

BY-LAWS OF SADDLEWOOD FOUNDATION, INC.

Article 1. Name of the Saddlewood HOA, Membership and Definitions

Section 1.01 Name.

The name of the Association shall be the Saddlewood Foundation, Inc., (hereafter sometimes referred to as the "Association").

Section 1.02 Membership.

- A. Membership. Following the termination of the Class B membership established by the Declaration of Covenants, Conditions, and Restrictions for Saddlewood Foundation, Inc. ("Declaration"), as amended from time to time, the Association shall have one (1) class of membership. Membership shall be as provided in the Declaration. Every person or entity holding record title to a fee simple interest or an undivided ownership interest in a Single-Family Lot within the Property shall automatically be a Member of the Association. Persons or entities holding an interest solely as security for the performance of an obligation shall not be Members. Occupants shall have the membership rights provided by the Declaration, but only the record Owner of a Single-Family Lot may cast the vote allocated to that Lot.
- B. Member in Good Standing. A "Member in Good Standing" is a Member who is not more than thirty (30) days delinquent in the payment of any assessment, fees, fines, or other charge validly imposed and due to the Association in accordance with the Governing Documents and applicable law.
- C. Voting Rights. Each Single-Family Lot shall be entitled to one (1) vote. When more than one person owns an interest in a Lot, all such persons shall be Members; however, the Lot shall be entitled to only one (1) vote, which shall be exercised as the owners determine among themselves.
- D. Membership Voting Authority. Members in Good Standing shall have the right to vote on matters specifically reserved to the membership by the Declaration, the Articles of Incorporation, these By-Laws, or applicable Colorado law, including any proposed veto of the annual budget and any special assessment submitted to the membership.
- E. Secret Ballots. Whenever a vote of the membership is conducted by written ballot, voting shall be by secret ballot. Election results shall be reported in a manner that does not identify how any individual Member voted.
- F. Use of Common Areas. Members and their guests shall have the right to use and enjoy the Common Areas in accordance with the Declaration, these By-Laws, and any rules adopted by the Board. No horses or motorized vehicles shall be

permitted on Common Areas except as authorized for maintenance, emergency services, or Association business.

- G. Participation in Association Affairs. Members are encouraged to participate in Association activities, serve on committees, and contribute to the governance and maintenance of the Saddlewood community.

Section 1.03 Transfer fee.

Each purchaser of a Single-Family Lot shall pay the Association a transfer fee in the amount established from time to time by the Board of Directors. Upon acquiring title to the Lot, the purchaser shall automatically become a Member of the Association and shall be responsible for all fees, assessments, and other financial obligations imposed in accordance with the Governing Documents and applicable law. The Association shall make its current fees and assessments available to Members and prospective purchasers. Current fees and assessments shall be made available on the Saddlewood website.

Section 1.04 Definitions.

Capitalized terms used but not otherwise defined in these By-Laws shall have the meanings assigned to them in the Declaration, including “Declarant,” “General Common Properties,” “Member,” “Owner,” “Property,” and “Single-Family Lot.” If a term is defined differently in these By-Laws, the definition in these By-Laws shall apply only to the extent permitted by the Declaration and applicable law.

- A. “By-Laws” Means the code or codes of rules, other than the articles of incorporation, adopted pursuant to regulation or management of the affairs of the Saddlewood HOA, (Association) by which such rules are designated, and includes amended bylaws and restated bylaws. (Colorado Revised Statutes 2024 TITLE 7 CORPORATIONS AND ASSOCIATIONS CORPORATIONS.)
- B. “Vote” Means and vote which includes a show of hands, voice, authorization by written ballot and written consent.
- C. “Majority of Members” Means that when a quorum is present and a vote is taken, a simple majority (50% plus 1) causes the motion to pass or fail.
- D. “Voting Member” Means a Member holding Voting Rights, Section 2(C), pursuant to provisions of the association’s bylaws.
- E. “Quorum of the Board of Directors” Shall consist of a majority of the directors currently holding office prior to the commencement of the meeting. For instance, if nine directors are elected, a quorum would consist of five members.
- F. “Quorum of the Membership” Shall consist of at least one-fourth (25%) of all Voting Members (currently 35) represented either in person or by proxy. Any provisions regarding quorums contained in the Declaration are expressly incorporated herein.

Article 2. Foundation Records and Required Disclosures

Section 2.01 Commonly Available Records and Disclosures.

The Association shall maintain the records required by C.R.S. § 38-33.3-317 and other applicable Colorado law. The Foundation will make the following readily available:

- A. The name of the association and its address in Elizabeth, Colorado.
- B. The names and contact information of the Board of Directors
- C. The initial date and recording of the Declaration of Covenants and any changes within 90 days of such change.

The Foundation will make the following information available to the Members 90 days following the end of the Foundations fiscal year:

- A. The date the Foundation's fiscal year commences (January 1).
- B. The Foundation's current fiscal year budget.
- C. The annual financial statements, including any profit or loss for the fiscal period and all cash balances as of the period.
- D. The results of any financial audits or reviews from the previous year and the current year.
- E. A list of all Foundation insurance policies Including the company name, and expiration dates, unless otherwise required by law.
- F. The Foundation's bylaws, covenants and rules and regulations and other governing documents.
- G. The minutes of all executive board and annual or special meetings for the previous three and current year.

The above information shall be made available through one or more methods authorized by these By-Laws, including the Association website, electronic mail, U.S. Mail, or other legally authorized means.

Section 2.02 Inspection of the records by the Members.

Inspection of Records by Members. Association records shall be available for inspection and copying by Members or their authorized representatives as provided by the Association's records-inspection policy and applicable Colorado law. The Association may charge the requesting Member the costs permitted by the records-inspection policy and applicable law.

Section 2.03 Inspection by Board Members.

Inspection by Board Members. Each Director shall be entitled, at a reasonable time and location, to inspect and copy the Association's books, records, and documents to the extent reasonably related to the performance of the Director's duties, subject to reasonable procedures established by the Board and applicable Colorado law.

Section 2.04 Foundation Records.

The Foundation shall keep, as permanent, the following:

- A. The minutes of all annual or special membership and Board meetings.
- B. All actions taken by the Board pursuant to written ballots rather than at a meeting.
- C. All actions taken by a committee on behalf of the Board.
- D. All actions and decisions made by The Architectural Review Committee.

The Foundation will maintain the following at its principal place of storage.

- A. Articles of organization, declaration, covenants, bylaws, minutes of all Board meetings and resolutions and annual or special membership meetings and a record of all actions taken by The Board without a meeting in the past three years.
- B. All written communications from the Foundation to Members for the past three years.
- C. A list of names or contact information of the current Board Members and officers.
- D. The most recent annual report if any.
- E. A list of all Members who are entitled to vote.

Article 3. Association Meetings, Quorum, Voting and Voting Proxies

Section 3.01 Place and Method of Meetings.

Meetings of the Members shall be held at a suitable place convenient to the Members, entirely by virtual means, or through a combination of physical and virtual participation, as determined by the Board of Directors. Any virtual means used shall permit all persons participating in the meeting to hear one another during the meeting. A Member participating by such means shall be deemed present in person at the meeting.

Section 3.02 Conduct of Meetings.

The President or his designee shall preside over all meetings of the Association. The Secretary (or designee) shall take minutes and record the proceedings of each meeting and record all resolutions adopted at the meeting, as well as a record of all transactions occurring thereat. Minutes shall be distributed to the board members for correction/approval prior to posting to the membership.

Section 3.03 Association Board Meetings.

- A. All regular and special meetings of the Association's Board, or committee thereof, shall be open to all Members of the association or their representative. An owner's representative must have written authority.
- B. When requested, Agendas for these meetings shall be made reasonably available (7 days before the meeting) for examination by all Members of the association or their representatives.
- C. Members shall be permitted to attend, listen and speak at an appropriate time, during the proceedings; except that, for regular and special meetings of the board, Members who are not Board Members may not participate in any deliberation or discussion unless expressly authorized by a vote of the majority of a quorum of the Board.
- D. The Board may place reasonable restrictions on those persons speaking during the meeting. Eligible Members wishing to speak may do so before the Board takes formal action on the item under discussion. The Board shall provide for a reasonable number of persons to speak from each side of an issue.

Section 3.04 Annual Membership Meetings.

Annual meetings of the Members shall be held at least once each year. The time, date and agenda of the meetings will be set by the Board. Notice shall normally be given thirty (30) days in advance but not less than ten (10) days of any meeting of the Foundation Members.

Section 3.05 Special Membership Meeting.

The President, a majority of the Board, or five (5) percent of the eligible foundation Members (who are current in payment of all Association dues, and fees.) may call a special membership meeting. Notice of the special meeting shall be the same as for the annual membership meeting. No business shall be transacted at a special membership meeting except as stated in the notice. Any proposed changes to the "HOA Covenants" must follow rules as described in that document.

Section 3.06 Notices of the annual meeting and nomination and election of board members. (7-127-104)

Each member entitled to vote at the meeting shall be notified of the meeting consistent with the bylaws in a fair and reasonable manner.

- A. Notice is fair and reasonable if the Association notifies each Member of the place, date, and time of each annual, regular, or special membership meeting not fewer than ten (10) nor more than fifty (50) days before the meeting. Notice shall be hand-delivered or sent by prepaid United States Mail to the mailing address of each Single-Family Lot or to another mailing address designated in writing by the Owner. The notice shall include the items on the agenda, including the general nature of any proposed amendment to the Declaration or By-Laws, any budget changes, and any proposal to remove a member of the Board. In addition, the

Association may provide notice by electronic mail, posting on the Association's website, or any other supplemental method permitted by Colorado law.

- B. If the Board determines that the nomination and election to the Board members will be held during the Annual meeting notices requesting nominations will be mailed 30 days prior to the date of the annual meeting. The Election committee shall be notified of this action .
- C. Voting procedures at the annual membership meeting, a Quorum of the Membership being present:
 - a. After fixing a record date for a notice of a meeting, or for determining the members entitled to act by written ballot, the Secretary shall prepare in connection with the annual or special meetings of the members, an alphabetical list of all eligible Lot Members names and addresses. Members will sign in to confirm that a quorum is present or not. If not, the election cannot be held in that meeting.
 - b. The members list shall be available for inspection by any member entitled to vote at the meeting, beginning before the meeting for which the list was prepared, after notice of the meeting is given, and continuing through the meeting. If prepared in connection with action to be taken by the members by written ballot, the members list shall be available for inspection by any member entitled to cast a vote by such written ballot,
 - c. Any written ballots distributed to the members for a vote at the meeting will require a second signature on the membership list prior to issuing a ballot to validate that they are eligible to vote and have received a ballot.
 - d. If the Board of Directors determines to hold the election of the Board of Directors at the annual meeting, The Election committee will need to send out the Notice of Nominations 30 days prior to the date of the annual meeting and receive written acceptance of nomination in time (seven (7) days before the meeting) to prepare and print official ballots. Members shall be encouraged to attend in person or by proxy so that a quorum will be present.
 - e. Persons nominated at the meeting, whose names are not printed on the ballot, must then be written in (as write in) on the ballot by each voting member that wishes to vote for them.

Section 3.07 Voting by Proxy.

Members may vote in person or by proxy.

- A. A Member may appoint a proxy by signing a written proxy appointment or by transmitting or authorizing an electronic transmission that provides written evidence of the appointment. The proxy appointment must be delivered to the Secretary or other person authorized to tabulate votes before it is exercised.

- B. A proxy is void if it is not dated. A proxy may be revoked by actual notice of revocation to the person presiding over the meeting, by appointment of a later-dated proxy, or by the Member voting in person.
- C. A proxy terminates eleven (11) months after its date unless the proxy specifies an earlier termination date. A proxy obtained through fraud or misrepresentation is invalid.
- D. A proxy form or written ballot may provide an opportunity to approve or disapprove a specific proposal.
- E. The Association may reject a vote, consent, written ballot, waiver, proxy appointment, or proxy revocation if the Secretary or other person authorized to tabulate votes, acting in good faith, has reasonable grounds to doubt the validity of the signature or the authority of the person signing.
- F. The Association and its officers or agents shall not be liable for damages resulting from the good-faith acceptance or rejection of a vote, consent, written ballot, waiver, proxy appointment, or proxy revocation. Any Association action based on that acceptance or rejection shall remain valid unless a court of competent jurisdiction determines otherwise.

Section 3.08 Referendum Votes.

Action taken without a meeting (7-127-109).

- A. When the Board determines that a proposal requires approval of the membership between meetings of the annual or a special meeting of the association, the Foundation will deliver a written ballot by US Mail to every member entitled to vote on the matter, accompanied by written information sufficient to permit each person casting such ballot to reach an informed decision on the matter.
- B. The written ballot shall include the following:
 - a. State each proposed motion and provide an opportunity for the members to vote for or against each of the proposed actions.
 - b. State the date and time by which a ballot must be received by the Association election committee in order to be counted.
 - c. The number of responses needed to meet the quorum requirement of one-fourth of the members (1/4) (35 Members.)
 - d. Approval by written ballot pursuant to this section shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action. Approvals of a simple majority (50% plus 1) cause the motion to pass.
 - e. As provided in the bylaws when all voting instructions are followed, a written ballot may not be revoked.

- f. Action taken under this section has the same effect as action taken at a meeting of members and may be described as such in any document.
- g. In the event that not enough returned ballots are received by the election committee on the day the tabulations are to be conducted, the committee shall leave the ballots in the post office box and solicit members who have not voted to mail their ballots in order to achieve a quorum, an additional ten (10) days will be allowed to return their ballots. Failure to achieve a quorum will cause the vote to be invalid.

Section 3.09 Voting using the US Mail for the election of Foundation Board of Directors

- A. After the solicitation and nomination of candidates for Board of Director positions, the Election Committee is responsible for preparing and printing all election materials. This includes ballots, voting instructions, and preaddressed return envelopes, in accordance with Article 6, Section 1(C) of these By-Laws.
- B. The secretary or treasurer shall furnish the committee with an alphabetical roster of all eligible Voting Members, including their names and addresses.
- C. The election committee will distribute the election package to each Voting Members' most recent address as listed in the membership records. Voting Members will have thirty (30) days from the date the ballots are mailed until the ballots are tabulated.
- D. Voting instructions will accompany the ballot. Pre-addressed return envelopes will be provided and must be signed by the Voting Member. The instructions will specify the deadline for receipt of ballots by the Election Committee, as well as the number of Board Members to be elected. The candidates receiving the highest number of votes for the positions to be filled will be declared elected.
- E. When the signature on a vote, consent, written ballot, waiver, proxy appointment, or proxy revocation matches the name of a member acting in good faith, that member's vote shall be recognized as the official act of the member.
- F. If the name signed on a vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation does not match that of a member, or if the election committee responsible for tabulating votes has legitimate concerns regarding the validity of the signature or the authority of the signatory to represent the member, the committee, acting in good faith, is authorized to challenge, address, or reject the respective vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation.
- G. Election committee members of the foundation who accept or reject a vote, consent, written ballot, waiver, proxy appointment, or revocation thereof, in good faith and pursuant to the standards outlined in this section, shall not be held liable for damages resulting from their decisions unless determined otherwise by a court of competent jurisdiction.

- H. The election committee shall formally certify the ballot tabulation in writing, providing detailed information regarding the number of ballots printed, cast, challenged, and cured, as well as the votes received by each candidate and the names of those elected.
- I. All ballots, returned envelopes, challenged ballots, and election documents utilized in vote tabulation shall be securely sealed by the election committee and preserved for a period of three (3) years.

Article 4. The Board of Directors

Section 4.01 Governing Body.

Those who are elected to The Board of Directors shall govern the affairs of the Association.

Section 4.02 Term of Office.

Directors shall serve terms of one (1) or two (2) years, as established by the Board before the election, and the terms may be staggered. The term applicable to each position shall be stated in the election materials. Each Director shall serve until the expiration of the Director's term and until a successor is elected or appointed, unless the Director earlier resigns or is removed.

Officers shall be elected annually by the Board for a term of one (1) year and may be reelected. Each Officer shall serve until a successor is elected, unless the Officer earlier resigns or is removed.

Section 4.03 Powers and Duties of Officers.

Each Officer shall have the powers and duties generally associated with the Officer's position, together with any additional powers and duties assigned by the Board.

- A. President. The President shall be the chief executive officer of the Association, shall preside over meetings of the Members and the Board, and shall perform such other duties as directed by the Board.
- B. Vice President. The Vice President shall assist the President and perform the President's duties in the President's absence or inability to act.
- C. Secretary. The Secretary shall oversee the preparation and maintenance of minutes and other Association records required by the Governing Documents and applicable law.
- D. Treasurer. The Treasurer shall oversee the Association's financial records, preparation of the proposed budget, collection of assessments and other charges, and payment of Association expenses, subject to the direction of the Board.

Section 4.04 Agreements, Contracts, Deeds, Leases, and Checks.

Agreements, contracts, deeds, leases, checks, and other instruments approved by the Board shall be executed on behalf of the Association by at least two (2) Officers or by such other person or persons authorized by resolution of the Board. The Board may establish procedures authorizing Officers, agents, or employees to execute routine contracts, payments, and other instruments within the approved budget.

Section 4.05 Vacancy.

A vacancy in any office arising because of death, resignation, removal, or otherwise will be filled by the Board for the unexpired portion of the term.

Section 4.06 Resignation.

Any Board Member or Officer may resign, at any time, by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein. The acceptance of such resignation shall not be necessary to make it effective.

Section 4.07 General standards of conduct for directors and officers.

Each Director and Officer shall discharge their duties in good faith, with the care an ordinarily prudent person in a similar position would exercise under similar circumstances, and in a manner the Director or Officer reasonably believes to be in the best interests of the Association. In discharging their duties, a Director or Officer may rely on information, opinions, reports, or statements, including financial statements and other financial data, as permitted by applicable law.

Each Director and Officer shall disclose and address any actual or potential conflict of interest in accordance with applicable Colorado law and the Association's conflict-of-interest policy.

Section 4.08 Unauthorized assumption of Association powers.

All persons purporting to act as or on behalf of the association without authority to do so and without good-faith belief that they have such authority shall be jointly and severally liable for all liabilities incurred or arising as a result thereof. (7-122-105)

Section 4.09 Indemnification of Directors, Officers, Committee Members, and Volunteers.

- A. Right to Indemnification. To the fullest extent permitted by Colorado law, the Association shall indemnify and hold harmless any current or former Director, Officer, Committee Member, or volunteer acting on behalf of the Association from and against any liability, claim, damage, judgment, settlement, penalty, fine, cost, or reasonable attorney fees incurred in connection with any threatened, pending, or completed action, suit, or proceeding arising out of such person's service to the Association, provided that such person acted in good faith and in a manner reasonably believed to be in the best interests of the Association.

- B. Limitations. The Association shall not indemnify any person for acts or omissions involving fraud, willful misconduct, gross negligence, knowing violation of law, breach of fiduciary duty, or actions resulting in an improper personal benefit.
- C. Advancement of Expenses. The Association may advance reasonable expenses, including attorney fees, incurred in defending any proceeding, provided the recipient agrees in writing to repay such amounts if it is ultimately determined that such person is not entitled to indemnification under these By-Laws or applicable law.
- D. Insurance. The Board of Directors may purchase and maintain Directors and Officers Liability Insurance (D&O Insurance) or other appropriate insurance coverage to protect Directors, Officers, Committee Members, employees, and volunteers acting on behalf of the Association.
- E. Survival of Rights. The rights provided in this section shall continue after a person has ceased serving the Association and shall inure to the benefit of such person's heirs, executors, administrators, and legal representatives.

Section 4.10 Removal of any Officer or Board Member.

- A. Removal of Officers. Any Officer may be removed by the Board whenever the Board determines that removal is in the best interests of the Association.
- B. Removal of Directors by Members. A Director may be removed, with or without cause, by the affirmative vote of sixty-seven percent (67%) of the Members present and entitled to vote at a meeting at which a quorum is present. Notice of the meeting must state that the removal of the Director is proposed. The Director shall be given an opportunity to be heard at the meeting.
- C. Absences. Three (3) consecutive unexcused absences from Board meetings may, upon the affirmative vote of a majority of the remaining Directors, constitute the absent Director's deemed resignation from the Board.

Section 4.11 Meetings of the Board, Quorum, Notice, and Compensation.

- A. Organization Meetings. Each year following the election of board members, the officers shall be elected by the Board Members, and shall consist of a President, Vice President, Secretary, and Treasurer or a Secretary-Treasurer. No person shall hold more than one office. The organizing meeting shall be held within ten (10) days thereafter at such time and place as shall be fixed by the Board.
- B. Special Meetings. Special meetings of the Board shall be held when called by written notice signed by the President, Vice President, or Secretary of the Association, or by any two (2) Board Members. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. Notice shall be at least four days before the meeting is to be held. Notice may be provided by personal delivery, U.S. Mail, electronic mail, telephone, or any other reasonable method permitted by Colorado law.

- C. Action without a Formal Meeting. Any action to be taken at a meeting of the Board or any action that may be taken at a meeting of the Board may be taken without a meeting if consent in writing, setting forth the action so taken, shall be signed by all of the Board Members and recorded. An explanation of the action taken shall be posted at a prominent place or places within the mail kiosk and the Saddlewood HOA website within three (3) business days following the date of approval of the agreed action.
- D. Compensation. No Board Members shall receive any compensation from the Association for acting as such unless approved by a majority vote of the total vote of the Association at a regular or special meeting of the Association. An exception to the above provision is paid attendance by a Board Member at Board-approved training, determined by the Board to directly benefit the Association.
- E. Quorum and Voting. A majority of the Directors then serving shall constitute a quorum for the transaction of Board business. When a quorum is present, the affirmative vote of a majority of the Directors present shall constitute an act of the Board unless a greater vote is required by the Governing Documents or applicable law. Directors may not vote by proxy.
- F. Remote Participation. The Board may permit any Director to participate in a regular or special meeting, or may conduct the entire meeting, through the use of any means of communication by which all participating Directors may hear one another during the meeting. A Director participating by such means shall be deemed present in person.
- G. Executive Sessions. During a regular or special meeting of the Board, the Board may convene in executive session to consider matters authorized by C.R.S. § 38-33.3-308(4). Before convening in executive session, the chair shall announce the general matter to be discussed. No rule or regulation of the Board or any committee shall be adopted during executive session. The minutes shall indicate that an executive session was held and state the general subject matter of the executive session.
- H. Emergency Powers. During an emergency as defined by applicable Colorado law, the Board may exercise the emergency powers authorized by C.R.S. §§ 7-123-103 and 7-123-104. Nothing in this subsection authorizes the Board to suspend, modify, or amend the Declaration except in accordance with the Declaration and applicable law.

Article 5. Additional Responsibilities, Powers and Duties of the Board

Section 5.01 Powers.

The Board of Directors shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things that are allowed by the Declaration, Articles, or these By-Laws, or directed to be done and exercised exclusively by the Board of Directors.

Section 5.02 Responsibilities.

In accordance with the By-Laws and resolutions of the Association, the Board of Directors is entrusted with a comprehensive range of duties vital to the proper governance and administration of the Association. The following enumerates these responsibilities in detail:

- A. Annual Budget. The Board shall prepare and adopt a proposed annual budget for the Association. Within ninety (90) days after adopting the proposed budget, the Board shall deliver a summary of the budget to all Members and schedule a meeting of the Members to consider the budget within a reasonable time after delivery of the summary. The proposed budget does not require affirmative approval by the Members and shall be deemed approved unless vetoed at the meeting by Members by simple majority of votes when a quorum is present. If the proposed budget is vetoed, the last budget proposed by the Board and not vetoed by the Members shall remain in effect until a subsequent budget is proposed and not vetoed.
- B. Making Assessments. The Board may levy annual and special assessments in accordance with the Declaration, these By-Laws, and applicable law. Members will have the opportunity to discuss and vote on such assessments. The Board shall determine the amount, due dates, and method of collection of each assessment and shall provide notice to the affected Owners as required by the Declaration.
- C. Opening of Bank Accounts. The Board shall open bank accounts on behalf of the Association, designate the required signatories, and ensure payment for all services rendered to the Association or its Members that are not otherwise chargeable to owners.
- D. Operation and Maintenance. The Board shall provide for the operation, care, upkeep, and maintenance of all Areas of Common Responsibility. This includes repairs, additions, improvements, and alterations to Common Areas, in accordance with the Declaration and By-Laws, especially following damage or destruction by fire or other casualty.
- E. Engagement of Volunteers. The Board shall solicit volunteers from Members for maintenance projects. If necessary, outside contractors may be requested to submit bids for projects approved by the Board, with funding allocated from the budget.
- F. Personnel Management. When required, the Board shall designate, hire, and dismiss personnel contracted for the maintenance, operation, repair, and replacement of Association property and Common Areas. Where appropriate, the Board shall also provide for the compensation of personnel and procure equipment, supplies, and materials necessary for their duties.
- G. Rulemaking Authority. The Board may adopt, amend, and repeal reasonable rules and regulations governing the Association and the General Common Properties, provided that the rules and regulations are consistent with the Governing Documents and applicable law.

- H. Enforcement of Governing Documents. The Board shall enforce, by legal means, the provisions of the Declaration, By-Laws, and adopted rules and regulations. This includes instituting or defending proceedings on behalf of or against owners concerning Association matters.
- I. Insurance. The Board is responsible for obtaining and maintaining insurance against casualties and liabilities, as stipulated in the Declaration, and for paying the associated premiums.
- J. Financial Records. The Board shall maintain accurate financial records reflecting the Association's receipts, expenditures, and financial condition. Inspection and production of those records shall be governed by Article 2, the Association's records-inspection policy, and applicable Colorado law.
- K. Utility Access. The Board shall permit utility suppliers to use portions of the General Common Properties as necessary for the ongoing operation of the Saddlewood community.

Section 5.03 Accounts and Reports.

The Association's financial records and statements shall be prepared using generally accepted accounting principles or the cash or tax basis of accounting, as determined by the Board and permitted by applicable law. The Board shall establish reasonable internal controls for the receipt, custody, and disbursement of Association funds, including appropriate segregation of financial responsibilities when practicable. Disbursements shall be made through payment methods authorized by the Board.

The following financial reports shall be prepared for the Board at least quarterly:

- A. A statement of income and expenses for the preceding three (3) months;
- B. A statement reflecting receipts and disbursements during the preceding three (3) months;
- C. A report comparing actual income and expenses to the approved budget and identifying any material actual or anticipated budget variance; and
- D. A confidential delinquency report identifying accounts that remain delinquent and the status of collection activity.

Within ninety (90) days after the end of each fiscal year, the Association shall prepare a year-end balance sheet and statement of income and expenses and make those financial statements available as required by applicable Colorado law.

Section 5.04 Rights of the Association.

With respect to the Common Areas or other Association responsibilities owned, and in accordance with the Articles of Incorporation and By-Laws of the Association, the Association shall have the right to contract with any person for the performance of various duties and functions. Such agreements shall require the consent of a majority of the Directors present at a meeting where a quorum exists.

Section 5.05 Notices and Electronic Communications.

Unless a specific method of delivery is required by the Declaration, these By-Laws, or applicable Colorado law, notices, demands, ballots, budgets, financial reports, statements, meeting announcements, election materials, and other official communications of the Association may be delivered by any method authorized in this section. A supplemental method of notice does not replace a delivery method required by the Governing Documents or applicable law.

- A. Permitted Methods of Notice. To the extent permitted by the Governing Documents and applicable law, notice may be provided by one or more of the following methods:
 - a. Personal delivery;
 - b. First-class United States Mail, postage prepaid, addressed to the Member's address of record;
 - c. Electronic mail (e-mail) addressed to the Member's designated e-mail address;
 - d. Posting on the Association's official website;
 - e. Posting at a community bulletin board, mail kiosk, or other prominent location within the community; or
 - f. Any other method permitted by applicable Colorado law.
- B. Electronic Notice. When electronic delivery is permitted by the Governing Documents and applicable law, notice may be delivered electronically to a Member who has provided the Association with a valid electronic mail address and has not withdrawn consent to receive electronic communications.:
 - a. Annual, regular, and special meeting notices;
 - b. Board meeting notices and agendas;
 - c. Proposed budgets and financial reports;
 - d. Election materials and ballots when permitted by law;
 - e. Committee announcements;
 - f. Proposed amendments to governing documents;
 - g. Rules, policies, and enforcement notices; and
 - h. Other Association business communications.
- C. Member Contact Information. Each Member shall be responsible for providing and maintaining current mailing addresses, electronic mail addresses, telephone numbers, and other contact information as reasonably requested by the Association. A Member's failure to update such information shall not invalidate any notice otherwise properly delivered.
- D. When Notice Is Deemed Given. Unless otherwise required by law:

- a. Notice delivered personally shall be deemed given upon delivery.
 - b. Notice sent by United States Mail shall be deemed given three (3) business days after mailing.
 - c. Notice sent by electronic mail shall be deemed given upon transmission, unless the Association receives notice that delivery was unsuccessful.
 - d. Notice posted on the Association's website or at an approved community location shall be deemed given on the date of posting when such method is authorized by these By-Laws or applicable law.
- E. **Withdrawal of Electronic Notice Consent.** A Member may withdraw consent to receive electronic notices at any time by submitting written notice to the Secretary. Upon receipt of such request, the Association shall provide future notices by another method permitted by these By-Laws and Colorado law.
- F. **Electronic Records and Signatures.** To the fullest extent permitted by Colorado law, the Association may maintain records electronically and may accept electronic signatures, electronic ballots, electronic consents, and electronic proxies. Such electronic records and signatures shall have the same force and effect as their written counterparts.

Section 5.06 Conflicts.

If any conflict or inconsistency exists among applicable Colorado law, the Declaration, the Articles of Incorporation, and these By-Laws, they shall control in that order, except as otherwise required by applicable law. Any conflicting provision shall be invalid only to the extent of the conflict.

Article 6. Committees

Except for the Architectural Review Committee established and governed by the Declaration, all committees shall operate under the direction of the Board of Directors. Each committee shall undertake the assignments, exercise the authority, and serve for the period stated in a resolution adopted by the Board at a meeting where a quorum is present. A committee may exercise only authority that the Board may lawfully delegate and shall conduct its activities in accordance with the applicable Board resolution, the Governing Documents, and Colorado law. The Board may modify or withdraw a committee's authority or dissolve a Board-created committee at any time.

Committees may include, but are not limited to, the following:

- A. The Covenants Committee. The Board of Directors shall designate a Covenants Committee composed of not fewer than three (3) and no more than five (5) Members. In accordance with the Declaration, these By-Laws, and any resolutions adopted by the Board, the Covenants Committee will serve as the Association's hearing tribunal.
- B. The Architectural Review Committee. The Architectural Review Committee established by Article VI of the Declaration shall consist of not fewer than three (3) and not more than five (5) Members and shall be constituted and operate in accordance with the Declaration. The Architectural Review Committee shall review and approve or disapprove plans for construction, alterations, fencing, landscaping, and other improvements requiring approval under the Declaration.

- C. Common Area and Fire Prevention Committee. The Board of Directors shall designate a Common Area and Fire Prevention Committee consisting of one (1) and not more than five (5) Members and shall be constituted to oversee the Common Area, coordinate with landscaping services for beautification and fire prevention, make appropriate signage, act as the representative for coordination with and access to Forestry and Fire Prevention organizations, and shall promote fire prevention and provide educational information to the Members.
- D. The Election/Nominating Committee. The Board shall appoint the Election/Nominating Committee at least thirty (30) days before each annual membership meeting. The Committee's term shall begin at the conclusion of that annual meeting and end at the conclusion of the following annual meeting. Committee members may be reappointed. The appointment of the Committee shall be announced at each annual membership meeting. The Committee shall perform its responsibilities in accordance with the Governing Documents, applicable law, and election procedures approved by the Board. The Committee shall remain neutral and nonpolitical. It shall solicit nominations, verify candidate qualifications established by the Governing Documents, administer the election procedures, oversee ballot counting, and certify the election results. The Committee shall solicit nominations for election to the Board and shall seek at least as many candidates as there are positions to be filled. The Committee shall have a Chairperson who may be a member of the Board. The Chairperson shall provide the Committee with relevant lists and election materials and may advise the Committee. The Chairperson shall not count or handle secret ballots. If the Chairperson is a candidate, the Chairperson shall not participate in administering the election. At least two (2) eligible Members shall be appointed to count secret ballots. A ballot counter may not be a Board Member and, in a contested election, may not be a candidate. Nominations may be submitted in writing before the annual membership meeting or made from the floor at the meeting. If the election is not conducted at the annual meeting, additional written nominations may be submitted to the Committee within two (2) weeks after the meeting. Secret ballots shall be counted by a neutral third party or by the eligible Members appointed under subsection C.6. Each candidate shall have an equal opportunity to provide the Members with a brief statement of qualifications and solicit votes. A candidate who wishes to have a biography included with the election materials must submit it before the deadline established by the Committee.
- E. Welcoming/Social Committee. The Welcoming/Social Committee shall welcome new members who move into the Saddlewood Community. The committee shall be responsible for community events that may from time-to-time be scheduled for residents of the community.

Article 7. Certification.

The Board of the Saddlewood Foundation, Inc., does hereby certify that we hereby assent to the within and foregoing By-Laws and hereby adopt the same as the By-Laws of said Corporation.

Changes to these By-Laws may be made from time to time by a vote of the members at the annual membership meeting, a special membership meeting, or voting through the US Mail when a quorum is established according to the rules of these By-Laws. Once adopted the By-laws shall be recorded with the Elbert County Recorder.

Amended on _____ by vote of the membership.