

POLICY STATEMENT

PROCEDURES FOR ENFORCEMENT OF COVENANTS AND RULES

NORTHWOODS CONDOMINIUM ASSOCIATION

Northwoods Condominium Association (NCA) is governed by its recorded Declaration and all supplements thereto. Section 6 of the NCA Declaration describes the procedures for administration and management. Each owner (member) within the NCA community is required to comply strictly with the provisions of the Declaration as well as with the NCA articles of incorporation and bylaws. Section 6 also provides, in part, as follows:

Each member shall be bound by and shall comply with rules, resolutions and decisions of the Association duly made or adopted in the manner set forth in the articles of incorporation or bylaws. Failure of the member to comply with such provisions, rules, resolutions or decisions shall be grounds for an action to recover damages or to obtain injunctive relief, or both, maintainable by the Association on behalf of the other owners or, in a proper case, by an aggrieved owner. In addition, the Association's bylaws may authorize the Association, during the period of any delinquency, (a) to revoke a delinquent owner's right to use general common elements, (b) to cause utility service to a delinquent owner's condominium unit to be suspended and (c) to suspend a member's voting privileges; however, no such suspension shall affect the rights of a first lienor.

Under the NCA bylaws, power is delegated to the board of directors to adopt rules and procedures. The bylaws permit NCA to enforce compliance with the NCA governing documents and its rules and procedures by civil suit or otherwise and to also take steps to promptly collect any assessment delinquencies and seek damages from an owner in any appropriate case.

NCA has elected to be governed under the provisions of the Colorado Common Interest Ownership Act (CIOA). Under CIOA, the board of directors is also empowered to determine and impose fines upon owners who fail to comply with the NCA governing documents and the NCA rules and regulations. The amount and nature of any fine will be determined by the board of directors or a designated committee of the board after a hearing and the presentation of evidence relating to the alleged noncompliance or violation. The affected owner will be provided with prior notice of the hearing in writing.

A more detailed description of the notice and hearing procedure is attached to this policy statement as Exhibit A.