

**BYLAWS  
OF THE  
PARK MEADOWS METROPOLITAN DISTRICT**

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**BYLAWS  
OF  
PARK MEADOWS METROPOLITAN DISTRICT**

**1. LEGAL STATUS.** The Park Meadows Metropolitan District is a quasi-municipal corporation and political subdivision of the State of Colorado and is organized pursuant to Title 32 of the statutes of the State of Colorado.

**2. BOARD OF DIRECTORS.** All powers, privileges and duties vested in, or imposed upon the Park Meadows Metropolitan District (hereinafter referred to as "District") by law shall be exercised and performed by and through the Board of Directors (hereinafter referred to as the "Board" or "Board of Directors"). Directors may also be referred to as members of the Board or Board members.

**2.1 Director Qualifications.** To qualify as a Director, a person must be an "eligible elector", defined as a registered voter of Colorado and either:

- a. A resident of the District or area to be included in the District for not less than thirty (30) days, or
- b. The owner (or spouse of the owner) of taxable real or personal property situated in the District, or
- c. A person obligated to pay taxes under a contract to purchase taxable property situated in the District or area to be included in the District.

Director qualifications must be met at the time of the execution of the self-nomination and acceptance form or letter of interest (or at the time of appointment by the Board of Directors, if filling a vacancy), and must be maintained to remain qualified as a Director.

**2.2 Director Terms.** The term of office for each Director shall be determined by applicable statutory provisions with elections held in even numbered years. A Director's regular term of office commences at the next meeting of the Board following the date of the regular election.

**2.3 Oath of Office.** Each Director, before assuming the responsibilities of his or her office, shall take and subscribe to the oath of office as required by state statute. Such oath must be taken by each Director within thirty (30) days following election or his or her appointment. The oath must be administered by a person authorized to administer oaths (Board chairman, notary public, Douglas County District Court Clerk, or Douglas County Clerk and Recorder), and filed with the Douglas County District Court Clerk and the State of Colorado, Department of Local Affairs, Division of Local Government.

**2.4 Bonds.** Along with the oath, an individual, schedule or blanket surety bond of not less than \$1,000 must be filed for each Director with the Douglas County District Court Clerk and the State of Colorado, Department of Local Affairs, Division of Local Government, conditioned upon the faithful performance of his or her duties as Director. A

corporate fidelity bond of not less than \$5,000, conditioned upon the faithful performance of his or her duties as Treasurer, must be filed with the Douglas County District Court Clerk and the Division of Local Government. The bond(s) may be in such greater amounts as determined by the Board. Bonds shall be obtained at the expense of the District. The District may obtain and file a single blanket position schedule bond, setting forth the required amounts for each of the positions of Director and the amount for the position of Treasurer.

**2.5 Vacancies.** A Director's office shall be deemed vacant upon the occurrence of any of the following:

- a. Failure to meet the qualifications of Director;
- b. Failure to satisfy the oath and bond requirements;
- c. Written resignation;
- d. Failure to remain qualified for the office;
- e. Conviction of a felony;
- f. Removal from office or voidance of election or appointment by court (subject to appeal);
- g. Failure to attend three (3) consecutive regular Board meetings, unless approval of absence is entered into the meeting minutes, or absence is excused by temporary mental or physical disability or illness; or
- h. Death.

**2.6 Reimbursement.** Reimbursement of actual expenses incurred by Directors shall not be considered compensation. Actual expenses may include mileage and out-of-pocket expenses incurred in service as a Director.

**2.7 Directors' Fees.** Directors shall be entitled to the maximum amount of compensation provided by statute for each meeting attended, not to exceed the annual maximum established by statute.

**2.8 Role of Board of Directors.** The Board of Directors has the responsibility to manage, control, and supervise all the business and affairs of the District. It establishes policies and procedures to carry out its responsibilities.

### **3. OFFICERS.**

**3.1 Election of Officers.** The Board of Directors shall elect from among its members, a president who shall also serve as chairman of the Board, a vice president, a

treasurer, and such assistant secretaries and assistant treasurers as the Board may determine necessary. The Board may elect a secretary who is not a member of the Board. The officers shall be elected by a majority of the Directors voting at the meeting. The election of the officers shall be conducted biannually at the first meeting of the Board after the biannual election, and after any elected or appointed Directors have taken their oaths and filed bonds. Each elected officer shall serve for a term of two (2) years, subject to the right of the Board to remove a Director from office at any time for any reason.

**3.2 President and Chairman.** The president shall be the chairman of the Board, shall preside at meetings, and shall be the chief executive officer of the District. The president shall be authorized to sign all contracts, deeds, notes, warrants and other instruments on behalf of the District, and discharge such other duties, as may be required or authorized.

**3.3 Vice President.** The vice president shall perform the duties of president and chairman in the absence of the president.

**3.4 Secretary.** The secretary shall keep or cause to be kept full and accurate records of the District; shall act as secretary at meetings of the Board and record or cause to be recorded all votes; shall compose 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. The secretary shall be custodian of the seal of the District and shall have the power to affix such seal to and attest all contracts and instruments authorized to be executed by the Board. An assistant secretary or assistant secretaries, if appointed, shall assist the secretary in the performance of such duties.

**3.5 Treasurer.** The treasurer shall keep or cause to be kept strict and accurate accounts of all money received by and disbursed on behalf of the District. An assistant treasurer or assistant treasurers, if appointed, shall assist the treasurer in the performance of such duties.

**3.6 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, by rules and regulations of the District, or by applicable statute.

#### **4. MEETINGS.**

**4.1 Meetings.** Board meetings shall be held at locations within the boundaries of the District, or within the boundaries of Douglas County, Colorado, or within twenty (20) miles from the District boundaries.

**4.2 Open to the Public/ Executive Session.** All meetings of a quorum, or three or more members of the Board, whichever is fewer, at which any public business is discussed or at which any formal action may be taken, are public meetings open to the public at all times. However, upon announcement to the public of the topic for discussion and the affirmative vote of two-thirds of the quorum then present, the Board may call an

executive session at any regular or special meeting solely for the purpose of considering any of the following matters (except that no formal action by way of adoption of any resolution, rule, regulation or policy position shall occur in executive session):

- a. the purchase, acquisition, lease, transfer, or sale of real, personal or other property interest;
- b. conferences with legal counsel for the purposes of receiving legal advice on a specific legal question;
- c. matters required to be kept confidential by federal or state law;
- d. details of security arrangements or investigations;
- e. determination of positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators;
- f. personnel matters, except if the employee who is the subject of the session has requested an open meeting; or
- g. consideration of documents protected by mandatory nondisclosure provisions of the Colorado Open Records Act.

**4.3 Notice of Regular Meetings.** The Board must adopt a resolution at its first regular meeting of each year designating at least three (3) places within the District, one (1) of which shall be the posting place required by C.R.S. § 24-6-402 (2)(c). Notice of the time and place of all regular meetings of the Board shall be posted at such public places, and in addition such notice shall be posted at the office of Clerk and Recorder of Douglas County, Colorado. Such notice shall remain posted until a change occurs in the time or place of such regular meetings. Any proposed change of location of a Board meeting shall appear on the agenda of a regular or a special meeting of the Board and the Board shall adopt a resolution stating the reason for which a Board meeting is to be held in a different location and stating the date, time and place of such meeting.

**4.4 Notice of Special Meeting.** Any Director may call a special meeting by informing the other Directors of the date, time, and place of such meeting, and its purpose. Notice shall be posted as provided in Section 4.3 at least three (3) days prior to said meeting.

**4.5 Required Notice of Certain Agenda Items.** A meeting notice of a regular or a special meeting shall specifically set forth as an agenda item, the Board's intention to make a final determination as to any of the following: issuing or refunding general obligation debt, consolidating the District with another special district, dissolving the District, filing a plan for the adjustment of debt under federal bankruptcy law, not making a scheduled bond payment, or entering into any private contract with a Director.

**4.6 Notice under the Colorado Sunshine Law.** In addition to any other means of notice, notice of a meeting that is posted at the place annually designated by the Board pursuant to C.R.S. § 24-6-402 (2)(c), not less than twenty four (24) hours prior to said meeting, shall be deemed to be full and timely notice. This posting shall include specific agenda information where possible.

## **5. CONDUCT OF BUSINESS.**

**5.1 Quorum.** All official business of the Board shall be transacted at a regular or special meeting at which a quorum of the Directors (i.e., more than one-half of the number of Directors serving on the Board) shall be present. A Director may attend a Board meeting by telephone conference, as long as the Director is able to hear and be heard.

### **5.2 Actions of the Board.**

a. Actions of the Board for the management and control of business and affairs of the District, for the exercise of the power vested in the Board shall be by motion, resolution, or order. Any action of the Board shall require the affirmative vote of a majority of the Directors in attendance and voting.

b. Votes on all motions, resolutions, and orders shall be taken by the chairman stating "All in favor, say Aye" and "All opposed, say No" or, at the discretion of the chairman, other similar language which shall indicate the manner of responding to the question. Roll call votes may be taken at the request of any Director, or at the direction of the chairman.

**5.3 Order of Business.** The regular business of the Board shall be transacted, as far as practicable, in the following general order, subject to modification by the chairman, including additions and deletions:

- a. Call to Order;
- b. Declaration of Quorum/Director Disclosure;
- c. Approve Agenda;
- d. Public Comments;
- e. Consent Agenda;



- f. Review and Approval of Minutes of the Previous Meeting or Meetings;
- g. Discussion Agenda;
- h. Construction Project Items;
- i. Landscape Maintenance/Construction Items;
- j. Financial Matters;
- k. Election Matters, if any, (and election of Board officers, at biennial meeting);
- l. Public Hearings, if any;
- m. Directors' Items;
- n. Manager's Report;
- o. Attorney's Report;
- p. Other Items and Announcements; and
- q. Adjournment.

The Consent Agenda contains items that require Board action but do not need discussion among the Board members before a vote. Before action on the Consent Agenda, the chair of the meeting will inquire whether there are any items to be removed from the Consent Agenda. If any Board member wishes to discuss a specific item on the Consent Agenda it shall be removed and placed on the Regular Agenda for discussion and/or action. Except for removal, no discussion with respect to the items on the Consent Agenda shall occur. Immediately following the opportunity to remove any items for separate discussion, all remaining items on the Consent Agenda shall be voted upon in one action.

**6. DISTRICT ADMINISTRATION.** Administration of policies and procedures adopted by the Board may be implemented by a manager, attorney, and other consultants engaged by the Board.

**6.1 Manager.** The Board may retain a Manager upon such conditions, including compensation, as the Board may establish. The Manager shall implement the Board's policies and procedures. The Manager shall generally supervise the administration of the day to day affairs and business of the District. The Board may designate the Manager to serve as budget officer, who shall prepare an annual budget for the Board's consideration. The Manager shall perform such other duties as may be assigned by the Board. The Manager shall report directly to the Board and shall serve at the pleasure of the Board.

**6.2 Attorney.** The Board may retain an Attorney to provide legal services on behalf of the District. The Attorney shall provide legal advice and counsel on various matters which affect the Board and represent the District before the courts, agencies, and other tribunals of this state. The Attorney shall report directly to the Board and shall serve at the pleasure of the Board.

**6.3 Selection and Tenure of Consultants.** The selection of consultants, including engineers, architects, accountants and auditors, shall be made by the Board, and shall be based upon the relative qualifications and capabilities of the applicants, and shall not be based on political services or affiliations. Consultants shall serve at the pleasure of the Board. In the discretion of the Board, consultants may respond or may report directly to the Board, or to the Manager, Attorney, or such other consultant as the Board

designates. The Board may contract for consultant services on such terms and conditions as it deems appropriate.

## **7. FINANCIAL ADMINISTRATION**

**7.1 Fiscal Year.** The fiscal year of the District shall commence on January 1 and end on December 31 of each year.

**7.2 Budget.** Not later than September 30 of each year, the Board shall designate a budget officer (usually the Manager, unless otherwise determined by the Board) who shall prepare and submit to the Board, on or before October 15 of each year, a proposed budget for the ensuing fiscal year. Such proposed budget shall be prepared in accordance with C.R.S. § 29-1-101, *et seq.* and shall contain the estimated expenditures and estimated revenue of the District, for the ensuing fiscal year, as contrasted with the corresponding figures for the last completed fiscal year and the corresponding estimated figures for the current fiscal year projected through the end of such fiscal year. The proposed budget shall be supported by explanatory schedules or statements classifying the expenditures contained therein by object and revenue source, and contain such other information as required by law.

**7.3 Notice of Budget.** After receipt of the proposed budget, the Board shall cause to be published a notice that the proposed budget is open for inspection by the public at a public office located within the boundaries of the District; that the Board will consider the adoption of the proposed budget on a certain date at a certain time and place; and that any interested elector may inspect the proposed budget and file or register any objections thereto at any time prior to its final adoption.

**7.4 Adoption of Budget.** On the date, at the time and place set for consideration of such proposed budget, the Board shall hold a hearing on the proposed budget and thereafter revise, alter, increase or decrease the items as it deems necessary in view of the needs for various expenditures and the anticipated revenue of the District. Such hearing may be continued from time to time. Upon completion of the hearing, the Board shall formally adopt the budget, setting forth the expenditures to be made in the ensuing fiscal year. The Board shall provide for sufficient revenues to finance budget expenditures.

**7.5 Filing of Budget.** Within thirty (30) days after the beginning of the fiscal year for which the budget is adopted, the Board shall cause a certified copy of such budget to be filed with the Division of Local Government in the Department of Local Affairs.

**7.6 Appropriating Resolution.** At a meeting held no later than December 15 each year, the Board shall enact a resolution making appropriations for the ensuing fiscal year. The amounts appropriated shall not exceed the expenditures specified in the adopted budget.

**7.7 Certification of Mill Levy.** Subject to adoption of the budget and approval of appropriations for the budget year, the Board shall certify the mill levy for the general fund and the mill levy for the debt service fund, to the Douglas County Board of Commissioners on or before December 15 for the budget year.

**7.8 No Contract to Exceed Appropriation; Contract Authorization.**

a. The Board shall have no authority to enter into any contract, or otherwise bind or obligate the District to any liability for payment of money for any purpose, for which provision is not made in an appropriation resolution, including any legally adopted amendment thereto, in excess of the amount of such appropriation for that fiscal year. Any contract, verbal or written, contrary to the terms of this subsection shall be void ab initio, and no District funds shall be expended in payment of such contracts.

b. All contractual obligations of the District shall be approved by the Board. However, the Board may delegate purchasing authority for routine supplies and services to the Manager. Such delegation shall include a monetary limitation in an amount determined by the Board. Such delegation may be for a single expenditure or for continuing expenditures during a fiscal year.

**7.9 Changes to Budget, Transfers, Supplemental Applications.** If, after adopting the budget and making appropriation, the Board, if it deems necessary, may transfer appropriated moneys between funds, or within a fund; or if the District receives unanticipated revenues from any source other than the District's property tax mill levy, or revenues are lower than anticipated, the Board may adopt a supplemental budget and appropriation in compliance with C.R.S. § 29-1-101, *et seq.*

**7.10 Annual Audit.** The Board shall cause an annual audit to be made of all financial affairs of the District through December 31st of the prior fiscal year. A copy of the audit report shall be maintained in the District office as a public record for public inspection at all reasonable times. The Treasurer shall forward a copy of the audit report to the State Auditor pursuant to statutory requirements, within thirty (30) days following receipt of the audit, but no later than July 30 of each year.

**8. CORPORATE SEAL.** The seal of the District shall be a circle containing the name of the District. It shall be used on all documents in the manner that seals generally are used by public and private corporations, and as required by law. The secretary shall have or delegate custody of the seal and shall be responsible for its safe keeping and care.

**9. CONFLICT OF INTEREST**

**9.1 Disclosure of Conflict of Interest.** Any Director who is present at a meeting at which is discussed any matter in which that Director has, directly or indirectly, a private pecuniary or property interest shall disclose such interest to the Board. Unless the Director has given prior advance written notice to the Colorado Secretary of State and

to the Board in accordance with statutory requirements, that Director shall refrain from advocating for or against the matter and shall disqualify himself from voting on the matter

**9.2 Proscribed Acts Constituting a Conflict of Interest.** Directors shall avoid conflicts of interest. A Director shall not:

- a. Disclose or use confidential information acquired in the course of his official duties for the purpose of furthering his personal financial interests;
- b. Accept gifts of substantial value or of substantial economic benefit, which would tend to improperly influence a "reasonable person" in his public position to depart from faithful and impartial discharge of his official duties;
- c. Engage in a substantial financial transaction for his own private business purposes with a person whom he supervises in the course of his duties as a Director;
- d. Perform an official act directly and substantially affecting his personal economic benefit, a business or undertaking in which he either has a substantial financial interest or is engaged as counsel, consultant, representative or agent;
- e. Acquire or hold an interest in any business or undertaking which he believes may be directly benefitted by official action taken by the District;
- f. Within six (6) months following termination of his service as a Director of the District, obtain employment or an engagement in which he will take direct advantage unavailable to others, of matters with which he was directly involved as a Director;

**9.3 Fiduciary Duty.** A Director has a general obligation to the District to exercise the utmost good faith and business sense on behalf of the District, as well as reasonable care and skill. A Director shall not take advantage of his position to benefit himself or prejudice the District.

**10. MODIFICATION OF BYLAWS.** These bylaws may be altered, amended, or repealed at any regular or special meeting of the Board called for that purpose following a presentation and discussion of the proposal at a prior Board meeting.

**11. SEVERABILITY.** If any provision of these bylaws or the application thereof is held invalid, such invalidity shall not affect the provisions or applications of these bylaws which can be given effect without the invalid provision or application. To this end, the provisions of these bylaws are deemed severable.

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BYLAWS OF PARK MEADOWS METROPOLITAN DISTRICT AS AMENDED  
THROUGH March 28, 2011

CERTIFICATE

I hereby certify that the foregoing Bylaws, consisting of thirteen (13) pages, including this page, constitute the Bylaws of Park Meadows Metropolitan District, as amended through March 28, 2011.

By: /s/ Roger P. Pearson, Secretary



**AMENDED AND RESTATED  
RESOLUTION  
OF THE  
BOARD OF DIRECTORS  
OF  
PARK MEADOWS METROPOLITAN DISTRICT  
DOUGLAS COUNTY, COLORADO**

**A RESOLUTION ESTABLISHING A POLICY REGARDING  
THE USE OF E-MAIL CORRESPONDENCE AMONG DIRECTORS**

**RECITALS**

**WHEREAS**, Section 24-6-402, C.R.S., states that e-mail correspondence among three Park Meadows Metropolitan District (the "District") Directors in which pending resolutions or other District business is discussed are public meetings subject to the requirements of Colorado Open Meetings Law ("COML"); and

**WHEREAS**, the District Board of Directors (the "Board") previously adopted a resolution establishing a policy regarding the use of e-mail correspondence among Directors on September 27, 2010; and

**WHEREAS**, the Board deems it in the best interest of District residents and property owners that it establish a revised policy regarding the use of e-mail communications among Directors.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE PARK MEADOWS METROPOLITAN DISTRICT, AS FOLLOWS:**

Section 1: The statements contained in the Recitals are incorporated herein as if fully set forth at this place.

Section 2: The Board recognizes that although e-mail discussions among three or more Directors are not illegal, they are public meetings which must be conducted in compliance with the requirements of COML.

Section 3: The Board has determined that it is virtually impossible to conduct an e-mail meeting among Directors that would be in compliance with COML.

Section 4: Accordingly, the Board establishes the following policy pertaining to e-mail correspondence among Directors:

(a) E-mail correspondence may be used to disseminate information among Directors; and

(b) Directors should avoid e-mailing more than one other Director at a time; and

(c) When receiving e-mail correspondence addressed to multiple Directors, Directors should avoid, when using Outlook, the “reply to all” function, or any similar multi-reply e-mail function. Replies to these e-mails should be directed to no more than one other Director at a time.

**[The remainder of this page left intentionally blank.]**

ADOPTED AND APPROVED this 22 day of August, 2011, by a vote for 4 and 0 against.

**PARK MEADOWS METROPOLITAN DISTRICT,**  
a quasi-municipal corporation and political subdivision of  
the State of Colorado

By: Mark S. Thomas, acting president  
~~John J. Herbolich, President~~

**ATTEST:**

By: Roger P. Pearson  
Roger P. Pearson, Secretary