

WESTERMERE CONDOMINIUM OWNERS ASSOCIATION, INC.

Resolution of Owners March 18, 2013

The following Resolution has been adopted by the Owners of the Westermere Condominium Owners Association, Inc. ("**Association**"), at their special meeting held on March 18, 2013.

1. **Project Scope** The "**Project**" is collectively the following construction projects with substantially the following scope:

A. Windows and Deck Doors: Replacement and Refinishing ("**Window/Door**" portion of the Project)

- Replace all South facing windows and deck doors
- No replacement of deck door and sidelight frames, which will be refinished
- Excludes replacement of deck doors of Units 411 and 412 because they are in good condition
- Excludes replacement windows in the commercial breezeway, which will be refinished instead of replaced
- Excludes the North side walkway horizontal sliding windows and unit entry doors

B. South Wall Repair: restore waterproofing, fix structural damage, color coat

C. Painting

- Body
- Trim except new windows
- Includes deck doors and sidelight frames, which will be refinished
- Includes windows in the commercial breezeway, which will be refinished
- Excludes railings, interior stairwell walls and treads

D. Building Entry Hall Door and Wall: install wall and a glass door

2. **Project Authorization** The Owners hereby authorize the Board to:

A. Proceed with the Project with a total Project cost not to exceed \$625,000:

B. Decide without a further owner vote all of the final project details and specifications, including but not limited to, style of windows and doors, paint color, trim details, scheduling, staging, and similar.

C. Take all steps reasonably necessary to perform and complete the Project, including hiring project contractors, entering into contracts, and executing documents.

D. Cancel or delay the Project, change the Project scope without a further owner vote if such change reduces the scope of the Project or reduces the Project Cost. For

example, the Board may decide without a further owner vote to not proceed with the South Wall portion of the project.

3. **Staging; Owner Responsibilities/Costs** Owners acknowledge the following staging requirements and Owner costs and responsibilities for the Window/Door portion of the project, the exact details of which are subject to change at the discretion of the Board and written notice of same to the Owners:

A. Owners acknowledge that all units must be vacant and all personal property protected for the project to start.

B. Prior to the start of the project, each Owner (at the Owner's cost) is responsible for moving, storing, and protecting all of the personal property in the Unit, including stereo and computer equipment, televisions, speakers, photos, knickknacks and kitchen items, and window coverings.

C. The contractor will move large furniture out of the way and cover it with plastic, mask cabinets, and mask floor pathways.

D. After installation of the windows and doors, the contractor will repair the interior drywall surrounds and texture.

E. After installation of the windows and doors, the Contractor will clean up construction debris, and sweep and vacuum the construction area. Each Owner is then responsible (at the Owner's cost) for unmasking, moving furniture back, and cleaning the unit.

F. Each Owner is responsible (at the Owner's cost) for touch-up and repair of all unit interior finishes (paint, wallpaper, tile, etc.) associated with the window and door replacement.

4. **Project Cost Allocations and Reconciliation Windows/Doors** The final actual Window/Door portion of Project costs shall be allocated among the Owners as follows pursuant to a final reconciliation approved by the Board after the end of the project based on actual Project costs:

A. The actual total costs associated with the windows/doors materials actually installed in a unit shall be allocated to that unit;

B. Total soft costs, installation, and general conditions shall be divided by the total number of windows/doors installed and then multiplied by the number of windows/doors actually installed in that unit and then allocated to that unit;

C. Total costs associated with stone tower masonry work shall be divided by the total number of windows replaced in the stone tower, and then allocated to those units according to the number of windows actually installed in those units;

D. There will be no allocation of these costs to parking or storage units

5. **Project Cost Allocations non-Windows/Doors** The remaining portions of the Project (other than the Window/Door portion) will be allocated to all Owners *pro rata* according to their allocated interest percentages as set forth in the Second Amendment to the Declaration.

6. **Reserves** The Owners hereby authorize the Board to spend up to \$60,000 from the Association's reserves on Project Costs other than the Window/Door portion of the Project.

7. **Prepayments** Owners may prepay in full or in part their estimated or actual proportionate share of the Project Costs at any time.

A. Prepayments received by the Association on or before the date the Association finalizes the Loan amount shall not be subject to a proportionate share of any loan origination fees or other loan costs. Prepayments received after such date shall proportionately share in such loan costs based on the total estimated share of the Project costs.

B. Prepayments are subject to a final reconciliation to actual Project costs. If the prepayment exceeds the actual proportionate Project costs for that unit, then the Association shall promptly refund to the Owner of the unit at that time the difference. If there is a deficiency in actual costs for that unit, then the Association may special assess that owner the amount of the deficiency to be due and payable in no less than thirty (30) days.

8. **Association Loan** Project costs not paid from reserves or from Owner prepayments shall be paid from the proceeds of a bank loan to the Association, which loan may be secured by all of the Association's assessment receivables. The Association intends to repay this loan through collection of an increased regular budgeted quarterly assessment to non-prepaying owners, and then either a) refinancing the Association loan at the end of the loan term or b) imposing a special assessment upon those owners who did not prepay. The Board has authority to borrow money and execute security instruments and make guarantees respecting indebtedness (Articles 4.2.5 and 4.2.7; Bylaws 6.5.2(k)).

The Owners hereby authorize the Association to:

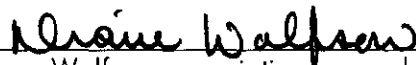
- A. Accept prepayments from Owners as set forth herein and to disburse same to pay for Project costs.
- B. Borrow from a third party lender up to \$565,000 on loan terms approved by the Board, and to use such proceeds to pay for Project costs ("**Loan**");
- C. Secure the Loan by pledging, assigning, transferring and/or conveying to such Lender all Association receivables, assessments and cash deposits. This authority, includes, but is not limited to, the authority to assign, transfer and convey to a Lender all of the Association's assessments including all regular common expense assessments and special assessments, the Association reserve accounts and other sources of revenues that belong to the Association, and materials owned by the Association but not yet incorporated into the improvements, along with all enforcement, lien and other rights of the Association relating thereto, to secure the repayment of the Loan. Specifically, the Association's receivables include all right, title and interest in and to the Association's special, regular and other assessments and related rights as set forth in the Association's Declaration, Articles of Incorporation, Bylaws ("**Governing Documents**") and other governing documents and the provisions of the Colorado Common Interest Ownership Act, C.R.S. 38-33.3-101, et. seq. ("**CCIOA**"), including without limitation, the right to impose and collect assessments, the proceeds from any assessments, the right to collect any amount assessed but uncollected, and the right to

impose and enforce any liens, and all other remedies as set forth in the Governing Documents or CCCIOA.

9. **Board Authority** The Owners hereby grant the Board and its officers the authority to make all decisions, do all things, take all steps, and sign all documents necessary to effectuate the Project, Loan and funding as approved herein. This authority includes, but is not limited to, approving the final principal Loan amount and Loan terms, and to negotiate, approve, authorize, enter into and execute any and all promissory notes, loan agreements, security agreements, and any other contracts, agreements or documents reasonably required in connection with the foregoing Loan and pledge of collateral.

10. **Amend and Restate 2013 Budget** The Owners hereby approve and amendment and restatement of the Association's 2013 budget to reflect the actions taken by the Association pursuant to the authorizations granted herein, including to reflect estimated Loan proceeds, estimated costs and payments associated with the Loan, increased regular quarterly assessments for nonprepaying owners that will be used by the Association to pay loan principal and interest, and special assessments. The estimates will be based on each unit's respective estimated proportionate share of the Project costs.

THE FOREGOING RESOLUTION WAS APPROVED BY THE OWNERS REPRESENTING VOTES OF AT LEAST SIXTY-SEVEN PERCENT (67%) OF THE VOTES REPRESENTED AT A SPECIAL OWNERS MEETING HELD ON MARCH 18, 2013.

Signed: 
Diane Wolfson, association counsel