

**RESOLUTION OF THE BOARD OF DIRECTORS OF MCCORMICK RANCH
ASSOCIATION, INC. REGARDING PROCEDURES FOR ADOPTION OF
POLICIES, PROCEDURES, RULES, REGULATIONS, OR GUIDELINES**

- SUBJECT:** Adoption of procedures to be followed when adopting policies, procedures, rules, regulations or guidelines (hereinafter in the singular, a "**Policy**," and in the plural, "**Policies**") regarding the operation of the McCormick Ranch Association, Inc. (the "**Association**").
- PURPOSE:** To adopt a standard procedure to be used in developing Policies in order to facilitate the efficient operation of the Association and to afford lot owners ("**Owners**") an opportunity to provide input and comments on such Policies prior to adoption.
- AUTHORITY:** McCormick Ranch Declaration ("**Declaration**"), and any other Governing Documents of the Association and Colorado Revised Statutes, 38-33.3-101 et seq. (the "**Act**").
- EFFECTIVE DATE:** December 22, 2015
- RESOLUTION:** The Association adopts the following procedures to be followed in adopting Policies of the Association:

1. **Scope.** The Board of Directors may, from time to time, adopt certain Policies as may be necessary or appropriate to facilitate the effective and efficient operation of the Association, including, but not limited to, the clarification of ambiguous provisions in the Governing Documents and other documents, to provide for effective communication and procedures regarding the operation of the Association, or as may be required by the Act.

2. **Procedures to Adopt Policies.** In order to encourage Owners participation in the development of such Policies and to insure that such Policies are necessary and properly organized, the Board of Directors will follow the following procedures when adopting any Policy.

(a) **Drafting Procedure.** The Board of Directors will consider the following in drafting any Policy:

(i) whether the Governing Documents or Colorado law grants authority or requires the Board of Directors to adopt such a Policy;

(ii) the need for such Policy based upon the scope and importance of the issue and whether the Governing Documents adequately address the issue; and

(iii) the immediate and long-term impact and implications of the Policy.

(b) **Notice and Comment.** A copy of the proposed Policy will be provided to all Owners electronically and posted on the Association's website and Owners will be allowed 30 days to provide comment and/or feedback on the proposed Policy. The Board of Directors is not required, however, to include any comments that it receives, but will consider such comments, nor is the adoption or content of any such Policy required to be approved by any of the Owners.

(c) **Emergency.** The Board of Directors may forego the notice and opportunity to comment in the event the Board of Directors determines in its sole discretion that providing notice and opportunity to comment is not practical given the emergency nature of such Policy; or if the policy is necessary for the Board of Directors to carry out its functions prior to the expiration of the notice and comment period.

(d) **Adoption Procedure.** After the period of Owners comment expires, the Board may adopt any Policy. Upon adoption of a Policy, the Policy or notice of such Policy (including the effective date) shall be provided to all Owners by any reasonable method as determined by the sole discretion of the Board of Directors that complies with the requirements of Colorado law.

(e) **Policy Book.** The Board of Directors, or the manager of the Association, will keep copies of any and all adopted Policies as records, which will be kept at the Association's principal place of business or with the manager of the Association, as applicable.

3. **Inconsistencies.** If and to the extent that any provision of these Policies is inconsistent with the Declaration or the Act, the applicable provisions of the Declaration or the Act prevail, unless otherwise required by applicable law.

4. **Definitions.** Any initially capitalized terms herein that are not otherwise defined, have the meanings given to them in the Declaration.

5. **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 Act.

6. **Deviations.** The Board of Directors may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

CERTIFICATION:

The undersigned, being the President of McCormick Ranch Association, Inc., a Colorado nonprofit corporation, certifies that the foregoing Resolution was approved and adopted by the Board of the Association, at a duly called and held meeting of the Board of the Association on December 22, 2015 and in witness thereof, the undersigned has subscribed his/her name.

MCCORMICK RANCH ASSOCIATION, INC., a Colorado nonprofit corporation

By: *Collin Sprau*
Name: Collin Sprau
Title: President