

SOMERSET HOMEOWNERS ASSOCIATION, INC.
NOTICE AND HEARING AND ENFORCEMENT POLICY AND PROCEDURES

Adopted August 8, 2006
(Revised March 12, 2009)

The following procedures have been adopted by Somerset Homeowners Association, Inc. (“Association”) pursuant to C.R.S. 38-33.3-209.5, as amended, at a regular meeting of the Board of Directors.

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:

1. Power. The Board of Directors shall have the power and duty to accept complaints from Members of the Association, or to issue complaints to Members of the Association; to appoint an “Impartial Decision Maker” (“IDM”), as defined in CRS § 38-33-3-209(2)(b)(I) to hear and make decisions regarding violations and written Complaints filed with the Board, or issued by the Board; and to impose fines or other sanctions, pursuant to these Policies and Procedures. The IDM may determine enforcement action on a case by case basis, and take other actions as it may deem necessary and appropriate to assure compliance with: (a) the Homeowners Covenants recorded December 10, 1992 at Reception No. 01247766 in the office of the Clerk and Recorder of Boulder County, Colorado; or (b) the Lot Covenants recorded December 10, 1992 at Reception No. 01247765 in the office of the Clerk and Recorder of Boulder County, Colorado; (c) or the Declaration of Homeowners Association Covenants and Restrictions Cottonwood Hills, a Subdivision Located in Boulder County, Colorado recorded on May 24, 1984 at Reception No. 622974 in the office of the Clerk and Recorder of Boulder County, Colorado; or (d) the Amendment to and Restatement of Declaration of Restrictions, Covenants and Conditions Covering Blocks 1 Through 6, Cottonwood Hills, a Subdivision of a Part of the County of Boulder, State of Colorado recorded on September 17, 1984 at Reception No. 646776 in the office of the Clerk and Recorder of Boulder County, Colorado (collectively the “Declarations and Lot Covenants”), the Association’s Articles of Incorporation, Bylaws, and rules and regulations promulgated there under, and to create a safe and harmonious living environment. These enforcement provisions may be in addition to other specific provisions outlined in the Association’s Declarations and Lot Covenants, Articles of Incorporation, Bylaws, or rules and regulations (“Documents”), and the Association is not required to follow these enforcement provisions 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.

2. Complaint. A proceeding to determine if the Documents have been violated by a Member of the Association and/or by a Member's guest, 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 person(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) the details of the Complaint, or include a copy of the Complaint; (2) the action that may be taken; (3) his or her right to be heard, either orally or in writing, by the Board or by a tribunal or committee appointed by the Board at a meeting of the Board which is at least fifteen (15) days after the date of the notice; (4) the date on which the hearing will be scheduled; and (5) 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, if the Respondent fails to appear at the specified date and time or otherwise respond to the Complaint. **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 and impose and enforce fines as provided herein.**

4. Hearing. Each 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 IDM 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 IDM 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. Action taken by the IDM shall be fair and reasonable taking into consideration all of the relevant facts and circumstances.

5. Decision. If the Respondent does not appear but a written response is filed, the IDM 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 IDM need not conduct a hearing or make any further findings except that the IDM may determine that the Respondent's failure to appear or respond constitutes a waiver of the right to a hearing, and a no-contest plea to the Complaint, and impose the sanctions provided for herein or enforce the provisions of the Documents, or both. If an appearance is made, after all testimony and other evidence has been presented to the IDM at a hearing, the IDM shall render its decision(s), taking into consideration all of the relevant facts and circumstances. Except as provided herein, the IDM's decision shall have an effective date no sooner than five (5) days after the

hearing. If the IDM 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 notice of the decision to the Respondent's address of record via regular U.S. mail within five (5) days after the decision is made.

6. Enforcement, Attorney's Fees, and Fines/Sanctions. The provisions of these Policies and Procedures shall not limit, or be a condition precedent to, the Association's right to enforce the Documents by any means available to the Association, including, but not limited to, commencement of a lawsuit to force compliance or seeking injunctive relief or damages. 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 these Policies and Procedures. Without limiting the Association's remedies under the Documents, the Association may assess fines and suspend membership privileges in accordance with these Policies and Procedures. If the violation involves damage to Association property, the violator shall pay the costs of repair or replacement. The Board may revoke or suspend the violator's privileges for a period of time equal to the duration of the violation, except that any suspension of voting rights of a Member shall not exceed 60 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 60 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:	Written Warning
Second violation:	\$50
Third violation:	\$100
Fourth violation:	\$200

A Member or guest who accumulates more than 4 violations of the same type within a 12 month period will be deemed to be a habitual offender. Without limiting the Board's ability to fine or suspend membership privileges in accordance with these Policies and Procedures, habitual offenders, continuing violations, or violations which have an indefinite commencement or termination date, shall all be subject to a fine of \$200 per month until the violation is corrected, and suspension of membership privileges as determined by the Board.

(b) In the event that any Guest violates the Documents and a fine is imposed, the Member shall pay the fine upon notice from the Board. Fines imposed pursuant to these enforcement policies and procedures shall become an Assessment imposed against the record Member's real estate and enforceable as provided in the Declarations and Lot Covenants.

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 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.

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 these Policies and Procedures 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.

(c) As used herein, the term "IDM" shall include any individual, tribunal or committee appointed by the Board consistent with the Documents or consistent with the Colorado Common Ownership Interest Act.

Somerset Homeowners Association, Inc.

By: Ajay Seem
President

Attest: [Signature]
Secretary

This Notice and Hearing and Enforcement Policy and Procedures was adopted by the Board of Directors on the 12th day of March, 2008, effective the 12th day of March, 2008, and is attested to by the Secretary of Somerset Homeowners Association, Inc..
[Signature]
Secretary