

**RESOLUTION
OF
SPRING VALLEY GOLF ESTATES HOMEOWNERS ASSOCIATION, INC.
REGARDING DEWATERING VAULT RETROFIT PROJECT AND LOAN**

SUBJECT: Proposed Dewatering Vault Retrofit Project and related Loan.

PURPOSE: To provide notice of the Board of Director's approval of a proposed Dewatering Vault Retrofit Project and related Loan.

AUTHORITY: Declaration of Covenants, Conditions and Restrictions for Spring Valley Golf Estates and Bylaws of Spring Valley Golf Estates Homeowners Association, Inc.

**EFFECTIVE
DATE:**

12-19-18

WHEREAS, the Spring Valley Golf Estates Homeowners Association, Inc. (the "Association") is a Colorado nonprofit corporation, duly organized and existing under the laws of the state of Colorado; and

WHEREAS, the Spring Valley Golf Estates community is subject to that Declaration of Covenants, Conditions and Restrictions for Spring Valley Golf Estates ("Declaration"); and

WHEREAS, the Association is responsible for the maintenance and repair of a dewatering vault that is in need of significant repairs; and

WHEREAS, the Association does not currently have adequate reserve funds to pay for the necessary repairs to the dewatering vault; and

WHEREAS, the Association's Board of Directors desires to obtain a loan to pay for the necessary repairs and the Association's lender requires an assignment of the Association's right to receive assessment income as collateral for such loan; and

WHEREAS, the Association's governing documents, including but not limited to, Article XV of the Declaration, require the Association to obtain approval from homeowners holding at least 51% of the votes in the Association to proceed with the repair project and loan; and

WHEREAS, due to the insufficient reserve funds, the Association's Board of Directors has determined it to be in the best interest of the community to approve the repair project and loan to fund the project and to submit these matters to the homeowners for consideration and approval; and

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

NOW, THEREFORE, it is resolved as follows:

1. Dewatering Vault Project and Loan: The Board of Directors hereby approves a retrofit of the Association's north dewatering vault materially consistent with terms and description set forth on the Spring Valley Golf Estates Dewatering Vault Retrofit (North Vault) attached hereto as **Exhibit A** (the "Dewatering Vault Retrofit Project"). The cost for the Dewatering Vault Retrofit Project is estimated between \$85,000 and \$94,000. The Board of Directors hereby approves a loan in the principal amount of \$100,000 to fund the Dewatering Vault Retrofit Project materially consistent with terms set forth on the FirstBank Term Sheet attached hereto as **Exhibit B** (the "Loan").
2. Submission of Proposed Dewatering Vault Retrofit Project and Loan to Homeowners for Approval. Pursuant to the requirements of the Association's governing documents, the Board shall cause the proposed Dewatering Vault Retrofit Project and Loan to be submitted to a vote of the homeowners. Upon adoption of this Resolution the community manager shall cause voting materials to be prepared and mailed to the homeowners pursuant to Article IV, Section 14 of the Bylaws. In the event the Dewatering Vault Retrofit Project and Loan are approved by homeowners holding at least 51% of the votes in the Association, the Board will enter into contracts with relevant vendors and move forward with the Dewatering Vault Retrofit Project and Loan.
3. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
4. 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 12-19-18 and in witness thereof, the undersigned has subscribed his/her name.

**SPRING VALLEY GOLF ESTATES
HOMEOWNERS ASSOCIATION, INC.,**
a Colorado nonprofit corporation

By: 
Its: President