

**CONSENT IN LIEU OF MEETING**  
**BOARD OF DIRECTORS**  
**THE BROWN HOMESTEAD CONDOMINIUMS HOMEOWNERS ASSOCIATION, INC.**  
April 29, 2010

The undersigned, being all of the members of the Board of Directors ("**Board**") of the Brown Homestead Condominiums Homeowners Association, Inc., a Colorado nonprofit corporation ("**Association**"), do hereby consent to the following resolutions pursuant to the Colorado Revised Nonprofit Corporation Act (C.R.S. 7-128-202), without holding a meeting.

WHEREAS, at an owner meeting on March 12, 2010, the Association voted to approve a major remodel of the Brown Homestead Condominiums ("**Remodel**") for a cost of up to \$1.3 million ("**Remodel Costs**"). The Association further approved an Association bank loan of up to \$1.255 million to pay for remodel project costs ("**Association Loan**").

WHEREAS, as a means of funding the Remodel and in lieu of imposing a special assessment, the Board desires to allow Owners to prepay in full their estimated proportionate share of remodel costs, including costs of replacing unit windows and doors. This will give owners the option of either prepaying or having an increase in regular assessments to pay for Remodel Costs and the Association Loan. The Board has determined that this approach would enable the same goal of funding the Remodel Costs for the Remodel as would have been the case with a special assessment. The Board has chosen not to rely upon a special assessment because it would create an Association lien that could potentially be extinguished in a foreclosure.

NOW THEREFORE, the Board resolves as follows.

1. The estimated allocated share of Remodel Costs are \$73,447.85 for an upper unit, and \$52,052.15 for a lower unit.
2. Prior to the start of the Remodel construction, each Owner shall have one opportunity to pre-pay in full his or her Unit's estimated allocated share of Remodel Costs on or before May 15, 2010. Owners who prepay in full by this date shall not be responsible for an allocated share of the Remodel Loan origination fee.
3. All of the pre-payments will be deposited by the Association into one or more interest bearing Association bank accounts, at one or more banks, such that all of the deposits are completely FDIC insured.
4. All of the pre-payments will be subject to a written escrow agreement that each prepaying Owner will have the right to enforce. The escrow agreement shall provide that the escrow agent shall disburse the pre-payments to pay for Remodel Costs as follows:
  - a. If the Association Loan is not funded by September 1, 2010, then the escrow

agent shall promptly disburse all pre-payments to the Owner of the Unit at the time of the disbursement along with any interest earned.

- b. No pre-payments may be disbursed until the Association has depleted its existing funds budgeted for purposes of remodel costs (estimated at \$45,000)
  - c. All disbursements of pre-payments shall be in tandem with the Association Loan proceeds according to the proportionate share of prepayments. For example, if the Association has \$45,000 in existing funds, the total prepayments are \$355,000 and the Association Loan is \$900,000, then disbursements to pay for Remodel Costs shall be first made from the \$45,000 in existing funds, and once those are depleted, all disbursements after that shall be made 39.44% from the pre payments and 60.6% from the Association Loan proceeds.
  - d. At the completion of the Remodel, the pre-payment amount will be compared to the final actual Remodel Costs that are allocated to each Unit that prepaid. If the final actual Remodel Costs allocated to a Unit are less than the pre-payment amount, then the escrow agent shall promptly refund an amount equal to that difference to the person or entity who is the Owner of the Unit at the time of the refund.
5. There will be no interest paid by the Association on any pre-payments except as provided in subsection 4(a) above.
  6. If the final actual Remodel Costs are greater than the pre-payment amount, then the Association will increase that Unit's regular assessment by the difference plus the *pro rata* costs of the Association Loan for that difference.
  7. Starting in November 2010, each Owner shall have one opportunity every year to pre pay in full his or her Unit's estimated share of Remodel Costs. Owners who wish to prepay must pay in full the balance of their allocated share of Remodel Costs (which the Association will provide) during the month of November. Those Owners who prepay in November will no longer pay for Remodel Costs as part of their regular assessments as of January the following year.

Pursuant to C.R.S. 7-128-202, the undersigned Board members hereby waive the right to demand that this action not be taken unless a meeting is held. This Consent may be executed using digital copies and it may be executed in counterparts. This Consent in Lieu of Meetings shall be filed with the minutes of the proceedings of the Board of Directors of the Association.

**Director:**

Meredith Mueller 5/3/2010  
Sign and Date

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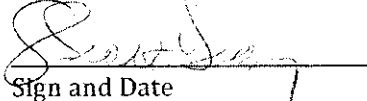
Steve Azhve  
Sign and Date

5/2/10

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