

**ALTERNATIVE DISPUTE RESOLUTION (ADR) POLICY
OF
WEATHERSTONE AT HIGHLANDS RANCH ASSOCIATION, INC.**

The following resolution has been adopted by Weatherstone at Highlands Ranch Association, Inc. (hereinafter the "Association") pursuant to Colorado law, the Subassociation Declaration for Weatherstone at Highlands Ranch Association, Inc. ("Declaration") and the Bylaws of the Association at a regular meeting of the Board of Directors ("Board").

RECITALS

WHEREAS, Colorado law requires that associations adopt a policy addressing disputes arising between the association and unit owners; and

WHEREAS, Section 6.14 of the Declaration authorizes the Association to adopt, amend and enforce rules and regulations and policies and procedures; and

WHEREAS, the Association desires to establish reasonable policies and procedures for addressing disputes arising between the association and unit owners.

NOW THEREFORE, BE IT RESOLVED, that the Association adopts the following Alternative Dispute Resolution (ADR) Policy:

1. ADR Policy. In the event of any dispute between the Association and an Owner, the Owner is invited and encouraged to meet with the Board to resolve the dispute informally and without the need for litigation. If the Owner requests to meet with the Board, the Board shall make a reasonable effort to comply with the Owner's request.

Nothing in this Policy shall be construed to require any specific form of alternative dispute resolution, such as mediation or arbitration, or require the parties to meet. Neither the Association nor the Owner waives any right to pursue whatever legal or other remedial actions are available to either party.

2. Definitions. Unless otherwise defined in this Resolution, capitalized terms or terms defined in the Declaration shall have the same meaning herein as set forth in the Declaration.

3. Supplement. The provisions of this Resolution shall be in addition to and shall supplement the terms and provisions of the Declaration, the Bylaws, and the laws of the State of Colorado governing the Association.

4. Deviations. The Board may deviate from the procedures set forth in this Resolution if, in its sole discretion, such deviation is necessary under the circumstances.

5. Amendment. The Board may amend this policy from time to time.

Adopted by the Board of Directors of Weatherstone at Highlands Ranch Association, Inc. this 13th day of December 2006, effective January 1, 2007.

WEATHERSTONE AT HIGHLANDS
RANCH ASSOCIATION, INC.

By: _____
Name: _____
Title: President

ATTEST:

By: _____
Name: _____
Title: Secretary

RECORDS POLICY FOR INSPECTION OF RECORDS

OF

WEATHERSTONE AT HIGHLANDS RANCH ASSOCIATION, INC.

Adopted March 29, 2006
Amended December 13, 2006

The following resolution has been adopted by Weatherstone at Highlands Ranch Association, Inc. (hereinafter the "Association") pursuant to the Subassociation Declaration for Weatherstone at Highlands Ranch Association, Inc. ("Declaration") and the Bylaws of Weatherstone at Highlands Ranch Association, Inc. at a regular meeting of the Board of Directors.

RECITALS

WHEREAS, Colorado law provides for the inspection of the Association's records by any unit owner or his authorized agent for any proper purpose at reasonable times and upon appropriate notice; and

WHEREAS, the Association desires to establish a reasonable policy and procedures for such inspections.

NOW THEREFORE, BE IT RESOLVED, that the Association adopts the following Records Policy:

SECTION 1

Association Books and Records

The Association shall keep a copy of the following books and records at the principal office of the Association:

- a. Articles of Incorporation;
- b. Declaration;
- c. Bylaws;
- d. Resolutions adopted by the Board of Directors relating to the characteristics, qualifications, rights, limitations, and obligations of unit owners or any class or category of unit owners;
- e. The minutes of all unit owners' meetings, and records of all action taken by unit owners without a meeting, for the past three years;

f. All written communications within the past three years to unit owners generally as unit owners, i.e. newsletters and other informational material which has been provided to all or substantially all of the unit owners;

g. A list of the names and business OR home addresses of the current directors and officers;

h. A copy of the Association's most recent annual report delivered to the secretary of state; and

i. All financial audits or reviews conducted pursuant to Section 38-33.3-303(4)(b) during the immediately preceding three years.

SECTION 2

Inspection of Association Books and Records by Unit Owners

a. A unit owner or his/her authorized agent is entitled to inspect and copy, at the unit owner's expense and during regular business hours at the offices of the Association, or the Association's manager or authorized agent, or during the next regularly scheduled Owner or Board meeting occurring within 30 days of the Owner's request, any of the books and records of the Association listed in Section 1, if the unit owner gives the Association written demand at least five (5) business days before the date on which the unit owner wishes to inspect and copy such records.

b. A unit owner or his/her authorized agent is entitled to inspect and copy, at the unit owner's expense and during regular business hours at a reasonable location specified by the Association, or during the next regularly scheduled Owner or Board meeting occurring within 30 days of the Owner's request, at the discretion of the Board, any of the other records of the Association (except as specifically limited or excluded by Sections 3 or 4) if the unit owner gives the Association written Notice of Intent or Request to Inspect Association Records at least five (5) business days before the date on which the unit owner wishes to inspect and copy such records and:

i. The unit owner has been a unit owner for at least three months immediately preceding the demand to inspect or copy;

ii. The demand is made in good faith and for a proper purpose;

iii. The unit owner describes with reasonable particularity the purpose and the records the unit owner desires to inspect; and

iv. The records are directly connected with the described purpose.

c. For purposes of Section 2(b)(ii), “proper purpose” means a purpose reasonably related to the demanding unit owner’s interest as a member of the Association.

d. It is within the reasonable discretion of the Board of Directors to determine whether a unit owner’s demand to inspect and copy is made in good faith and for a proper purpose. In determining whether records may be inspected, or copied, the Association shall consider among other things:

- (i) Whether the request is made, in good faith, to ascertain the condition of the Association;
- (ii) Whether the inspection is for an illegal or improper purpose, or for a purpose other than that stated in the Notice of Intent or Request to Inspect Association Records;
- (iii) Whether the inspector has improperly used information secured through a previous inspection of records;
- (iv) Whether disclosure would violate a constitutional or statutory provision or public policy;
- (v) Whether disclosure may result in an invasion of personal privacy, breach of confidence or privileged information;
- (vi) Whether disclosure would unreasonably interfere with or improperly disrupt the operation of the Association; and
- (vii) Whether inspection results in private harm or damage that outweighs the right to access.

SECTION 3

Proper Purpose

Limitation. Without the consent of the Board of Directors, Association records, including membership lists or any part thereof may not be obtained or used by any person for:

- a. Any purpose unrelated to a unit owner’s interest as a unit owner;
- b. To solicit money or property unless such money or property will be used solely to solicit the votes of the unit owners in an election to be held by the Association;
- c. Any commercial purpose;
- d. Sold to or purchased by any person; or

- e. Any improper purpose as determined in the sole discretion of the Board of Directors.

SECTION 4

Exclusions

The following records and documents will be kept confidential by the Association:

- a. **Attorney/Client Confidential Documents.** In order to protect the attorney/client privilege existent between the Association and its attorneys, all attorney created documents, including but not limited to: memos, opinion letters, and draft documents prepared at the behest of the Board of Directors, are not available for the inspection or copying by any unit owner or his/her authorized agent, without the consent or authority of the Board of Directors.

- b. **Personnel Confidential Documents.** Documents pertaining to employees of the Association or involving employment, salary, promotion, discipline, or dismissal of an officer, agent or employee.

- c. **Applicable Law.** Any documents that are confidential under constitutional, statutory or judicially imposed requirements.

- d. **Individual Privacy.** Any documents the disclosure of which would constitute an unwarranted invasion of individual privacy are confidential. Such documents include, but are not limited to specific information regarding other homeowners' individual payment records; individual homeowners' addresses, phone numbers, employment information, correspondence or information specifically pertaining to another homeowners' business with the Association, unless the homeowner has approved the release of the same in writing. Notwithstanding any other provision herein, this provision shall not be applicable to the Weatherstone Community Directory, which the Association periodically publishes and distributes to Owners.

- e. **Executive Sessions.** Minutes of confidential executive sessions.

SECTION 5

Copy and Other Document Fees

- a. The Association may impose and collect from the unit owner in advance a reasonable charge, covering the costs of labor and material, for copies of any documents the Association provides to a unit owner. The charge may not exceed the actual cost of production and reproduction of the records.

b. If a unit owner requests copies of Association documents which are not in the possession of the Association, the unit owner is responsible for whatever fees and costs are imposed by the entity (CPA, attorney, etc.) holding such records for copy and related costs, including but not limited to labor, materials and postage. The Association may collect those fees and costs in advance.

c. If a unit owner requests a copy of an Association document which must be created, generated, certified or authenticated in any way, the unit owner is responsible for all fees and costs incurred in the creation, generation, certification or authentication and reproduction (copying) of the requested document(s), including all related costs including but not limited to labor, materials and postage. The Association may collect those fees and costs in advance.

d. Upon the written request of any unit owner, the Association shall mail to such unit owner its most recent annual financial statements, if any, and its most recently published financial statements, if any, showing in reasonable detail its assets and liabilities and results of its operations.

The Association reserves the right to pursue any individual for damages or injunctive relief or both, including reasonable attorneys fees and costs, for abuse of these rights, including, but not limited to, the use of any records for a purpose other than which is stated in the Notice of Intent or Request to Inspect Association Records.

SECTION 6

Miscellaneous Provisions

a. **Inspection.** The Association reserves the right to have a third party present to observe during any inspection of records by a unit owner or unit owner's representative.

b. **Original.** No unit owner shall remove any original book or record of the Association from the place of inspection nor shall any unit owner alter, destroy or mark in any manner, any original book or record of the Association.

c. **Creation of Records.** Nothing contained herein shall be interpreted so as to require the Association to create records that do not exist or compile records in a particular format or order.

d. **Definitions.** Unless otherwise defined in this Resolution, capitalized terms or terms defined in the Declaration shall have the same meaning herein as set forth in the Declaration.

e. **Supplement.** The provisions of this Resolution shall be in addition to and shall supplement the terms and provisions of the Declaration, the Bylaws, and the laws of the State of Colorado governing the Association.

f. **Deviations.** The Board may deviate from the procedures set forth in this Resolution if, in its sole discretion, such deviation is necessary under the circumstances.

g. **Amendment.** The Board may amend this policy from time to time.

Adopted by the Board of Directors of Weatherstone at Highlands Ranch Association, Inc. this 13th day of December, 2006.

WEATHERSTONE AT HIGHLANDS RANCH
ASSOCIATION, INC.

By: _____
Name: _____
Title: President

ATTEST:

By: _____
Name: _____
Title: Secretary

**POLICY FOR INVESTMENT OF RESERVE FUNDS
OF
WEATHERSTONE AT HIGHLANDS RANCH ASSOCIATION, INC.**

*Adopted March 29, 2006
Amended December 13, 2006*

The following resolution has been adopted by Weatherstone at Highlands Ranch Association, Inc. (the "Association") pursuant to the Subassociation Declaration for Weatherstone at Highlands Ranch Association, Inc. ("Declaration") and the Bylaws of Weatherstone at Highlands Ranch Association, Inc. at a regular meeting of the Association.

RECITALS

WHEREAS, the Colorado Common Interest Ownership Act ("CCIOA") requires that associations adopt policies, procedures and rules and regulations for the investment of reserve funds; and

WHEREAS, Article 6, Section 6.14 of the Declaration authorizes the Association to adopt, amend, repeal and enforce rules and regulations and policies and procedures; and

WHEREAS, the Association deems it prudent and desires to establish a policy for the investment of reserve funds; and

WHEREAS, the overriding objective of the Association's investment policy is the preservation of capital, while at the same time providing for liquidity requirements and optimizing the investment returns within the constraints of this policy; and

WHEREAS, the Association wishes to maintain appropriate levels of review and approval.

NOW THEREFORE, BE IT RESOLVED, that the reserves of the Association shall be invested in such amounts as may be authorized by the Board of Directors in accordance with the following policy:

1. Authorized Investments. No funds shall be deposited or invested except in authorized investments. Authorized investments are those that are in accordance with Colorado law and with the governing documents of the Association and which have been approved by the Board of Directors.

2. Account Approval and Review. 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 they shall be reviewed at least quarterly.

3. Investment of Reserves. Investments shall be guided by the following goals, listed in decreasing order of importance:

- a. Safety of Principal. The objective is to promote and ensure the safety of principal reserves.
- b. Liquidity and Accessibility. Funds should be readily available for projected or unexpected expenditures. The goal of the Association is to have sufficient cash available to meet current obligations. In order to meet this objective a portfolio of investments whose maturities and liquidity matches future budgeted needs for cash will be purchased. Reserves in excess of projected liquidity requirements may be invested in longer-term investments in order to optimize investment returns.
- c. Minimal Costs. Investment costs (redemption fees, commissions, and other transactions costs) should be minimized.
- d. Professional Management. Funds should be invested with professional managers who have good reputations, sound credentials and appropriate levels of insurance, including fidelity insurance, for the services that are provided to the Association.
- e. Consultation with Experts. Prior to investing, the Board of Directors may consult with, obtain advice from and rely upon the opinions and advice of others such as qualified investment and financial advisors and the Association's legal counsel and accountants, provided that such persons will not directly benefit from the investment being considered by the Association.
- f. Return. Funds should be invested to achieve the highest level of return that is consistent with the preservation of the principal and accumulated interest and the constraints of this policy.

4. Policy Distribution. A copy of this policy will be provided to all parties making investments on behalf of the Association with receipt of this policy to be confirmed in writing.

5. Reserve Study. In order to determine funding of the reserves of the Association, the Board of Directors may determine, with the assistance and advice of professionals, the life expectancy of those portions of the Community to be maintained by the Association and the anticipated costs of maintaining, replacing and improving those identified areas (the "Reserve Study").

6. Review of Reserve Study. The Board of Directors shall cause the Reserve Study, if any, and reserved funding to be reviewed and updated periodically, at least once every three years, to adjust and make changes in costs, inflation and interest yield on invested funds, plus modification, addition or deletion of components.

7. Standard of Conduct. The Board of Directors and officers shall make investment decisions in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner the Director or officer reasonably believes to be in the best interests of the Association in accordance with the Colorado Revised Nonprofit Corporation Act.

8. Definitions. Unless otherwise defined in this Resolution, capitalized terms or terms defined in the Declaration shall have the same meaning herein as set forth in the Declaration.

9. Supplement. The provisions of this Resolution shall be in addition to and shall supplement the terms and provisions of the Declaration, the Bylaws, and the laws of the State of Colorado governing the Association.

10. Deviations. The Board of Directors may deviate from the procedures set forth in this Resolution if, in its sole discretion, such deviation is necessary under the circumstances.

11. Amendment. The Board of Directors may amend this policy from time to time.

Adopted by the Board of Directors of Weatherstone at Highlands Ranch Association, Inc. this 13th day of December, 2006.

WEATHERSTONE AT HIGHLANDS RANCH
ASSOCIATION, INC.

By: _____
Name: _____
Title: President

ATTEST:

By: _____
Name: _____
Title: Secretary

**MEETING POLICY
OF
WEATHERSTONE AT HIGHLANDS RANCH ASSOCIATION, INC.**

*Adopted March 29, 2006
Amended December 13, 2006*

The following resolution has been adopted by Weatherstone at Highlands Ranch Association, Inc. (the "Association") pursuant to the Subassociation Declaration for Weatherstone at Highlands Ranch Association, Inc. ("Declaration") and the Bylaws of Weatherstone at Highlands Ranch Association, Inc. at a regular meeting of the Board of Directors ("Board").

RECITALS

WHEREAS, the Colorado Common Interest Ownership Act ("CCIOA") requires that homeowners associations adopt a policy pertaining to the conduct of meetings of the Association and the rights of Members to participate in meetings of the Board of the Association; and

WHEREAS, this policy is not intended to take the place of or invalidate provisions contained in the Association's Bylaws or CCIOA, rather it is intended to incorporate provisions of Senate Bill 100 effective January 1, 2006, as amended by Senate Bill 89 effective May 26, 2006, into the Association's procedures for meetings of the Members of the Association and the Board of the Association as currently set forth in the Association's Bylaws or the Colorado Revised Nonprofit Corporation Act; and

WHEREAS, the Association desires to establish reasonable policies and procedures for the conduct of meetings of the Members and the Board.

NOW THEREFORE, BE IT RESOLVED, that the Association adopts the following Meeting Policy:

SECTION 1

Meeting of Members

1.1 **Meetings**. A meeting of the Members shall be called at least once per year in accordance with the provisions of CCIOA (C.R.S. § 38-33.3-101 et seq.), the Bylaws of the Association, and/or other governing documents promulgated by the Association, as applicable. In the event the Association's governing documents are silent with respect to a specific issue pertaining to Members' meetings, the provisions of the Colorado Revised Nonprofit Corporation Act, as amended, will control.

1.2 **Calling a Meeting**. A meeting of the Members may be called by the President, a majority of the members of the Board of the Association, or those Members of the Association holding not less than 5% of the total votes of all Members.

1.3 **Notice of Meeting**. The notice of a meeting of Members shall be delivered by hand or U.S. Mail, postage prepaid, to each Member entitled to vote at the meeting. The notice

shall be addressed to the Member at his/her address as it appears on the records of the Association unless the Member has designated another address in writing and delivered that request to the Association or its agent. The notice shall be delivered no sooner than ten (10) days, nor more than fifty (50) days prior to the date of the meeting.

1.4 **Posting of Notice.** In addition to providing notice of a meeting to the Members, the Association shall cause a notice of the Members' meeting to be posted in a conspicuous place within the community to the extent feasible or practical. The Association may also post the notice electronically on a web site or transmit the notice via e-mail to those Members who so request. Electronic notice of a special meeting shall be given as soon as possible but at least twenty-four hours before the meeting.

1.5 **Order of Business.** All meetings of the Members shall proceed on issues generally set forth in the notice of meeting, as required by Colorado Revised Statute § 38-33.3-308, and in accordance with the written order of business made in accordance with the Bylaws unless a majority of the Members at the meeting, either in person or by proxy, vote to amend the written order of business. All meetings of the Members shall be conducted in accordance with Roberts Rules of Parliamentary Authority or such similar parliamentary procedures as may be designated by the Board from time to time. At the commencement of each meeting, the secretary shall state how notice of the meeting was given and include such evidence of notice in the minutes of the meeting.

1.6 **Open Meetings.** All meetings of the Members shall be open to attendance by all Members of the Association or their duly appointed representatives. In the event the Board has the authority, under the governing documents of the Association or under Colorado law, to suspend a Member's right to vote at a meeting, the Board must provide that Member with notice of the Board's intention to suspend such Member's right to vote in accordance with the Notice and Hearing Procedure as set forth in the Bylaws of the Association. The Board must also provide an opportunity for said Member to be heard in accordance with the Notice and Hearing procedure as set forth in the Bylaws of the Association prior to the effective date of the suspension of the Member's right to vote.

1.7 **Meeting Discussions.** Notwithstanding the status of a Member's right to vote at a meeting of the Members, each Member, or a duly appointed representative of a Member, may speak at the appropriate time during the deliberations at a Member meeting based on the reasonable time restrictions imposed by the Board or the Chairperson of the meeting. Reasonable time restrictions shall include the requirement that a reasonable number of persons as determined by the Board or the Chairperson in its/his sole discretion are permitted to speak on each side of an issue before a vote is called for the issue.

1.8 **Voting by Secret Ballot.** At a meeting where Members are electing individuals to the Board of the Association in a contested election, defined as an election in which there are more candidates than positions to be filled, the voting shall be conducted by secret ballot. Uncontested elections of Board members, defined as elections in which the number of candidates is equal to or less than the positions to be filled, and all other votes taken at a meeting of members shall be taken in such method as determined by the Board of the Association including by acclamation, by hand, by voice or by ballot, unless otherwise required by law. Notwithstanding the above, uncontested elections of Board members or other votes on matters

affecting the community shall be by secret ballot at the discretion of the Board or upon request of 20% of the Owners who are present at the meeting or represented by proxy. Ballots shall be counted by a neutral third party excluding the Association's managing agent or legal counsel, or by a committee of volunteers who are not Board members, and in the case of a contested election, are not candidates. If the ballots are to be counted by a Member or committee, that person or those persons must be selected randomly from a pool of two or more Members who are not candidates and who attend the meeting at which the vote is held. The Member or committee shall be selected at an open meeting by the Chair of the Board or another person presiding during that portion of the meeting. The results of a vote by secret ballot shall be reported without reference to names, addresses, or other identifying information respective to the parties casting the secret ballots.

1.9 **Proxy Voting.** A Member may appoint a proxy in accordance with the Bylaws of the Association or if not otherwise provided therein, by the provisions of Section 7-127-203 of the Colorado Revised Nonprofit Act. Proxy voting shall occur only in strict compliance with Colorado Revised Statute § 38-33.3-310. Further, all proxy appointments shall be delivered by hand or certified U.S. Mail, postage prepaid and return receipt requested, to the Secretary of the Association or designated agent no later no later than the date and time of convening of the Members' meeting.

1.10 **Adjourning a Meeting.** Members present either in person or by proxy at any meeting may adjourn the meeting from time to time, whether or not a quorum shall be present in person or by proxy, without notice other than announcement at the meeting, for a total period or periods not to exceed 30 days after the date set for the original meeting. The location of the reconvened meeting shall be announced at the meeting prior to adjournment. At any adjourned meeting which is held without notice other than announcement at the meeting, the quorum requirement shall not be reduced or changed, but if the originally required quorum is present in person or by proxy, any business may be transacted which might have been transacted at the meeting as originally called.

1.11 **Rejection of Vote.** The Association may reject a vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation if the Secretary or other officer or agent authorized to tabulate votes, acting in good faith, has reasonable basis for doubt about the signatory's authority to sign for the Member.

SECTION 2

Meeting of Board of Directors

2.1 **Meetings.** Meetings of the Board shall be called in accordance with the provisions of CCIOA (C.R.S. § 38-33.3-101 et seq.), the Bylaws of the Association, and/or other governing documents promulgated by the Association, as applicable. In the event the Association's governing documents are silent with respect to a specific issue pertaining to meetings of the Board, the provisions of the Colorado Revised Nonprofit Corporation Act, as amended, will control.

2.2 **Meeting Agenda.** Meetings of the Board shall proceed on issues as generally set forth in the agenda distributed for each meeting. The agenda will be made reasonably available

to Members and/or their duly appointed representatives at any time at or prior to the meeting of the Board.

2.3 **Member's Right to Attend and Participate in Board Meetings.** Unless the Board is in an executive session pursuant to Section 38-33.3-308 of CCIOA, all meetings of the Board or a committee thereof are open to attendance by all Members of the Association or their duly appointed representatives. Unless a majority of the Board votes to allow the Members to participate in a deliberation or discussion of the Board, the Members other than members of the Board, may not participate in a meeting of the Board. Notwithstanding the foregoing, Members or their designated representatives shall be afforded the right to speak at a time determined by the Board prior to formal action taken by the Board on an item under discussion, subject, however, to the Board's authority, in its reasonable discretion, to impose a time restriction on a Member's right to speak before the Board.

2.4 **Member's Right to Speak at Board Meetings.** Unless a majority of the Board votes otherwise, the Members shall be given an opportunity to speak on any issue presented on the agenda for the Board meeting at the beginning of the meeting. Reasonable time restrictions on a Member's right to speak may be imposed by the Board; provided, however, a reasonable number of Members as determined by the Board in its sole discretion shall be permitted to speak on each side of an issue before formal action is taken by the Board. Members will be given an additional opportunity to speak only by the majority vote of the Board or if issues which were not included on the agenda are properly raised before the Board in accordance with the Bylaws or the rules of parliamentary authority adopted by the Board as set forth in Section 3.3 below.

SECTION 3

General Provisions

3.1 **Supplement.** The provisions of this Resolution shall be in addition to and shall supplement the terms and provisions of the Declaration, the Bylaws and the law of the State of Colorado governing the Association.

3.2 **Deviations.** The Board may deviate from the procedures set forth in this Resolution if, in its sole discretion, such deviation is necessary under the circumstances. Any such deviation will be in accordance with the Bylaws and Declaration.

3.3 **Parliamentary Authority.** Roberts Rules of Order, Newly Revised, or similar rules of parliamentary procedure as may be adopted by the Board from time to time, shall govern the proceedings of any meeting of the Members or the Board of the Association in all cases not provided for in the Bylaws of the Association.

3.4 **Definitions.** Unless otherwise defined in this Resolution, capitalized terms or terms defined in the Declaration shall have the same meaning herein as set forth in the Declaration.

3.5 **Amendment.** The Board may amend this Meeting Policy from time to time.

Adopted by the Board of Directors of Weatherstone at Highlands Ranch Association, Inc.
this 13th day of December, 2006.

WEATHERSTONE AT HIGHLANDS RANCH
ASSOCIATION, INC.

By: _____
Name: _____
Title: President

ATTEST:

By: _____
Name: _____
Title: Secretary

**CONFLICTS OF INTEREST POLICY
OF
WEATHERSTONE AT HIGHLANDS RANCH ASSOCIATION, INC.**

*Adopted March 29, 2006
Amended December 13, 2006*

The following resolution has been adopted by Weatherstone at Highlands Ranch Association, Inc., a Colorado nonprofit corporation, (the "Association") pursuant the Subassociation Declaration for Weatherstone at Highlands Ranch Association, Inc. ("Declaration") and the Bylaws of Weatherstone at Highlands Ranch Association, Inc. at a regular meeting of the Board of Directors.

RECITALS

WHEREAS, the Colorado Common Interest Ownership Act ("CCIOA") requires that associations adopt a policy pertaining to conflicts of interest of Board members and officers of the Association; and

WHEREAS, has adopted a conflict of interest policy to incorporate provisions of Senate Bill 100 effective January 1, 2006, into the Association's conflicts of interest policies and procedures; and

WHEREAS, Senate Bill 89 amended the conflict of interest provisions of the Colorado Common Interest Ownership Act effective May 26, 2006; and

WHEREAS, the Association desires to establish reasonable policies and procedures for addressing conflicts of interest with respect to directors and officers.

NOW THEREFORE, BE IT RESOLVED, that the Association adopts the following Conflicts of Interest Policy:

Article I
Purpose

The purpose of the conflict of interest policy is to protect the interest of the Association when the Association is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Association, might result in a possible excess benefit transaction, or might be contrary to applicable Colorado law or public policy applicable to homeowners associations. This policy is intended to supplement but not replace any applicable state and federal law that governs conflicts of interest applicable to nonprofit organizations.

Article II
Definitions

1. **Interested Person**

Any director, principal officer, or member of a committee with Board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

2. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the Association has a transaction or arrangement,
- b. A compensation arrangement with the Association or with any entity or individual with which the Association has a transaction or arrangement, or,
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Association is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not substantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the Board or committee decides that a conflict of interest exists.

Notwithstanding the above, if any contract, decision, or other action taken by or on behalf of the Board, whether or not such contract, decision, or other action is required to be approved by the Board or may be approved by the manager or by a staff member authorized by the Board to enter into or make any such contract, decision, or to take such other action, would financially benefit any member of the Board or any person who is a parent, grandparent, spouse, child or sibling of a member of the Board or a parent or spouse of any of those persons, that member of the Board shall declare a conflict of interest for that issue.

Article III
Procedures

1. Duty to Disclose

In connection with any actual or possible conflict of interest an interested person must disclose the existence of the financial interest in an open meeting prior to any discussion or action on that issue and be given the opportunity to disclose all material facts to the Board and members of the committees with Board delegated powers considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the Board or committee meeting while the

determination of a conflict of interest is discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

- a. An interested person may make a presentation at the Board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The chairperson of the Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the Board or committee shall determine whether the Association can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Association's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.
- e. An interested member of the Board shall not vote on any issue in which said member of the Board has an interest.

4. Violations of the Conflicts of Interest Policy

If the Board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

If, after hearing the Board or committee member's response and after making further investigation as warranted by the circumstances, the Board or committee determines that the Board or committee member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action, including, but not limited to seeking restitution for damages resulting from the violation of this policy, including all costs and attorneys fees incurred in obtaining said restitution.

5. Colorado Law

- a. Loans. The Association shall make no loans to its officers or directors. 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 and any costs or

attorneys fees incurred by the Association to collect the loan until repayment thereof.

- b. Compliance with Colorado Law. Notwithstanding any other provisions herein, the Association shall follow all of the requirements of C.R.S. 7-128-501 and C.R.S. 38-33.3-310.5 or any revisions or supplements thereto.
- c. Conflicting Interest Transactions Not Voidable. Notwithstanding any other provisions herein, no conflicting interest transaction shall be voidable by a member or on behalf of the Association if:
 - 1. The facts about the conflicting interest transaction are disclosed to the Board, and a majority of the disinterested Directors, even if less than a quorum, in good faith approves the conflicting interest transaction;
 - 2. The facts about the conflicting interest transaction are disclosed to the members entitled to vote on the matter, and the conflicting interest transaction is authorized in good faith by a vote of the members entitled to vote on the matter; or
 - 3. The conflicting interest transaction is fair to the Association.

For purposes of this paragraph 5. c. (3), “conflicting interest transaction” means a contract, transaction, or other financial relationship between the Association and a Director, 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, “Director” means a member of the Association’s Board of Directors and “Party related to a Director” means a spouse, a descendant, an ancestor, a sibling, the spouse or descendant 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 or officer or has a financial interest.

d.

6. Exercise of Powers

- a. All members of the Board shall exercise their powers and duties in good faith and in the interest of, and with the utmost loyalty to the Association. All members of the Board shall comply with all lawful provisions of the Association’s Declaration, Bylaws, Rules and Regulations and Policies and Procedures.
- b. In addition to the above, the following limitations are placed upon all directors, principal officers, or members of a committee with Board delegated powers:
 - 1) Directors, principal officers, or members of a committee with Board delegated powers shall not recommend or suggest to the Association or to any of its employees, the use of services or the purchase of products of another organization or business entity in which an Association director or officer has a direct or indirect interest;

- 2) Directors, principal officers, or members of a committee with Board delegated powers shall not use their office for personal gain, whether financial, political or otherwise;
- 3) Directors, principal officers, or members of a committee with Board delegated powers shall disclose any relationship that a director or family member has with any vendor, supplier, consultant or agent, etc., including serving as an unpaid officer, director, or consultant, as soon as the director becomes aware of the potential conflict of interest;
- 4) Directors, principal officers, or members of a committee with Board delegated powers shall disclose any relationship that a director or family member has with any vendor, supplier, consultant or agent, etc., that results in a director or family member receiving from that vendor, supplier, consultant or agent, etc., any type of direct or indirect compensation as soon as the director becomes aware of the potential conflict of interest; and
- 5) Directors, principal officers, or members of a committee with Board delegated powers shall not disclose information about the corporation's legitimate activities unless they are already known by the public or are of public record.

Article IV
Records of Proceedings

The minutes of the Board and all committees with Board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial or other interest in connection with an actual or possible conflict of interest, the nature of the financial or other interest, any action taken to determine whether a conflict of interest was present, and the Board or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Article V
Compensation

A voting member of the Board who receives compensation, directly or indirectly, from the Association for services is precluded from voting on matters pertaining to that member's compensation.

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Association for services is precluded from voting on matters pertaining to that member's compensation.

No voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Association, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI
Annual Statements

Each director, principal officer and member of a committee with Board delegated powers shall annually sign a statement, which affirms such person:

- a. Has received a copy of the conflict of interest policy
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands that the Association is a Colorado nonprofit corporation and homeowners association subject to the requirements of C.R.S. 7-128-501 and C.R.S. 38-33.3-310.5.

Disclosure statements are to be updated periodically when financial or other interests, relationships, transactions, activities or situations may cause an actual or potential conflict of interest to arise. Disclosures required under Article III, Paragraph 6. b., as set forth above, shall be made promptly in the updated disclosure statements.

The disclosing director, principal officer or member of a committee with Board delegated powers shall immediately circulate any such disclosure statement upon completion thereof to all of the directors and each director shall sign the disclosure form upon receipt and review thereof acknowledging receipt of the disclosure.

Article VII **Periodic Reviews**

To ensure the Association operates in a manner consistent with its nonprofit corporate and homeowners association purposes and does not engage in activities that could violate Colorado state law requirements, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. If there are new or major changes in compensation of disqualified persons, whether such compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b. In the event that there should be any partnerships, joint ventures, and arrangements with management organizations, whether they conform to the Association's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, and do not result in inurement, impermissible private benefit or in an excess benefit transaction.
- c. If there are changes in Colorado homeowners association or nonprofit corporate requirements which should be considered in the contracts or procedures of the Association.

Article VIII **Use of Outside Experts**

When conducting the periodic reviews as provided for in Article VII, the Association may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.

Article IX **Competition in Contracting**

In the event that the Association determines the need to procure outside suppliers or contractors, the Association shall select such contractors in accordance with the Association's Bid Policies and Procedures.

Article X
Definitions

Unless otherwise defined in this Resolution, capitalized terms or terms defined in the Declaration shall have the same meaning herein as set forth in the Declaration.

Article XI
Supplement

The provisions of this Resolution shall be in addition to and shall supplement the terms and provisions of the Declaration, the Bylaws, and the laws of the State of Colorado governing the Association.

Article XII
Deviations

The Board may deviate from the procedures set forth in this Resolution if, in its sole discretion, such deviation is necessary under the circumstances.

Article XIII
Amendment

The Board may amend this policy from time to time.

Adopted by the Board of Directors of Weatherstone at Highlands Ranch Association, Inc. this 13th day of December, 2006.

WEATHERSTONE AT HIGHLANDS RANCH
ASSOCIATION, INC.

By: _____
Name: _____
Title: President

ATTEST:

By: _____
Name: _____
Title: Secretary

**COLLECTION POLICY
OF
WEATHERSTONE AT HIGHLANDS RANCH ASSOCIATION, INC.**

*Adopted March 29, 2006
Amended December 13, 2006*

The following resolution has been adopted by Weatherstone at Highlands Ranch Association, Inc. (hereinafter the "Association") pursuant to the Subassociation Declaration for Weatherstone at Highlands Ranch Association, Inc. ("Declaration") and the Bylaws of the Association at a regular meeting of the Board of Directors ("Board").

RECITALS

WHEREAS, the Association is charged with certain responsibilities regarding the care, maintenance and service of the Common Elements, including, without limitation, the Association Fences, the Monument Walls and the Landscape Areas, including any Improvements thereon, and personal property and equipment, as well as other duties and responsibilities more specifically described in the Declaration; and

WHEREAS, the Association must have the financial means to discharge its duties and responsibilities; and

WHEREAS, the Board has a responsibility to pursue collection of assessments and other charges from Owners pursuant to the Declaration and the Bylaws of the Association; and

WHEREAS, the Board of the Association desires to adopt a uniform and systematic procedure to collect assessments and other charges of the Association; and

WHEREAS, the Board believes that it is in the best interest of the Association to refer delinquent accounts promptly to an attorney for collection so as to minimize the Association's loss of assessment revenue. The Board has retained an attorney with experience in representing homeowner associations in collections and other matters.

NOW, THEREFORE, BE IT RESOLVED that the Association does hereby adopt the following procedures and policies for the collection of assessments and other charges of the Association:

1. **Due Dates.** For purposes of this Collection Policy, "Common Assessment" is the total Common Assessments (as defined in the Declaration) that are due for a particular fixed year as determined by the Board. The Common Assessment shall be due and payable in advance on the first day of the applicable year. An Owner who is in good standing may pay the Common Assessment in quarterly installments, which shall be due and payable in advance and without notice on the first day of each quarter. Common Assessments or other charges not paid in full to the Association within 30 days of the due date shall be considered past due and delinquent. Common Assessments or other charges not paid in full to the Association within 30 days of the

due date shall incur late charges and interest as provided below. In addition, the Board may accelerate and call due the entire unpaid Common Assessment on any delinquent account as more fully described in Paragraph 9 of this Collection Policy. In the event notice of acceleration is given to the delinquent owner(s), the owner(s) of the Residential Site shall also be charged any costs incurred by the Association in giving notice of such acceleration.

2. **Receipt Date.** The Association shall credit payments to the Owner's account on the day that the payment is received in the Association's office, regardless of the date of posting the payment.

3. **Late Charges on Delinquent Installments.** The Association shall impose a \$25.00 late charge against each Owner who fails to timely pay his/her Common Assessment or any other Assessment as defined in the Declaration, charges, costs or fees provided for in the Declaration, within 30 days of the due date. This late charge shall be enforced as a Common Assessment for each delinquent Owner. The Association shall impose interest from the due date at the highest rate then established by statute in Colorado for interest on damages for personal injury or on judgments in other actions, whichever is higher, but in no event less than 8% per annum simple interest and not more than 21% per annum simple interest on the amount owed for each Owner who fails to timely pay the Owner's Common Assessment or any other Assessment, charges, costs or fees provided for in the Declaration, within 30 days of the due date. Late charges and interest shall be deemed imposed by the Association without any further action by the Board being required.

4. **Personal Obligation for Late Charges.** The late charge shall be the personal obligation of the Owner(s) of the Residential Site for which such Common Assessment or installment is unpaid. All late charges shall be due and payable immediately, without notice, in the manner provided by the Declaration (and as set forth herein) for payment of Common Assessments.

5. **Return Check Charges.** In addition to any and all charges imposed under the Declaration, Articles of Incorporation and Bylaws, the Rules and Regulations of the Association or this Resolution, a \$20.00 fee or other amount allowed by Colorado law and deemed appropriate by the Board shall be assessed against an Owner in the event any check or other instrument attributable to or payable for the benefit of such Owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to insufficient funds. This returned check charge shall be enforced as a Common Assessment for each Owner who tenders payment by check or other instrument that is not honored by the bank upon which it is drawn. Such return check charge shall be due and payable immediately, upon demand. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. Returned check charges shall be the obligation of the Owner(s) of the Residential Site for which payment was tendered to the Association. Returned check charges shall become effective on any instrument tendered to the Association for payment of sums due under the Declaration, Articles, Bylaws, Rules and Regulations or this Resolution after the date adopted as shown above. 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 (1) year, be made by certified check or money order.

6. **Attorney Fees on Delinquent Account.** As an additional expense permitted under the Declaration and by Colorado law, the Association shall be entitled to recover its reasonable attorney's and other professional fees and collection costs incurred in the collection of assessments or other charges due to the Association from a delinquent Owner. The reasonable attorney's fees and costs incurred by the Association shall be due and payable immediately when incurred, upon demand.

7. **Application of Payments.** All sums collected on a delinquent account shall be remitted to the Association's attorney until the account is brought current. All payments received on account of an Owner or the Owner's property (hereinafter collectively "Owner"), shall be first applied to payment of any and all legal fees and costs including attorney's fees, expenses of enforcement and collection late charges, interest, returned check charges, lien fees, and other costs owing or incurred with respect to such Owner pursuant to the Declaration, Articles, Bylaws, Rules and Regulations, or this Resolution, prior to application of the payment to any special or regular assessment due or to become due with respect to such Owner. If such application results in the entire special or regular assessment not being paid in full and payment in full of such special or regular assessment is not received by the Association within 30 days of due date, then the Owner's account will be considered past due and delinquent and subject to the imposition of late charges and interest as authorized by the Declaration and as set forth in this Collection Policy.

8. **Collection Process.**

a) After an Assessment or other charges due to the Association becomes more than 30 days delinquent, the Manager is directed to send a written notice ("First Notice") of non-payment, amount past due, notice that interest and late fees have accrued and request for payment in accordance with Section 5.20 of the Declaration.

b) After an Assessment or other charges due to the Association becomes more than 60 days delinquent, the Manager is directed to send a second written notice ("Second Notice") of non-payment, amount past due, notice that interest and late fees have been accrued, notice of intent to file a lien and request for immediate payment.

c) After an Assessment or other charges due to the Association becomes more than 90 days delinquent, the Manager is directed to turn the account over to the Association's attorney for filing of a lien and collection. Upon receiving the delinquent account, the Association's attorney will send a letter to the delinquent Owner demanding immediate payment for past due assessments or other charges due. Upon further review, the Association's attorney may file a summons and complaint with the court of jurisdiction. If a judgment or decree is obtained, including without limitation a foreclosure action, such judgment or decree shall include reasonable attorney's fees together with the costs of the action and any applicable interest.

d) In addition to the steps outlined above, the Association may also elect to suspend the voting rights and any and all rights of any Owner whose account is past due

at the time of such voting to the use of any recreational or other facilities of the Association, if any, in accordance with the Declaration.

9. **Acceleration and Declaration of Assessments.** The Board reserves the right to accelerate and call due the entire unpaid Assessment on any delinquent account in accordance with Section 5.20 of the Declaration. Such acceleration shall result in the entire unpaid Assessment being due to the Association immediately. The Board also reserves the right to revoke its acceleration of any accelerated Assessment.

10. **Collection Procedures/Time Frames.** The following time frames shall be followed for use in the collection of the Assessment and other charges.

Due date (date payment due)	1 st day of the month due
Past due date (date payment is late if not received on or before that date)	30 days after due date
First Notice (notice that late charges and interest have accrued)	30 days after due date
Second Notice (notice that late charges and interest have accrued, notice of intent to file lien)	60 days after due date
Delinquent account turned over to Association's attorney; Lien filed; Demand letter sent to Owner.	90 days after due date

The attorney is to consult with the Association at all times, to determine if payment has been arranged or what collection procedures are appropriate.

11. **Certificate of Status of Assessment.** The Association shall furnish to an Owner or such Owner's designee upon written request, first class postage prepaid, return receipt, to the Association's agent, a written statement setting forth the amount of unpaid Assessments currently levied against such Owner's property for a \$25.00 fee. The statement shall be furnished within 14 calendar days after receipt of the request. However, if the account has been turned over to the Association's attorney, such request shall be handled through the attorney.

12. **Bankruptcies and 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 Residential Site within the Association, the Manager shall advise the Association's attorney of the same and turn the account over to the Association's attorney.

13. **Use of Certified Mail/Regular Mail.** In the event the Association shall cause a collection or demand letter or notices be sent to a delinquent Owner by regular mail, the Association may also cause, but shall not be required to send, an additional copy of that letter or

notice by certified mail or by courier. Regardless of the method of delivery, a notice will be deemed properly given if it is actually received by the Owner.

14. **Referral of Delinquent Accounts to Attorneys.** Upon referral to the Association's attorney, the attorney will take all 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 attorney is authorized to take whatever action is necessary, in consultation with the President of the Board or such other authorized representative of the Association, believed to be in the best interests of the Association, including, but not limited to:

- a) Filing of a suit against the delinquent Owner for a money judgment;
- b) Instituting a judicial foreclosure action of the Association's lien;
- c) Filing necessary claims, documents, and motions in bankruptcy court in order to protect the Association's interests;
- d) File a court action seeking appointment of a receiver.

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

Upon referral of any matter to the Association's attorney, the Manager, acting on behalf of the Association, shall pay the Association's attorney-his/her 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.

15. **Appointment of a Receiver.** The Association may seek the appointment of a receiver if an Owner becomes delinquent in the payment of assessments pursuant to the Declaration and Colorado law. A receiver is a disinterested person, appointed by the court that manages the rental of the property, collects the rent and disburses 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 the waste and deterioration of the property.

16. **Judicial Foreclosures.** The Association may chose to foreclose its lien in lieu of or in addition to suing an Owner in county court for a money judgment. The purpose of foreclosing is to obtain payment of all assessments owing in the situations where either a money judgment lawsuit has been or is likely to be unsuccessful or other circumstances favor such action.

17. **Waivers.** The Association is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association shall determine appropriate under the circumstances.

18. **Notification to and Communication with Owners.** All communication with a delinquent Owner shall be handled through the Association's attorney once a matter has been referred to the attorney. Neither the Manager nor any members of the Board shall discuss the collection of the account directly with an Owner after it has been turned over the Association's attorney unless the attorney is present or has consented to the contact.

19. **Ongoing Evaluation.** Nothing in this Resolution shall require the Association to take specific actions other than to notify the Owners of the adoption of these policies and procedures. Once an Owner's account is turned over to the Association's attorney, all communication regarding the account must be made through the attorney. However, the Association has the option and right to continue to evaluate each delinquency on a case-by-case basis.

20. **Defenses.** Failure of the Association to comply with any provision in this Collection Policy shall not be deemed as a defense to payment of assessments, fees or other charges, late charges, return check charges, attorney's fees and/or costs as described and imposed by this Collection Policy.

21. **Definitions.** Unless otherwise defined in this Resolution, capitalized terms or terms defined in the Declaration shall have the same meaning herein as set forth in the Declaration.

22. **Supplement.** The provisions of this Resolution shall be in addition to and shall supplement the terms and provisions of the Declaration, the Bylaws, and the laws of the State of Colorado governing the Association.

23. **Deviations.** The Board may deviate from the procedures set forth in this Resolution if, in its sole discretion, such deviation is necessary under the circumstances.

24. **Amendment.** The Board may amend this Collection Policy from time to time.

IN WITNESS WHEREOF, the undersigned certify that this Resolution was adopted by the Board of Directors of Weatherstone at Highlands Ranch Association, Inc. this 13th day of December, 2006.

WEATHERSTONE AT HIGHLANDS RANCH
ASSOCIATION, INC.

By: _____
Name: _____
Title: President

ATTEST:

By: _____
Name: _____
Title: Secretary