

**RESOLUTION of THE BOARD of DIRECTORS
of
SETTLER'S VILLAGE SUBASSOCIATION**

The undersigned, constituting a quorum of the Directors of Settler's Village Subassociation, a Colorado nonprofit corporation (the "Association") at a regularly scheduled meeting of the Board, hereby adopt the following resolution and rule:

WHEREAS, Article V, Section 14 of the Declaration authorizes the Association to adopt and enforce rules and regulations as may be deemed necessary or desirable to the use of any property within the Subassociation Area; and

WHEREAS, Article V, Section 5 of the Declaration requires the Association to provide water to each Residential Site and to pay the costs of the same as a common expense; and

WHEREAS, the Dwelling Units are not separately metered for water use, but rather there is one meter for each Building containing 2 – 5 Dwelling Units; and

WHEREAS, under normal circumstances, water usage by each Building for residential purposes does not exceed "tier one" charges by the Highlands Ranch Metropolitan District, but excessive use or leakage caused by any one Dwelling Unit can raise the water charges to the higher rates imposed in "tier two" or higher tiers; and

WHEREAS, the costs resulting from the intentional or negligent excessive use or leakage of water by a particular Dwelling Unit should not have to be paid by all Owners, and

WHEREAS, Article IV, Section 15 of the Subassociation Declaration for Settler's Village Subassociation (the "Declaration") authorizes the Board of Directors to levy an Assessment against any Member if the willful or negligent failure of the Member or a Person claiming through the Member to comply with the rules and regulations adopted by the Settler's Village Subassociation causes the Association to expend funds to remedy such failure and/or to cause such compliance.

NOW THEREFORE, BE IT

RESOLVED, that the following Rule is hereby adopted:

If the Subassociation incurs any added water charges for water usage above "tier one" for any Building, and if the excessive water usage can be traced to a particular Dwelling Unit, and the excessive water usage stems in whole or in part from a condition at that Dwelling Unit resulting from the intentional act or negligence of the Member or a Person claiming through the Member to properly detect, maintain, or repair any plumbing or related fixtures, the Subassociation, at the direction of the Board of Directors, may

levy a Reimbursement Assessment against that Member and Dwelling Unit for all water charges incurred above “tier one.”

Such water Reimbursement Assessment shall be levied only after the Member has been provided with Notice and Hearing as provided in the Subassociation’s Bylaws.

The amount of the water Reimbursement Assessment shall be due and payable to the Subassociation thirty (30) days after notice to the Member of the decision of the Board of Directors that the Reimbursement Assessment is owing.

FURTHER RESOLVED, that the above resolution and rule set forth herein shall be effective upon execution of this resolution by the Board.

WITNESS the execution hereof this _____ day of _____, 2008.

Director

Director

Director

Director

Director