

POLICY STATEMENT

PROCEDURES FOR ADOPTING RULES AND RESOLUTIONS

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 regulations governing the use and operation of the common elements and to also establish such rules as may be necessary for the operation, use and occupancy of the NCA premises. This rule making authority is also contained in the NCA articles of incorporation.

NCA has elected to be governed under the provisions of the Colorado Common Interest Ownership Act (CCIOA). Consequently, the adoption of any rule, regulation or resolution can only be accomplished at a meeting of the owners or at a meeting of the board of directors in the manner described in Section 308 of CIOA. A copy of Section 308 is attached to this policy statement and incorporated herein by reference.