

**RESOLUTION OF
PAWNEE HILLS COMMUNITY ASSOCIATION, INC.
REGARDING AMENDING COVENANTS**

SUBJECT: Adoption of a procedure to amend the Declaration of Protective Covenants.

PURPOSE: To adopt standard procedures for amending the covenants.

AUTHORITY: The Articles of Incorporation, Declaration of Protective Covenants, Bylaws of the Association and Colorado law.

EFFECTIVE DATE: May 26, 2020

RESOLUTION: The Pawnee Hills Community Association, Inc. (the "Association") hereby adopts the following process to amending the Declaration of Protective Covenants.

1. Scope: In order to manage Amendments to the Declaration of Protective Covenants (the "Covenants"), to comply with the Covenants and Colorado State Law.
2. Purpose: To adopt a procedure by which the Board of Directors may propose and pursue and give notice of proposed amendment of the Covenants of the Association.
3. Covenant Review: The Board or a duly appointed committee shall review at least every ten years the Covenants to ensure the Covenants are up to date with current laws, practice, and compliance. Review for outdated language, restrictions, assessment caps and enforcement.
4. When the Covenants should be amended: Amend for compliance with current laws, remove obsolete language, modify outdated restrictions, assessment caps, enforcement, and clarify ambiguous language when unable to manage through rules and regulations or to change the Covenants based upon the current wishes of the Owners.
5. Criteria for Amendment Consideration: Amendments of the Covenants are written at the discretion of the Board. As Colorado law mandates the costs of preparation and recording of Amendments be the obligation of the Association. Amendment requests from the membership must display proof of significant community interest.
6. Notice of Amendment: The Notice of Amendment must be posted on the Association Website, a physical posting in a conspicuous place within the community to maintain transparency, and be included in the appropriate meeting agenda to allow for member comment.
7. Member Comment Period: The Board of Directors must allow an opportunity for member comment at either a regularly scheduled Board meeting or Homeowner meeting whichever falls in the timeline of drafting the Amendment.

8. Criteria of an Amendment: Amendments should have the following criteria, as applicable, for ease of review.
- a. Clearly defined
 - b. Structure dimensions, materials, and location on the property
 - c. Restrictions
 - d. Enforcement
 - e. Funding mechanism
9. Voting: Homeowner voting may be done by mail using the following process:
- a. All members of record at the time of the mailing are mailed a ballot with a designated mail back timeframe. A 2/3 affirmative response is required to pass the Amendment. If the Association cannot obtain the necessary 2/3 affirmative member approvals of those members eligible to vote, the ballots may be mailed a second time to members to obtain approval.
 - b. If 2/3 affirmative member approvals are not obtained following the second mailing, the Board may seek approval through a Court Order. To obtain a court ordered Amendment, the Association must first do the following:
 - i. Send at least two notices with a ballot for the proposed Amendment to all members of record to vote as stated above.
 - ii. Discuss the proposed Amendment during at least one meeting of the Association.
 - iii. Obtain the approval of at least fifty percent of the number of owners required to adopt the proposed amendment (for example, if 112 affirmative votes of the owners are required to adopt the amendment, this number would be 56 affirmative votes)
 - iv. Once the Association completes these steps it can then petition the Court to approve the Amendment.
- Or
- c. A vote may be taken at a special or annual meeting of the Association where a quorum is met by person or proxy where a 2/3 affirmative vote of the membership is met.
10. Failed Amendment: Notice of results will be posted on the Association Website and a physical posting of notice in a conspicuous place within the community. Results will also be officially recorded in the next Board meeting minutes.
11. Passed Amendment: If the Amendment passes, the Amendment is posted with the Covenants on the Association Website and the Amendment is recorded with the Elbert County. Notice of results will be posted on the Association Website and a physical posting of notice in a conspicuous place within the community. Results will also be officially recorded in the next Board meeting minutes.
12. Definitions: Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

13. 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 State of Colorado governing the project.

14. Deviations: The Board may deviate from the procedures set forth in this Resolution if, in its sole discretion, such deviation is reasonable under the circumstances.

15. Amendment. This procedure may be amended from time to time by the Board of Directors.

CERTIFICATION:

The provisions of this resolution or Amendment was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on May 26, 2020 and in witness thereof, the undersigned has subscribed his/her name.

PAWNEE HILLS COMMUNITY ASSOCIATION, INC., a Colorado nonprofit corporation

Cynthia E. Cregger
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