents for use in the exercise of functions by the District required or authorized by law or administrative rule or involving the receipt or expenditure of public funds, including the records held by third parties used for a public purpose, in accordance with Colorado Open Records Act.


Section 5. Indemnification of Directors. The District may by separate resolution indemnify and defend its Directors against liability for acts or omissions occurring during the performance of their governmental duties.

Section 6. Modification of Bylaws. These Bylaws may be altered, amended or repealed at any regular or special meeting of the Board, after notice as required by law, by a majority vote of the directors, to become effective immediately or at a subsequent date.

Adopted the 15th day of June, 2023, by the Board of Directors of the Heather Gardens Metropolitan District.


President

ATTEST:


Secretary