

**COMSTOCK ESTATES HOMEOWNERS ASSOCIATION  
POLICIES AND PROCEDURES**

as required by C.R. S. 38-33.3-209.5

The following Policies and Procedures were adopted by the Board of Directors of the Comstock Estates Homeowners Association ("the Association") pursuant to Colorado Revised Statute ("C.R.S.") 38-33\_3-209.5.

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# COMSTOCK ESTATES HOMEOWNERS ASSOCIATION

## POLICIES AND PROCEDURES

### ADOPTION, AMENDMENT, REPEAL, OR OTHER CHANGES TO THE POLICIES, PROCEDURES, RULES AND REGULATIONS

**Policy:** Our community continues to change as residents move in and move out. We want our governing documents, including these policies, procedures, rules and regulations to remain up to date, legally enforceable, and reflective of our community's desires.

**Procedure:**

Step 1: Proposal. If the Board of Directors should decide that it would be in the best interest of the Association to adopt, amend, repeal, or otherwise change the policies and procedures contained in this document, such a proposal is to be presented in a regular or special meeting of either the Board or the Members. If adoption, amendment, repeal, or other change is proposed by the Board of Directors, it should appear on the agenda of the meeting at which the matter is to be proposed. If the Members propose any change to these policies and procedures, the matter need not appear on the agenda of any meeting before the matter is proposed.

Step 2: Committee Review. Once the Board or the Members have proposed adoption or amendment of the Association's policies and procedures pursuant to step 1, the Board will appoint a committee to consider the proposed change. The committee will consist of at least 3, but no more than 5, individuals and will include at least 1 member of the Board. The committee will then prepare a written draft of the proposed change to the policies and procedures for presentation to the Board at the next meeting, or at some other time determined by the Board. The committee is empowered to determine what it believes to be the best means of producing the draft. They may wish to survey or interview the Members, or some group thereof, or seek legal counsel. The committee is to make a good faith effort to communicate with both sides of a disputed issue. If the committee determines to use some method which costs money, they must formally seek approval for the expenditure from the Board.

Step 3: Board Review. At the next meeting of the Board, or at some other time the Board should set in step 2, the committee's written proposal is presented to the Board. The Board will then open the matter for discussion as provided for in these policies and procedures. After comment on the proposed adoption, amendment, repeal, or other change has been taken, the Board will vote on whether or not the change should be adopted.

Step 4: Adoption of Policies and Procedures. Adoption, amendment, repeal, or other change to these policies and procedures will be made by a simple majority vote (51 %) of the Board of Directors at a regular or special meeting of the Board called for that purpose.

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Step 5: Publication. If the proposed change is adopted in step 4, the Secretary of the Association will cause the change to be made to the policies and procedures. Copies of the document reflecting the changes will then be circulated to the members as provided for in the policies and procedures.

Adopted on NOV -23- 2009

Norman L. Hoffinger

Secretary

President

# COMSTOCK ESTATES HOMEOWNERS ASSOCIATION

## POLICIES AND PROCEDURES

### CONDUCT OF MEETINGS AND VOTING

**Policy:** The main means of communication between the Association and its Members is through in person meetings. It is important that meetings are held regularly and that Members have an opportunity to participate, and give feedback.

#### **Procedures:**

**Timing.** Meetings of the Board and of the Members are to be held at least once per year as outlined in the Association's other governing documents.

**Calling a Meeting.** Regular meetings of the Board need not be formally called because the Board sets their timing in advance at predicable times. Special meetings of either the Board or the Members, however, need to be scheduled. Special meetings of the Members may be called by the President of the Association, by a majority of the Board, or by the Members as specified in the Bylaws. Special meetings of the Board may be called as provided for in the Bylaws.

**Notice of Special Meetings of Members.** Not less than 10 but no more than 50 days before a special meeting of Members, the Secretary of the Association will provide all Members notice of the special meeting. The notice will be hand delivered or sent by first class mail to each of the Members. Notice of any Member meeting will also be physically posted in a conspicuous place to the extent possible. If any Member requests notification bye-mail and provides the Association with their e-mail address, the Association will also deliver notice to them bye-mail. The notice will contain the time, place, and items on the agenda, including the general nature of any proposed amendments to any of the Association's governing documents, or its budget, and any proposition to remove any Officer or Board member.

**Notice of Board Meetings.** Agendas of meetings of the Board, or any Committee of the Board, will be made reasonably available to the Members or their representatives prior to the meeting date.

**Conduct of Meetings.** All meetings, whether regular or special, are open to attendance by all the Members or their representatives designated in writing. This includes meetings of the Board, Committees of the Board, and Members. Members or representatives choosing to attend a meeting are permitted to attend, listen, and speak at an appropriate time during the meeting as designated by the Board. At regular or special meetings of the Board, however, Members or their representatives who are not Board members may not participate in any deliberation or discussion unless expressly authorized to do so by a majority vote of the Board. The Board may place reasonable time restrictions on comment by attending Members, but will permit them to speak at an appropriate time. The Board may also limit the number of people speaking to some reasonable number, but must permit a reasonable number of people to speak on both sides of an issue.

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## CONDUCT OF MEETINGS AND VOTING

Executive Sessions. The Board, or any committee of the Board, may hold a closed door executive session during any regular or special meeting and restrict attendance to the members of the Board or the Committee and such other persons as the Board requests if any of the below listed matters require attention. Before holding the session, the chair of the Board or committee holding the session will state the general matter being discussed by identifying the category listed below. No policies, procedures, rules or regulations may be adopted in executive session.

- i. Matters related to employees of the Association, or involving the employment, promotion, discipline, or dismissal of an officer, agent, or employee of the Association.
- ii. Consultation with legal counsel concerning disputes that are the subject of pending or current legal proceedings or matters that are privileged or confidential between attorney and client.
- iii. Investigation concerning possible or actual criminal misconduct.
- iv. Matters protected from disclosure by constitutional, statutory, or judicial imposition.
- v. Any matter which would constitute an unwarranted invasion of individual privacy if discussed openly.
- vi. Review of or discussion related to any written or oral communication with legal counsel.

Voting and Proxies. Voting for all Board member positions will be by secret ballot. Any other vote concerning the Members may be made by secret ballot if so requested. Ballots for any vote are to be prepared by the Secretary of the Association prior to or during the meeting.

- i. Individual members will present evidence of their membership to the Secretary, or to another person identified by the Board in advance of the meeting where the vote is to be held. That person will verify membership, and then issue the individual a ballot, checking their name off, or otherwise indicating, that the vote for that Lot has been cast. Each Member is only entitled to vote their number of allocated votes permitted by the Association's governing documents.
- ii. Proxies are permitted as provided by the Bylaws.

Adopted on Nov -23- 2009

Norman L. Hoffinger  
Secretary

President

# COMSTOCK ESTATES HOMEOWNERS ASSOCIATION POLICIES AND PROCEDURES

## COVENANT AND RULE ENFORCEMENT

**Policy:** The Declarations are in place for the betterment of our community. To be effective, they must be obeyed by all the Members of the Association. It is one of the Association's purposes to see to it that the provisions of the Declarations and any Policies, Procedures, Rules and Regulations are followed by all the Members.

### **Procedure:**

Violations. Engaging in any activity prohibited by the Declarations or the Policies, Procedures, Rules and Regulations of the Association constitutes a violation. Every Member has the authority to request that another Members, or Member's guests, cease or correct any act or omission which appears to be a violation. Accordingly, Members are encouraged to self-govern and resolve problems between them in a neighborly fashion by making an infonnal request that the alleged violation cease.

Written Report. If violations cannot be resolved through informal requests, violations may be reported to the Board of Directors by any Member in writing, or using a form approved by the Board. Submitting a written report of violation will initiate formal action by the Association. The written report must state with as much specificity with regard to time, date, place, persons involved and circumstances as possible, what acts or omissions constituting a violation the complaining Member believes have occurred. Any written reports of violation will be submitted to the Board by mail or hand delivery and will be passed along as soon as possible to the Rules Committee for review.

Review. Once a violation has been reported to or noted by the Board, the Board will refer the matter to the Rules Committee for review. The Rules Committee will consist of at least 3, but no more than 5, individuals and will include at least 1 member of the Board. It is the responsibility of each member of the Rules Committee to make a determination as to whether he or she is able to function as a disinterested fashion when reviewing alleged violations and making decisions about how to secure compliance. If any member of the Committee is unable to give any matter objective consideration, he or she will disclose that fact to the Committee, remove him or herself from the proceedings, and have their removal noted in the minutes of the Committee meeting.

Step 1: Initial Review. The Rules Committee will review the written report and determine whether it has stated sufficient facts to indicate a violation has occurred. If the Committee determines that the written report is insufficient, the complaining Member will have the right to have the Board hear the matter.

Step 2: Compliance Letter. Should the Rules Committee determine that a

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**DISCLOSING AND ADDRESSING BOARD MEMBER CONFLICTS OF**  
**INTEREST**

**Policy:** The Association should not be a vehicle for benefiting one group of people over another simply because they have some special connection with someone on our Board of Directors. Board Members should therefore disclose any relationship they have to any person or transaction that creates a conflict of interest between their duties as a Board Member and their interests as an individual.

**Procedure:**

**Defining Conflict of Interest.** When the Board is considering any contract, decision, or other action that would financially benefit any Board Member's parent, grandparent, spouse, child, or sibling or a spouse or of any of those persons, a conflict of interest arises.

**Disclosing a Conflict.** If a Board Member or Officer finds that he or she has some relationship that presents a conflict of interest, as defined above, the Board Member or Officer must disclose that conflict to the Board in an open meeting prior to any discussion of the issue.

**Effect of Conflict.** After a Board Member or Officer has disclosed the existence of a conflict, they may still participate in deliberations of the Board, but may not vote on the matter.

Adopted on Nov -23- 2009

Norman L. Hoffinger

Secretary

President

# COMSTOCK ESTATES HOMEOWNERS ASSOCIATION POLICIES AND PROCEDURES

## INSPECTION AND COPYING OF ASSOCIATION RECORDS

**Policy:** The Association will maintain records of its activities and make those records available to Members.

**Procedure:**

Records Maintained. The Association will maintain the following records in written form, or in some other form capable of being made into a written form within a reasonable time:

- i. The Association's vital information including its name, the name and address of the Association's designated agent, if any, a valid physical address for both the Association and its designated agent or management company, if any, and the initial recording date and Book/Page location of the Declarations.
- ii. Other general information including the date of the beginning of the Association's fiscal year, the operating budget for the current fiscal year, a list, by unit type, of the Association's current assessments, the association's annual financial statements for the preceding fiscal year including any amounts held in reserve.
- iii. Accounting records, using a cash, cash accrual, or any other method required or permitted by law.
- iv. Financial records sufficiently detailed to permit the Association to produce statements of delinquent assessments, and any statements of delinquent assessments that are produced.
- v. Minutes of all meetings, and records of all actions taken without a meeting, of the Members, the Board of Directors, or any Committee of the Board, including records of any waiver of notice for any such meeting. Records of meetings will be kept for three (3) years.
- vi. A record of Unit Owners sufficient to allow the Association to produce a list showing the names, addresses, and votes allocated to each Owner.
- vii. Records of the Association's governing documents. This includes the Articles of Incorporation and any Articles of Amendment to the same, the Declarations and any amendments to the same, the Bylaws and any amendments, and these Policies, Procedures, Rules, and Regulations as most recently amended.
- viii. Any resolution of the Board which impacts the rights and obligations of the Members.
- ix. All written communications to the Members, in their role as Members, during the preceding three (3) years.
- x. A list of the names, and business or home addresses, of the current Board of Directors and any Officers of the Association.
- xi. The most recent annual report, if any.
- xii. A copy of all financial reviews or audits of the Association's financial records.
- xiii. A list of all Association insurance policies including company names, policy limits, policy deductibles, additional names insureds, and expiration dates.



# **COMSTOCK ESTATES HOMEOWNERS ASSOCIATION POLICIES AND PROCEDURES**

## **INSPECTION AND COPYING OF ASSOCIATION RECORDS**

**Records Made Available.** The foregoing records will be available to the Members during normal business hours, upon at least five (5) business days' notice. Provided however, that Members must request the records in good faith and for a proper purpose related to their role as Members of the Association. The request must further state, with reasonable particularity, the records sought and the purpose of the request. The Board may review the Member's motives and make a determination as to whether or not the request to inspect the Association's records meets these requirements. Under no circumstances will the Board unduly limit access to Association records.

**Charges for Copying.** When a Member inspects the Association's records as provided for above the Member may make copies of the records if they so desire. The Association may charge a reasonable fee, not to exceed the actual cost per page (which includes the expenses associated with the use of the copy machine, paper, toner/ink, labor employed in making the copies, and any other actual costs of copying), for copies.

**Time Periods for Retention.** The Association will retain the above described records for the period of time described below:

- i. **Governing Documents.** The Association will permanently maintain copies of its Articles of Incorporation and any Articles of Amendment to the same, the Declarations and any amendments to the same, the Bylaws and any amendments, and the Policies, Procedures, Rules, and Regulations as most recently amended
- ii. **Member Information.** A list of the Association's Members, including their mailing addresses and e-mail addresses, if provided, as well as a list of the Association's Board of Directors and Officers, including their home or business address will be maintained for a period of seven (7) years, to be updated annually.
- iii. **Minutes.** Minutes of any meeting of the Board of Directors, the Members of the Association, or an Committee of the Board, or records of any action by consent in lieu of a meeting of the Board, the Members, or a Committee of the Board will be maintained permanently.
- iv. **Accounting Records.** A general ledger of accounting entries, along with a record of cash receipts and disbursements, and any financial reports, audits or reviews will be maintained permanently. Accounts receivable and accounts payable, member invoices, vendor's invoices, petty cash receipts, expense reports, canceled checks, bank statements, and deposit slips will be maintained for seven (7) years.

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- v. Insurance Information. All insurance policies, reports, records of claims, accident reports, coverage information and any other insurance document, whether the policy is currently in force or not, will be kept for seven (7) years from the date the policy expired, the date of any accident, or the date of the settlement of any claim.
- vi. Contracts. The Association will maintain records of its contracts, including any leases, service contracts, contracts for the purchase of goods, warranties, or any other contract or agreement for a period of seven (7) years following the termination of any contract or the expiration of any agreement.
- vi. Property Records. Records or certificates of title related to any inventory, equipment, or other personal property owned by the Association along with records of any real property owned by the Association, including appraisals, blueprints, surveys, deeds, permits and other documents will be maintained for seven (7) years after the date the Association disposes of the real or personal property.

Adopted on Nov -23- 2009

Norman L. Hoffinger  
Secretary  
President

**COMSTOCK ESTATES HOMEOWNERS ASSOCIATION  
POLICIES AND PROCEDURES**

**RESOLUTION OF DISPUTES BETWEEN THE ASSOCIATION AND OWNERS**

The Comstock Estates Homeowners Association hereby adopts the following Policy:

In the event of any dispute involving the Association and an Owner, the Owner is invited and encouraged to meet with the Board of Directors to resolve the dispute informally and without need for litigation. If the Owner requests to meet with the Board, the Board shall make a reasonable effort to comply with the Owner's request.

Nothing in this Policy shall be construed to require any specific form of alternative dispute resolution, such as mediation or arbitration, or require the parties to meet. Neither the Association nor the Owner waives any right to pursue whatever legal or other remedial actions available to either party.

In the case of any conflict between the Articles of Incorporation, the Bylaws, or the Declaration of Covenants, Conditions, Restriction, and these listed "Policies & Procedures", such provisions of the Articles, Bylaws and the Declaration of Covenants shall take precedence and supersede any provisions of these "Policies & Procedures."

In the event a Court of competent jurisdiction finds a provision of any of these Policies and Procedures void or otherwise unenforceable, the other provisions shall remain in **full** effect.

Approved by the Board of Directors of the Comstock Estates Homeowners Association after a 30 day review by the membership.

Adopted on Nov -23- 2009

Norman L. Neffinger  
Secretary  
President

# COMSTOCK ESTATES HOMEOWNERS ASSOCIATION POLICIES AND PROCEDURES

## RESERVE FUND INVESTMENT

**Policy:** Over time, all the things we use as a community wear out. Those of us who are using our common elements now may not be around when they need to be replaced in the future. We plan to maintain a reserve fund to be used to pay for the replacement and repair of the common elements.

**Procedure:**

Reserve funds are to be invested in an interest bearing checking or savings account with a bank insured by the Federal Deposit Insurance Corporation (FDIC) or a money market account only, with provision for adequate cash reserves, if necessary.

Adopted on Nov -23- 2009

Norman L. Hoffinger

Secretary

President