

**LARK'S NEST CONDOMINIUM ASSOCIATION
POLICY FOR CONDUCTING ASSOCIATION MEETINGS
Effective: December 15, 2006**

1. Introduction.

The Board of Directors (the "Board") of Lark's Nest Condominium Association, a Colorado non-profit corporation (the "Association"), acting pursuant to the powers set forth in the Association's Bylaws, Articles of Incorporation, the Condominium Declaration for Larks Nest, a Condominium (the "Declaration") (such documents being collectively referred to as the "Association Documents"), and the Colorado Common Interest Ownership Act ("CCIOA"), has enacted the following Policy effective as of the date set forth above. Unless the context otherwise indicates, capitalized words and terms shall have the meanings set forth in the Association Documents and, if not defined in the Association Documents, then as set forth in CCIOA. This Policy supersedes any previously adopted Policy on the same subject matter.

2. Policy Purpose.

The purpose of this Policy is to emphasize that meetings of the Association's Board and its Members must be conducted in accordance with the Association Documents and applicable law. The Association Documents (in particular, its Bylaws), CCIOA and the Colorado Revised Nonprofit Corporation Act (the "Nonprofit Act") contain numerous provisions governing meetings of the Association's Members and Directors including, without limitation, provisions regarding notices, quorums, proxies, voting and Member participation in the meetings. It is not the intent of this Policy to restate those provisions, but rather to provide overall guidance on the requirements governing the conduct of Association meetings.

3. Member Meetings.

3.1 Governing Documents and Laws. Meetings of the Association's Members shall be conducted in accordance with the requirements of the Association Documents (especially the Bylaws), CCIOA and the Nonprofit Act, to the extent applicable.

3.2 Parliamentary Procedure. Unless otherwise provided in the Association Documents, and except as set forth in the code of conduct below, meetings of the Members shall be conducted in accordance with (a) Robert's Rules of Order Newly Revised, or (b) such other generally recognized rules of parliamentary procedure as may be adopted by resolution of the Board.

3.3 Code of Conduct. The following code of conduct shall apply to meetings of the Members:

3.3.1 Anyone wishing to speak must first be recognized by the meeting chair.

3.3.2 Members shall not interrupt anyone who validly has the floor.

3.3.3 When speaking, Members shall abide by any time limits set by the meeting chair for comment.

3.3.4 Members shall at all times speak and otherwise behave with common courtesy and civility. In particular, Members shall refrain from personal attacks, and from using profane, rude or threatening language.

3.3.5 Any comments should be relevant to the agenda item being discussed.

3.3.6 No Member may speak for a second time on an issue until everyone who wants to speak about that issue has been given the chance to speak once.

3.3.7 Members may not speak more than twice on any one issue, subject to the discretion of the meeting chair.

3.3.8 Members shall obey all orders made by the meeting chair, including an order to step down (i.e., an order to stop speaking and yield the floor).

3.4 Order of Business. Unless otherwise provided in the Association Documents, or unless a different order of business is set forth in any meeting agenda established by the Board, the order of business at meetings of the Members will be the following:

- Establish quorum.
- Call meeting to order.
- Approval of minutes of prior meeting.
- Reports of committees/officers.
- Election of directors (if annual meeting).
- Old business.
- New business.
- Adjournment.

3.5 Meeting Minutes. Minutes of Member meetings will be taken by (a) the Association Secretary, (b) in the absence of the Secretary, any other officer designated by the President, or (c) a representative of the Association's management company, provided that the Secretary must review and sign the minutes prepared by such representative, and further provided that the Secretary is ultimately responsible for the accuracy of the minutes. The minutes will be maintained in the Association's permanent records. Because minutes of Member meetings will be taken, and in order to encourage full discussion by the Members, no Member meeting may be recorded by audio or video means unless otherwise allowed by the Board in its sole discretion.

4. **Board Meetings.**

4.1 **Governing Documents and Laws.** Meetings of the Association's Board shall be conducted in accordance with the requirements of the Association Documents (especially the Bylaws), CCIOA and the Nonprofit Act, to the extent applicable.

4.2 **Parliamentary Procedure.** Unless otherwise provided in the Association Documents, and except as set forth in the code of conduct below, meetings of the Board shall be conducted in accordance with (a) Robert's Rules of Order Newly Revised or (b) such other generally recognized rules of parliamentary procedure as may be adopted by resolution of the Board.

4.3 **Code of Conduct.** The following code of conduct shall apply to meetings of the Board:

4.3.1 Directors shall conduct themselves in a professional and businesslike manner.

4.3.2 No personal attacks may be made against other Directors, Association Members, residents or managing agents.

4.3.3 Directors shall at all times speak and otherwise behave with common courtesy and civility. In particular, Directors shall refrain from personal attacks, and from using profane, rude or threatening language.

4.3.4 Though differences of opinion are inevitable, they must be expressed in a professional and businesslike manner.

4.4 **Order of Business.** Unless otherwise provided in the Association Documents, or unless a different order of business is set forth in any meeting agenda established by the Board, the order of business at meetings of the Board will be the following:

- Establish quorum.
- Call meeting to order.
- Approval of minutes of prior meeting.
- Reports of committees/officers.
- Election of officers (if annual meeting).
- Old business.
- New business.
- Adjournment.

4.5 **Meeting Minutes.** Minutes of Board meetings will be taken by (a) the Association Secretary, (b) in the absence of the Secretary, any other officer designated by the President, or (c) a representative of the Association's management company, provided that the Secretary must review and sign the minutes prepared by such representative, and further provided that the Secretary is ultimately responsible for the

accuracy of the minutes. The minutes will be maintained in the Association's permanent records. Because minutes of Board meetings will be taken, and in order to encourage full discussion by the Directors, no Board meeting may be recorded by audio or video means unless otherwise allowed by the Board in its sole discretion.

4.6 Executive Sessions. Executive or closed-door sessions of the Board shall be conducted in accordance with CCIOA (CRS §38-33.3-308).

5. Variances.

The Board may from time to time vary from the requirements set forth in this Policy if the Board determines in its sole discretion that such variance is reasonable under the circumstances.

6. Amendment.

This Policy may be amended from time to time by the Board.


CERTIFICATION

The undersigned, being the duly elected and acting Secretary of the Lark's Nest Condominium Association (the "Association") certifies that the foregoing Policy for Conducting Association Meetings was approved by the vote of at least a majority of the Association's Directors at a meeting of the Association's Board of Directors held on December 15, 2006.

Date: December 15, 2006.

LARK'S NEST CONDOMINIUM
ASSOCIATION

By:


Chris Rosazza, Secretary

**LARK'S NEST CONDOMINIUM ASSOCIATION
POLICY FOR HANDLING CONFLICTS OF INTEREST
OF DIRECTORS**

Effective: December 15, 2006

1. Introduction.

The Board of Directors (the "Board") of Lark's Nest Condominium Association, a Colorado non-profit corporation (the "Association"), acting pursuant to the powers set forth in the Association's Bylaws, Articles of Incorporation, the Condominium Declaration for Larks Nest, a Condominium (the "Declaration") (such documents being collectively being referred to as the "Association Documents"), and the Colorado Common Interest Ownership Act ("CCIOA"), has enacted the following Policy effective as of the date set forth above. Unless the context otherwise indicates, capitalized words and terms shall have the meanings set forth in the Association Documents and, if not defined in the Association Documents, then as set forth in CCIOA. This Policy supersedes any previously adopted Policy on the same subject matter.

2. Policy Purposes.

The purposes of this Policy are:

2.1 To set forth procedures and rules to identify and handle conflict of interest situations involving Directors

2.2 To provide a framework for appropriate education of existing and new Directors as to (a) their responsibilities in terms of timely disclosing conflict of interest situations and (b) the limits CCIOA places upon the participation of a Board member with a conflict of interest; and

2.3 To provide a mechanism for the Board to take up and reconsider any decision or action which may inadvertently be rendered without appropriate disclosure and handling of a Board member conflict of interest.

3. Identification and Disclosure of Conflict of Interest Situations.

3.1. Definition of Conflict of Interest. Unless the Declaration provides a more expansive definition, in which case the Declaration controls, a "conflict of interest" shall be defined as any contract, transaction, or other financial relationship between the Association and a director of the Association, or between the Association and a party related to a director, or between the Association and an entity in which a director of the Association is a director or officer or has a financial interest. A "party related to a director" shall mean a spouse, a descendent, an ancestor, a sibling, the spouse or descendent of a sibling, an estate or trust in which the director or a 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.

3.2 Declaration and Disclosure of Conflict of Interest. A Board member who has a conflict of interest regarding any contract, decision or other action shall declare and disclose the conflict of interest. In making such declaration and disclosure, the affected Board member shall:

a. Identify, by agenda item or otherwise with such particularity as necessary to identify the issue in question, the specific pending contract, decision or other action as to which the conflict of interest arises; and

b. Describe the person or person(s) who would financially benefit from the contract, decision or other action; and

c. Disclose the nature and magnitude of the financial benefit that would arise out of or as a function of the Board's decision on the contract, decision or other action.

4. **Participation by Board Member Who has Disclosed a Conflict of Interest.**

4.1 Discussion. Unless the Association Documents provide for stricter limits on participation, in which case such stricter limits control, a Board member who has a conflict of interest may, after identifying and disclosing the conflict, participate in the Board's discussion of the pending contract, decision or other action. However, upon either (a) the voluntary decision of the Board member who has declared a conflict; or (b) the vote of a majority of the then present Directors who do not have a conflict, the Board member with a conflict may be excused from the discussion of the pending contract, decision or other action, in which case such Board member shall not be present or participate in the Board's evaluation of the issue.

4.2 Voting. A Board member who has a conflict of interest shall be considered present for purposes of establishing a quorum and may vote on any matter related to consideration of the contract, decision or other action implicated by the conflict of interest.

5. **Reconsideration of Decisions Impacted by Questionably or Improperly Handled Conflict of Interest.**

5.1 Effect of Non-Compliance. The actions of the Board on any conflict of interest transaction shall be considered valid, binding and authorized, and will not be voidable by an Owner or on behalf of the Association, where: (1) the facts of the conflict are known by or disclosed to the Board and a majority of the Board members without a conflict vote in favor of the proposed contract, decision or other action in good faith, even though such disinterested Board members would be less than a quorum; or (2) the facts of the conflict are known by or disclosed to the Owners entitled to vote thereon, and the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by a vote of the Owners entitled to vote thereon; or (3) the conflicting interest transaction is fair as to the Association.

5.2 Reconsideration/Ratification. Where the Board identifies a previous contract, decision or other action which was adopted under circumstances where non-compliance with this policy is probable and subsections (1), (2), or (3) of Article 5.1, above, are not satisfied, the Board shall, at an open meeting, take the matter up for reconsideration. At such meeting:

a. The Board member with a conflict of interest shall fully identify and disclose the conflict as provided above; and

b. The Board shall discuss whether, after having considered the matter in good faith, the contract, decision or other action should be ratified by a new vote in compliance with this Policy; and

c. The Board shall conduct a new vote on the question of ratification, which shall satisfy the requirements of Article 5.1 of this Policy.

6. **No Loans to Board Members.**

No loans shall be made by the Association to its Board members or officers. Any Board member or officer who assents to or participates in the making of a loan prohibited by this section shall be liable to the Association for the amount of such loan until it is repaid.

7. **Board Member Education.**

7.1 Existing Directors. Upon adoption of this Policy, the Association Secretary shall provide all existing Directors with a copy of this Policy.

7.2 New Directors. Following adoption of this Policy, the Association Secretary shall promptly provide all new members of the Board elected or otherwise seated on the Board with a copy of this Policy.

7.3 Annual Refresher. At least annually, the Board shall discuss this Policy and its requirements.

8. **Variances.**

The Board may from time to time vary from the requirements set forth in this Policy if the Board determines in its sole discretion that such variance is reasonable under the circumstances.

9. **Amendment.**

This Policy may be amended from time to time by the Board.


CERTIFICATION

The undersigned, being the duly elected and acting Secretary of the Lark's Nest Condominium Association (the "Association") certifies that the foregoing Policy for Handling Conflicts of Interest was approved by the vote of at least a majority of the Association's Directors at a meeting of the Association's Board of Directors held on December 15, 2006.

Date: December 15, 2006.

LARK'S NEST CONDOMINIUM
ASSOCIATION

By:


Chris Rosazza, Secretary

LARK'S NEST CONDOMINIUM ASSOCIATION
POLICY REGARDING INSPECTION AND COPYING OF ASSOCIATION RECORDS
Effective: December 15, 2006

1. Introduction.

The Board of Directors (the "Board") of Lark's Nest Condominium Association, a Colorado non-profit corporation (the "Association"), acting pursuant to the powers set forth in the Association's Bylaws, Articles of Incorporation, the Condominium Declaration for Larks Nest, a Condominium (the "Declaration") (such documents being collectively referred to as the "Association Documents"), and the Colorado Common Interest Ownership Act ("CCIOA"), has enacted the following Policy effective as of the date set forth above. Unless the context otherwise indicates, capitalized words and terms shall have the meanings set forth in the Association Documents and, if not defined in the Association Documents, then as set forth in CCIOA. This Policy supersedes any previously adopted Policy on the same subject matter.

2. Policy Purposes.

The purposes of this Policy are to:

2.1 Set forth procedures and rules to promote the consistent and predictable handling of requests by Owners for the inspection and copying of Association records;

2.2. Protect the Association and its members from abusive records requests which lack a proper purpose, which fail to describe with particularity the records sought, or, which seek records not relevant to the stated purpose of a request, or which seek records legally protected from disclosure on the basis of privilege or other valid grounds for confidentiality.

3. Document Retention Policy.

3.1. Compliance with CCIOA. It is the policy of the Association to maintain all records required to be maintained by CCIOA, as well as any additional documents which are designated for retention in any provision of the Association Documents. From time to time, the Board shall consult with the Association's managing agent or, if the Association has no acting managing agent, then with the Association's Secretary, to verify compliance with the record-keeping and retention requirements under Colorado Law.

3.2 Form of Records. It is the policy of the Association to maintain the required records in written or electronic form, with a preference given to electronic storage so long as such documents can be easily converted to written form within a reasonable time. For purposes of this section, "reasonable time" shall mean a time period calculated from and following a proper request for review and copying as provided below, which time period shall be sufficient to allow conversion of documents to written form within either (a) five business days; or (b) by the next regularly scheduled Owner or Board meeting if the next regularly scheduled Owner or Board meeting is scheduled within thirty (30) days of the request.

3.3. Protection of Original Documents. It is the policy of the Association that “original” records of the Association shall be appropriately protected from damage, loss or spoliation. As such, “original” documents shall not be subject to unsupervised inspection and review, and the Association will either provide for supervised review of original materials or the provision of photocopies of the requested materials with the requesting Owner responsible for reimbursement of the Association’s actual cost for duplication expenses.

4. **Procedure for Requesting Inspection of Records.**

4.1 Document Inspection/Copying Request Form. Any Association Owner seeking to inspect or copy Association records shall submit a request in substantially the form of the attached “Request for Inspection/Copying of Association Records” (the “Request”) to the Association through its managing agent, if applicable, or if the Association has no acting managing agent, then through the Association’s Secretary. The date on which a compliant written Request is received by the responsible Association representative shall be deemed the “Date of Request.”

4.2 Review of Request. Upon receipt of a written Request, the Association’s managing agent, if applicable, or else the Association’s Secretary shall review the Request and determine in good faith whether the purpose of the Request is proper; whether the Request describes the records sought with reasonable particularity; and whether the records sought are relevant to the purpose of the Request. In making such determinations, consideration shall be given to the following:

a. Purpose of the Request. The reason stated by the requesting Owner must be such that the Request can be considered to be made in good faith and for a proper purpose. For purposes of this section, any Request which, on its face, appears to be made for purposes of commercial marketing, for direct sales campaigns, to financially benefit the owner making the Request, or which is made to annoy, harass, or oppress the Association or any Owner or Owners shall not be considered to be made for a “proper purpose.” Likewise, a Request seeking information, the disclosure of which would constitute an unwarranted invasion of privacy (such as, for example, Owners’ or Directors’ social security numbers, their vital statistics, their bank account numbers, or other sensitive financial or personal data), shall not be considered made for a proper purpose.

b. Description of Materials Sought. A Request shall state with reasonable particularity the records sought and their connection with the purpose identified as the reason for the Request. For purposes of this section, for example, a Request seeking “all association documents” would not be a Request made with reasonable particularity. However, a Request identifying specific classifications of documents (such as minutes, decisions, contracts, or policies) that is appropriately limited in time and scope (i.e., seeking records for a specific and pertinent time frame) shall be considered to have the required reasonable particularity.

c. Relevance. Finally, a Request shall seek only documents that are relevant to the stated purpose of the Request. In determining whether the materials sought are relevant to the purposes identified in the Request, the Association's managing agent, if applicable, or else the Association Secretary shall consider the nexus or link between the materials and the Owner's stated purpose, as well as any further explanation provided by the requesting Owner.

5. Production of Records for Inspection/Copying.

5.1 Production of Records. The Association shall make the requested records available for inspection or copying within (a) five business days of the Date of Request or (b) at the next regularly scheduled Board or Owners meeting if the next regularly scheduled meeting is scheduled within thirty (30) days of the Date of Request. In the event that the Association determines some part of the Request is improper, it shall nevertheless produce such records as are responsive to the Request to the extent such Request is proper. The Association shall generally identify any records it has elected to withhold in order to preserve the attorney-client privilege as contemplated by CCIOA, and in addition, it shall advise the requesting Owner if any part of the Request is rejected because the Association believes it seeks records for an improper purpose, or does not identify the records sought with reasonable particularity, or if the records sought are not deemed by the Association as relevant to the stated purpose. The Board shall notify the requesting Owner of the time and place for inspection or production within five (5) days of the Date of Request.

5.2 Where Copies are Requested. Where an Owner has requested photocopies of all records requested, the Association's managing agent, if applicable, or otherwise the Association's Secretary shall provide the requesting Owner with a good faith estimate of the approximate number of pages subject to the Request and shall identify the expected actual copying cost per page for which the Owner will be responsible. Prior to any copies being made, the Association may at its election require the requesting Owner to prepay the estimated per page copying expense. Once copies are made and the actual per page copying charges are ascertained, the Association shall credit any such prepayment toward the actual costs, and either collect any shortfall or refund any overage. All copying shall be performed within the time periods contemplated by Article 5.1, above.

5.3 Policies Related to Inspection. Inspection of Association records may be accomplished by providing either "original" records or photocopies of such records. Where "original" records are to be inspected, this process shall be supervised by any designee of the Association's managing agent, if applicable, or otherwise by any designee of the Association's Secretary. No Owner shall remove any "original" record from the place of inspection, nor shall any Owner cause marks, notes, deletions or any other modification of "original" documents to be made during any inspection. All inspections shall be scheduled to commence within five business days of the Date of Request. Inspections shall occur during business hours and at the time and place designated by the Association. Supervised inspections of "original" Association documents shall not exceed two hours in any single session. Where the Association elects to make

photocopies of documents available for inspection instead of originals, an Owner may inspect the same for up to five hours per business day. During records inspections, an Owner may designate certain portions of the records for copying, in which case the policies related to copying specified in Section 5.2 shall apply from the time such records are designated.

5.4 Limits on Use of Records: Association records, including membership lists, shall not be used by any Owner: (a) for any purpose unrelated to the Owner's interest as an Owner; (b) to solicit money or property unless such money or property will be used solely to solicit votes of the Owners in an election or vote to be conducted by the Association on Association business; (c) for any commercial purpose; (d) for purposes of giving, selling, or distributing Association records to any other person; (e) for any other purposes determined in the discretion of the Board of Directors to be improper.

6. **Other Rights of Inspection/Access to Association Records.**

This Policy shall not impact, affect, or limit any Owner's rights relative to access to, or inspection and copying of Association records as may exist under Colorado corporate statutes, in litigation proceedings involving the Association and an Owner, or the power of a Court of appropriate jurisdiction to compel production of records on proof by an owner of a proper purpose.

7. **Variances.**

The Board may from time to time vary from the requirements set forth in this Policy if the Board determines in its sole discretion that such variance is reasonable under the circumstances.

8. **Amendment.**

This Policy may be amended from time to time by the Board.


CERTIFICATION

The undersigned, being the duly elected and acting Secretary of the Lark's Nest Condominium Association (the "Association") certifies that the foregoing Policy Regarding Inspection and Copying of Association Records was approved by the vote of at least a majority of the Association's Directors at a meeting of the Association's Board of Directors held on December 15, 2006.

Date: December 15, 2006.

LARK'S NEST CONDOMINIUM
ASSOCIATION

By:


Chris Rosazza, Secretary

REQUEST FOR INSPECTION / COPYING OF ASSOCIATION RECORDS

Association Member Name: _____ Date: _____

Address: _____

Telephone #: _____

I HEREBY REQUEST THAT LARK'S NEST CONDOMINIUM ASSOCIATION ("ASSOCIATION") PROVIDE ACCESS TO THE BOOKS AND RECORDS OF THE ASSOCIATION.

I. State the Purpose of the Request. _____

II. Describe with Reasonable Particularity the Books and Records Sought: _____

III. Type of Review: (choose one)

I wish to review records at the Association's location.

I wish to pay the Association's actual cost for copies of the records I have requested.

IV. Certification and Acknowledgement of Association Records Policies:

I certify that my request to review the books and records of the Association is for a proper purpose related to my membership in the Association, and that this request is not for a commercial purpose or my personal financial benefit.

I acknowledge and accept the Association's Policy Regarding Inspection and Copying of Association Records, and agree that I have been provided with an opportunity to review that Policy. I acknowledge and agree that the books and records will be made available to me in accordance with the Colorado Common Interest Ownership Act and only at such time and place as provided by the Association's Policy. I agree that I will be responsible for paying the Association's actual cost per page for any records I wish to have copied, and that I may be required to prepay these costs before copies are provided.

Member Signature: _____ Date: _____

**LARK'S NEST CONDOMINIUM ASSOCIATION
POLICY FOR INVESTMENT OF RESERVE FUNDS
Effective: December 15, 2006**

1. Introduction.

The Board of Directors (the "Board") of Lark's Nest Condominium Association, a Colorado non-profit corporation (the "Association"), acting pursuant to the powers set forth in the Association's Bylaws, Articles of Incorporation, the Condominium Declaration for Larks Nest, a Condominium (the "Declaration") (such documents being collectively being referred to as the "Association Documents"), and the Colorado Common Interest Ownership Act ("CCIOA"), has enacted the following Policy effective as of the date set forth above. Unless the context otherwise indicates, capitalized words and terms shall have the meanings set forth in the Association Documents and, if not defined in the Association Documents, then as set forth in CCIOA. This Policy supersedes any previously adopted Policy on the same subject matter.

2. Policy Purposes.

The purposes of this Policy are to:

2.1 Manage the Association's reserve funds in a prudent manner to promote the preservation of those funds for their intended uses.

2.2 Structure the maturities of investments to ensure the Association will have liquid assets available for its anticipated needs.

2.3 Realize appropriate returns on the Association's investments.

3. Segregated Accounts.

All liquid and non-liquid reserve fund investments shall be maintained in an account or accounts separate from the Association's operating account or accounts.

4. Types of Investments.

The Board shall invest the Association's reserve funds in one or more of the following types of investments:

4.1 FDIC-insured interest bearing liquid bank accounts (money market deposit accounts) with no more than \$100,000 in any one financial institution.

4.2 FDIC-insured certificates of deposit with no more than \$100,000 in any one financial institution.

4.3 Money market funds that invest only in United States Treasuries and Treasury-backed securities.

4.4 Treasury bills, notes or bonds purchased with the intent to hold to maturity.

4.5 Any other type of investment that is (a) FDIC-insured or guaranteed by the United States government (but only to the extent of such insurance or guarantee), or (b) an obligation of the United States government.

5. Liquidity.

The Board shall maintain from time to time a sufficient portion of its reserve funds in one or more liquid accounts to meet required expenditures for repairs or replacement that the Association will incur before its non-liquid assets mature.

6. Laddering of Non-Liquid Investments.

The Association's non-liquid investments should be structured with laddered maturity dates so that the investments mature during successive time periods. The length of maturities should be based on market conditions and the Association's anticipated repair and replacement needs. This laddering strategy is intended to provide the Association with the benefit of longer term interest rates, which are customarily higher than short-term rates, while maintaining sufficient liquidity from time to time to meet the Association's repair and replacement schedule.

7. Investment Advisor.

The Board may retain a professional investment advisor to assist in investing its reserve funds pursuant to this Policy.

8. Control and Review of Investments.

All reserve fund investments will be made in the name of the Association. Any withdrawal or transfer of reserve funds requires the signatures of at least two Association officers or Directors. The Board will review the periodic account statements sent to the Association for the reserve fund investments at the next Board meeting following the Association's receipt of the statements. Based on this review, the Board may make any adjustments to the investments as necessary to maintain competitive yields.

9. Standards of Conduct.

In making decisions regarding the investment of Association reserve funds, the officers and Directors shall act in good faith, with the care that ordinarily prudent persons in a like position would exercise under similar circumstances, and in a manner the officers or Directors reasonably believe to be in the best interests of the Association, pursuant to the Colorado Revised Nonprofit Corporation Act.

10. Reserve Studies.

To determine the appropriate level of the Association's reserve funds, the Board may commission from time to time reserve studies evaluating the life expectancy of those areas of the

community maintained by the Association, and the anticipated cost of maintaining, repairing and replacing those areas.

11. Variances.

The Board may from time to time vary from the requirements set forth in this Policy if the Board determines in its sole discretion that such variance is reasonable under the circumstances.

12. Amendment.

This Policy may be amended from time to time by the Board.

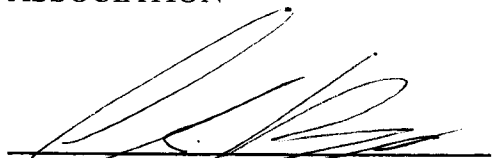
CERTIFICATION

The undersigned, being the duly elected and acting Secretary of the Lark's Nest Condominium Association (the "Association") certifies that the foregoing Policy for Investment of Reserve Funds was approved by the vote of at least a majority of the Association's Directors at a meeting of the Association's Board of Directors held on December 15, 2006.

Date: December 15, 2006.

LARK'S NEST CONDOMINIUM
ASSOCIATION

By:


Chris Rosazza, Secretary

**LARK'S NEST CONDOMINIUM ASSOCIATION
POLICY FOR COLLECTION OF UNPAID ASSESSMENTS
Effective: December 15, 2006**

1. Introduction.

The Board of Directors (the "Board") of Lark's Nest Condominium Association, a Colorado non-profit corporation (the "Association"), acting pursuant to the powers set forth in the Association's Bylaws, Articles of Incorporation, the Condominium Declaration for Larks Nest, a Condominium (the "Declaration") (such documents being collectively referred to as the "Association Documents"), and the Colorado Common Interest Ownership Act ("CCIOA"), has enacted the following Policy effective as of the date set forth above. Unless the context otherwise indicates, capitalized words and terms shall have the meanings set forth in the Association Documents and, if not defined in the Association Documents, then as set forth in CCIOA. This Policy supersedes any previously adopted Policy on the same subject matter.

2. Policy Purpose.

The purpose of this Policy is to emphasize that collection of unpaid Assessments is an important part of governing the Association and such collection must be done in a uniform manner in accordance with the Association Documents and CCIOA. It is the intent of this Policy to provide a framework for the collection of past due Assessments in a timely and efficient manner.

3. Collection of Unpaid Assessments.

To assist with the collection of unpaid Assessments in a timely and efficient manner, the Association shall do the following:

a. Assessments are due upon the date specified by the Board. If any Assessment is not paid within 10 days after the due date, a monthly late charge of \$25 will be assessed against the delinquent Owner for each month that the Assessment remains past due. Furthermore, delinquent Assessments shall bear interest from the date of delinquency at the rate of 21% per annum. The Association shall send any delinquent Owner a letter demanding payment. The demand letter shall be mailed by regular United States mail.

b. In the event payment is not received from any delinquent Owner within 30 days after the date of the demand letter referenced above, the Association may pursue any one or all of the following collection remedies:

- i. File an Assessment lien against the delinquent Owner's property;
- ii. Commence and maintain legal proceedings (lawsuits seeking personal judgments and foreclosure actions) for the recovery of delinquent Assessments, late fees, interest, attorney fees and costs as may be allowed by the Association Documents or CCIOA;

iii. Pursue collection of judgments obtained against Owners; and

iv. Take all other lawful action necessary to collect delinquent Assessments in accordance with the Association Documents and Colorado law.

If the Association fails to follow the procedures set forth above it shall not be construed as any waiver or release of a delinquent Owner's obligation to pay Assessments or the Association's right to collect the Assessments in accordance with the Association Documents and CCIOA.

4. **Association's Attorney Fees and Costs.**

Any delinquent Owner shall be responsible for attorney fees and costs incurred by the Association in the collection of past due Assessments, whether or not a lawsuit is commenced, in accordance with the Association Documents and CCIOA.

5. **Foreclosure and Bankruptcy Notices.**

If the Association receives any bankruptcy or foreclosure notice regarding an Owner with unpaid Assessments, the Association may seek advice from its attorney regarding the appropriate action to be taken.

If the Association, through its attorney, has sent a demand letter, filed a lien or commenced legal proceedings against an Owner in order to collect unpaid Assessments, the Association shall forward any bankruptcy or foreclosure notice received to the attorney.

6. **Variances.**

The Board may from time to time vary from the requirements set forth in this Policy if the Board determines in its sole discretion that such variance is reasonable under the circumstances.

7. **Amendment.**

This Policy may be amended from time to time by the Board.


CERTIFICATION

The undersigned, being the duly elected and acting Secretary of the Lark's Nest Condominium Association (the "Association") certifies that the foregoing Policy for Collection of Unpaid Assessments was approved by the vote of at least a majority of the Association's Directors at a meeting of the Association's Board of Directors held on December 15, 2006.

Date: December 15, 2006.

LARK'S NEST CONDOMINIUM
ASSOCIATION

By: _____


Chris Rosazza, Secretary

**LARK'S NEST CONDOMINIUM ASSOCIATION
POLICY FOR ENFORCEMENT OF COVENANTS AND RULES
(INCLUDING NOTICE AND HEARING PROCEDURES AND SCHEDULE OF FINES)
Effective: December 15, 2006**

1. Introduction.

The Board of Directors (the "Board") of Lark's Nest Condominium Association, a Colorado non-profit corporation (the "Association"), acting pursuant to the powers set forth in the Association's Bylaws, Articles of Incorporation, the Condominium Declaration for Larks Nest, a Condominium (the "Declaration") (such documents being collectively being referred to as the "Association Documents"), and the Colorado Common Interest Ownership Act ("CCIOA"), has enacted the following Policy effective as of the date set forth above. Unless the context otherwise indicates, capitalized words and terms shall have the meanings set forth in the Association Documents and, if not defined in the Association Documents, then as set forth in CCIOA. This Policy supersedes any previously adopted Policy on the same subject matter.

2. Policy Purposes.

The purposes of this Policy are to:

2.1 Set forth procedures and rules to promote the consistent enforcement of the Association Documents;

2.2 Provide a framework for mediation of disputes between the Association and Owners, except those related to collection of past due assessments or matters that may require an injunction, restraining order or protection order; and

2.3 Provide Owners with notice of the schedule of fines for violations of the Association Documents.

3. Mediation.

3.1. Request for Mediation. In the event of a dispute between the Association and any Owner, except disputes regarding past due assessments or any matter that may require an injunction, restraining order or protection order, either the Association or an Owner may request mediation by an independent, third-party mediator. A request for mediation (the "Request") must be in writing and mailed to the Association or Owner by U.S. Mail, first class postage prepaid to such address for the recipient shown by the public records. The Request shall be considered effective three days following deposit in the mail. The parties shall make reasonable efforts to select a mediator and schedule mediation of the dispute within 30 days after the effective date of the Request, or such longer time as the parties may agree upon in writing. If the mediation does not occur within 30 days (or longer if so agreed in writing), or the parties are unable to settle the dispute through mediation, the Association or Owner may pursue any other lawful remedy allowed by the Association Documents or Colorado law.