

CRIPPLE CREEK MOUNTAIN ESTATES PROPERTY OWNERS ASSOCIATION

RULE REGARDING ENFORCEMENT PROCEDURES

Pursuant to Section 4(iv) of the DECLARATION, the following enforcement procedures are hereby established.

Enforcement of Rules

1. Penalties for violation of rules and regulations may be enforced by the locality without regard to any remedies pursued by the ASSOCIATION. Individuals should first pursue the remedies available through Teller County before availing themselves of those available through the Association.
2. The penalties for violation of the above rules and covenants of the association shall be as follows: The BOARD may impose a fine of up to five dollars per day for violations that continue after the BOARD finds that a member or property is in violation of a rule or covenant until the member or property is in compliance.
3. If after six months the property or member is still in violation, the association shall deem that the offense constitutes obnoxious or offensive conduct and judicial proceedings shall be brought to abate the conduct evidenced by the continued offense.
4. If the ASSOCIATION is forced to bring legal action to abate the conduct, the offender shall be subject to liability for costs, expert witness fees, and attorney's fees of the ASSOCIATION.

Procedures for Rules

5. **Actions Prior to Initiation of Formal Process**

Any MEMBER or agent of the ASSOCIATION has the authority to request orally or in writing that a MEMBER or resident cease or correct any act or omission which appears to be in violation of these rules and regulations. Such informal requests must be made before the formal process is initiated.

6. **Written Complaint**

No action will be taken or penalty imposed unless a written complaint is submitted to the BOARD. If the actions described above in paragraph 5, Enforcement of Rules, prove

unsuccessful, a hearing process shall be initiated upon the filing of a written complaint by the resident or by any officer or member of the BOARD with the BOARD. The complaint shall constitute a written statement of charges which shall set forth in ordinary and concise language the acts or omissions with which the respondent is charged, to the end that the respondent will be able to prepare his defense. The complaint shall specify the specific provisions of these rules and regulations which the respondent is alleged to have violated, and shall not consist merely of charges phrased in the language of such provisions without supporting facts. Further, the written complaint must contain as many specifics as are available as to time, date, location, and persons involved, so that the complaint may be investigated by the BOARD. If the complaint is sufficient, the complaining party shall have seven (7) days within which to amend the complaint to make it sufficient. If it is determined by the BOARD that the complaint is still insufficient, then the matter shall be dismissed by the BOARD.

7. Service of Complaint

Upon the filing of the complaint, the BOARD shall assign the complaint a Special Resolutions number and serve a copy of the complaint on the respondent by any of the following means: (1) personal delivery or (2) registered or certified mail, return receipt requested, and addressed to respondent at the address appearing on the Books of the Association. Service by mailing shall be deemed delivered and effective upon receipt. No order adversely affecting the rights of the respondent shall be made in any case unless the respondent shall have been served as provided herein.

8. Notice of Hearing

Along with service of complaint, the BOARD shall serve a notice of hearing, as provided herein, on all parties at least ten (10) days prior to the hearing. The notice to the respondent shall be substantially in the following form, but may include other information:

You are hereby notified that a hearing will be held before the BOARD OF DIRECTORS at _____ on the ____ day of _____, 20____, at the hour of _____ upon the charges made in the complaint served upon you. You may but need not be represented by counsel and may present any relevant evidence. You will be given full opportunity to cross-examine all witnesses testifying against you. You are entitled to compel the attendance of witnesses and the production of books, documents or other items by applying to the BOARD.

If any parties can, within twenty-four (24) hours, show good cause why they cannot attend the hearing on the set date and indicate times and dates on which they would be available, the BOARD may reset the time and date of hearing and promptly deliver notice of the new hearing date.

9. Discovery

Upon written request to the other party, made prior to the hearing and within fifteen (15) days after service of the complaint by the BOARD or within ten (10) days after service of any amended or supplemental complaint, either party is entitled to (1) obtain the names and addresses of witnesses to the extent known to the other party and (2) inspect and make a copy of any statement, writings and investigative reports relevant to the subject matter of the hearing. Nothing in this section, however, shall authorize the inspection or copying of any writing or thing which is privileged from disclosure by law or otherwise made confidential or protected as the attorney's work product.

10. Constraints on the BOARD

It shall be incumbent upon each member of the BOARD to make a determination as to whether he or she is able to function in a disinterested and objective manner in consideration of the case before the BOARD. Any member incapable of objective consideration of the case shall disclose such to the BOARD and remove himself from the proceedings and have it so recorded in the minutes.

11. Hearing

At the beginning of the hearing a member of the BOARD shall explain the rules and procedures by which the hearing is to be conducted. Generally, each principal is entitled to make an opening statement, starting with the complainant. Then each party is entitled to produce evidence, witnesses, and testimony and to cross-examine the witnesses and opposing party. Then each party is entitled to make a closing statement. Any party may waive the right to exercise any part of this process, and the BOARD is entitled to exercise its discretion as to the specific manner in which the hearing will be conducted.

The hearing need not be conducted according to technical rules relating to evidence and witnesses. Generally, any relevant evidence shall be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make improper admission of such evidence over objection in civil actions. Hearsay evidence shall be sufficient in itself to support a finding. At the request of any principal, the hearing shall be conducted in executive session.

12. Decision

After all testimony and documentary evidence has been presented to the BOARD, the BOARD shall vote upon the matter, with a majority of the BOARD controlling. The BOARD shall make its determination only in accordance with this resolution. The decision may be made at the conclusion of the hearing or may be postponed to no later

than ten (10) days hence. The BOARD will prepare written findings of fact. A copy of the findings and recommendations of the BOARD, including majority and minority opinions, if any, shall be served by the BOARD on each party in the matter and his attorney, if any. A summary of the decision, excluding names of persons involved and addressing only the issue and the BOARD decision as regards the issue, shall be included in the BOOK OF RESOLUTIONS. Disciplinary action, if any, shall become effective (10) days after it is served upon the respondent, unless otherwise ordered in writing by the BOARD.

13. Assessments

Any fine assessed, if not voluntarily paid before the next scheduled assessment due date, will be added to the next regularly scheduled assessment against the wrongdoer's property and would be subject to collection as a special assessment.

Any fine assessed against a minor shall become the liability of the parent.

Promulgation of These Rules

These rules and regulations shall be printed and sent to all owners of record.

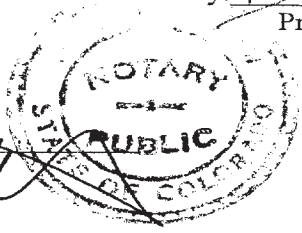
Adopted at a regular meeting of the Board of Directors of the Cripple Creek Mountain Estates Property Owners Association held on SEPTEMBER 14, 2002.

ATTEST:

Secretary

Date

[Handwritten signature of Secretary]
9/14/02



By:

President

[Handwritten signature of President]

MY COMMISSION EXPIRES MAY 5, 2003.

[Handwritten signature of Notary]