

RESOLUTION

BOARD OF DIRECTORS

CHEESMAN TOWER WEST
CONDOMINIUM ASSOCIATION

ADOPTING ENFORCEMENT POLICIES AND PROCEDURES

WHEREAS, the Board of Directors is responsible for ensuring compliance with the Declaration of Condominium, Bylaws, and Rules and Regulations of the Cheesman Tower West Condominium Association; and

WHEREAS, on July 1, 1992, the Colorado Common Interest Ownership Act (CCIOA), which addresses the management of condominiums and other common interest communities within the State of Colorado, became effective; and

WHEREAS, CCIOA Sec. 38-33.3-302(1)(K), C.R.S., authorizes the Association, unless otherwise provided in the Declaration, Bylaws, and Rules and Regulations to impose against Owners and Occupants fines for violations of our Declaration, Bylaws, and Rules and Regulations, after notice and an opportunity to be heard; and

WHEREAS, our Declaration, Bylaws, and Rules and Regulations do not otherwise prohibit the imposition of fines for violations;

NOW, THEREFORE, BE IT RESOLVED that the Association does hereby adopt the following Policies and Procedures concerning the Enforcement of our Declaration, Bylaws, and Rules and Regulations.

A. Verbal Warning. Whenever the Management Agent discovers or is informed by a complaint from an Owner or Lessee that there appears to have been a violation of any provision of the Declaration, Bylaws, or Rules and Regulations, the Management Agent shall cause a verbal warning of the infraction to be communicated to the responsible Owner. While doing so the Management Agent shall attempt to inform and educate the Owner regarding the Declaration, Bylaw, or Rule and Regulation that is alleged to have been violated,

and if necessary act as a mediator between the responsible Owner and any complaining Owner or Lessee to informally resolve any differences. The Management Agent should endeavour to keep written notes detailing any such informal communications.

B. Warning Letter. If in the opinion of the Management Agent the violation continues or is repeated after fourteen (14) days from receipt by the Owner of the informal warning, the Management Agent shall mail by regular U.S. Mail a Warning Letter advising the Owner (i) of the nature of the violation; (ii) that continuation of the violation may subject the Owner to imposition of a fine not to exceed the limits established in Paragraph O below; and (iii) that if said violation continues or is not corrected within ten (10) days, the Management Agent shall refer the matter to the Board pursuant to these Policies and Procedures.

C. Notice of Violation. If in the opinion of the Management Agent the violation is continuing or has been repeated after the ten (10) day period described above, the Management Agent shall advise the Board of the nature of the alleged violation and what previous efforts have been undertaken by the Management Agent to remedy the violation. If three or more Board members find that there is sufficient cause to proceed, the Board shall instruct the Management Agent to issue a Notice of Violation to the Owner. The Notice of Violation shall at a minimum contain the following: (i) a reasonable description of the nature of the violation; (ii) that the Owner is entitled to a hearing before the Board; (iii) that such a hearing must be requested in writing within twenty-one (21) days of the Owner's receipt of the Notice of Violation; (iv) that if the Owner fails to timely request a hearing the violation shall be deemed to have been admitted; and (v) that if the violation is admitted, or if after a hearing the Board finds there to have been a violation, then the Board has the authority to impose a fine not to exceed the limits established in Paragraph O below. The Notice of Violation shall also advise the Owner that if he or she elects not to contest the alleged violation, they have the right to appear before the Board and briefly speak in explanation of the violation. A copy of the Notice of Violation shall also be provided to any Lessee involved in the alleged violation. However, the violation of any Declaration, Bylaw, or Rule or

Regulation by a Lessee is the responsibility of the Owner of the unit occupied by the Lessee.

D. Service of Notice of Violation. Service of all Notices of Violation and all other notices required or permitted hereunder shall be made as follows, unless otherwise specified herein:

If to an Owner by the Association: by certified U.S. Mail, return receipt requested and postage prepaid, addressed to the last registered address of the Owner as contained in the Association's records.

If to the Association: by personal delivery or U.S. Mail, postage prepaid, to the Association's Management Agent, or such other address as the parties may be advised of in writing.

Any notice personally delivered shall be deemed received on the date of delivery, and any notice mailed shall be deemed received on the fifth day following the date of mailing.

E. Uncontested Notice of Violation. If a hearing is not requested by the Owner within twenty-one (21) days from receipt of a Notice of Violation, the violation alleged therein shall be deemed to have been admitted by the Owner. The Board shall thereafter at its next regularly scheduled meeting or as soon as otherwise practicable discuss the violation and assess a reasonable fine not to exceed the limits established in Paragraph O below. Written notice of this meeting shall be given to the Owner at least ten (10) days in advance, and, to the extent practicable, to any complaining Owner and/or Lessee. The Owner and complaining Owner and/or Lessee, if any, shall be given the opportunity to briefly address the Board regarding any factors in mitigation or aggravation of the violation. In addition to imposing a fine, the Board may also at its discretion waive or suspend any fine, depending on the facts of the violation. If the Board fails to reach a determination on the matter within sixty (60) days of the expiration date of the twenty-one (21) day period when an Owner could request a hearing, the Board shall be prohibited from taking any further action on the specific violations noticed. However, subsequent violations of the same nature may be subject to enforcement after again complying with the above procedures.

After the Board has reached its determination, the Management Agent shall as soon as practicable send written notice of the Board's action to the Owner. Any fine imposed is due and payable immediately upon receipt of notice by the Owner. Said notice shall also advise the Owner that failure to pay the imposed fine within thirty (30) days of the Owner's receipt of the notice shall result in use of the Association's Collection Procedures, which shall include the possibility of imposition of attorneys fees and costs and the filing of a lien.

F. Contested Notice of Violation. If upon receipt of a Notice of Violation the Owner desires to challenge or contest the alleged violation, said Owner must, within twenty-one (21) days from receipt of the Notice of Violation, request a hearing before the Board. Such request for a hearing must be made to the Association in writing and shall state and describe the grounds and basis for challenging or denying the alleged violation as well as such other information the Owner deems pertinent. In the event that a proper and timely request for a hearing is not made as provided herein, the Owner's right to contest or challenge before the Board the violation alleged in the Notice of Violation shall be forever waived.

G. Board to Conduct Hearing. The Board shall hear and decide cases set for hearing pursuant to these Policies and Procedures. Upon receipt of a request for a hearing, the President of the Board shall designate either him/herself or another Board member or other Owner to act as the Presiding Officer for that hearing. The Presiding Officer shall thereafter as soon as possible contact all Board members, the Management Agent, the cited Owner, and any complaining Owners and/or Lessees to coordinate the establishment of a hearing date and time. Said date shall be no later than forty-five (45) days after the date of the Association's receipt of the request for a hearing, unless otherwise agreed to by all the parties. In the event that a date and time cannot be mutually agreed upon, the Presiding Officer shall choose a date and time that in his or her opinion is the most convenient for all individuals involved. The Presiding Officer shall thereafter cause the Management Agent to mail by regular U.S. Mail to the cited Owner a written notice advising of the chosen or agreed upon hearing date, time, and place.

H. Role of Management Agent. In addition to duties specified elsewhere in these Policies and Procedures, the Management Agent shall also be responsible for gathering all relevant information and presenting it to the Board both prior to issuance of a Notice of Violation and at a hearing. The Management Agent shall cooperatively work with the complaining Owner or Lessee, if there is any, in this capacity.

I. Conflicts. It shall be incumbent upon each Board member to make a determination as to whether he or she is able to function in a disinterested and objective manner in consideration on each hearing before the Board. Any Board member incapable of objective and disinterested consideration on any hearing before the Board shall disclose such to the President of the Board prior to the hearing on the case, if possible, or, if advance notice is not possible, then such disclosure shall be made at the hearing. Said Board member shall thereafter be disqualified from all proceedings with regard to the hearing.

J. Discovery. Upon written request to the Association, but not later than ten (10) days prior to the date of hearing, the Owner shall be entitled to: (i) obtain the names and addresses of witnesses, to the extent known to the Management Agent, and (ii) inspect and make copies of any statements, writings, and investigative reports relative to the case contained in the Association's and Management Agent's records. Nothing in this section shall, however, authorize the inspection or copying of any writing or other thing which is privileged from disclosure by law or otherwise made confidential or protected, such as attorney work product.

K. Hearing. Each hearing shall be held at the scheduled time, place and date, provided that the Presiding Officer may grant continuances for good cause. At the beginning of each hearing, the Presiding Officer shall explain the rules, procedures and guidelines by which the hearing shall be conducted and shall introduce the case before the Board by reading the Notice of Violation. The general procedure for hearing shall consist of opening statements by first the Management Agent or complaining Owner or Lessee, and then the cited Owner; presentation of testimony and evidence,

including cross-examination of witnesses; and closing statements. The Board or Presiding Officer may also at their discretion establish reasonable time limits which shall be equally divided between opposing sides. Notwithstanding the foregoing, the Board may exercise its discretion as to the specific manner in which a hearing shall be conducted and shall be authorized to question witnesses, review evidence, and otherwise take such reasonable action during the course of a hearing of which it may deem appropriate or desirable to permit the Board to reach a just decision in the case. Rules of law regarding trials and presentation of evidence and witnesses may be applicable to the hearing insofar as the Presiding Officer deems adherence to such rules or law to be in the interests of justice; provided, however, that any relevant evidence shall be freely admitted if of the sort on which responsible persons are accustomed to rely in the course of serious affairs. Failure on the part of the cited Owner to personally attend or cause to have a representative in attendance shall constitute a forfeiture of the right to a hearing and shall be deemed an admission of the alleged violation. The decision of the Board shall be based on the matters set forth in the Notice of Violation, the Request for a Hearing, and such evidence as may have been presented at the hearing. All hearings shall be open to attendance by any member of the Association.

L. Decision. After all testimony and other evidence has been presented to the Board at a hearing, the Board shall render its decision thereon within fourteen (14) days after the conclusion of a hearing. The concurrence of a majority of the Board members in attendance at the hearing shall be required in order to find an Owner in violation. The Board shall issue written findings of fact and conclusions, and, if applicable, shall impose a reasonable fine not to exceed the maximum fines listed in Paragraph O below. A copy of the Board's written decision shall be provided to the Owner in accordance with the Notice provision contained in Paragraph D above. Any fine imposed is due and payable immediately upon receipt by the Owner of the written decision. Said written decision shall also advise the Owner that failure to pay the imposed fine within thirty (30) days of the Owner's receipt of the written decision shall result in use of the Association's Collection Procedures, which shall include the possibility of imposition of attorney's

fees and costs and the filing of a lien. If the penalty is not paid within thirty (30) days, the Board may also issue and present for recording with the Clerk and Recorder, a Notice of Finding of Violation. Upon satisfactory compliance with the Association's governing documents, the Notice of Violation may be released by the Association issuing and recording a Release of Notice of Findings of Violations.

M. Enforcement and Attorney's Fees. In accordance with the Declaration, Bylaws and Rules and Regulations, it is hereby declared to be the intention of the Association to enforce the provisions of those documents by any and all means available to the Association at law or in equity, and to seek recovery and reimbursement of all attorney's fees, and Association expenses and costs incurred by the Association in connection therewith.

N. Modification, Amendments, Repeal and Re-enactment.

Notwithstanding anything to the contrary contained in these Policies and Procedures, the Association hereby reserves the right, at any time and from time hereafter, to modify, amend, repeal and/or re-enact these Policies and Procedures so long as such is in accordance with the Declaration, Bylaws and applicable law.

O. Penalties. The amount of fine imposed as a penalty for violation of the provisions of the Declaration, Bylaws and Rules and Regulations shall be reasonably related to the severity of the violation and shall be based solely upon the information brought before the Board.

1. The maximum penalty that the Board may impose shall be \$100.00 for the first violation.
2. For a repeated second violation, the maximum penalty shall be \$500.00.
3. For a repeated third or consecutive violation, the Maximum penalty shall be \$1,000.00.
4. The per day violation of a continuing nature shall be increased to \$100.00.

The Board may also, at its discretion waive or suspend any fine, depending on the facts of the violation.

P. Miscellaneous.

- (i) Failure by the Association, the Board or any person to enforce any provision of the Declaration, Bylaws or Rules and Regulations, or of these Policies and Procedures shall

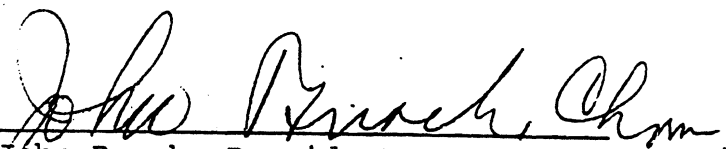
in no event be deemed to be a waiver of the right to do so thereafter.

(ii) The provisions of these Policies and Procedures shall be deemed to be independent and severable, and the invalidity of any one or more of the provisions hereof, or any portion thereof, by judgment or decree of any court of competent jurisdiction, shall in no way affect the validity or enforceability of the remaining provisions, which provisions shall remain in full force and effect.

(iii) Unless the context provides or requires to the contrary, the use of the singular herein shall include the plural, the use of the plural shall include the singular, and the use of any gender shall include all genders.

(iv) The captions to the sections are inserted herein only as a matter of convenience and for reference, and in no way is to be construed so as to define, limit or otherwise describe the scope of these Policies and Procedures or the intent of any provision hereof.

IN WITNESS WHEREOF the Board of Directors of the Cheesman Tower West Condominium Association adopted this Resolution on the 19th day of July, 1993.


John Busch, President

Board of Directors

Cheesman Tower West Condominium Association