

SOMERSET ESTATES HOMEOWNERS ASSOCIATION, INC.
BALLOT AND PROXY PROCEDURES AND GUIDELINES

Adopted July 9, 2019

The following procedures and guidelines have been adopted by Somerset Estates Homeowners Association, Inc. ("Association") pursuant to Section 3.4.4(1) of the Consolidated, Amended and Restated Declaration for Somerset Estates ("Declaration"), recorded on August 14, 2018, at a regular meeting of the Executive Board ("Board").

Purpose: To compile in one easily accessible document the rules governing voting procedures for the Association, and to establish and clarify uniform and systematic procedures and guidelines for the use and counting of ballots and proxies. Voting rights for Members are covered in Section 3.3 of the Declaration, Article 5 of the Association Articles of Incorporation recorded on March 31, 2018, Sections 3.6 and 3.7 of the Association Bylaws adopted on March 31, 2018, the Colorado Common Interest Ownership Act ("Act"), in particular, 38-33.3-310, and portions of the Colorado Revised Nonprofit Corporation Act. These procedures and guidelines are intended to describe how the Association typically conducts such voting to comply with these governing documents. In the case of a conflict between these procedures and the governing documents, as they may be amended, the governing documents prevail. Deviations from these procedures and guidelines do not affect the validity of a vote, as long as the requirements of the governing documents are met.

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following Ballot and Proxy Procedures and Guidelines:

1. Voting by Secret Ballot. Votes for contested positions on the Board shall be taken by secret ballot. At the discretion of the Board or upon request of twenty percent of the Members who are present a meeting or represented by proxy, if a quorum has been achieved, a vote on any matter on which all Members are entitled to vote shall be by secret ballot. As such, the Association shall be prepared at any annual, regular, or special meeting to conduct voting by secret ballot. As required by the Act and the Association's Inspection and Copying of Association Records Policy, all ballots, proxies, and other records related to voting by Members are subject to production to Members for inspection and copying. Written ballots containing identifying information may not be withheld from Member inspection upon request; therefore, secret ballots must contain no names, addresses, or other identifying information of voting Members.

2. Voting at a Meeting. The Association Secretary or other designated Board member is responsible for the Member sign-in sheet at a meeting. Any Member that is not in Good Standing as defined by the Declaration, and therefore is not eligible to vote, will be so informed when he/she signs in at a meeting. Members not eligible to vote are not counted toward the total number of Members in determining whether a quorum is present. If the Member disputes a determination that they are not eligible to vote, such Member may vote a provisional ballot. Any ballot given to such Member must be clearly marked as provisional, and shall not counted until the status of the Member is resolved. Upon signing in, Members in Good Standing will be given a written ballot, if a written ballot is to be used at the meeting. The Member may submit such ballot for counting at any point during the meeting. "Absentee" ballots are not used; any Member unable to attend a meeting may authorize another person to cast such Member's vote by proxy. Unless the governing documents require otherwise, or voting is determined to be by secret ballot, voting may be by written ballot, by a show of hands, by a voice vote, or by other means determined by the Board.

Ballots shall be counted by a neutral third party or by a committee of volunteers. Such volunteers shall be Members appointed at the meeting, in a fair manner, by the Board Chair or another person presiding during that portion of the meeting. The volunteers shall not be Board members and, in the case of a contested election for a Board position, shall not be candidates. If a neutral third party is used, such third party must not have any contractual relationship to the Association, such as the Association's property manager or attorney. Any Member present at the meeting may observe the ballot counting process. A written summary of voting results will be prepared and retained as an Association record, along with any physical ballots and proxies actually voted.

3. Voting by Written Mail-in Ballot. In accordance with C.R.S. 7-127-109, and unless otherwise provided by the governing documents, any action that may be taken at any annual, regular, or special meeting of Members may be taken without a meeting, if the Association delivers a written ballot to every Member entitled to vote on the matter. Such written ballot must state each proposed action, provide an opportunity to vote for or against each proposed action, indicate the number of responses needed to meet the quorum requirements, state the percentage of approvals necessary to approve each matter, state the time by which a ballot must be received to be counted, and be accompanied by written information sufficient to permit each person casting such ballot to reach an informed decision on the matter. The accompanying written information

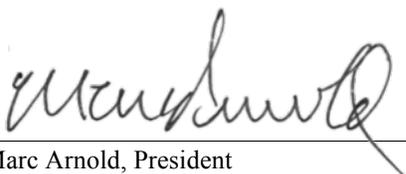
will generally include how the proposed action differs from the current situation (for example, language changes from the current documents) and the practical, financial, legal, etc. implications of the proposed action. The Board is not required to solicit or include arguments against the proposed action. Written ballots may not be revoked. Action taken by written mail-in ballot shall have the same effect as action taken at a meeting of Members and may be described as such in any document. If a mail-in ballot includes a vote for the election of Board members, it must provide for voting by secret ballot. Whether other matters conducted by mail-in ballots shall be by secret ballot shall be at the discretion of the Board. For any matter decided by a mail-in secret ballot, the Association shall provide Members with a double envelope system and instructions for returning ballots that allows the Association to ensure that each Lot casts only one vote while ensuring that the ballots themselves remain secret. Once the voting eligibility of a Member returning an outer envelope is verified, all outer envelopes will be separated from the inner envelopes prior to counting. Ballots returned with the Lot identifying information absent on the outer envelope will not be counted. As with the counting of ballots at a meeting, mail-in ballots will be counted at a designated time and place, open to all Members, by a committee of volunteers appointed by the Board or by a neutral third party, and documented as an Association record.

4. Proxies. A proxy is valid only for the matters identified therein, and only for the particular meeting or vote specified therein. A proxy shall not be valid if obtained through fraud or misrepresentation. A proxy must be in writing and submitted to the Association Secretary at or prior to the meeting. Any proxy that is not dated or states that it is revocable without notice shall be considered void. If a proxy is given by electronic mail or other means that do not permit a signature, the document must be transmitted in such a way that it contains written evidence from which the Association can determine to its satisfaction that a Member eligible to vote has given the proxy. A proxy returned to the Association that does not identify the proxy holder will be deemed to be given to the Board and shall be voted by a majority of the Board members in attendance at a meeting at which a vote is taken, or by a majority of the Board Members responding to the mail-in ballot issue or issues for which the proxy is given. A proxy may be revoked only by the Member who granted it by attending the meeting and verbally announcing the revocation of such proxy, or by causing to be delivered a renunciation of such proxy in writing to the Secretary prior to the meeting. Any Member or other individual producing a valid proxy at a meeting naming him/her as the proxy holder will be asked to sign in for the Member that provided the proxy, and will be given a written ballot for the proxy, if such ballot is to be counted at the meeting. Directed proxies (where the Member indicates on the proxy form how he/she wants the appointed proxy to vote on any matter) may not be used for any matter requiring a secret ballot. If a proxy is provided for a vote conducted by written mail-in ballot, the proxy holder will complete a written ballot in the same manner as the other written ballots. If the person submitting the proxy subsequently submits a timely written ballot, the proxy will be considered to be revoked.

5. Miscellaneous. Failure by the Association to enforce any provision of these procedures and guidelines shall in no event be deemed to be a waiver of the right to do so as to any subsequent vote or matter.

6. Severability. If a provision of these procedures and guidelines is or becomes illegal, invalid or unenforceable, that shall not affect the validity or enforceability of any other provisions of these Procedures.

Somerset Estates Homeowners Association, Inc.

By: 

Marc Arnold, President

These Ballot and Proxy Procedures and Guidelines were adopted by the Executive Board on the 9th day of July, 2019, effective the 9th day of July, 2019 and is attested to by the Secretary of the Somerset Estates Homeowners Association, Inc.

By: 

Paula Hemenway, Secretary