

HILLCREST AT HOMESTEAD HOMEOWNERS HILL ASSOCIATION, INC.
POLICY AND PROCEDURE
ENFORCEMENT OF THE DECLARATION, BYLAWS, RULES AND
REGULATIONS OR ARCHITECTURAL GUIDELINES

Adopted March 22, 2006

The following policy and procedure has been adopted by the Hillcrest at Homestead Homeowners Association, Inc. ("Association") pursuant to Colorado statutes, for enforcement of the Association's governing documents.

Notice of Alleged Violation. Notice of Alleged Violation of any provision of the Declaration, Bylaws, Rules and Regulations, or Architectural Guidelines shall be provided to the applicable Owner as soon as reasonably practicable following receipt of a complaint by the Association's Board of Directors ("Board") of such violation. The Board may also, at its option, provide a copy of such Notice to any non-owner violator. The Notice shall describe the nature of the violation and shall further state that the Board may seek to protect its rights as they are specified in the governing legal documents.

Service of Notices. Service of all notices required or permitted to be given hereunder shall be made as follows:

If to an Owner and/or Lessee: By personal delivery to the Owner and/or Lessee; or by U.S. Mail, postage prepaid, addressed to the last registered address of the Owner and/or Lessee as contained in the Association's records.

If to the Association: By personal delivery or U.S. Mail, postage prepaid, addressed to the Association in care of its registered agent and office, as maintained with the Colorado Secretary of State, 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.

Request for Hearing. If an Owner desires a hearing to challenge or contest any alleged violation and possible fine, the Owner must request such hearing, in writing, within ten (10) days from receipt of the Notice of Alleged Violation. The request for hearing shall describe the grounds and basis for challenging the alleged violation. If a hearing is not requested within the 10 day period, the Board shall determine if there was a violation, and if so, may assess a reasonable fine within the guidelines contained in this Policy and Procedure.

The Association's managing agent shall give notice of said assessment to the applicable Owner as provided in the Association's governing documents or this Policy and Procedure. Unless otherwise provided in the Association's governing documents, the fine assessment is due and payable immediately upon receipt of notice of the fine assessment.

Board to Conduct Hearing. The Board shall hear and decide cases set for hearing pursuant to these Policy and Procedures. The Board may appoint an officer or other Owner to act as the Presiding Officer at any of the hearings.

Conflicts. Any Board member who is incapable of objective and disinterested consideration on any hearing before the Association 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 hearings, and the Board member shall be disqualified from all proceedings with regard to the hearing. If disqualification of any Board member(s) results in an even number of remaining Board members eligible to hear a case, the Presiding Officer may appoint an Association member, in good standing, to serve as a voting member of the hearing board.

Hearing. The Board shall inform the Owner of the scheduled time, place and date of the hearing, 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 Alleged Violation. Each party may make opening statements, may present evidence and testimony, may present witnesses, and may make closing statements. Neither the complaining parties nor the Owner must be in attendance at the hearing. However, the decision of the Board at each hearing shall be based on the matters set forth in the Notice of Alleged Violation, Request for Hearing, and such evidence as may be presented at the hearing. Unless otherwise determined by the Board, all hearings shall be open to attendance by all members of the Association.

Decision. After all testimony and other evidence has been presented to the Board at a hearing, the Board shall render its written findings and decision, and impose a reasonable fine, if applicable, within ten (10) days after the hearing. A decision, either a finding for or against the Owner, shall be by a majority of the members of the hearing board present at the hearing.

Fine Schedule. Unless otherwise provided in the Rules and Regulations or the Architectural Guidelines, any violation of the Declaration, Bylaws, Rules and Regulations, or Architectural Guidelines may subject the Owner to a reasonable fine assessment imposed by the Association as follows:

Notice of Violation: Written warning letter of violation and pending fine

Fines shall be determined according to the following schedule:

First time violations after warning	\$50.00
2 nd , or continuous violation of same rule	\$100.00 additional
3 rd , or continuous violation of same rule	\$200.00 additional

Fines may not exceed \$500.00 for any one finding of a violation.

In the event of a continuing violation, a daily fine may be levied if, and only if: the Board performs a daily inspection to verify the violation is continuing.

Notwithstanding any provision of this fine schedule or Policies and Procedures, the Association may use any legal means available at any time to enforce the terms off the Declaration, Bylaws, Rules and Regulations, Architectural Guidelines, or any other governing document of the Association.

PRESIDENT'S CERTIFICATION:

The undersigned, being the President of the Hillcrest at Homestead Homeowners Association, Inc., a Colorado non-profit corporation, certifies that the foregoing policy and procedure was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on 3/22/06, and in witness thereof, the undersigned has subscribed his/her name.

HILLCREST AT HOMESTEAD HOMEOWNERS ASSOCIATION, INC. ., a Colorado non-profit corporation

By: _____


President