

**Colorado Common Interest Communities (S.B. 05-100 and S.B. 06089)**

**Effective January 1, 2008**

**Cherrywood II Home Owners Association**

**Compliance Plan**

**1) General Governance**

- a) must maintain accurate financial records**
- b) written policies and procedures**
  - i) collecting unpaid assessments**
  - ii) handling board member conflicts of interests**
  - iii) conducting meetings**
  - iv) enforcing covenants and rules**
  - v) owner inspection and copying of association records**
  - vi) investing reserve funds**
  - vii) adopting and amending policies, procedures, and rules**
  - viii) addressing disputes between the association and owners**
- c) Notice of owner meetings**
  - i) Association must post the notice of any annual or special owner meeting in a conspicuous place. The notice must state time, place and agenda including proposed declaration or bylaw amendments, budget changes and proposal to remove board member(s). Accomplished through meeting notices and the Web site (<http://www.CHERROWOOD2HOA.com>).**
  - d) Owner participation in Board Meetings**
    - i) Requires that owners be allowed to speak before the board takes a vote on any matter under discussion. The association permits owners to speak.**
- e) Association Records**
  - i) Must keep permanent records**
    - (1) minutes of all board and owner meetings**
    - (2) all actions taken by board or owners by written ballot**
    - (3) all actions take by a committee of the board on behalf of the association**
    - (4) all waivers of the notice requirements for owners, board member, or committee meetings**
  - ii) Association must keep a copy at its principal office**
    - (1) articles of incorporation**
    - (2) declaration**
    - (3) covenants**
    - (4) bylaws**
    - (5) board resolutions affecting owners**
    - (6) minutes of all owner meetings and records of any actions taken by owners without a meeting for past three years**
    - (7) all written communications within last three years to owners**
    - (8) list of names and address of board members and officers**
    - (9) most recent annual report**
    - (10) financial audits or reviews -not applicable due to dollar threshold**
  - iii) Association must maintain these records in written form.**
  - iv) Association must maintain a record of all owner names and addresses**
  - v) Owner inspection and copying of Association records**
    - (1) Owner request must be in writing, in good faith, for proper purpose, describe why the records are required and what records are required. The association shall charge a fee to the owner for copying.**
    - vi) Required audit or review -required if association has annual revenues or expenditures exceeding \$250,000. Currently the association does not meet this requirement.**

- vii) Use of secret ballots and proxies
  - (1) Association must use secret ballots in contested board member elections, can be exempt if twenty percent of owners are present or represent by proxy at meeting – based on our rules this is not applicable.
- viii) Board of directors' conflicts of interests
  - (1) Any board member with a conflict of interest must disclose that conflict in an open meeting. After notice of conflict the board member is permitted to vote on the issue.

2) Required Disclosures

- a) Annual disclosures within 90 days
  - i) date fiscal year begins
  - ii) association's operating budget for current fiscal year
  - iii) association's annual financial statements
  - iv) list of association's insurance policies, insurance company name, policy limits, deductibles and expiration date(s)
  - v) association bylaws, articles, and rules and regulations
  - vi) minutes of board and member meetings for the prior fiscal year
- b) **Disclosures In connection with sale of unit**
  - i) **As of January 1, 2007, the contract for the purchase and sale off residential real property must contain a disclosure statement in bold-faced type stating that the property is located within a common interest community and is subject to the declaration for such community – This is the sellers and the listing real estate agent responsibility!**
  - ii) Access to association documents shall be through its Web site located at **WWW.CHERRYWOOD2HOA.COM**

3) Board Member and Owner Education

- a) At least once a year, the association must provide education to their owners at no cost. The content of this education must relate to the general operation of the association and the rights and responsibilities of the owners, the association and its board members. Education can be face-to-face, material on its Web site or through a newsletter. **The association shall use the annual meeting to meet this requirement.**