

SAWMILL CREEK CONDOMINIUM ASSOCIATION

RESERVE FUND INVESTMENT POLICY

Adopted June 27, 2009

The following reserve fund investment policy has been adopted by the Sawmill Creek Condominium Association ("Association") pursuant to C.R.S. 38-33.3-209.5, at a special meeting of the Board of Directors.

Purpose: To protect and ensure the safety of the assets in the reserve fund of the Association and those volunteers who participate in the investment process and to further provide guidance to those who offer investment services to the Association, including brokers/dealers, banks, consultants, savings institutions, and custodians.

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following policies and procedures for the investment of the Association's reserve funds:

- I. Investment Objectives. All reserve funds which are held for capital expenditures as a part of the reserve fund shall be deposited and invested by the Association in accordance with Colorado State Statutes and resolutions enacted by the Association's Board of Directors in a manner to accomplish the following objectives:
 - A. Safety of Funds. Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital, with the objective of mitigating credit risk and interest rate risk. No single investment or account shall exceed the amount that is federally insured.
 - B. Liquidity of Funds: The investment portfolio shall remain sufficiently liquid to meet all planned reserve fund expenditures for the following fiscal year. To ensure that adequate reserve funds are available to pay the Association's reserve expenditures, annual reserve fund investments shall reasonably match the planned reserve fund expenditures for the following fiscal year.
 - C. Types of Investments: The reserve fund portfolio shall consist solely of Money Market Accounts, Savings Accounts, and/or Certificates of Deposit.
 - D. Yield: The investment portfolio shall attempt to earn a yield consistent with the principals set forth in this policy.
- II. Delegation of Authority: Responsibility for conducting investment transactions for the Association resides with the Treasurer. However, the Treasurer may enlist the services of the Association's Manager or others to handle transactions with the institution holding reserve fund assets. The President of the Board of Directors will be considered an authorized person to assist the Treasurer in performing investment management, cash management, or treasury functions. Persons authorized to transact investment business for the Association are limited to these two officers. The Treasurer will provide a copy of this investment policy to all of the Association's investment service providers. The Association's Members may receive a copy of this investment policy from the Treasurer upon request.

The Treasurer may engage the support services of outside professionals, subject to the availability of budgeted funds and approval from the Board of Directors. Such services may include engagement of financial advisors in conjunction with debt issuance, cash management, portfolio management support special legal representation, and third party custodial services.

The Board of Directors, through external auditors, will periodically review the compliance of the investment management practices with this reserve fund investment policy. Further, the Board of Directors shall provide a copy of this policy to the newly elected Treasurer at the assumption of office.

- III. Selection of Banks as Depositories and Providers of General Banking Services: Banks and savings institutions shall be approved by written resolution by the Board of Directors to provide depository and other banking services for the Association. All accounts shall be in the name of the Association. To be eligible for authorization, a bank must be domiciled in the United States and have physical facilities for doing business in the State of Colorado, a member of the FDIC and must meet the minimum credit criteria of credit analysis provided by commercially available bank rating services. Banks failing to meet the minimum criteria, or, in the judgment of the Treasurer or Board of Directors, no longer offering adequate safety to the Association funds, shall be removed from the list.
- IV. The Board shall make investment decisions in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances and in a manner the Board reasonably believes is in the best interest of the Association.
- V. Policy Revisions: The Board of Directors shall review this reserve fund investment policy periodically and may amend the policy as conditions warrant. The Treasurer may recommend changes to this policy as necessary.

Sawmill Creek Condominium Association
By: Larry C. Altman
President

Attest
Karen D. Sutter
Secretary

This Reserve Fund Investment Policy was adopted by the Board of Directors at a special meeting held on the 27th day of June, 2009, for that purpose; and is effective the 1st day of July, 2009, and is attested to by the Secretary of the Sawmill Creek Condominium Association.

Karen D. Sutter
Secretary

SAWMILL CREEK CONDOMINIUM ASSOCIATION

POLICY REGARDING INSPECTION AND COPYING OF ASSOCIATION RECORDS

Adopted June 27, 2009

The following procedures have been adopted by the Sawmill Creek Condominium Association ("Association") pursuant to the provisions of C.R.S. 38-33.3-209.5, at a special meeting of the Board of Directors.

Purpose: To establish uniform procedures for the inspection and copying of Association records by the Members; to establish the type of records kept by the Association or its agent; and to establish the cost of copying Association records.

WHEREAS, the Colorado Common Interest Ownership Act is C.R.S. 38-33.3-317 gives all Members the right to examine and copy the financial and other records of the Association for a proper purpose.

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following policy governing the inspection and copying of Association records:

1. The Association shall keep as permanent records the following:
 - a. Minutes of all meetings of Owners and the Board.
 - b. A record of all actions taken by the Owners or the Board by written ballot or written consent in lieu of a meeting.
 - c. A record of all actions taken by a committee of the Board in place of the Board on behalf of the Association.
 - d. A record of all waivers of notices of meetings of Owners and of the Board or any committee of the Board.
 - e. A record of Owners in a form that permits preparation of a list of the names and addresses of all Owners, showing the number of votes each Owner is entitled to vote.

In addition to the above, the Association shall keep a copy of each of the following records at its principle office:

- a. Articles of Incorporation, Declaration, Bylaws and Rules and Regulations for Sawmill Creek Condominium Association.
 - b. Resolutions adopted by the Board.
 - c. The minutes of all Owners meetings and records of all actions taken by Owners without a meeting for the past three (3) years.
 - d. All written communications within the past three (3) years to Owners generally as Owners.
 - e. A list of names and business or home addresses of the Association's current directors and officers.
 - f. All financial statements, including balance sheet, general ledger, budget and year to date statements for the past three (3) years.
 - g. The Association's most recent annual report, if any.
 - h. All financial audits or reviews conducted pursuant to Section 38-33.3-3.3(4)(b) during the immediately preceding three years.
2. So the Association can have the desired books and records, and personnel who can help explain or copy them available, a written Notice of Intent to Inspect must be submitted to the Association's Manager or to the Board of Directors at least five (5) business days prior to the planned inspection. The notice must describe with reasonable particularity which records are to be inspected and the purpose of the inspection. The Notice must specify a date and time during regular business hours for the inspection, must be made in good faith and for a proper purpose; must describe with reasonable particularity the records sought and the purpose of the request; and that the records requested are relevant to the purpose of the request. In the event the date or time is not feasible in light of the request, the Association's Manager shall attempt to contact the Member to schedule a convenient time for the inspection.
 3. All records shall be inspected at the principle office of the Association located at 322B North Main Street, Breckenridge, Colorado between the hours of 9:00am and 5:00pm, Monday through Friday.
 4. At the discretion of the Board or the Association's Manager, certain records may only be inspected in the presence of a Board member or employee of the Manager. No records may be removed from the office without the express written consent of the Board of Directors. Further, if a Member requests to inspect records, the

Association may photocopy and provide the requested records to the Member in lieu of the Member's inspection of the records if consented to by the Member.

5. The Association may charge a fee, not to exceed the Association's actual cost per page for copies of the Association records.
6. Consistent with individual Member's right to privacy, attorney-client confidentiality and other considerations, the following records will not be made available without the express written consent of the Board of Directors:
 - a. Confidential personnel records.
 - b. Confidential litigation files and matters covering "*consultation with legal counsel concerning disputes that are subject of pending or imminent court proceedings*" or are "*privileged or confidential between attorney and client*".
 - c. Files dealing with "*investigative proceedings concerning possible or actual criminal misconduct*"
 - d. Any matter "*the disclosure of which would constitute an unwarranted invasion of individual privacy.*"
 - e. Inter-office memoranda, preliminary data, working papers and drafts, and general information or investigations which have not been formally approved by the Board of Directors.
7. In the event the Association's Manager believes the request does not meet the proper purpose requirement, the Manager shall notify the Board and the Member making the request, and the Board shall determine a resolution of the request. In determining whether records may be inspected, the Association shall consider among other things:
 - a. Whether the request is made, in good faith and for a proper purpose;
 - b. Whether the records requested are relevant to the purpose of the request;
 - c. Whether the disclosure is for an illegal or improper purpose, or would violate a constitutional or statutory provision or public policy.
 - d. Whether disclosure may result in an invasion of personal privacy, breach of confidence or privileged information as set forth above; and
8. The Association reserves the right to pursue any Member for damages or injunctive relief or both, including attorney fees, for abuse of these rights, including, but not limited to, use of any records for a purpose other than what is stated in the Notice of Intent to Inspect.

Sawmill Creek Condominium Association

By: Larry C. Pithon
President

Attest

Karen J. Sutter
Secretary

This Policy regarding Inspection and Copying of Association Records was adopted by the Board of Directors at a special meeting held on the 27th day of June, 2009, for that purpose; and is effective the 1st day of July, 2009 and is attested to by the Secretary of the Sawmill Creek Condominium Association.

Karen J. Sutter
Secretary

SAWMILL CREEK CONDOMINIUM ASSOCIATION
POLICY FOR ALTERNATIVE DISPUTE RESOLUTION

Adopted June 27, 2009

The following procedures have been adopted by the Sawmill Creek Condominium Association (“Association”) pursuant to the provisions of C.R.S. 38-33.3-209.5, at a special meeting of the Board of Directors.

Purpose: To adopt a policy setting forth the procedures for addressing disputes arising between the Association and its Members.

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following policy for alternative dispute resolution:

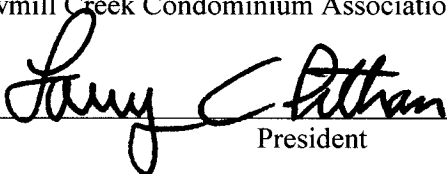
1. Written Dispute. Any dispute arising between the Association and any of its Members should be submitted to the Board in writing by the Board or the Member(s) in the dispute for consideration at a Board meeting that said Member(s) shall be entitled to attend. Said meeting shall be scheduled, as best as possible to accommodate the Member(s)’s schedule. This mediation process shall occur only after the Notice, Hearing and Enforcement procedures have been completed.

2. Exempt Claims. Any action for the collection of any installment, assessment or any other charge due shall be exempt from the provisions of this Policy; provided, however, a dispute about the validity or proper adoption of any assessment, special assessment or other charge shall be subject to this Policy.

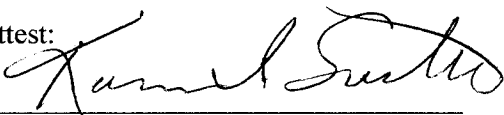
3. Mediation. If resolution of the dispute is not achieved through a dialogue between the Board and the Member(s) involved, then the dispute shall be submitted to a mediation service. The Board and said Member(s) shall mutually agree to the mediator. The cost of the mediation service shall be equally divided between the Association and said Member(s). Mediation shall be non-binding, but shall be engaged in good faith.

4. Legal Recourse. If mediation is refused by said Member(s), or if mediation is unsuccessful in resolving the dispute, then any available legal recourse may be pursued by the Association and/or said Member(s) in order to seek resolution of the matter. The Association may file a lawsuit to preserve any claim which might be lost due to the applicable statute of limitation; provided, however, the Association shall then stay the lawsuit until mediation has been completed as provided herein.

Sawmill Creek Condominium Association

By: 
President

Attest:


Secretary

This Policy for Alternative Dispute Resolution was adopted by the Board of Directors at a special meeting held on the 27th day of June, 2009, for that purpose; and effective the 1st day of July, 2009, and is attested to by the Secretary of the Sawmill Creek Condominium Association.


Secretary

SAWMILL CREEK CONDOMINIUM ASSOCIATION

DIRECTOR CONFLICT OF INTEREST POLICY

Adopted June 27, 2009

The following procedures have been adopted by the Sawmill Creek Condominium Association ("Association") pursuant to C.R.S. 38-33.3-209.5 and 310.5, at a special meeting of the Board of Directors.

Purpose: To adopt a policy governing the handling of conflicts of interest among Board members;

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following Responsible Governance Policy to govern the handling of conflicts of interest among Board members:

1. If any contract, decision, or other action taken by or on behalf of the Board would financially benefit any member of the Board or any person who is a parent, grandparent, spouse, child, or sibling of a Board member or a parent or spouse of any of those persons, the interested Board member shall declare at an open meeting of the Board, that a conflict of interest exists and shall describe in detail all of the particular facts of the conflict of interest, prior to any discussion or action on that issue.
2. The interested Board member may deliver to the Board a letter setting forth a detailed summary of the conflict of interest, which letter shall be read out loud by a non-interested Board member at an open meeting of the Board.
3. After the interested Board member makes such a declaration, the interested Board member may participate in a discussion of the matter giving rise to the conflict of interest. However, the interested Board member may not vote on the issue giving rise to the conflict of interest, and shall leave the room when the vote is being taken. If there is compliance with the terms of this policy, a majority of the disinterested Board members, or any higher number required by the Association's governing documents, may in good faith authorize, or ratify the conflicting interest transaction.
4. The interested Board member may be counted as present when determining whether a quorum of the Board exists.
5. Any contract entered into in violation of this policy is void and unenforceable.

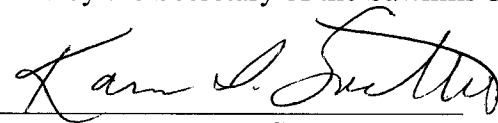
Sawmill Creek Condominium Association

By: 
President

Attest


Secretary

This Conflict of Interest Policy was adopted by the Board of Directors at a special meeting held on the 27th day of June, 2009, effective the 1st day of July, 2009, and is attested to by the Secretary of the Sawmill Creek Condominium Association.


Secretary

SAWMILL CREEK CONDOMINIUM ASSOCIATION

POLICY REGARDING CONDUCT OF MEETINGS

Adopted June 27, 2009

The following procedures have been adopted by the Sawmill Creek Condominium Association (“Association”) pursuant to the provisions of C.R.S. 38-33.3-209.5, 308 and 310, at a special meeting of the Board of Directors.

Purpose: To establish a uniform and systematic protocol for conducting meetings of the Association, including Member’s meetings and Board meetings; to ensure equitable participation by Members while permitting the Board to conduct the business of the Association; and to memorialize the circumstances under which the Board may convene into executive session.

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following policy governing the conduct of meetings of the Members and meetings of the Board:

MEMBER MEETINGS and COMMITTEE MEETINGS

1. All meetings of the Members and Committees of the Association are open to every Member, or to any person designated by a Member in writing as the Member’s representative, and Members or designated representatives so desiring shall be permitted to attend, listen, and speak at an appropriate time during the deliberations and proceedings. The notice of any meeting shall be hand delivered, emailed or mailed to each Member. In addition, notice of any meeting will be posted on the Association’s website. The notice shall contain the items on the agenda, including any proposed amendment to the Declaration or Bylaws, any budget changes and any proposal to remove an officer or director.
2. The Board may place reasonable time restrictions on those Members or designated representatives speaking during the meeting but shall permit a Member or a Member’s designated representative to speak before the Members take formal action on an item under discussion, in addition to any other opportunities to speak. The Board shall provide for a reasonable number of persons to speak on each side of an issue.
3. The agenda for all Member meetings shall follow the order of business specified by the Association’s Bylaws, and if none, in accordance with the order of business determined by the Board, which shall include a Member Open Forum during which any Member or Member’s designated representative who wishes to speak will have the opportunity to do so, subject to the provisions of this policy.
4. The Board shall have the right to determine the length of time of the Open Forum. The President or acting chair of the meeting may place reasonable limitations upon the time given to each Member seeking to comment, to allow sufficient time for as many Members as possible to comment within the time permitted. Unless otherwise determined by the President or acting chair, the time limit will be three minutes per

Member. Members will only be allowed to speak more than once during Open Forum at the discretion of the Board. No Member may speak a second time until all Members wishing to speak have had an opportunity to speak once.

5. Sign-Up Sheets. A sign-up sheet will be made available to Members immediately prior to the meeting. Any Member wishing to comment at the ensuing meeting may add his/her name to the sign-up sheet. Members will be recognized for comment at the meeting in the same order as their names appear on the sign-up sheet. All Members wishing to comment who have not placed their names on the sign-up sheet will nonetheless be permitted to speak, time permitting. The President or acting chair shall, to the best of his/her ability, allocate time to each Member for comment so as to allow as many Members as possible to speak.
6. Curtailment of Member Conduct. Should the President or acting chair determine that any Member has spoken for the allocated amount of time or longer, the President or acting chair shall have the authority to instruct that Member to yield the floor, and that Member will be obligated to comply with the President's or acting chair's instruction.
7. Votes for contested positions on the Board of Directors shall be taken by secret ballot. At the discretion of the Board or upon the request of twenty (20) percent of the Members who are present at the meeting or are represented by proxy, if a quorum has been achieved, a vote on any matter affecting the Project on which all Members are entitled to vote shall be by secret ballot. Ballots shall be counted by a neutral third party or by a committee of volunteers. Such volunteers shall be Members who are selected or appointed at the meeting, in a fair manner, by the President or acting chair of the meeting. The volunteers shall not be Board members and, in the case of a contested election for a Board position, shall not be candidates. The results of a vote taken by secret ballot shall be reported without reference to the names, addresses or other identifying information of the Members participating in such vote.

BOARD MEETINGS

8. All regular and special meetings of the Board shall be open to attendance by all Members or to any person designated by a Member in writing. At regular and special meetings of the Board, Members who are not members of the Board may not participate in any deliberation or discussion unless expressly so authorized by a vote of the majority of a quorum of the Board at that meeting.
9. The Board may place reasonable time restrictions on those persons speaking during the Board meeting but shall permit Members or their designated representatives to speak before the Board takes formal action on an item under discussion, in addition to any other opportunities to speak. The Board shall provide for a reasonable number of persons to speak on each side of an issue. The Board may adopt procedures similar to those set forth for Member meetings.

10. Executive Session. Notwithstanding the foregoing, the Board may hold an executive or closed door session and may restrict attendance to Board members and other persons specified by the Board; provided that any such executive or closed door session may only be held in accordance with the provisions and requirements of the Colorado Common Interest Community Act, as amended from time to time, or other applicable law. The matters to be discussed at such an executive session are limited to:

- a. Matters pertaining to employees of the Association or the managing agent's contract or involving the employment, promotion, discipline, or dismissal of an officer, agent or employee of the Association;
- b. Consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client;
- c. Investigative proceedings concerning the possible or actual criminal misconduct;
- d. Matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure;
- e. Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy.
- f. Review of or discussion relating to any written or oral communication from legal counsel.

Prior to the time the Board members convene in executive session, the President or acting chair shall announce the general matter of discussion as enumerated in paragraphs (a) to (f) above. No decision of the Board shall be adopted during an executive session. A decision may be validly adopted only during a regular or special meeting or after the Board goes back into regular session following an executive session.

Upon final resolution of any matter for which the Board went into executive session, the Board may elect to preserve the attorney-client privilege or confidentiality in any appropriate manner, or it may elect to disclose such information, as it deems appropriate.

DISRUPTIVE OR UNRULY BEHAVIOR

11. At any Member, Committee or Board meeting, if a Member or the Member's designated representative refuses to stop talking after his/her allotted time has ended or otherwise disrupts the meeting, the following procedure will be followed:

- a. The President or acting chair will issue an oral warning that if the Member or designated representative continues to speak or disrupt the meeting, either the meeting will be adjourned or law enforcement/security will be called to remove the individual.
- b. If the Member or designated representative continues to speak or disrupt the meeting, the President or acting chair will call a recess and speak directly to the Member, reiterating that either the meeting will be adjourned or law enforcement/security will be called to remove the individual.
- c. If the Member still refuses to cooperate, the President or acting chair may choose whether to adjourn the meeting to another time or to call law enforcement/security.

Sawmill Creek Condominium Association

By: Larry C. Pittman
President

Attest

Kennel S. Smith
Secretary

This Policy Regarding Conduct of Meetings was adopted by the Board of Directors at a special meeting held on the 27th day of June, 2009, for that purpose; and is effective the 1st day of July, 2009, and is attested to by the Secretary of the Sawmill Creek Condominium Association.

Kennel S. Smith
Secretary

SAWMILL CREEK CONDOMINIUM ASSOCIATION

COLLECTION POLICY

Adopted June 27, 2009

The following procedures have been adopted by the Sawmill Creek Condominium Association (“Association”) pursuant the provisions of C.R.S. 38-33.3-209.5, at a special meeting of the Board of Directors.

Purpose: To establish a uniform and systematic procedure for collecting assessments and other charges of the Association, thus ensuring the financial well being of the Association.

Collection Philosophy: All Members are obligated by the Declaration for Sawmill Creek Condominium Association (“Declaration”) to pay all dues and assessments in a timely manner. Failure to do so jeopardizes the Association’s ability to pay its bills. Failure of Members to pay assessments in a timely manner is also unfair to its other Members who do. Accordingly, the Association, acting through the Board of Directors must take steps to ensure timely payment of assessments.

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following procedures and policies for the collection of assessments and other charges of the Association:

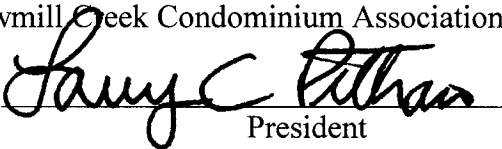
1. **Due Dates.** The annual assessment as determined by the Association shall be due and payable monthly in equal installments due on the first day of the month. The Board shall determine when special assessments will be due when a special assessment is adopted. Installments, assessments or other charges not paid to the Association by the 15th day of the month in which they are due shall be considered past due and delinquent.
2. **Late Charges and Interest Charges.** The Association shall be entitled to impose a late charge of thirty five dollars (\$35) on each past due and delinquent installment, assessment or other charge. If any installment, assessment or other charge is not paid within thirty (30) days after its due date, the amount due shall bear interest at a rate of one and one half percent (1½ %) per month from the due date until paid. All late charges and interest charges shall be due and payable immediately, without notice, in the manner provided for payment of installments, assessments or other charges.
3. **Return Check Charges.** A twenty dollar (\$20.00) fee shall be assessed against a Member in the event any check or other instrument attributable to or payable for the benefit of such Member is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to, insufficient funds. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. If two or more of a Member’s checks are returned unpaid by the bank within any twelve month period, the Association may require that all of the Member’s future payments, for a period of one year, be made by certified check or money order.

4. **Attorney Fees on Delinquent Accounts.** The Association shall be entitled to recover its reasonable attorney fees and collection costs incurred in the collection of any installment, assessment or other charge due to the Association from a delinquent Member.
5. **Application for payments made to the Association.** The Association reserves the right to apply all payments received on account of any Member first to payment of any and all legal fees and costs (including attorney fees), then to costs and expenses of enforcement and collection, late charges, interest, returned check charges, lien fees, and other costs owing to the Association and then to the installment, assessment or other charge due, with respect to such Member.
6. **Collection Letters.**
 - a. After an installment, assessment or other charge owed to the Association becomes ninety days past due, the Association shall cause a notice of delinquency to be sent to the Member who is delinquent in payment, reminding the Member that payment should be made within 30 days after the date of the notice to avoid further action by the Association, including the filing of a lien.
 - b. If payment in full is not received within thirty days after the date of the notice of delinquency, the Association may, but shall not be required, to send a notice of default to the Member.
7. **Liens.** Within ninety days after a Member's failure to pay any installment, assessment or other charge, the Association may, but shall not be required, to cause to be filed a notice of lien against the property of the delinquent Member. The lien shall include the installment, assessment, other charge, fees, charges, late charges, attorney fees, fines and interest owed by the delinquent Member. The Association shall mail a copy of the lien to the Member before it is recorded in the real estate records. The Association's decision not to file a lien shall not be a waiver of its right to do so at a later date.
8. **Referral of Delinquent Accounts to Attorneys.** The Association may, but shall not be required to refer delinquent accounts to its attorney for collection. Upon referral to the attorneys, the attorneys shall take all appropriate action to collect the accounts referred. After an account has been referred to an attorney, the account shall remain with the attorney until the account is settled, has a zero balance, or is written off. All payment plans involving accounts referred to an attorney for collection shall be set up and monitored through the attorney or the managing agent as the Board determines. After consultation with the Board of Directors, the attorneys shall be entitled to exercise all available remedies to collect amounts due, including suing for the amount owed, judicial foreclosure and appointment of a receiver of the delinquent Member's property.
9. **Referral of Delinquent Accounts to Collection Agencies.** The Association may, but shall not be required to assign delinquent accounts to one or more collection agencies for collection.
10. **Waivers.** Nothing in this Resolution shall require the Association to take specific actions other than to notify Members of the adoption of these policies and procedures, and the notices set forth in Paragraphs 6 and 7 above. The Association has the option and right to continue to evaluate each delinquency on a case by case basis. The Association may grant a waiver of any provision herein upon petition in writing by a

Member showing a personal hardship. Such relief granted a Member shall be appropriately documented in the files with the name of the person or persons representing the Association granting the relief and the conditions of the relief. In addition, the Association is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association may determine appropriate under the circumstances. The extension, modification, forbearance or failure to enforce these Collection Policies shall not be considered a waiver against any specific Member or the Members in general.

11. **Delinquencies Constitute Covenant Violations.** Any delinquency in the payment of any installment, assessment or other charge shall constitute a violation of the covenants contained in the Declaration, and following the Notice and Hearing and Enforcement Policy and Procedures, the Association shall be entitled to impose non-monetary sanctions on the delinquent Member consistent with the Association's rights under the Declaration. Provided, however, the Notice and Hearing Enforcement Policy does not apply to the monetary collection of installment, assessments or other charges.

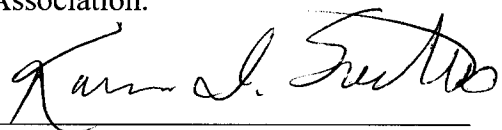
Sawmill Creek Condominium Association

By: 
President

Attest


Secretary

This Collection Policy was adopted by the Board of Directors at a special meeting held on the 27th day of June, 2009, for that purpose; and is effective the 1st day of July, 2009, and is attested to by the Secretary of the Sawmill Creek Condominium Association.


Secretary

SAWMILL CREEK CONDOMINIUM ASSOCIATION

NOTICE AND HEARING AND ENFORCEMENT POLICY AND PROCEDURES

Adopted June 27, 2009

The following procedures have been adopted by the Sawmill Creek Condominium Association ("Association") pursuant to C.R.S. 38-33.3-209.5, at a special meeting of the Board of Directors.

It is understood that the Association may enforce the Association's Documents against the Members and the Members are liable and responsible for all violations by themselves, their family, guests, tenants and invitees. It is recommended that Members use a lease that contains a provision that their tenant will comply with the Association Documents as a covenant of the lease, and a violation thereof is a breach of the lease.

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following policies and procedures for the enforcement of the Association's restrictive covenants and Documents:

1. **Power.** The Board of Directors shall have the power and duty to hear and make decisions regarding violations of the Association's Documents after a written Complaint is filed with the Board; and to impose fines or other sanctions, pursuant to these Policies and Procedures. The Board may determine enforcement action on a case by case basis, and take such action as it may deem necessary and appropriate to assure compliance with the Declarations for Sawmill Creek Condominium, the Association's Articles of Incorporation, Bylaws, and Rules and Regulations promulgated there under (collectively referred to as Documents), in order to create a safe and harmonious living environment.

This Enforcement Policy may be in addition to other specific provisions outlined in the Documents. The Association shall follow this Enforcement Policy before seeking such other remedies. The Association may choose a legal remedy or seek assistance from other enforcement authorities, such as police, fire, or animal control, as it deems appropriate in the event of an emergency.

2. **Complaint.** A proceeding to determine if the Documents have been violated and any enforcement measures and remedies that may apply shall be initiated by the filing of a written Complaint with or by the Association's Board. The Complaint shall state the specific provision(s) of the Documents alleged to have been violated and as many specifics as are available as to time, date, location and persons involved.
3. **Notice of Complaint and Right to Hearing.** Upon receipt of a Complaint, if the Board determines that the allegations in the Complaint are sufficient to constitute a violation of the Documents and that action is warranted, the Association shall send a notice to the Member(s) (the "Respondent") alleged to have violated the Documents, by prepaid, first class United States mail addressed to the mailing address of the Respondent appearing on the records of the Association. The notice shall advise the Respondent of the following: (1) a copy of the Complaint; (2) the action that may be taken; (3) the Respondent's right to be heard, either orally or in writing, by the Board at the next meeting of the Board which is at least fifteen days after the date of the notice; (4) the date on which the hearing will be scheduled; and (5) if the Respondent fails to appear at the specified date and time or otherwise respond to the Complaint, the Board's right to proceed with or without a hearing, at its discretion, to make its determination of the allegations contained in the Complaint based on all relevant facts and circumstances. The Board may determine that the Respondent's failure to respond or appear at the hearing constitutes a no-contest plea to the Complaint, and enforce the provisions of the Documents.
4. **Hearing.** The hearing shall be held at the scheduled time, place and date, unless the Respondent has failed to respond or appear at the hearing. The Board may grant continuance(s) for good cause. The

Board may: (a) exercise its discretion as to the specific manner in which a hearing shall be conducted; (b) question witnesses and review evidence; and (c) act as it may deem appropriate or desirable to permit the Board to reach a just decision. Neither the Complainant nor the Respondent must be in attendance at the hearing, but both are encouraged to attend. Any party may elect not to present evidence at the hearing. The action taken by the Board shall be fair and reasonable taking into consideration all of the relevant facts and circumstances. The hearing shall be open to attendance by all Members of the Association.

5. **Decision.** If the Respondent does not appear but a written response is filed, the Board shall render its decision based on the information contained in the Complaint and the written response, considering all of the relevant facts and circumstances. If neither an appearance nor a written response is made, the Board need not conduct a hearing or take any further evidence except that it may determine that the Respondent's failure to appear or respond constitutes a no-contest plea to the Complaint, and impose the sanctions provided herein or enforce the provisions of the Documents, or both. If an appearance or written response is made, then after all testimony and other evidence has been presented to the Board at a hearing, the Board shall make findings of fact and render its decision as to sanctions and enforcement, taking into consideration all of the relevant facts and circumstances. Except as provided herein, the Board's decision shall have an effective date no sooner than five (5) days after the hearing. If the Board does not inform the Respondent of its decision at the time of the hearing, or if no hearing is held, the Board will provide a written decision to the Respondent's address of record via regular U.S. mail within five (5) days after the hearing.

6. **Enforcement, Attorney's Fees, and Fines/Sanctions.** The Association shall have all of the enforcement rights set forth in the Documents and as allowed by law, including but not limited to damages and injunction. The Association shall be entitled to reimbursement of all reasonable attorney's fees and costs incurred by the Association in connection with any enforcement action, including any proceeding under this Enforcement Policy. Without limiting the Association's remedies under the Documents, the Association may assess fines and suspend membership privileges (as provided in the Documents) in accordance with this Enforcement Policy. If the violation involves damage to Association property or the property of another Member, the violator shall pay the costs of repair or replacement. The Board may suspend the violator's voting privileges for a period of time not to exceed 90 days following any violation by such Member unless such violation is a continuing violation, in which case such suspension may continue for so long as such violation continues and for up to 90 days thereafter.

a. Fines may be levied for violations of the Documents as follows:

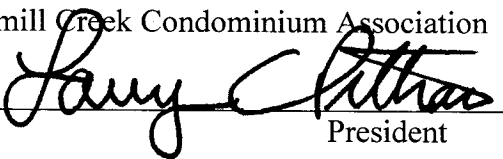
Number of Violations in a 12 month period	Fine Amount
First Violation	Warning
Second Violation	\$25.00
Third Violation	\$50.00
Fourth Violation	\$100.00

A Member who accumulates more than 4 violations within a 12 month period shall be deemed to be an habitual offender. Without limiting the Board's ability to fine or suspend membership privileges (as allowed by the Documents) in accordance with this Enforcement Policy, habitual offenders, continuing violations, or violations which have an indefinite commencement or termination date, shall all be subject to a fine of \$100 per month until the violation is corrected, and suspension of membership privileges (as allowed by the Documents) as determined by the Board. Further, in the event of a determination by the Board of a willful, wanton, or flagrant disregard for the provisions of the Documents, or based on the severity of the violation, the Board may impose such additional fines as are deemed reasonable by the Board without regard to the schedule set forth above.

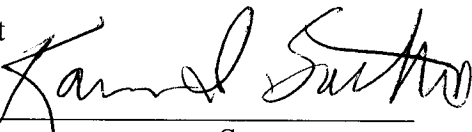
- b. The Member shall have the obligation to pay fines imposed for their actions and actions of their tenants, family members, and guests. Fines imposed pursuant to these enforcement policies and procedures shall become an “assessment” imposed against the Member and the Member’s Unit and enforceable as provided in the Documents.
7. **Violations or Offenses that Constitute a Present Danger.** If, in its sole discretion, the Board deems that any violation is or may be an immediate or substantial threat to the health, safety or welfare of the community or an individual, the Board may impose any appropriate sanction or remedy as necessary to abate the threat to health, safety or welfare of the community or individual without prior compliance with Sections 1 through 6 above. Provided, however, the Board shall commence the Complaint process as soon as reasonably practical thereafter.
8. **Miscellaneous.**
- a. Failure by the Association to enforce any provision of these Policies and Procedures shall in no event be deemed to be a waiver of the right to do so thereafter.
- b. The provisions of this Enforcement Policy shall be independent and severable. The invalidity of any one or more of the provisions hereof by judgment or court order or decree shall in no way affect the validity or enforceability of any of the other provisions, which other provisions shall remain in full force and effect.

Sawmill Creek Condominium Association

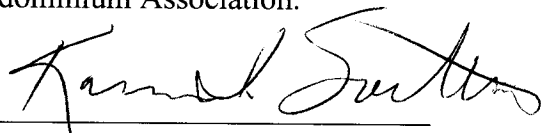
By:


President

Attest


Secretary

This Notice and Hearing and Enforcement Policy and Procedures was adopted by the Board of Directors at a special meeting held on the 27th day of June, 2009, for that purpose; and is effective the 1st day of July, 2009, and is attested to by the Secretary of the Sawmill Creek Condominium Association.


Secretary