

**ARBORS AT MOUNTAIN SHADOWS CONDOMINIUM OWNERS ASSOCIATION, INC.
CONDUCT OF MEETINGS POLICY AND PROCEDURE**

Effective Date: January 1, 2007

In compliance with the Colorado Common Interest Ownership Act, the Board of Directors desires to adopt a uniform and systematic policy and procedure to address conduct of Board and Member meetings.

The Association hereby adopts the following policy and procedure for Board and Member meetings:

1. BOARD MEETINGS

A. The Board shall hold an organizational meeting within 10 days of the annual meeting. The date of the meeting shall be determined at the annual meeting and no further notice of the meeting need be given, provided a majority of the Board members are present at the annual meeting.

B. Notice of regular Board meetings shall be given at least 7 days prior to the meeting. Notice of special Board meetings shall be given at least 3 days prior to the meeting. Notice shall be by mail, telephone or telegraph. If a schedule is set for regular Board meetings, no notice beyond the schedule need be given.

C. All Board meetings shall be open to attendance by Members of the Association, or their representatives, provided that the Board may go into executive session for any purpose allowed by law. Members may be excluded from executive session. Prior to going into executive session, the chair of the meeting shall announce the purpose for the executive session.

D. The Board may post notice of upcoming Board meetings on the mail kiosks and/or the notice board in the clubhouse.

E. The meeting agenda shall be made reasonably available for examination by Members of the Association or their designated representatives.

F. There shall be a Members' forum at the beginning of each regular Board meeting. The Members' forum shall be for up to 15 minutes, although the Board may extend this time in its discretion. The rules for Member participation during the meetings are as follows:

(i) Each Member who wishes to address the Board on an agenda item or on any other matter will be given a reasonable time to speak, provided the chair may impose reasonable time limits to facilitate Member participation. After other Members have had an opportunity to speak, then a Member who has already spoken will be given another opportunity, time permitting.

(ii) Each Member who wishes to speak must be recognized by the chair. Once recognized, the Member shall state his/her name and address.

(iii) All comments must be delivered in a businesslike and professional manner. Personal attacks or inflammatory comments will not be permitted.

(iv) A Member who wishes to speak about any matter on the agenda of the Board meeting shall do so only during the Members' forum.

(v) The Board is not obligated to take immediate action on any item presented by a Member.

G. Following the conclusion of the Members' forum, the Board will proceed with the business portion of the meeting. Members who attend or remain may not participate in deliberation or discussion during this portion of the Board meeting unless expressly authorized by a vote of the majority of a quorum of the Board.

H. Items shall be discussed pursuant to the meeting agenda, provided that items may be taken out of order if deemed advisable by a majority of Board Members present. Items not on the agenda may be discussed once all other items have been concluded, time permitting. If items that are not on the agenda are discussed, Members shall be given a reasonable opportunity to comment in accordance with the terms of Paragraph F above.

I. Any director may make a motion. All motions shall be recorded in the minutes. Motions must be seconded to be discussed and voted upon. The minutes shall record the number of votes in favor, votes against, and abstentions. If any director requests his/her vote in favor or against or his/her abstention be recorded in the minutes, the minutes shall so reflect.

J. Board meetings are not required to be held in accordance with Robert's Rules of Order.

2. ANNUAL MEETINGS/SPECIAL MEMBER MEETINGS

A. The annual meeting shall be held in November. The Board shall give a statement of all acts and corporate affairs and present the annual budget and statement of income and expenditures at the annual meeting, in addition to any other business to be conducted.

B. Notice of a Membership meeting shall be mailed or hand delivered to each Member not less than 10 or more than 50 days prior to the meeting. Notice shall also be posted at the mail kiosks and on the notice board in the clubhouse. If a Member requests notice by e-mail only and provides an e-mail address, notice will be provided by e-mail.

C. Each Member will sign in prior to the meeting for himself/herself and for any proxies he/she holds. Voting rights of delinquent Members are suspended and such Members shall not be given a ballot. If an election or vote is to be held, the Member will be given the appropriate number of ballots.

(i) Any ballot for the election of directors shall be a secret ballot. A secret ballot shall be required for other matters if so requested by at least 20% of the Members present in person or by proxy at the meeting.

(ii) If secret balloting is not required, the Association may indicate the number of proxies held on the ballot itself.

D. The President of the Board of Directors, or other person directed by the Board, will call the meeting to order and conduct the meeting. The meeting shall proceed in the order set forth in the agenda.

E. Each Member who wishes to speak will be given 5 minutes to speak, provided the chair may impose reasonable time limits to facilitate Member participation. Members may not speak a second time until everyone who wishes to speak has been given an opportunity to speak once. Members may not speak more than twice on any one topic, subject to the chair's discretion.

F. Members must maintain decorum and refrain from addressing the Membership or Board until recognized by the chair. Upon being recognized, the Member must state his/her name and address.

G. Members may not interrupt anyone who validly has the floor, or otherwise disrupt the meeting. Members may not engage in personal attacks on either Board Members or other Association Members. All comments and questions are to be delivered in a businesslike manner and comments shall be confined to matters germane to the agenda item being discussed. No Member may use abusive, rude, threatening, vulgar or crude language.

H. Members must obey all orders made by the meeting chair, including an order to step down.

I. Any Member who refuses to follow the above rules will be asked to leave the meeting.

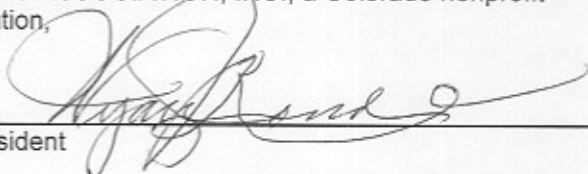
J. Any motions must be seconded prior to discussion and voting. Because the nature of a motion and vote may be outside the Members' authority, the Board reserves the right to determine whether a motion will be considered binding on the Association or a recommendation for proceeding. Such determination may be made following consultation with legal counsel.

K. Ballots shall be counted by a neutral third party or by a committee of volunteers who shall be Members selected or appointed at an open meeting by the President of the Board or other person presiding during that portion of the meeting. The committee of volunteers shall not be board members and, in case of a contested election for a Board position, shall not be candidates. The results of a vote taken by secret ballot shall be reported without identifying information of Members participating in such vote.

L. Meetings are not required to be held in accordance with Robert's Rules of Order.

IN WITNESS WHEREOF, the undersigned certify that this Conduct of Meetings Policy and Procedure was adopted by resolution of the Board of Directors of the Association on this 11th day of October, 2006.

ARBORS AT MOUNTAIN SHADOWS CONDOMINIUM
OWNERS ASSOCIATION, INC., a Colorado nonprofit
corporation,

By: 
Its: President

ATTEST:

By: 

**ARBORS AT MOUNTAIN SHADOWS CONDOMINIUM OWNERS ASSOCIATION, INC.
INVESTMENT OF RESERVES POLICY**

Effective Date: January 1, 2007

In compliance with the Colorado Common Interest Ownership Act, the Board of Directors desires to adopt a uniform and systematic policy regarding investment of reserve funds.

The Association hereby adopts the following policies and procedures for investing reserve funds:

1. With regard to investment of reserve funds, directors and officers shall be subject to the standard of care outlined below. Officers, for purposes of this policy only, means any person designated as an officer of the Association and any person to whom the Board delegates responsibilities, including, without limitation, a managing agent, attorney, or accountant employed by the Board.

A. Each director and officer shall perform their duties regarding investment of reserves in good faith, in a manner the director or officer reasonably believes to be in the best interests of the Association, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances. In the performance of their duties, a director or officer shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by: (a) one or more officers or employees of the Association whom the director or officer reasonably believes to be reliable and competent in the matters presented; (b) legal counsel, professional property manager, public accountant, or other persons as to matters which the director or officer reasonably believes to be within such person's professional or expert competence; or (c) a committee of the Association on which the director or officer does not serve if the director reasonably believes the committee merits confidence.

B. A director or officer shall not be considered to be acting in good faith if the director or officer has knowledge concerning the matter in question that would cause such reliance to be unwarranted. A director or officer shall not be liable to the Association or its Members for any action the director or officer takes or omits to take as a director or officer if, in connection with such action or omission, the director or officer performs his duties in compliance with this policy. A director or officer, regardless of title, shall not be deemed to be a trustee with respect to the Association or with respect to any property held or administered by the Association.

2. The Board of Directors shall establish the amount to be transferred to reserve funds on an annual basis. The amount shall be reflected in the budget to be ratified by the owners.

3. Reserves may be invested in certificates of deposit, money market deposit accounts, money market funds, U.S. treasury and government obligations, municipal bonds and other state obligations, and other investments recommended by a financial advisor pursuant to the Association's investment goals. No funds shall be deposited or invested except in authorized investment funds. All investments must be insured by FDIC, SIPC or comparable insurance.

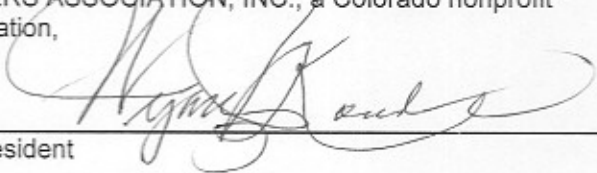
4. The reserve funds shall be invested to achieve the following goals, in descending order of importance:

- A. Promote and ensure the preservation of principal;
- B. Structure maturities to ensure liquidity and accessibility of funds for projected or unexpected expenditures;
- C. Mitigate the effects of interest rate volatility upon reserve assets;
- D. Seek the highest level of return that is consistent with preserving the principal and accumulated interest;

- E. Minimize investment costs.
5. The Board may consider the following circumstances in investing reserve funds:
- A. General economic conditions;
 - B. Possible effect of inflation or deflation;
 - C. Expected tax consequences;
 - D. Role that each investment plays in the overall investment portfolio;
 - E. Other resources of the Association.
6. All accounts, instruments and other documentation of such investments shall be subject to the approval of, and may from time to time be amended by, the Board of Directors as appropriate, and shall be reviewed at least once per year.
7. The President, Treasurer or Manager, if authorized by the Board, shall be authorized and empowered to purchase, invest in, acquire, sell or assign any and all types and kinds of investments meeting the goals in paragraph 4; and to enter into agreements, contracts and arrangements with respect to such security transactions and to execute, sign or endorse agreements on behalf of the Association. To withdraw or transfer funds, the signature of two of the aforementioned persons shall be required.
8. The Association shall carry fidelity insurance to protect against theft or dishonesty from anyone with access to the reserve funds, to the extent such insurance is reasonably available.
9. The Association's manager or other person designated by the Board shall maintain monthly statements, including detailed accounting of current values, income and all transactions.

IN WITNESS WHEREOF, the undersigned certify that the Investment of Reserves Policy was adopted by resolution of the Board of Directors of the Association this 11th day of October, 2006.

ARBORS AT MOUNTAIN SHADOWS CONDOMINIUM
OWNERS ASSOCIATION, INC., a Colorado nonprofit
corporation,

By: 
Its: President

ATTEST:

By: 

**ARBORS AT MOUNTAIN SHADOWS CONDOMINIUM OWNERS ASSOCIATION, INC.
RECORDS INSPECTION POLICY**

Effective Date: January 1, 2007

In compliance with the Colorado Common Interest Ownership Act, the Board of Directors desires to adopt a uniform and systematic records inspection policy.

The Association hereby adopts the following policies and procedures for records inspection:

1. The Association shall maintain, at a minimum, the following records:
 - A. financial records sufficiently detailed to enable the Association to provide statements of unpaid assessments in accordance with the Colorado Common Interest Ownership Act;
 - B. minutes of Membership meetings, minutes of Board meetings, a record of all actions taken by the Members or Board by written ballot or written consent in lieu of a meeting, a record of all actions taken by a committee of the Board in place of the Board on behalf of the Association, and a record of all waivers of notices of meetings of Members and of the Board or any committee of the Board;
 - C. a record of Members in a form that permits preparation of a list of names and addresses of all Members, showing the number of votes each Member is entitled to vote ("Membership list");
 - D. the Articles of Incorporation, Declaration, Covenants, Bylaws, rules and regulations, and resolutions adopted by the Board relating to the characteristics, qualifications, rights, limitations, and obligations of Members;
 - E. written communications within the past three years to Members generally as Members;
 - F. a list of the names and business or home addresses of its current directors and officers;
 - G. its most recent annual report, if any; and
 - H. all financial audits or reviews conducted pursuant to the Colorado Common Interest Ownership Act during the immediate preceding three years.
2. Records shall be made reasonably available for inspection and copying by a Member or the Member's authorized agent. "Reasonably available" means available during normal business hours upon notice of 5 business days or at the next regularly scheduled meeting, if such meeting occurs within 30 days after the request, to the extent that:
 - A. the request is made in good faith and for a proper purpose;
 - B. the request describes with reasonable particularity the records sought and the purpose of the request; and
 - C. the records are relevant to the purpose of the request.

All requests shall be submitted on the form attached to this policy.

3. A Membership list may not be:
 - A. used to solicit money or property unless such money or property will be used solely to solicit votes of the Members in an election held by the Association;
 - B. used for any commercial purpose;
 - C. sold to or purchased by any person; or
 - D. used for any other purpose prohibited by law.

Any Member requesting a Membership list shall be required to sign the agreement attached to this policy indicating that he/she will not use the list for the purposes stated above.

4. Upon receipt of a request, the Association shall make an appointment with the Owner, at a time convenient to both parties, to conduct the inspection. Unless otherwise agreed, all records shall be inspected at the management company's office. All appointments for inspection will be limited to 4 hours. If additional time is needed, another appointment will be made within 1 week, at a time convenient to both parties.

5. At the discretion of the Board of Directors or Manager, records will be inspected only in the presence of a Board member, management company employee or other person designated by the Board.

6. During inspection, an Owner may designate pages to be copied with a paperclip, post-it note, or other means provided by the Association. Copies will be made at a cost based on the standard schedule of fees charged by the Association's management agent, which charges shall include retrieval costs for off-site files. The Owner shall be responsible for paying the total copying cost prior to receiving the copies.

7. Records may not be removed from the office in which they are inspected without the express written consent of the Board.

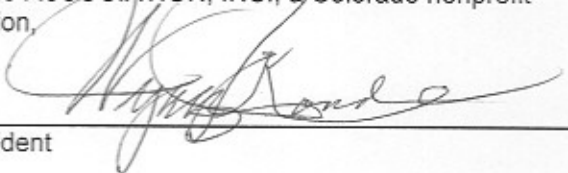
8. The following records will not be available for inspection without the express written consent of the Board:

- A. documents which are privileged or confidential between attorney and client or which concern pending or imminent court proceedings;
- B. documents related to investigative proceedings concerning possible or actual criminal misconduct;
- C. documents which, if disclosed, would constitute an unwarranted invasion of individual privacy;
- D. documents which the Association is prohibited from disclosing to a third party as a matter of law; and
- E. inter-office memoranda, preliminary data, working papers and drafts, and general information or investigations which have not been formally approved by the Board.

9. The Association may pursue any Owner for damages or injunctive relief or both, including reasonable attorney fees, for abuse of inspection and copying rights, including use of any records for a purpose other than that stated in the Owner's request.

IN WITNESS WHEREOF, the undersigned certify that this Records Inspection Policy was adopted by resolution of the Board of Directors of the Association on this 11th day of October, 2006.

ARBORS AT MOUNTAIN SHADOWS CONDOMINIUM
OWNERS ASSOCIATION, INC., a Colorado nonprofit
corporation,

By: 
Its: President

ATTEST:

By: Candy Lester

**ARBORS AT MOUNTAIN SHADOWS CONDOMINIUM OWNERS ASSOCIATION, INC.
DISPUTE RESOLUTION POLICY AND PROCEDURE**

Effective Date: January 1, 2007

In compliance with the Colorado Common Interest Ownership Act, the Board of Directors desires to adopt a uniform and systematic dispute resolution policy and procedure.

The Association hereby adopts the following policies and procedures for dispute resolution:

1. Alternative Dispute Resolution Procedures. Alternative methods of dispute resolution to avoid litigation encouraged by the Board of Directors include negotiation and mediation. The Association encourages Owners or residents with disputes to resolve such disputes without court proceedings. The Association will take reasonable steps to facilitate negotiation or mediation between Owners and/or residents, but will have no responsibility for any costs incurred by the parties to the dispute resolution process. For any step in the dispute resolution process, the parties are not waiving their right to employ legal counsel at their own expense to assist them.

A. Required dispute resolution procedure. Prior to filing a lawsuit against the Association, the Board, or any officer, director, or property manager of the Association, an Owner must request and attend a hearing with the Board of Directors. Any such request shall be in writing and shall be personally delivered to any member of the Board of Directors or the Association's property manager. The Owner, in such request and at the hearing, must make a good faith effort to explain the grievance to the Board and resolve the dispute in an amicable fashion, and shall give the Board a reasonable opportunity to address the Owner's grievance. Upon receiving a request for a hearing, the Board shall give notice of the date, time and place of the hearing to the person requesting the hearing. The Board shall schedule this hearing for a date not less than 14 or more than 30 days from the date of receipt of the request. If the dispute cannot be resolved, the parties may utilize the discretionary mediation procedure set forth below, but shall not be required to do so.


B. Discretionary dispute resolution procedures. The procedures set forth below may be used in disputes between Owners and residents. At its discretion, the Board of Directors may utilize the procedures set forth below to resolve disputes with Owners prior to filing litigation.

(i) Negotiation. A request for dispute resolution by negotiation may be initiated by an Owner or the Association. Any such request shall be in writing stating the nature and details of the dispute and shall be personally delivered to the other party. So long as the other party agrees to negotiate, a meeting shall be held between the parties to begin a good faith attempt to negotiate a resolution not less than 14 or more than 30 days of receipt of such request, unless otherwise extended by written agreement. Through negotiation, the parties will communicate directly with each other in an effort to reach an agreement that serves the interests of both parties. Should the dispute pertain to property issues, each party will be granted the right to inspect the alleged defects or problems at a time convenient to everyone involved.

(ii) Mediation. If the dispute is not resolved by negotiation, any party may request in writing that the issue be submitted to mediation. If the parties agree to mediate the dispute prior to seeking other remedies, they shall participate in good faith in the mediation. The role of the mediator is to facilitate further negotiation between the parties. The mediator will not have power to decide how to resolve the dispute but will use recognized, accepted mediation techniques to assist the parties in making that decision. The mediator shall be selected by a consensus of the parties involved within 14 days of the receipt of the request. Any cost of mediation will be shared equally among the parties unless they and the mediator agree otherwise.

IN WITNESS WHEREOF, the undersigned certify that this Dispute Resolution Policy and Procedure was adopted by resolution of the Board of Directors of the Association on this day of October, 2006. 11/16

ARBORS AT MOUNTAIN SHADOWS CONDOMINIUM OWNERS ASSOCIATION, INC., a Colorado nonprofit corporation,

By: 
Its: President

ATTEST:
By: 