

**RESOLUTION
OF THE
ANTELOPE HILLS ASSOCIATION
REGARDING ENFORCEMENT OF COVENANTS
AND RULES AND LEVYING OF FINES**

SUBJECT: Adoption of a policy regarding enforcement of covenants and rules and levying of fines.

PURPOSE: To adopt standards to be used in the enforcement of covenants and rules and the levying of fines.

AUTHORITY: The Covenants, Articles and Bylaws of the Association and Colorado Law.

EFFECTIVE DATE: September 28, 2006

RESOLUTION: The Association hereby adopts the following policy:

The Association acknowledges that it has a duty to the membership of the Association to enforce the Covenants in Antelope Hills. It is the policy of the Association to enforce as written any provision of the Covenants that is clear and unambiguous.

If a violation of the Association's Covenants or a threatened violation is alleged by any member of the Association to the Board of Directors, the Board of Directors shall investigate the allegations to make a determination whether such violation or threatened violation has, in fact, occurred. In such investigation and subsequent enforcement if undertaken, the Board of Directors shall act in good faith and shall not act arbitrarily or capriciously.

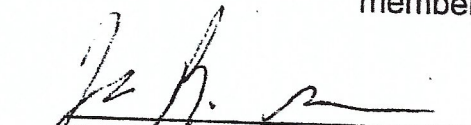
The enforcement of any covenant or rule of the Association shall be subject to the discretion of the Board of Directors as to the timing, manner and method of pursuing such enforcement. Provided that its actions are reasonable, the Board of Directors may decline enforcement of questionable violations, enforce covenants by filing suit for injunctive relief or other remedies, or levy fines for violation of rules or covenants after notice and an opportunity to be heard is given to the alleged violator. In exercising such discretion, the Board of Directors shall consider both the specific covenant or rule violation alleged, and the overall interests of the community.

If an owner is determined to have violated a protective covenant or

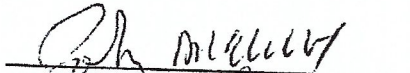
written rule or regulation of the Association, other than rules related to pets and the schedule of fines applicable thereto, after notice and hearing to the alleged violator, the Association may impose a fine for the violation in the amount of \$300, which shall be billed by the Association as a special assessment for which the Association shall have lien rights as with any other assessment. After imposition of the fine, if the violation is not remedied within 30 days thereafter, the Association may impose a second fine in the amount of \$500 for such violation which shall be assessed as a special assessment for which the Association shall have lien rights as with any other assessment. If the violation persists after 30 days from the levying of the second fine, the Association may pursue any other remedies available to it after considering advice of the Association's counsel.

It is the intent of the Board of Directors that once a violation of the covenants or an association rule has been determined by the Board of Directors to have occurred, that any expenses, costs, or legal fees incurred by the Association in enforcing compliance shall be paid by the violating member as a special assessment.

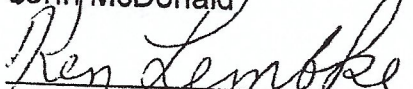
CERTIFICATION: The foregoing Resolution was approved and adopted by the unanimous consent of the Board of Directors of the Association, in lieu of a meeting as evidenced by the signatures of all board members below, effective September 28, 2006.



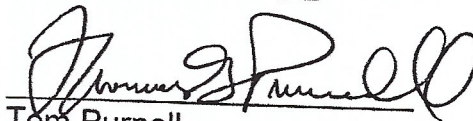
Jim Greer



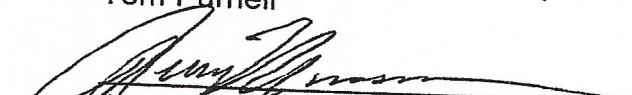
John McDonald



Ken Lembke



Tom Purnell



Jerry Mussman