

**CONSENT OF DIRECTORS  
OF THE  
WOLF RANCH OWNERS ASSOCIATION, INC.**

The undersigned, being all of the Directors of the Wolf Ranch Owners Association, Inc., a Colorado non-profit corporation (the "Association"), hereby consent to vote in favor of, and adopt the following resolution:

**WHEREAS**, the Board of Directors of the Wolf Ranch Owners Association, Inc. is empowered to govern the affairs of the Association pursuant to Chapter 2, Section 2.2 of the Community Charter for Wolf Ranch Residential Property (hereafter referred to as "Charter") and Article 3, Section 3.1 of the Bylaws and Article 5 of the Articles of Incorporation; and,

**WHEREAS**, Senate Bill 05-100, approved June 6, 2005, amending the Colorado Common Interest Ownership Act §§38-33.3, requires the Association to establish a procedure for the adoption and amendment of policies, procedures and rules; and

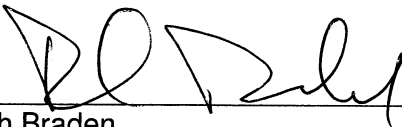
**WHEREAS**, the Board of Directors, in an effort to comply with this statute, desires to establish a policy that shall govern the manner in which policies, procedures and rules (hereafter referred to as "Community Standards") are established and amended;


**IT IS THEREFORE RESOLVED** that the policy attached hereto as Exhibit A (hereafter referred to as "The Policy Procedure") shall be adopted and hereby established as the policy of this Association;


**IT IS FURTHER RESOLVED** that this policy shall remain in effect until amended or hereby terminated by a majority vote of the Board of Directors, and

**IT IS FURTHER RESOLVED** that this policy shall take effect December 31, 2005.

**EXECUTED** this 31<sup>st</sup> day of Dec, 2005.

  
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Ralph Braden

  
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Kent Petre

  
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David Jenkins

## **EXHIBIT A**

### **The Policy Procedure**

In the interest of promoting responsible governance and providing homeowners with information on how their Association is run, it is the intent of this policy to define the procedure by which matters of policy consideration are pursued and show how and when members may become involved in the policy-making process.

The Association is administered by its Board of Directors, which is both empowered and responsible for establishing policies and standards for the Association that contribute to efficient governance. Members of the Board are elected by Association members, which results in a representative form of administration of the Association. The individuals elected to serve on the board have a fiduciary responsibility to make decisions that are, in their opinion, in the best interest of the community and support the purposes of the association, as defined in the Community Charter.

Association members have certain rights; they have the right to vote on the annual budget, elect directors to the board (or vote them off of the board); vote on amendments to the governing documents; and any other voting rights specifically allocated to membership by the Community Charter. Beyond that, the powers of the Association are given to the Board of Directors. Given that structure, it is more easily understood why the policy-making process is primarily handled within the Board and not as a community-wide process.

Some policies are required by State statute while other policies come about as a result of a need for process, consistency, broadened application of the governing documents, or remedy of a situation that is or may negatively impact the community.

#### **Operational Policies and Procedures**

Matters of day-to-day administration are generally delegated to the Management Company. Certain procedures are discussed by the Board and adopted into a Policy Resolution as a means of giving Management the direction and authority to act on the board's guidance as "standard operating procedure." Matters that are procedural and relate directly to the services of Management include (but not limited to):

1. Collection of unpaid assessments;
2. Enforcement of covenants;
3. Inspection and copying of association records by unit owners; and
4. Financial management, including investment of reserve funds
5. Board Member Code of Ethics
6. Conduct of Meetings
7. Adopting and amendment of policies, procedures and rules

These procedural policies are established by completing a thorough review of the Association's governing documents and then adding, as determined appropriate by the Board of Directors, any additional steps to more clearly define the process, as many times the governing documents are written in generalities, lacking specific details that would make a process complete.

Operational policies are typically drafted with direction received from the Management Company, based on their experience and expertise. Prior to the policy being finalized, it is reviewed by the Association's legal counsel to ensure that it complies with the governing documents and other governing authorities.

Operational policies may be amended as deemed necessary and/or appropriate by a majority vote of the Board of Directors.

### **Community Standards**

Rules for the community, referred to as the "Community Standards," may be proposed by:

1. Recommendation by a member;
2. Recommendation by a committee member;
3. Recommendation by a board member or collectively by the board; or
4. Recommendation by management

When a recommendation for a policy which establishes (or amends) a community standard is received, the Board of Directors shall discuss the merits of the proposed standard(s) in its regular board meeting, which is held in open session. Owners in attendance will be given the opportunity to speak on the proposed standards pursuant to the Association's Meeting Policy, prior to any decision by the Board.

Once a new standard (or amended standard) has been approved by the Board, it is documented for distribution to the membership. Such distribution may be done by electronic notice, posting on the Association's website, written notice distributed by U.S. Mail, community newsletter, or new resident welcome packet.

A member has the right to voice their disapproval of a policy and/or standard (hereafter referred to collectively as "policy") enacted by the board. The member must request, at least one week prior to the meeting, to be placed on the meeting agenda. At the meeting, the Board will hear the member's opinion. (The board may limit the amount of time that the member is given to present their issue.) Upon consideration of the information presented, the Board will make a decision as to whether the policy should be revised or rescinded.