

**CANTERBURY HOMEOWNERS ASSOCIATION, INC.
ADOPTION AND AMENDMENT PROCEDURE**

Effective Date: January 1, 2006

In compliance with the Colorado Common Interest Ownership Act, the Board of Directors desires to adopt a uniform and systematic procedure to amend and adopt policies, procedures and rules.

The Association hereby adopts the following procedure for the adoption and amendment of policies, procedures, and rules:

1. Definitions:
 - A. A policy is a course or principle of action adopted to guide the Board of Directors.
 - B. A procedure is an established or official way of conducting a course of action.
 - C. A rule is defined as a regulation or requirement governing conduct or behavior.
2. Policies and procedures, in general, shall govern the activities of the Board of Directors in the operation of the Association.
3. Rules, in general, shall govern the use of property within the community and the behavior of residents and/or their guests while in the community.
4. The Board of Directors shall have the authority to adopt policies, procedures and rules to the extent they do not conflict with the Declaration, Articles of Incorporation, and Bylaws of the Association.
5. The Board shall have authority to adopt and amend those policies and procedures which govern Association operation. Such policies and procedures shall be adopted at an open Board meeting and documented in the minutes or in a formal resolution.
6. The Board may adopt rules and regulations regarding the use of Common Area and interpreting and implementing the governing documents. Prior to adopting final rules, the Board may send notice of a proposed rule to all owners and allow for a period of comment. Rules, once adopted, shall be sent to all owners and shall be effective immediately unless otherwise specified.

IN WITNESS WHEREOF, the undersigned certify that the Amendment Procedure was adopted by resolution of the Board of Directors of the Association this 18th day of

January, 2006

CANTERBURY HOMEOWNERS ASSOCIATION, INC., a
Colorado nonprofit corporation,

By: Fay Sellers
Its: President

ATTEST:

By: Shem D. Owen

**CANTERBURY HOMEOWNERS ASSOCIATION, INC.
COLLECTION POLICY**

Effective Date: January 1, 2006

In compliance with the Colorado Common Interest Ownership Act and the Restated Declaration of Covenants, Conditions and Restrictions of Canterbury Townhomes, the Board of Directors desires to adopt a uniform and systematic procedure regarding collection of assessments and other charges.

The Association hereby adopts the following policy and procedures for collection of assessments:

1. Due Dates, Late Charges, Interest, and Suspension of Rights.

A. Due Dates: Monthly installments of the annual assessment are due and payable on the 1st day of each month. Payments shall be deemed received and shall be posted on the date the payment is received in the Association's office or the Association's payment processor's office. Any installment not paid in full when due shall be considered past due and delinquent.

B. Late Charge. A late charge in the amount of \$24.00 shall be imposed for any assessment, fine or other charge not paid within 15 days of the due date without further notice to the Owner. Such late charge is a personal obligation of the Owner and a lien on the Lot.

C. Interest. Interest at the rate of 12% per annum shall accrue on any delinquent assessment, fine or other charge from the due date without further notice to the Owner. Interest will be added to the Owner's account 30 days following the due date. Such interest is a personal obligation of the Owner and a lien on the Lot.

D. Suspension of Rights. An Owner's voting rights shall be automatically suspended without notice if an assessment or other charge is not paid within 15 days of the due date. An Owner's rights to use recreational facilities may also be suspended without notice if an assessment or other charge is not paid within 15 days of the due date.

2. Return Check Charges.

A. If any check or other instrument payable to or for the benefit of the Association is not honored by the bank or is returned by the bank for any reason, including, but not limited to insufficient funds, the Owner is liable to the Association for one of the following amounts, at the option of the Association:

(i) An amount equal to the face amount of the check, draft, or money order and a return check charge of \$20.00; or

(ii) If notice has been sent as provided in C.R.S. § 13-21-109 and the total amount due as set forth in the notice is not paid within 15 days after such notice is given, the person issuing the check, draft or money order shall be liable to the Association for collection for three times the face amount of the check, but not less than \$100.00.

B. Any returned check shall cause an account to be past due if full payment of the monthly installment of the annual assessment or of any other charge is delinquent.

C. If two or more of an Owner's checks are returned unpaid by the bank within any fiscal year, the Association may require that all of the Owner's future payments, for a period of one year, be made by certified check or money order.

3. Attorney Fees. The Association shall be entitled to recover its reasonable attorney fees and collection costs incurred in the collection of assessments or other charges due the Association from a delinquent Owner pursuant to the terms of the Declaration and Colorado law. Attorney fees incurred by the Association shall be considered part of the assessments and shall be due and payable immediately when incurred, upon demand.

4. Application of Payments. All payments received on account of any Owner or the Owner's property, may be applied first to post-judgment attorney's fees, costs and expense; then to costs and attorney's fees not reduced to a judgment; then to interest; then to late charges; then to return check charges; then to fines and other amounts levied pursuant to the Declaration; then to delinquent assessments; then to current assessments not reduced to judgment; and finally to amounts reduced to judgment.

5. Delegation of Authority to Sign Notice of Lien. The Board of Directors delegates authority to the Association's attorney to sign and acknowledge the Notice of Assessment Lien. This delegation may be withdrawn at any time. In the event the delegation is withdrawn, the Board will send written notice to the Association's attorney of the withdrawal.

6. Time Frames. The following time frames shall be followed in the collection of monthly installments of the annual assessment and for collection of other charges.

Due date	1 st day of the month for monthly installment of annual assessment or upon notice of assessment or charge for all other assessments, fines and charges.
Late Fee date	15 days after due date
Interest date	30 days after due date
First Notice from Association or manager	16 - 30 days after due date
Second Notice from Association or manager	30 – 60 days after due date
Delinquent account turned over to Association's attorney; demand letter sent to Owner.	90 days after due date
Lien filed	120 days after due date

Notwithstanding the time frames set forth above, if a lien holder with priority over the Association's lien (i.e., first mortgagee) takes title to a Lot through foreclosure or deed in lieu of foreclosure, the Association may file a lien on the Lot for any delinquent payment.

Once accounts are turned over to the Association's attorney, Owners shall make payment to the Association at the address of the Association's attorney. The Association's attorney shall consult with the Association regarding collection procedures and payment arrangements.

7. Notices: Use of Certified Mail/Regular Mail. Late notices from the Association or manager may be considered routine and may be sent by regular mail. Collection or demand letters or notices from the attorney shall be sent by certified mail. Such letters may also be sent by regular mail.

8. Referral of Delinquent Accounts to Attorneys. Upon referral of a delinquent account to the Association's attorneys, the attorneys shall take appropriate action to collect the accounts

referred. After an account has been referred to the Association's attorney, the account shall remain with the attorney until the account is settled, has a zero balance or is written off. The Association's attorney is authorized to take whatever action is necessary, in consultation with the President of the Board of Directors or other person designated by the Board, believed to be in the best interest of the Association, including, but not limited to:

A. Filing a lien against the delinquent Owner's property to provide record notice of the Association's claim against the property, if not already filed;

B. Filing suit against the delinquent Owner for a money judgment. The purpose of obtaining a personal judgment against the Owner is to allow the Association to pursue remedies such as garnishment of the Owner's wages or bank account to collect judgment amounts;

C. Instituting a judicial action of foreclosure on the Association's lien. The Association may choose to foreclose on its lien in lieu of or in addition to suing an Owner for a money judgment. The purpose of foreclosing is to obtain payment of all assessments owing in situations where either a money judgment lawsuit has been or is likely to be unsuccessful or in other circumstances that may favor such action;

D. Filing necessary claims, documents, and motions in Bankruptcy Court to protect the Association's claim; and

E. Filing a court action seeking appointment of a receiver. A receiver is a disinterested person, appointed by the court, who manages rental of the Owner's property, and collects the rents according to the court's order. The purpose of a receivership for the Association is to obtain payment of current assessments, reduce past due assessments, and prevent waste and deterioration of the property.

All payment plans involving accounts referred to an attorney for collection shall be set up and monitored through the attorney.

Upon referral of any matter to the Association's attorney, the Association shall pay the Association's attorneys their usual and customary charges as well as any costs incurred by the attorney on the Association's behalf, promptly upon receipt of the monthly invoice from the attorney.

9. Notification to and Communication with Owners. This Collection Policy shall be made available to all Owners by the Association as required by Colorado law. After a delinquent account has been referred to the Association's attorney, all communication with the delinquent Owner shall be handled through the Association's attorney. Neither the manager, if any, nor any member of the Board of Directors shall discuss the collection of the account directly with an Owner after it has been turned over to the Association's attorney unless the attorney is present or has consented to the contact. However, the Association has the option and right to continue to evaluate each delinquency on a case by case basis.

10. Certificate of Status of Assessment/Estoppel Letter. The Association shall furnish to an Owner or such Owner's designee upon written request, delivered personally or by certified mail, first-class postage prepaid, return receipt, to the Association's registered agent, a written statement setting forth the amount of unpaid assessments currently levied against the Owner's Lot. The statement shall be delivered within 14 calendar days after receipt of the request personally or by certified mail, first-class postage prepaid, return receipt requested for a fee. The fee for the statement shall be assessed in accordance with the management company's fee schedule for such statements, which fee shall become an assessment. If the Owner's account has been turned over to the Association's attorney, such statement shall be handled through the Association's attorney and shall include any attorney fees incurred in providing the statement.

11. Bankruptcies and Public Trustee Foreclosures. Upon receipt of any notice of a bankruptcy filing by an Owner, or upon receipt of a notice of a foreclosure by any holder of an encumbrance against any Lot within the Association, the Association shall advise the Association's attorney of the same and turn the account over to the Association's attorney.

12. Waivers. The Association may alter the time for the filing of lawsuits and liens, or otherwise modify the procedures contained herein, as the Association shall determine appropriate under the particular circumstances. Any such accommodation shall be documented in the Association's files with the conditions of relief. Failure of the Association to require strict compliance with this Collection Policy shall not be deemed a waiver of the Association's right to require strict compliance and shall not be deemed a defense to payment of assessment fees or other charges, late charges, return check charges, attorney fees and/or costs as described and imposed by this Collection Policy.

13. Amendment. This Collection Policy may be amended from time to time by the Board of Directors.

IN WITNESS WHEREOF, the undersigned certify that this Collection Policy was adopted by Resolution of the Board of Directors of the Association this 18th day of

January, 2006.

CANTERBURY HOMEOWNERS ASSOCIATION, INC., a
Colorado nonprofit corporation,

By: Jay Sellers
Its: President

ATTEST:

By: Sharon D. [Signature]

**CANTERBURY HOMEOWNERS ASSOCIATION, INC.
CONDUCT OF MEETINGS POLICY AND PROCEDURE**

Effective Date: January 1, 2006

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

E. 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.

F. 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.

G. 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 E above.

H. 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.

I. 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 September. 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. The order of business shall be as set forth in Article III, Section 7 of the Bylaws.

B. Notice of a Membership meeting shall be mailed to each Member not less than 30 or more than 60 days prior to the meeting. Notice shall also be posted at 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 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.

(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.

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. 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 18th day of January, 2006.

CANTERBURY HOMEOWNERS ASSOCIATION, INC., a
Colorado nonprofit corporation,

By: Jay Sellers
Its: President

ATTEST:

By: Sharon D. [Signature]

**CANTERBURY HOMEOWNERS ASSOCIATION, INC.
CONFLICT OF INTEREST POLICY**

Effective Date: January 1, 2006

In compliance with the Colorado Common Interest Ownership Act, the Board of Directors of the Association desires to adopt a uniform and systematic policy to address conflicts of interest.

The Association hereby adopts the following policies and procedures to handling directors' conflicts of interest:

1. A director is deemed to have a conflict of interest if any of the following would derive a financial benefit from a contract, Board decision or Board action: the director; the director's parent, grandparent, spouse, child, sibling; or the parent or spouse of the director's parent, grandparent, spouse, child or sibling. Reimbursement of actual expenses shall not be deemed a financial benefit for purposes of this policy.
2. The director shall disclose the conflict of interest in the matter in an open meeting prior to the discussion and vote on the matter. Such disclosure shall be reflected in the minutes of the meeting or other written form.
3. The director shall not take part in the discussion and shall leave the room during the discussion and the vote on the matter. Notwithstanding the foregoing, a majority of the disinterested Board members may ask the interested Board member to remain during any portion of the discussion and/or vote, provided that the director does not vote.
4. The interested director shall count for the purpose of establishing a quorum of the Board for the matter in which there is a conflict.
5. The contract, Board decision or other Board action must be approved by a majority of the disinterested Board members. No contract, Board decision or other Board action in which a Board member has a conflict of interest shall be approved unless it is commercially reasonable to and/or in the best interests of the Association.
6. If the interested director fails to disclose the financial interest in violation of this resolution and of Colorado law, any contract entered into by the Association will be void and unenforceable. The interested director shall be responsible for any damages arising from the failure to disclose.
7. Each director shall be required to sign an acknowledgement of this policy within 30 days of becoming a director.

IN WITNESS WHEREOF, the undersigned certify that this Conflict of Interest Policy was adopted by resolution of the Board of Directors of the Association on this 18th day of

January, 2006.

CANTERBURY HOMEOWNERS ASSOCIATION, INC., a
Colorado nonprofit corporation,

By: Ray Seller
Its: President

ATTEST:

By: Sharon S. [Signature]

**CANTERBURY HOMEOWNERS ASSOCIATION, INC.
COVENANT AND RULE ENFORCEMENT POLICY**

Effective Date: January 1, 2006

In compliance with the Colorado Common Interest Ownership Act, the Board of Directors desires to adopt a uniform and systematic policy to address covenant and rule enforcement.

The Association hereby adopts the following policies and procedures for covenant and rule enforcement:

1. Enforcement Procedure. The Board shall not impose fines, suspend rights to vote, or suspend rights to use the recreational facilities because of a covenant or rule violation unless and until the Association has sent or delivered written notice to the Owner and/or violator and provided for a hearing as set forth in the Rules and Regulations dated November 1, 2000, as may be amended from time to time.

2. Fine Schedule.

A. The fine schedule shall be as set forth in the Rules and Regulations dated November 1, 2000, as may be amended from time to time.

Continuing violations shall be considered a separate occurrence for each day it continues and a per diem fine may be imposed after the hearing until such time as the violation is remedied.

The Board reserves the right to fine for first violations of rules that involve health and safety issues and other violations where a warning may not be deemed necessary by the Board in its reasonable discretion. Additionally, upon prior written notice, the Board reserves the right to levy fines in excess of the schedule, if the fines in the schedule are not likely to provide effective incentives to induce compliance.

The Board may waive all, or any portion, of the fines if, in its reasonable discretion, such waiver is appropriate under the circumstances. Additionally, the Board may condition waiver of the entire fine, or any portion thereof, upon the violator coming into compliance with the Declaration, Bylaws or rules.

B. All fines shall be due and payable upon notice of the fine and will be late if not paid within 15 days of the date that the Owner is notified of the imposition of the fine. An interest charge of 12% shall be invoked, plus a \$24.00 per month late charge. All fines and late charges shall be considered an assessment and may be collected as set forth in the Declaration. Fines shall be in addition to all other remedies available to the Association pursuant to the terms of the Declaration and Colorado law, including the Association's right to collect attorney fees as authorized by Colorado law.

3. Additional Enforcement Rights. Notwithstanding any provision to the contrary, the Association, at any time, may pursue legal action against an Owner to enforce the provisions of the Declaration, Bylaws, rules or resolutions without first following the preceding notice and hearing procedures, if the Board determines that such action is in the Association's best interests.

4. Failure to Enforce. Failure of the Association to enforce the Declaration, Bylaws, rules and resolutions will not be deemed a waiver of the right to do so for any subsequent violations or of the right to enforce any of the above referenced governing documents for the Association.

IN WITNESS WHEREOF, the undersigned certify that this Covenant and Rule Enforcement Policy was adopted by resolution of the Board of Directors of the Association on this 18th day of January, 2006.

CANTERBURY HOMEOWNERS ASSOCIATION, INC., a
Colorado nonprofit corporation,

By: Lay Sellers
Its: President

ATTEST:
By: Shawn D. [Signature]

**CANTERBURY HOMEOWNERS ASSOCIATION, INC.
INVESTMENT OF RESERVES POLICY**

Effective Date: January 1, 2006

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. The Board of Directors shall establish the amount to be transferred to reserve funds on an annual basis.
2. 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.
3. 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.
4. 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.
5. 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.
6. 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 3; 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. If the Manager disburses funds, the Treasurer shall review the accounts at least quarterly.
7. The Association shall carry fidelity insurance to protect against theft or dishonesty from anyone with access to the reserve funds.
8. 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 18th day of January, 2006

CANTERBURY HOMEOWNERS ASSOCIATION, INC., a
Colorado nonprofit corporation,

By: Zay Sellers
Its: President

ATTEST:
By: [Signature]

**CANTERBURY HOMEOWNERS ASSOCIATION, INC.
RECORDS INSPECTION POLICY**

Effective Date: January 1, 2006

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, 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 18th day of January, 2006.

CANTERBURY HOMEOWNERS ASSOCIATION, INC., a
Colorado nonprofit corporation,

By: Jay Sellers
Its: President

ATTEST:
By: Sharon D. [Signature]

CANTERBURY HOMEOWNERS ASSOCIATION, INC.
REQUEST FOR ACCESS TO ASSOCIATION RECORDS

Member Name: _____ Date: _____

Address: _____

Telephone #: _____

Pursuant to state law and the Association's Records Inspection Policy, I hereby request that Canterbury Homeowners Association, Inc. provide access to the records of the Association. I understand that upon receipt of this request, the Association will set an appointment with me during regular business hours.

1. The records that I wish to review are (attach a separate piece of paper if necessary):

- A. _____
- B. _____
- C. _____

2. I certify that my request to review the records of the Association is for a proper purpose related to my Membership in the Association, and that this request is not for commercial purposes or my personal financial gain. Specifically, my purpose for wanting to review the records of the Association is as follows:

3. I acknowledge and accept the Association's records inspection policy. I acknowledge and accept that the records of the Association will be made available to me only at such time and place as the Association's policy provides, and that there may be a cost associated with providing copies of these documents for me. I agree to pay any costs associated with copying these documents. In the event the records provided to me by the Association are used for any improper purpose, I will be responsible for any and all damages, penalties and costs incurred by the Association, including attorney fees, and I shall be subject to all enforcement procedures available to the Association through its governing documents and/or Colorado law.

Member Signature: _____ Date: _____

**AGREEMENT REGARDING USE OF THE MEMBERSHIP LIST FOR
CANTERBURY HOMEOWNERS ASSOCIATION, INC.**

Member Name: _____ Date: _____

Address: _____

Telephone #: _____

I have requested a copy of the Membership list for Canterbury Homeowners Association, Inc.

The list shall be used only for the following purpose(s):

I understand that under the terms of Colorado law, the Membership or voting list, or any portion thereof, may not be obtained or used for any purpose unrelated to my interests as a Member of the Association. I further understand and agree that without limiting the generality of the foregoing, the Membership list, or any portion thereof, 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.

In the event the list is used for any improper purpose, I will be responsible for any and all damages, penalties and costs incurred by the Association, including attorney fees, and I shall be subject to all enforcement procedures available to the Association through its governing documents and/or Colorado law.

Understood and agreed to this _____ day of _____, 200__ by:

Member Signature: _____ Date: _____

**CANTERBURY HOMEOWNERS 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 in person or 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 meeting agenda shall be made reasonably available for examination by Members of the Association or their designated representatives.

E. 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.

F. 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.

G. 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 E above.

H. 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.

I. 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 September. 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. The order of business shall be as set forth in Article III, Section 7 of the Bylaws.

B. Notice of a Membership meeting shall be mailed to each Member not less than 30 or more than 60 days prior to the meeting. Notice shall also be posted at 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 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 also 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.

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.

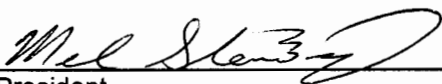
J. Any motions must be seconded prior to discussion and voting. Because the nature of a motion and vote may be outside the Members' authority, the Board reserves the right to determine whether a motion will be considered binding on the Association or a recommendation for proceeding. Such determination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

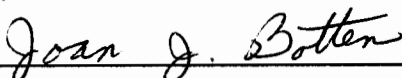
L. Meetings are not required to be held in accordance with Robert's Rules of Order.

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 31 day of December, 2006.

CANTERBURY HOMEOWNERS ASSOCIATION, INC., a
Colorado nonprofit corporation,

By: 
Its: President

ATTEST:

By: 

**CANTERBURY HOMEOWNERS ASSOCIATION, INC.
CONFLICT OF INTEREST POLICY**

Effective Date: January 1, 2007

In compliance with the Colorado Common Interest Ownership Act, the Board of Directors of the Association desires to adopt a uniform and systematic policy to address conflicts of interest.

The Association hereby adopts the following policies and procedures to handling directors' conflicts of interest:

1. Definitions:
 - A. "Conflicting interest transaction" means a contract, transaction or other financial relationship between: (A) the Association and a director, or (B) between the Association and a party related to a director, or (C) between the Association and an entity in which a director of the Association is a director or officer.
 - B. "Party related to a director" means a spouse, a descendent, an ancestor, a sibling, the spouse or descendent of a sibling, an estate or trust in which the director or party related to a director has a beneficial interest, or an entity in which a party related to a director is a director, officer, or has a financial interest.
 - C. "Officer," 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.
2. The director shall disclose the conflicting interest in the proposed transaction in an open meeting prior to the discussion and vote. Such disclosure shall be reflected in the minutes of the meeting or other written form.
3. The director shall not take part in the discussion and shall leave the room during the discussion and the vote on the matter. Notwithstanding the foregoing, a majority of the disinterested Board members may ask the interested Board member to remain during any portion of the discussion and/or vote, provided that the director does not vote.
4. The interested director shall count for the purpose of establishing a quorum of the Board for the matter in which there is a conflict.
5. The contract, Board decision or other Board action must be approved by a majority of all the disinterested Board members. No contract, Board decision or other Board action in which a Board member has a conflict of interest shall be approved unless it is commercially reasonable to and/or in the best interests of the Association.
6. Notwithstanding anything to the contrary herein or in the Association's conflict of interest policy, no conflicting interest transaction shall be set aside solely because an interested director is present at, participates in or votes at a Board or committee meeting that authorizes, approves or ratifies the conflicting interest transaction if:
 - A. the material facts as to the director's relationship or interest as to the conflicting interest transaction are disclosed or known to the Board of Directors or the committee, and the Board or committee in good faith authorizes, approves, or ratifies the conflicting interest transaction by the affirmative vote of a majority of

the disinterested directors, even though the disinterested directors may be less than a quorum; or

- B. the material facts as to the director's relationship or interest and as to the conflicting interest transaction are disclosed or known to the Members entitled to vote on the transaction, if any, and the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by a vote of the Members entitled to vote; or
- C. the conflicting interest transaction is fair to the Association.

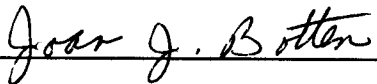
7. No loans shall be made by the Association to its directors or officers. Any director or officer who assents to or participates in the making of any such loan shall be liable to the Association for the amount of such loan until the repayment of the loan.

IN WITNESS WHEREOF, the undersigned certify that this Conflict of Interest Policy was adopted by resolution of the Board of Directors of the Association on this 31 day of December, 2006.

CANTERBURY HOMEOWNERS ASSOCIATION, INC., a
Colorado nonprofit corporation,

By: 
Its: President

ATTEST:

By: 

**CANTERBURY HOMEOWNERS 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.

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;

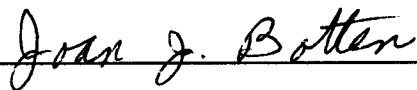
- E. Minimize investment costs.
5. The Board may consider the following circumstances in investing reserve funds:
- A. General economic conditions;
 - B. Possible effect of inflation or deflation;
 - C. Expected tax consequences;
 - D. Role that each investment plays in the overall investment portfolio;
 - 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. If the Manager disburses funds, the Treasurer shall review the accounts at least quarterly.
8. The Association shall carry fidelity insurance to protect against theft or dishonesty from anyone with access to the reserve funds.
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 31 day of December, 2006.

CANTERBURY HOMEOWNERS ASSOCIATION, INC., a
Colorado nonprofit corporation,

By: 
Its: President

ATTEST:

By: 

**CANTERBURY HOMEOWNERS 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, with the Member's consent, 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.

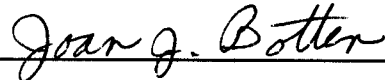
9. The Association may pursue any Owner for damages or injunctive relief or both, including reasonable attorney fees, for abuse of inspection and copying rights, including use of any records for a purpose other than that stated in the Owner's request.

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 31 day of December, 2006.

CANTERBURY HOMEOWNERS ASSOCIATION, INC., a
Colorado nonprofit corporation,

By: 
Its: President

ATTEST:

By: 

**AGREEMENT REGARDING USE OF THE MEMBERSHIP LIST FOR
CANTERBURY HOMEOWNERS ASSOCIATION, INC.**

Member Name: _____ Date: _____

Address: _____

Telephone #: _____

I have requested a copy of the Membership list for Canterbury Homeowners Association, Inc.

The list shall be used only for the following purpose(s):

I understand that under the terms of Colorado law, the Membership or voting list, or any portion thereof, may not be obtained or used for any purpose unrelated to my interests as a Member of the Association. I further understand and agree that without limiting the generality of the foregoing, the Membership list, or any portion thereof, 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.

In the event the list is used for any improper purpose, I will be responsible for any and all damages, penalties and costs incurred by the Association, including attorney fees, and I shall be subject to all enforcement procedures available to the Association through its governing documents and/or Colorado law.

Understood and agreed to this _____ day of _____, 200__ by:

Member Signature: _____ Date: _____

CANTERBURY HOMEOWNERS ASSOCIATION, INC.
REQUEST FOR ACCESS TO ASSOCIATION RECORDS

Member Name: _____ Date: _____

Address: _____

Telephone #: _____

Pursuant to state law and the Association's Records Inspection Policy, I hereby request that Canterbury Homeowners Association, Inc. provide access to the records of the Association. I understand that upon receipt of this request, the Association will set an appointment with me during regular business hours.

1. The records that I wish to review are (attach a separate piece of paper if necessary):

- A. _____
- B. _____
- C. _____

2. I certify that my request to review the records of the Association is for a proper purpose related to my Membership in the Association, and that this request is not for commercial purposes or my personal financial gain. Specifically, my purpose for wanting to review the records of the Association is as follows:

3. I acknowledge and accept the Association's records inspection policy. I acknowledge and accept that the records of the Association will be made available to me only at such time and place as the Association's policy provides, and that there may be a cost associated with providing copies of these documents for me. I agree to pay any costs associated with copying these documents. In the event the records provided to me by the Association are used for any improper purpose, I will be responsible for any and all damages, penalties and costs incurred by the Association, including attorney fees, and I shall be subject to all enforcement procedures available to the Association through its governing documents and/or Colorado law.

Member Signature: _____ Date: _____

**CANTERBURY HOMEOWNERS 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 31 day of December, 2006.

CANTERBURY HOMEOWNERS ASSOCIATION, INC., a
Colorado nonprofit corporation,

By: 
Its: President

ATTEST:

By: 

CANTERBURY HOMEOWNERS ASSOCIATION, INC.
RESERVE STUDY POLICY AND RESERVE FUNDING POLICY

1. Reserve Study Policy.

- The Association is not required under the Community's governing documents to have a reserve study.
- The Association has determined to establish policies on reserve studies as follows:
 - The Association has had a reserve study prepared.
 - The Association may have the reserve study updated or revised periodically if determined to be necessary.
 - Reserve studies are preferred to be performed by an outside consultant, but may be performed or updated internally.
 - Reserve studies may be performed by the person preparing the study without a physical examination of the Community.

2. Reserve Funding Policy.

- The Association has determined to establish policies on reserve funding as follows:
 - Funding for replacement is preferred to be based on a financial analysis of the Association's annual budget performed by the Association's managing agent in consultation with the Board of Directors.
 - Funding for replacement is planned and projected to be from the following sources: (1) cash then on hand, including the operation and the reserve accounts, (2) annual assessments of owners, (3) special assessments of owners, (4) a loan as may be obtained by the Association, and/or (5) any combination of the above.

CANTERBURY HOMEOWNERS ASSOCIATION, INC.

**RESERVE STUDY AND FUNDING POLICIES
(UNDER HB 1359)**

**SUBJECT
AND**

PURPOSES: Compliance with Colorado law, to adopt policies as required under House Bill 09-1359.

AUTHORITY: The Declaration, Articles of Incorporation, and Bylaws of the Association and Colorado law.

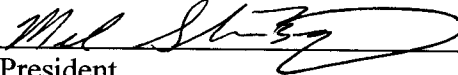
**EFFECTIVE
DATE:**

11-9-09


RESOLUTION: The Association adopts the attached policies (as required under House Bill 09-1359).

IN WITNESS WHEREOF, the undersigned certify that the foregoing was adopted by resolution of the Board of Directors of the Association on this 9 day of November, 2009.

**CANTERBURY HOMEOWNERS ASSOCIATION,
INC.,**
a Colorado nonprofit corporation.

By: 
President

ATTEST:

By: 
Title: Secretary

1 The printed portions of this form, except differentiated additions, have been approved by the
2 Colorado Real Estate Commission. (C1C33-10-05) (Mandatory 1-06)

3
4 **COMMON INTEREST COMMUNITY (CIC) DOCUMENTS RECEIPT AND**
5 **DISCLOSURE TO BUYER**

6
7 Date: _____

8
9 Buyer and Seller entered into a contract dated _____, between

10
11 _____
12 (Seller), and

13 (Buyer), relating to the sale and purchase of the following described real estate in the County of
14 _____, Colorado:

15
16 known as No.

17 _____, (Property).
18 Street Address City State Zip

19
20 Pursuant to Colorado law, § 38-35.7-102, C.R.S.:

21
22 The Buyer hereby acknowledges that the Buyer has received copies of the Declaration,
23 Covenants, Bylaws, and Rules and Regulations of the homeowners' association of the

24
25 [name of common interest community (Association)], in which the Property is located, and the Buyer
26 understands that these documents constitute an agreement between the Association and the Buyer.
27 By signing this statement, the Buyer acknowledges that the Buyer has read and understands the
28 Association's Declaration, Covenants, Bylaws, and Rules and Regulations. The Buyer also understands
29 that by completing this purchase, the Buyer is responsible for paying assessments to the Association. If
30 the Buyer does not pay these assessments, the Association could place a lien on the Property and possibly
31 sell it to collect the debt. The Buyer also understands that any change to the exterior of the Property
32 may be subject to architectural review and approval. Failure to secure such review and approval
33 could be a violation of the Declaration and could result in remedial action being taken by the
34 Association.

35
36 This is not a contract.

37
38 BUYER ACKNOWLEDGEMENT:

39
40 Buyer acknowledges that Buyer has received this Common Interest Community (CIC)
41 Documents Receipt and Disclosure to Buyer on _____ and this document will
42 be delivered to the Association.
43
44

BUYER _____