

**RESOLUTION OF THE BOARD OF DIRECTORS OF
HIGHLAND MEADOWS COMMUNITY MASTER ASSOCIATION
WITH REGARD TO PROMONTORY POINT SOUTH AT HIGHLAND MEADOWS**

RE: GOVERNANCE

WHEREAS, the Highland Meadows Community Master Association (the "Master Association") is a Colorado nonprofit corporation, duly organized and existing under the laws of the State of Colorado; and

WHEREAS, the Master Association is run by a Board of Directors who govern the Master Association;
and

WHEREAS, Promontory Point South at Highland Meadows is currently a neighborhood within the Master Association pursuant to Article 7.4 of the Declaration of Covenants, Conditions and Restrictions for Highland Meadows (the "Declaration") and is represented within the Master Association by a neighborhood committee; and

WHEREAS, the Board of Directors of the Master Association, in furtherance of their duties and in their best business judgment, have determined it prudent and in the best interest of both the Master Association and the neighborhood to Amend the Declaration and allow Promontory Point South at Highland Meadows to become a Sub-Association of the Master Association under the laws of the State of Colorado and the Colorado Common Interest Ownership Act; and

NOW, THEREFORE, BE IT RESOLVED, the Master Association resolves as follows with regard to Promontory Point South at Highland Meadows (the "Sub-Association"):

1. **SUB-ASSOCIATION RESPONSIBILITIES.** The Sub-Association shall be solely responsible for the management of its business and financial dealings, including, but not limited to, the following:

- A. Setting and approving the annual budget and assessments for the Sub-Association;
- B. Setting adequate reserves for the Sub-Association;
- C. Billing Sub-Association members for annual dues;
- D. Establishing Sub-Association bank accounts;
- E. Paying all Sub-Association expenses;
- F. Contracting with service vendors, including, but not limited to, landscape, snow removal and trash collection;
- G. Preparing and Filing Sub-Association tax returns;
- H. Keeping and providing to Sub-Association members an accounting of all Sub-Association income and expenses;
- I. Establishing and enforcing its operating and governing rules, regulations and policies; and
- J. Establishing and enforcing its architectural guidelines
- K. Filing the annual Sub-Association Periodic Report with the Colorado Secretary of State; and
- L. Maintaining the Sub-Association's registration with DORA.

2. **COMMUNITY ASSOCIATION MANAGEMENT.** The Master Association grants to the Sub-Association in perpetuity, all aspects of property management associated with the Sub-Association, except as provided elsewhere in this Resolution or as agreed upon between the Sub-Association and the Master Association at a later date. All costs associated with all aspects of property management exclusively of the Sub-Association shall be the sole responsibility of the Sub-Association.

3. **ENFORCEMENT OF COVENANTS, RULES, REGULATIONS AND PROCEDURES.** The Community Association Managers for both the Master Association and the Sub-Association shall have the authority to enforce Master Association rules and regulations applicable to Sub-Association homeowners. Rules, regulations and procedures applicable only to members of the Sub-Association shall be enforced only by the Sub-Association's Community Association Manager.

4. **ARCHITECTURAL REVIEW.** Except as modified by this Resolution, architectural review is the sole responsibility of the Sub-Association's Board of Directors, provided that proposed changes do not conflict with the Master Association's rules and regulations, in which case, prior approval must also be obtained from the Master Association's Board of Directors.

5. **INSURANCE.** The Master Association's liability and property insurance policies shall name the Sub-Association as an additional insured under said policies. The Sub-Association shall purchase, at its sole expense, a Directors and Officers Liability insurance policy and any other insurance its Board of Directors deems necessary.

6. **COMMON AREA DAMAGE.** Damage to the Common Area caused by the Master Association, its agents, assigns, employees or invitees, shall be repaired at the Master Association's sole expense. Damage to the Master Association's property outside of the Common Area caused by the Sub-Association, its agents, assigns, employees or invitees, shall be repaired at the Sub-Association's sole expense.

7. **CHANGES TO AREA SURROUNDING SUB-ASSOCIATION.** The Master Association's Board of Directors shall request input from the Sub-Association's Board of Directors prior to making any physical changes to areas outside of the Sub-Association, but within the Master Association, including any installation that would affect the view of one or more owners within the Sub-Association.

8. **DISPUTE RESOLUTION.** The Master Association and the Sub-Association agree to work together to resolve any disputes between them or among their Community Association Managers, members or agents, through joint discussions between the Boards of Directors of both the Master Association and the Sub-Association. If those discussions do not result in a resolution, the parties will hire an expert in the subject under dispute. The expert's advice is non-binding. If the expert's advice still does not result in a resolution of the dispute, the dispute shall be submitted to a panel of neutral third-parties, knowledgeable in the subject matter of the dispute. The Board of Directors of the Master Association shall choose one third-party neutral, the Board of Directors of the Sub-Association shall choose one neutral third-party and the two chosen neutrals shall agree upon a third neutral third-party to comprise the panel. The decision of the panel shall be final and non-appealable.

9. **AMENDMENT OR MODIFICATION.** The provisions of this Resolution may be modified or amended only upon the written approval of the Master Association's Board of Directors and a two-thirds (2/3) majority vote of the total members of the Sub-Association eligible to vote.

The undersigned hereby certify that the foregoing Resolution was adopted and made a part of the minutes of the meeting of the Board of Directors of the Master Association conducted on the 8th day of May, 2018.

The effective date will be the date incorporation for the new sub-association is complete, which will require two-thirds (2/3) approval of Promontory Point South owners. The effective date will be 11/29/2018.

**HIGHLAND MEADOWS COMMUNITY
MASTER ASSOCIATION**

By: Marj Blixhavn
Marj Blixhavn, President

STATE OF COLORADO)
) ss.
COUNTY OF LARIMER)

The forgoing instrument was acknowledged before me this 22 day of August, 2018 by Marj Blixhavn, as President of Highland Meadows Community Master Association, a Colorado nonprofit corporation.

Witness my hand and official seal.

My commission expires: 1/30/2019

Tom Hannon
Notary Public

