

**RESOLUTION
OF
QUAIL CROSSING TOWNHOMES ASSOCIATION, INC.
REGARDING RECONSTRUCTION ASSESSMENT**

SUBJECT: Reconstruction Assessment for roof replacement.

PURPOSE: To provide notice of and to adopt a Reconstruction Assessment for amounts not covered under the Association's insurance policy resulting from hail damage sustained in 2018.

AUTHORITY: Declaration of Covenants, Conditions and Restrictions of Quail Crossing Townhomes.

EFFECTIVE DATE: 11-29-18

WHEREAS, the Quail Crossing Townhomes Association, Inc. (the "Association") is a Colorado nonprofit corporation, duly organized and existing under the laws of the state of Colorado; and

WHEREAS, the Quail Crossing Townhomes community is subject to the Declaration of Covenants, Conditions and Restrictions of Quail Crossing Townhomes, A Planned Community in the County of Boulder, State of Colorado ("Declaration"); and

WHEREAS, Article VII, Section 7.05 of the Declaration provides that the Association is responsible for the repair, replacement and care of the Townhomes' roofs; and

WHEREAS, on or about August 14, 2018 the roofs within the community sustained significant hail damage; and

WHEREAS, the Association carries insurance for such damages and has submitted an insurance claim regarding the same; and

WHEREAS, the claim is a covered loss under the Association's insurance policy; however, due to the applicable insurance deductible, the insurance proceeds received by the Association will be insufficient to fully cover the costs of repairs and replacement of the damaged roofs; and

WHEREAS, Article XIV, Section 14.02 of the Declaration authorizes the Association to levy a Reconstruction Assessment for the purpose of repair or replacement of such damaged or destroyed Townhomes in the event the insurance proceeds are insufficient to make such repairs or replacements of the damaged property; and

WHEREAS, due to the shortfall in insurance proceeds, the Association's Board of Directors has determined it to be in the best interest of the community to levy a Reconstruction Assessment to fund the Townhome roof repairs; and

WHEREAS, in furtherance of the need for the Reconstruction Assessment, the Association hereby takes, authorizes, approves and ratifies the actions set forth herein.

NOW, THEREFORE, it is resolved as follows:

1. Reconstruction Assessment: The Association hereby levies a Reconstruction Assessment against all Lots within the community in the total aggregate amount of \$194,685.23 to be paid by each individual homeowner on a uniform rate of \$1,545.12 per Lot.
2. Submission of Reconstruction Assessment to Homeowners for Ratification. Pursuant to Article VII, Section 7.06 of the Declaration, the Board shall submit the Reconstruction Assessment to the homeowners for ratification. Upon adoption of this Resolution the community manager shall cause a meeting notice to be sent to all homeowners providing notice of a meeting of the homeowners. One purpose of such meeting will be to allow the homeowners to consider ratification of the Reconstruction Assessment. Unless at that meeting of homeowners, 67% or more of all homeowners (i.e. homeowners holding not less than 85 votes) vote to reject the Reconstruction Assessment, then the Reconstruction Assessment will be deemed ratified. In the event the Reconstruction Assessment is ratified by the homeowners, the community manager shall cause notice to be sent to all homeowners informing them that the Reconstruction Assessment has been imposed and providing the homeowners with the payment options consistent with Paragraph 3 below.
3. Payment Amount. Owner(s) of each individual Lot shall be responsible for payment of his or her share of the Reconstruction Assessment in the amount of \$1,545.12. Payment of the Reconstruction Assessment shall be as follows:
 - a. Payment can be made in full (\$1,545.12) on or before May 15, 2019, or
 - b. Payment can be made in four (4) equal monthly installments of \$386.28 with the first installment due on February 15, 2019 and each subsequent payment due on the first day of each month thereafter.

Payment of the Reconstruction Assessment is independent of the homeowner's payment obligations for other assessments levied by the Association.

4. Individual Insurance. Owners may have loss assessment coverage on their individual homeowner's insurance policies and are encouraged to file a claim on their policies to seek coverage for all or a portion of the Reconstruction Assessment.
5. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
6. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Association.

PRESIDENT'S CERTIFICATION: The undersigned, being the President of the Association certifies that the foregoing resolution was adopted by the Board of Directors of the Association on 11-29-18 and in witness thereof, the undersigned has subscribed his/her name.

**QUAIL CROSSING TOWNHOMES
ASSOCIATION, INC.,**
a Colorado nonprofit corporation

By: 
Its: President