

**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, per Chapter 8 of the Charter, the Association has the right to make efforts to remedy and resolve violations of the Declaration including the right to levy or collect fines for violations, and

WHEREAS, the Governing Documents establish certain standards for exterior structures and improvements placed, erected, installed or made upon any Unit (as defined in the Charter). Plans for all such structures and improvements must be approved by the Design Review Committee (DRC) prior to the commencement of construction or installation; and

WHEREAS, Chapter 6 of the Charter establishes certain use and maintenance restrictions which must be complied with by all Owners and occupants of any Unit in addition to those requirements set forth in the Design Guidelines and the Rules and Regulations (Community Guidelines), and

WHEREAS, from time to time, Owners fail to bring timely resolution to activities which constitute a violation of the governing documents, and

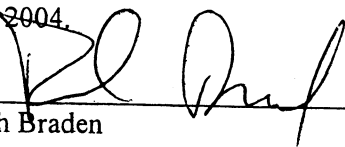
WHEREAS, Chapter 8 of the Charter creates the right for the enforcement of the governing documents, and

WHEREAS, it is the pleasure of the Board of Directors to delegate the day-to-day responsibilities of managing the governance of the Wolf Ranch Owners Association to Management on behalf of the Board, it is therefore

RESOLVED, that a Covenant Management Policy be adopted which defines the procedures that Management is to implement when verification has been made that a violation of the Governing Documents has occurred or does exist;

IT IS THEREFORE RESOLVED that the Wolf Ranch Owners Association Covenant Management Policy, attached hereto as Exhibit A, be adopted as of the date hereby executed, which shall remain in effect until amended, replaced or otherwise terminated.


EXECUTED this 1st day of December, 2004.



Ralph Braden



Kent Petre



David Jenkins

Exhibit A

Wolf Ranch Owners Association Covenant Management Policy

Scope:

Lots within the Wolf Ranch community are encumbered by governing documents, including the Community Charter for Wolf Ranch Residential Property (Charter). All purchasers of property within the Wolf Ranch community are given a copy of all aforementioned document(s) outlining the requirements set forth in the community at time of contract for the purchase of a home.

The Wolf Ranch Owners Association is assigned the duty of enforcing the provisions of the governing documents on behalf of the Owners (Chapter 8 of the Charter).

In order for the Association's Management Company to carry out the covenant management needs of the community in a timely manner, the following policy is hereby adopted giving specific steps that are to be used, unless extenuating circumstances exist.

Procedure:

Most violations of the covenants occur as a result of misinformation or the Owner being uninformed of the restriction or standard. Therefore, the following procedure is established as a standard plan of action in managing the resolution of covenant violations within the Wolf Ranch community:

1. An alleged violation of the governing documents may be identified by:
 - a. A written complaint/report by a Member of the Association, or
 - b. Observed by Management during on-site neighborhood inspection
2. If others report an alleged violation, Management shall verify the existence of the violation within five (5) business days of receiving the complaint. If the nature of the allegation is a circumstance that Management cannot tangibly observe by visiting the site at a given time, the complainant must give ample information about the violation observed (in writing) providing the Association with details, which it can rely upon for further action. If insufficient information is provided or if the complainant is unwilling to give written testimony to the circumstances, the Association reserves the right to not pursue further action.
3. Once verification has been made that a violation exists (or reasonable determination that such circumstances occurred), Management shall send a "Notice of Violation" to the Owner stating the following information:
 - a. Nature of the violation
 - b. Basis for the violation (specify applicable section of the Charter or other governing document)
 - c. Action required for remedy
 - d. Date by which remedy must be completed, not less than 10 days from the date of notice.

(If the violation involves a matter such as an un-stored trash toter, a friendly reminder notice shall be sent requesting storage upon receipt of notice. If Management deems the violation to be a concern of safety, the notice shall be sent requesting compliance upon receipt of notice.) Management shall be given the latitude to make a judgment call regarding

appropriate action depending on the nature of the issue, applying fairness and equality to all Owners for similar circumstances.

4. Following the given compliance date, Management shall re-inspect the property to verify compliance. If the requested remedy has been met, no further action shall be taken.

If remedy has not been met, a second notice of violation shall be sent to the Owner, again defining the conditions of the violation and the required actions for remedy. This notice shall also state that a hearing may be held on their behalf if not requested within 15 days. If a hearing is scheduled to be held, the Owner must be notified and given an opportunity to attend.

The purpose of the hearing is to obtain all facts regarding the circumstances, giving the Owner the opportunity to present extenuating circumstances that may exist. Following the hearing, the Board shall make a determination based on the information received. The minutes of the meeting shall contain a written statement of the results and the sanction, if any, imposed. The Owner shall be advised of the Board's decision in writing.

If the circumstances of the violation are deemed to be a safety issue or otherwise detrimental to the community, a second notice may be waived and legal action pursued immediately, subject to Board approval.

5. Management shall carry out a series of events approved by the Board in the hearing. Any sanctions Assessed to the Owner shall be followed by a notice of sanction to be sent to the Owner. This notice of sanction should include a compliance date that must be met in order to avoid additional sanctions being imposed.
6. Following a series of sanctions and inspections by management to document whether compliance has been reached, the Board may determine to further pursue the resolution of this violation. Further action may include (a) entering the property to bring the property into compliance, (b) distributing a final demand notice by certified mail, which may include additional sanctions, (c) engaging legal counsel (for distribution of a demand notice by counsel), or (d) initiating legal action.

Any violation turned over to legal counsel shall be administered by the Board of Directors and shall not be a responsibility of Management other than to communicate between legal counsel and the Board.