

UNANIMOUS RESOLUTIONS
OF
THE BOARD OF DIRECTORS OF ELKSTONE OWNERS ASSOCIATION, INC.

February 11, 2016

The undersigned, being all of the Directors on the Board of Directors (the “**Board**”) of the Elkstone Owners Association, Inc., a Colorado non-profit corporation (the “**Association**”), pursuant to the Bylaws of the Association and Colorado’s Revised Nonprofit Corporation Act hereby waive notice and holding of a special meeting of the Board and unanimously approve the following resolutions.

WHEREAS, due to actual and/or potential financial interests of Sterling Capital LLC, a Georgia limited liability company (“**Sterling**”) in the transactions addressed by this consent, Lee A. Hooper (the “**Recused Director**”), with concurrence of the Board and Association legal counsel, has recused himself from formally voting on the matters addressed herein, to avoid any appearance of and/or actual conflicts of interest;

WHEREAS, as a result of the foregoing, the actions taken in this consent have been unanimously approved by the remaining “independent” directors (“**Independent Directors**”), with the consent of the Recused Director;

WHEREAS, pursuant to sections 4.2 and 9.1 of the Declaration of Covenants Conditions and Restrictions for Elkstone recorded May 16, 2003 at Reception No. 357307 (“**Declarations**”) the Association is obligated to maintain and improve the General Common Element areas within the Elkstone Community, including the removal of snow from the roadways.

WHEREAS, the Board has determined that installation of a snowmelt system (“**Snowmelt Install**”) is required for the proper maintenance of the Elkstone Community’s roadway and the board is authorized and empowered to determine the amount and allocation of the Common Expense associated therewith under section 7.2 of the Declarations.

WHEREAS, in July of 2013, the Association, Sterling and the adjacent common interest community “**Trail’s Edge**” together with the original developer of 12 Trail’s Edge, Bruce MacIntire, entered into a series of agreements for the Snowmelt Install to be constructed by Sterling, subject to certain conditions, and with financial contributions and other consideration to be paid by Trail’s Edge.

WHEREAS, the original developer and Declarant of the Elkstone Community, Elk Lake Properties, LLC (“**Elk Lake**”) retains ownership of all of the development rights associated with the remaining Expansion Area within the Elkstone Community, which property is benefitted by the Snowmelt Install. Accordingly, pursuant to C.R.S. section 38-33.3-307(2), Elk Lake is solely liable for all expenses associated with such property and the Association is authorized to charge Elk Lake and assess all such amounts against its interest in the Expansion Area.

WHEREAS, the Board has determined that Elk Lake's proportionate share of the cost Snowmelt Install is 12.89% of the total \$292,565.00 estimated cost, which percentage Sterling estimates will equal approximately \$37,708.00 ("**Elk Lake Snowmelt Expense Allocation**");

WHEREAS, pursuant to section 7.7(a) of the Declarations, the Board desires to assign to Sterling its rights to collect, enforce and receive the Elk Lake Snowmelt Expense Allocation from and against Elk Lake, including but not limited to foreclosure and the recovery of attorney fees and costs.

WHEREAS, in exchange for such assignment, Sterling desires to hold harmless from and indemnify the Association for any and all claims, damages and expenses associated with or arising out of allocation, collection and recovery of the Elk Lake Snowmelt Expense Allocation, including but not limited to costs of enforcement;

WHEREAS, the Independent Directors and legal counsel for the Association, with the consent of the Recused Director, have negotiated an assignment of the Association's rights to Sterling and holding harmless and indemnifying the Association ("**Assignment of Claims Agreement**"); and

WHEREAS, the Board has reviewed the Assignment of Claims Agreement, and has determined it to be in the best interest of the Association.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Board hereby authorizes, approves and consents to the Association entering into, executing and delivering the Assignment of Claims Agreement attached hereto and incorporated herein by this reference as **Schedule 1**.

2. The Board hereby authorizes, directs and empowers Elizabeth B. Barth, as an Independent Director and the Association's Vice President, to execute and deliver the Assignment of Claims Agreement, as well as all other documents necessary and/or appropriate to effect the purposes stated herein.

4. Elizabeth B. Barth, in her capacity as officer and Director, is further authorized and directed to undertake such other and further activities and/or actions as she reasonably deems appropriate and/or necessary, in her reasonable discretion, to effect the purposes stated herein including, without limitation, executing, delivering and, as appropriate, recording all necessary documents and/or paying (or advancing) such costs on behalf of the Elkstone Association in order to effect the purposes stated herein.

(Signatures on the following page)

IN WITNESS WHEREOF, the undersigned Directors hereby unanimously consent to, approve, and adopt the foregoing Resolutions, effective as of the date set forth above.

INDEPENDENT DIRECTORS:




Elizabeth B. Barth, Director



Wesley Link, Director


CONSENTED AND AGREED TO BY THE FOLLOWING RECUSED DIRECTOR:



Lee A. Hooper, Director

CERTIFICATION

The undersigned, being the duly elected and acting Secretary of Elkstone Owners Association, Inc. certifies that the persons whose names are subscribed to in the foregoing Consent of Directors represent all of the Directors of Elkstone Owners Association, Inc.



Wesley Link, Secretary

