PROCEDURE FOR ADDRESSING DISPUTES FOR ISSUES NOT COVERED
BY THE DECLARATION OR BYLAWS BETWEEN THE ASSOCIATION AND
OWNERS
OF
HIGHLANDS RANCH COMMUNITY ASSOCIATION, INC.

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

RECITALS

WHEREAS, Colorado law requires that associations adopt a procedure for
addressing disputes arising between associations and Owners; and

WHEREAS, Section 5.16 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 Owners.

NOW THEREFORE, BE IT RESOLVED, that the Association adopts the
following Procedure for Addressing Disputes Between the Association and Owners:

1. Procedure for Addressing Disputes. In the event of any dispute between
the Association and an Owner, for which a method, policy or procedure to address such
dispute is not provided by the Declaration or Bylaws of the Association, the Owner is
invited and encouraged to meet with the Community Manager, to resolve the dispute
informally and without the need for litigation. If the Owner requests to meet with the
Community Manager, the Association shall make a reasonable effort to comply with the
Owner's request.

To further open communications and to promote the informal resolution of such
disputes, all statements and communications of any kind between the Owner and the
Community Manager pursuant to this Policy shall be considered confidential and may not
be used by either the Owner or the Association in any subsequent proceedings in the
event an informal, negotiated resolution is not reached. Furthermore, any settlement or
compromise reached as a result of this Policy shall not constitute a precedent for purposes
of any other or subsequent dispute between the Association and any Owner.

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. In addition, nothing in this Policy shall be construed to require the Association to
mediate or arbitrate disputes between Owners. 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 Highlands Ranch Community Association, Inc. this 19th day of December 2006, effective January 1, 2007.

HIGHLANDS RANCH COMMUNITY ASSOCIATION, INC.

By: [Signature]
Name: NICK ROBINSON
Title: President

ATTEST:

By: [Signature]
Name: CAROLE SCHUMACHER
Title: Secretary