

Notice & Agenda

Paradise Hills Homeowners' Association 2019 Annual Meeting

Date and Time: January 24, 2019, *Annual Meeting begins at 6:45 pm*

Location: Crystal Rose, 636 Lookout Mountain Road

Dinner: Dinner buffet will be available at 6:00 pm. Paradise Hills Homeowners' Association (HOA) will provide the main entrée. Please bring a side dish or dessert to share with your neighbors. Cash bar available.

Agenda	Presenter
Call to Order	T.J Carney
Questions regarding Amendment of Bylaws	
Section 6.6 - Board Members	Britt Gaskell
Section 4.3 – Quorum	Bill Taylor
Vote on Questions regarding Bylaws	T.J Carney
Election of Board Members	T.J Carney
<i>The term for Board Members Cameron and Aldrich expired at the end of 2018. The Board is looking for two new members. Anyone interested in serving on the Board, please contact a current Board Member and we will post your name at the Annual Meeting.</i>	
Budget Presentation	Sandy Harnagel and/or Britt Gaskell
Discussion and Vote on \$100 1-year water surcharge increase	Britt Gaskell (T.J Carney re vote)
Vote on Proposed Budget	T.J Carney
Proposed Adoption of Community Rules and Policies	
Adoption of Rules Policy Collection Policy	T.J Carney
Enforcement Policy	
Architecture Review Committee (ARC) Report	Karen Keating
CARE Noxious Weeds	Deb Carney
Foothills Fire & Rescue	Foothills Fire Dept. Representative
Sheriff's Report	Sheriff's Deputy
Invited Lookout Mountain Water District	LMWD Representative?
By-Law and Covenant Committee Report	Bill Taylor
Volunteer of the Year	T.J Carney

2019 Board Members	3-Year Term	Officers/Members
Jessie Jobe	2018-2020	Secretary
T.J. Carney	2016-2018, 2019-2021 (candidate)	President
Bill Taylor (unexpired term for Jill Sangster)	2017-2019	Member
Open	2019-2021	Member
Steve Swain (unexpired term for Bob Sterrett)	2017-2019	Member
Open	2019-2021	Member
Britt Gaskell	2017-2019	Vice President

Proposed Water System Repair and Renewal Budget

<u>Category Description</u>	Proposed Budget 2019	Budget 2018	2018 Actual	<u>COMMENTS</u>
Income				
Water System Surcharge (\$400)	\$73,600	\$73,600	\$73,760	
One Time \$100 Water Surcharge	\$18,400			Pending Approval
Lateral Tap Fee	\$0	\$0	\$7,500	
<u>Total Income</u>	\$92,000	\$73,600	\$81,260	
Expenses				
Principle Payments -Existing BOC Loan	\$33,000	\$63,000	\$62,961	
Interest Expense - Existing BOC Loan	\$1,000	\$4,800	\$3,670	
Principle Payments -New Loan	\$20,000			Unknown Loan Amount
Interest Expense - New Loan	\$1,000			
<u>Total Debt Service</u>	\$55,000	\$67,800	\$66,631	
Repairs	\$22,000		\$47,250	
Professional Services	\$10,000			Engineering
Maintenance	\$5,000	\$5,000	\$389	PRV Inspections
<u>Total Operations and Maintenance</u>	\$37,000	\$5,000	\$47,639	
<u>Total Expense</u>	\$92,000	\$72,800	\$114,270	
Income less Expenses	\$0	\$800	(\$33,010)	
Transfer to/from Water Reserve	\$0	\$800	(\$33,010)	

Paradise Hills Homeowners' Association
Proposed 2019 Budget & 2018 Actuals

<u>Category</u> <u>Description</u>	<u>Proposed</u> <u>Budget 2019</u>	<u>Budget</u> <u>2018</u>	<u>2018</u> <u>Actual</u>	<u>COMMENTS</u>
INCOME				
<u>Homeowners'</u> <u>Dues</u>				
Current Year	\$18,550	\$18,550	\$18,300	
Prior Year Dues	\$0	\$0	\$190	
Subtotal	<u>\$18,550</u>	<u>\$18,550</u>	<u>\$18,490</u>	
<u>Interest Income</u>				
Current Year Dues	\$0	\$0	\$175	
Prior Year	\$0	\$0	\$113	
Savings-Bank of Colorado	\$25	\$50	\$25	
Subtotal	<u>\$25</u>	<u>\$50</u>	<u>\$313</u>	
<u>Status Letter Fees</u>	<u>\$700</u>	<u>\$700</u>	<u>\$1,400</u>	Currently \$1200
TOTAL INCOME	<u>\$19,275</u>	<u>\$19,300</u>	<u>\$20,203</u>	
EXPENSES				
<u>Accounting</u> <u>Services</u>				
Accounting	\$2,050	\$2,050	\$2,152	
Tax Preparation	<u>\$350</u>	<u>\$350</u>	<u>\$350</u>	
Subtotal	<u>\$2,400</u>	<u>\$2,400</u>	<u>\$2,502</u>	
<u>Directory Costs</u>	<u>\$400</u>	<u>\$0</u>	<u>\$0</u>	
<u>Donations</u> <u>C.A.R.E.-General</u> <u>Fund</u>				
	<u>\$100</u>	<u>\$100</u>	<u>\$0</u>	
<u>Filing Fees</u>	<u>\$75</u>	<u>\$75</u>	<u>\$80</u>	
<u>Gifts-Volunteer</u> <u>Thank You</u>	<u>\$300</u>	<u>\$212</u>	<u>\$300</u>	
<u>Insurance</u>				
General Liability Officer and Directors	\$1,850	\$1,800	\$1,836	
Out Lots	<u>\$85</u>	<u>\$80</u>	<u>\$85</u>	
Subtotal	<u>\$3,285</u>	<u>\$3,205</u>	<u>\$3,264</u>	
<u>Legal Fees</u>	<u>\$1,500</u>	<u>\$2,526</u>	<u>\$1,328</u>	
<u>Meeting & Picnics</u> <u>Fourth of July</u> <u>Party</u>				
	\$250	\$250	\$0	
Food	\$350	\$450	\$331	
Rent	<u>\$400</u>	<u>\$400</u>	<u>\$400</u>	
Subtotal	<u>\$1,000</u>	<u>\$1,100</u>	<u>\$731</u>	

<u>Office Supplies</u>	<u>\$150</u>	<u>\$150</u>	<u>\$76</u>	
<u>Out Lot & Common Area Expense</u>				
Fence Repair	\$300	\$1,000	\$355	
Maintenance	\$500	\$500	\$0	
Mowing & Trimming	\$700	\$2,400	\$580	
Property Tax	\$30	\$30	\$20	
Weed Control	<u>\$1,000</u>	<u>\$1,700</u>	<u>\$923</u>	
Subtotal	<u>\$2,530</u>	<u>\$5,630</u>	<u>\$1,878</u>	
Postage	<u>\$800</u>	<u>\$800</u>	<u>\$271</u>	Directory and weed letters in 2019?
Printing	<u>\$200</u>	<u>\$90</u>	<u>\$0</u>	Increased for weed letter
Utilities-Electric	<u>\$225</u>	<u>\$225</u>	<u>\$150</u>	
Web Site-Neighborhood Link	<u>\$180</u>	<u>\$180</u>	<u>\$180</u>	
TOTAL EXPENSES	<u>\$13,145</u>	<u>\$16,693</u>	<u>\$10,760</u>	
INCOME LESS EXPENSES	\$6,130	\$2,607	\$9,443	
Transfer to Reserve	<u>\$6,130</u>	<u>\$2,607</u>	<u>\$9,443</u>	

2019 Lookout Mountain/Paradise Hills HOA Annual Meeting
Agenda Item- Attachment
Amendment of Bylaws

Pursuant to ByLaw 11.1, an amendment to the Bylaws has been moved and seconded as follows, to add the following Provision regarding the Directors of the Association:

6.6 **Eligibility:** Only class 1 members of the association shall be eligible to serve on the Board of Directors. Board members must also remain in good standing with all dues, fees, fines, and assessments paid in full.

At present, there are 7 Directors, 6 of whom are Class 1 Members of the Association. Two existing Directors are not asking to be reelected. If this provision is adopted by the Membership, one current Board member will be ineligible to serve.

2019 Lookout Mountain/Paradise Hills HOA Annual Meeting
Agenda Item- Attachment
Amendment of Bylaws

Pursuant to ByLaw 11.1, an amendment to the Bylaws has been moved and seconded as follows, to amend the following Provision:

4.3 At all meetings of the Association, either regular or special, not less than twenty-five percent (25%) of Class I Members shall constitute a quorum.

This amendment proposes to change By-Law Article 4.3 to require a 25% quorum (instead of 13%). New HOAs require a minimum of 20% by Colorado law.

2019 Lookout Mountain/Paradise Hills HOA Annual Meeting
Agenda Item- Attachment

An vote has been moved and seconded as follows:

Vote to be treated as a common interest community organized after June 30, 1992, and thereby accept the provisions of Adopt Title 38 Article 33.3 of the Colorado Common Interest Ownership Act (CCIOA). Reference Article 38-33.3-118. (Requires 67% of eligible voters in attendance or by proxy, if a quorum.)

2019 Lookout Mountain/Paradise Hills HOA Annual Meeting
Agenda Item- Attachments
Adoption of Policies by Membership as forwarded from the Board

The Following proposed Policies and Procedures of the Association have been forwarded to the Members for review and recommended adoption by the Board.

- 1- Adoption of Rules and Policies
- 6- Collection Procedure
- 7- Enforcement Procedure

**LOOKOUT MOUNTAIN PARADISE HILLS HOMEOWNERS' ASSOCIATION
POLICY ON ADOPTION AND AMENDMENT OF POLICIES, PROCEDURES, AND
RULES**

The following procedures for the adoption and amendment of policies, procedures and rules were adopted by the Board of Directors of the Lookout Mountain Paradise Hills Homeowners' Association, a Colorado Non-profit Corporation ("Association") pursuant to C.R.S. § 38-33.3-209.5, at a regular meeting of the Board of Directors.

Effective Date: _____.

NOW, THEREFORE, IT IS RESOLVED that the following procedures shall apply to the Association's policy, procedure and rule-making authority:

1. Pursuant to Article III, Section 2 of the Protective Covenants of Paradise Hills and the Protective Covenants of Paradise Hills Unit 4; and C.R.S. § 38-33.3-302, the authority to adopt and amend policies, procedures, rules and regulations lies with the Board of Directors of the Association (herein referred to as "Board"), as the successor of the Grantor.
2. The Board, having determined that an issue affects the community for which a policy, procedure, or rule would be beneficial, and having discussed reasonable approaches to address the issue, may adopt a policy, procedure or rule in the reasonable discretion of the Board by any method authorized by the Association's governing documents or pursuant to Colorado law.
3. For purposes of this procedure, the Board will take reasonable steps to avoid adopting a policy procedure or rule that is contrary to Federal, State or local law or the Association's governing documents. Notwithstanding the foregoing, the rule or policy may further regulate, clarify, modify or elaborate on express provisions in the Association's governing documents. The Board will exercise reasonable care to balance the Association's interests with the interests of the individual Owners.
4. The policy, procedure, rule or regulation shall be effective upon its adoption or such other date as determined by the Board, or as required by the governing documents. Notwithstanding the foregoing, the Board shall distribute the duly adopted policy, procedure, rule or regulation by any reasonable means available, including but not limited to internet posting, e-mail, mail (through a newsletter or otherwise), or by personal delivery. Pursuant to the Association's Records Inspection Policy, all duly adopted rules, and policies may be inspected by Owners.
5. An Owner's failure to receive the policy, procedure, rule or regulation shall not be a defense to the Association's ability to enforce the policy, procedure, rule or regulation or to levy fines, expenses or attorneys' fees as a result of a violation of the policy, procedure, rule or regulation.

6. This policy shall replace and supersede all previous policies, rules, and regulations regarding the subject matter of this policy.
7. In the event that a court of competent jurisdiction finds any portion of this policy void or otherwise unenforceable, the other provisions shall remain in full force and effect.

The undersigned hereby certifies that the foregoing resolution was adopted and made a part of the minutes of the meeting of the Board of Directors of the Association conducted on the _____ day of _____, 20_____.

**BOARD OF DIRECTORS OF THE
LOOKOUT MOUNTAIN PARADISE HILLS
HOMEOWNERS' ASSOCIATION**

By: _____
_____, Secretary
(Print Name)

LOOKOUT MOUNTAIN PARADISE HILLS HOMEOWNERS' ASSOCIATION COLLECTION POLICY

The following collection policy was adopted by the Board of Directors of the Lookout Mountain Paradise Hills Homeowners' Association, a Colorado Non-profit Corporation ("Association"), pursuant to C.R.S. § 38-33.3-209.5, at a regular meeting of the Board of Directors.

Effective Date: _____

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following Collection Policy:

Prior to Referral to Legal Counsel or Collection Agency – Due Date, Late Fees, and Interest

1. Annual dues or assessments are due on or before the Last calendar day of the first quarter of the calendar year in which they are authorized. Special charges, including but not limited to special charges for emergency repairs of the water system, are due on the date indicated on the notice or invoice regarding those charges. If the full amount of any dues, assessments, water bills, special charges or any other amount owed to the Association (collectively referred to hereafter as "assessments") is not received by the Association within 30 days of the due date, the assessment shall be considered delinquent. At such time, one-time a late fee of up to \$100.00 per individual violation may be assessed to the delinquent account. In addition, delinquent assessments shall bear interest at the rate of fifteen percent (15%) per annum from the delinquency date until paid in full.

Prior to Referral to Legal Counsel or Collection Agency – Notice of Delinquency

2. In the event of a delinquent assessment, the Board or its managing agent shall mail to the address of the delinquent owner's property within the Association's subdivision, if any, an initial reminder letter (Step 1). The Board may determine the format and contents of this initial reminder letter, which may be amended by the Board from time to time. If the Association receives a written request of the Owner delivered to the Association personally, by certified mail, return receipt, postage prepaid, or any other form of delivery allowed by the Association, then it will mail any notices of delinquency to such other address as set forth in the Owner's written request.

3. If the delinquent assessment is not paid within the time frame set forth in the initial reminder letter, the Board may send a second letter requesting payment within a period of time to be determined by the Board, but such second letter is not required if the Owner has previously been in default, or the subject of prior actions for delinquent assessments.

4. Before the Association turns over a delinquent account of an owner to a collection agency or refers it to an attorney for legal action, either the initial reminder letter, the second letter (if applicable), or another notice of delinquency sent to the Owner, must state:

- a. The total amount due, with an accounting of how the total was determined;

- b. Whether the opportunity to enter into a payment plan exists and instructions for contacting the Association to enter into such a payment plan;
- c. The name and contact information of the individual that the Owner may contact to request a copy of the Owner's ledger in order to verify the amount of the debt; and
- d. The following or similar statement: "Action is required to cure the delinquency. Failure to do so within 30 days may result in your account being turned over to a collection agency, a lawsuit being filed against you, the filing and foreclosure of a lien against your property, or other remedies available under Colorado law."

5. If the delinquency is not paid in full by the deadline set forth in the notice providing the above information, the Board may, but is not required to, send an additional letter to the Owner, or it may exercise its legal remedies, including but not limited to filing a lien, referring the Owner's delinquent account to the Association's legal counsel for collection, and turning over a delinquent account of an Owner to a collection agency.

After Referral to Legal Counsel

6. After the delinquent account has been referred to the Association's legal counsel (Step 2) hereinafter, the "Association Attorneys"), the delinquent Owner must direct all future communications regarding the delinquent account to the Association Attorneys.

7. The Association Attorneys shall mail a demand letter to the address of the property within the Association's subdivision owned by the delinquent Owner, if any. (Step 3) If the Owner has delivered a written request to the Association, pursuant to paragraph 2 above, the Association or its managing agent will provide this information to the Association Attorneys who will in turn mail all notices of delinquency to another address as set forth in the Owner's written request.

8. If the amount set forth in the demand letter is received by the Association Attorneys on or before the deadline set forth in that letter, the Association Attorneys shall take no further action and shall refer the account back to the Association.

9. If the Owner fails to **timely pay the full amount** set forth in the demand letter, the Association Attorneys may file a lawsuit against all Owners subject to an assessment obligation for the property in question (Step 4). In the alternative or in addition thereto, the Association Attorneys may also pursue the remedies set forth in the section Legal Remedies, below. The lawsuit(s) shall set forth the alleged delinquent assessment, the amount of late fees due, interest, costs of collection, attorneys' fees, court costs, and any other expenses due as of the date of the approximate date of the lawsuit.

10. The lawsuit(s) shall be prosecuted as directed by the Board acting reasonably and in good faith. All reasonable costs and expenses, including reasonable attorneys' fees, shall be applied to the delinquent Owner(s) account and shall be collectible as and treated as assessments.

11. The Association may only foreclose on its lien if:
 - a. The balance of the assessments and charges secured by the Association's lien equals or exceeds Five Hundred (\$500.00) dollars ~~six months of common expense assessments~~; and
 - b. The Board has formally resolved, by a recorded vote, to authorize the filing of a legal action against the specific Lot on an individual basis. Any legal action filed without evidence of the recorded vote authorizing the action must be dismissed. No attorney fees, court costs, or other charges incurred by the Association or a holder or assignee of the Association's lien in connection with an action that is dismissed for this reason may be assessed against the Owner.

Payment Plans

12. This section sets forth the circumstances under which an Owner is entitled to enter into a payment plan with the Association, pursuant to C.R.S. § 38-33.3-316.3. The Association shall make a good-faith effort to coordinate with an Owner to set up a payment plan that meets the requirements of C.R.S. § 38-33.3-316.3, unless the Association is not obligated to negotiate or enter into a payment plan with an Owner.
13. The Association is obligated to negotiate, coordinate, and enter into a payment plan with an Owner unless:
 - a. The Owner has previously entered into a payment plan with the Association under this Policy and failed to perform according to the agreed terms; or
 - b. The Owner does not occupy the property and has acquired the property as a result of:
 - i. A default of a security interest encumbering the property; or
 - ii. Foreclosure of the Association's lien.
14. An Owner may pay off the deficiency in equal installments over a period of at least six months. This period shall begin at a time not sooner than the date of agreement to the payment plan by all parties. Regardless of the term of the payment plan, the Owner may pay all or part the remaining payments due in advance of the actual due dates without penalty or additional charge..
15. An Owner fails to comply with the terms of his or her payment plan if:
 - a. An Owner fails to timely remit payment of an agreed-upon installment; or
 - b. An Owner fails to remain current with regular assessments as they come due during the agreed-upon repayment period.
16. If an Owner fails to comply with the terms of his or her payment plan, the

Association may pursue legal action against an Owner without further notice to the Owner.

17. For purposes of this section, “assessments” includes regular and special assessments and charges, water bills, and any associated fees, charges, late charges, attorney fees, fines, and interest charged pursuant to C.R.S. § 38-33.3-315(2).

Legal Remedies Available to the Association

18. The legal remedies available to the Association to collect on an Owner’s delinquent account include:

- a. Recording a notice of assessment lien against a delinquent Owner’s property, in addition to the Association’s statutory lien;
- b. Bringing an action at law for entry of a money judgment in favor of the Association and against a delinquent Owner;
- c. Bringing an action for appointment of receiver;
- d. Bringing an action for foreclosure of the Association’s lien against the property of the delinquent Owner, provided that the Association has first sent a notice via certified mail, return receipt requested, to any encumbrancer whose encumbrance was recorded prior to the time of recording the Association’s Notice of Lien, pursuant to the procedure set forth in Section 8.5.3 of the Lookout Mountain Paradise Hills Homeowners’ Association By-Laws;
- e. Filing necessary claims, documents, and motions in bankruptcy court in order to protect the Association’s interest; and
- f. Turning over a delinquent account of an Owner to a collection agency.

General Provisions

19. Payments received by the Association or the Association Attorneys shall be applied in the following order, as may be applicable:

- a. To attorneys’ fees and legal costs and expenses;
- b. To the Association’s other out-of-pocket costs, expenses and charges associated with the delinquency;
- c. To fines levied by the Association with regard to the delinquency or other violations of the Association’s governing documents, regardless of when incurred;
- d. To late fees assessed by the Association;
- e. To interest levied to the account;

- f. To any special assessments or charges levied; and
- g. To regular assessments.

20. Any payment of less than the outstanding balance that contains a writing that the Association Attorneys believe could be a restrictive indorsement or any other restriction on the receipt of the funds, or that is accompanied by any letter, note or other communication that could be considered a restrictive indorsement or any other restriction on the receipt of the funds may, at the discretion of the Association Attorneys, be returned.

21. If a check or other instrument tendered to the Association is returned or dishonored for any reason, the Association may charge a returned check fee of \$35.00. Additionally or in the alternative, the Association may pursue all other remedies available at law that may be applicable, including the right to seek treble damages plus costs and attorneys' fees pursuant to C.R.S. § 13-21-109.

22. In the event of any action brought to collect delinquent assessments, alleging that the Association has failed to comply with the terms of the Association's governing documents shall not constitute a defense or entitle the Owner to a set off of any assessments owed.

23. This policy shall replace and supersede all previous policies, rules, and regulations regarding the subject matter of this policy.

24. Any terms not identified in this policy shall have the meaning given them in the By-Laws and in the Protective Covenants of Paradise Hills for Units One through Four, and all amendments and supplements thereto;

25. If a Court finds that any portions of this collection policy unenforceable, the Court shall reform this policy to the least extent necessary to give effect to the intent of this collection policy. In such event, all remaining portions of this collection policy shall remain in force and effect.

The undersigned hereby certifies that the foregoing resolution was adopted and made a part of the minutes of the meeting of the Board of Directors of the Association conducted on the _____ day of _____, 20____.

**BOARD OF DIRECTORS OF THE
LOOKOUT MOUNTAIN PARADISE HILLS
HOMEOWNERS' ASSOCIATION**

By: _____, Secretary

(Print Name)

LOOKOUT MOUNTAIN PARADISE HILLS HOMEOWNERS' ASSOCIATION ENFORCEMENT PROCEDURE POLICY

The following enforcement procedure was adopted by the Board of Directors of the Lookout Mountain Paradise Hills Homeowners' Association, a Colorado Non-profit Corporation ("Association") pursuant to C.R.S. § 38-33.3-209.5, at a regular meeting of the Board of Directors.

Effective Date: _____.

NOW, THEREFORE, it is resolved that the Association does adopt the following policy regarding the enforcement procedures of the Association:

1. Pursuant to the Article III, Section 2 of the Protective Covenants of Paradise Hills and the Protective Covenants of Paradise Hills Unit 4; (which, together with the Protective Covenants of Paradise Hills Units 2 and 3, and all amendments and supplements thereto, are collectively referred to as the "Covenants") and pursuant to the Colorado Common Interest Ownership Act (the "Act"), the Association or any member of the Association, or both, may bring an action to enforce the terms of the Association's covenants and rules. The collection of delinquent assessments shall be governed by the Association's Collection Policy.
2. The Association's primary objective is to uphold the terms of the Covenants and other governing documents (which include the Covenants, By-Laws, and any rules and policies adopted by the Board) and to benefit the community at large. To the extent that a neighbor-to-neighbor dispute exists, the Board encourages the neighbors to resolve the dispute in an informal and cooperative manner if possible. In some cases, a community mediator may be brought in to resolve such disputes.
3. In the event that a claimed violation of the Association's covenants and rules is brought to the Board's attention through written (including e-Mail) complaint, the Board shall review the written complaint and determine whether the complaint sets forth a potential violation of the Association's governing documents. (As used in this policy, the term "Board" shall mean the Board of Directors, any committee of the Board, or any other body established by the Association's governing documents such as, but not limited to, the architectural review committee). The initial review of any complaint shall be undertaken by the Architectural Review Committee then in existence, and a report of its initial review shall be made to the Board in writing within 15 days of the complaint (or longer if determined additional time is required.) Any complaint submitted to the Board shall be sufficiently detailed to provide the provisions of the governing documents alleged to have been violated together with the time, date, and place of the violation and any witnesses thereto. The Board may, but need not, review claimed violations that are submitted anonymously or verbally. The Board may also prosecute alleged violations of the Association's governing documents without receipt of a written complaint if one or more of the Board members have personal knowledge of an alleged violation.
4. If the Board determines that the complaint sets forth a potential violation of the Association's

governing documents and that the Board is justified in pursuing the matter further, the Board shall send a notice to the Owner on whose lot the claimed violation exists. If the person causing the violation is an owner, guest, tenant, family member, or invitee or licensee of an Owner, then the Owner shall be responsible for the act or omission. (The term "Owner" used in this policy shall refer to the responsible Owner of property in the subdivision.) The Board shall, to the extent possible, send a notice to the person causing the violation if such person is known to the Board, or is a known property manager for the property in question, but is not also an Owner.

5. The notice of violation shall be sent to the address registered with the Association, and if no such address is registered, then to the address of the property within the Association's community owned by the Owner, and for undeveloped property, to the address of record with the Jefferson County Clerk and Recorder. All notices shall be delivered in person or by first class mail, postage prepaid, and a copy of the notice may also be sent via electronic mail. The Association, upon the written request of the Owner delivered to the Association personally, by certified mail, return receipt, postage prepaid, or any other form of delivery allowed by the Association, will mail the notice of delinquency to another address as set forth in the Owner's written request. The notice of violation shall state with reasonable detail the circumstances of the claimed violation as known by the Board and shall provide the Owner an opportunity for a hearing before the Board to refute the complaint. If the person charged with a violation responds in writing timely and requests a hearing, a hearing shall be set and written notice of the date, time, and place of hearing shall be provided to the Owner.
6. If a hearing is held, it will include a fair and impartial fact-finding process concerning whether the violation occurred and whether the Owner is the one who should be held responsible for the violation. The hearing will be held before the Board or a committee having authority to make a decision but the people making the decisions shall not have any direct personal or financial interest in the outcome. If possible, the fact-finding committee shall be composed of three unrelated persons, at least one of whom is a member of the HOA's Board, and at least one of whom shall be a member of the community who is not a member of the A.R.C. or the Board. The Committee shall be appointed by the President (or Vice-President in the absence of the President). A decision maker will not be deemed to have a direct personal or financial interest in the outcome if the decision maker will not, as a result of the outcome, receive any greater benefit or detriment than will the general membership of the Association.
7. If the Owner does not respond in writing with a request for a hearing and or a request for mediation within forty-five (45) days after the Board sends the notice of violation per this policy (based on the date of the Notice letter), then the Owner shall be deemed to have admitted the facts set forth in the notice of violation at which time the Board may enforce the provisions of the governing documents by means of a lawsuit seeking damages, injunctive relief or both; or impose a fine or penalty, or both, for the violation; and may suspend the Owner's voting rights pursuant to the governing documents of the Association until the fines are paid. The Notice letter shall be required to identify the specific violation(s) claims and the basis for it/them and shall also be required to give notice of the 45 day deadline and that during that period the Owner may request a hearing, mediation or both.

8. The procedure to be followed at a hearing shall be as follows:
 - a. The President of the Board or his/her designee shall be the chairperson of the hearing ("Chair"). The Chair shall conduct the hearing and shall recognize people prior to them speaking and shall direct them to stop speaking as the chair deems appropriate. At the conclusion of the hearing, the Board may but need not make a final decision at the hearing. In any case, the Board shall send written notice of its decision to the Owner within 10 days after the meeting. Any fine, penalty, or suspension of voting rights shall not take effect until for fifteen (15) days after the Board's decision.
 - b. If any person present at the hearing continues to speak or continues to be disruptive during the remainder of the meeting, the Committee may vote to adjourn the hearing. In the alternative, or in addition to adjourning the hearing, the chair, in the exercise of his/her reasonable discretion shall be entitled to contact law enforcement and request that the disruptive person be removed from the hearing.
9. The Board shall exercise its discretion with regard to the amount of any particular fine levied but shall be limited to the following fine schedule:
 - a. First violation: warning letter;
 - b. Second violation (same covenant or rule): fine up to \$50.00
 - c. Third violation (same covenant or rule): fine up to \$75.00
 - d. Fourth and subsequent (same covenant or rule): fine up to \$100.00; and
 - e. Continuing violations (same covenant or rule) shall be considered a separate violation for each 24-hour period that the violation continues. All fines assessed shall be collectible as assessments or dues.
10. The above-listed fine schedule shall not limit the Association's ability to assess the Owner for actual, substantiated damages separate from the fines, if any, imposed, arising from the Owner's violation of the governing documents.
11. Notwithstanding anything in this policy to the contrary, the Association shall have the right, at any time and without proceeding through the steps outlined herein and without regard to the fine schedule, to bring an action at law or in equity to compel compliance with the terms of the Association's governing documents. Nothing in this paragraph constitutes an election of remedies nor precludes the Board from levying fines as set forth above while at the same time seeking injunctive relief for violations of a continuing nature or violations that affect the health, safety, or welfare of the residents or the property. The prevailing party to any action shall be entitled to recover its costs, expenses and reasonable attorneys' fees.
12. Failure of the Association to enforce its governing documents pursuant to this policy shall not constitute a waiver of the right to enforce the same thereafter.
13. This policy shall replace and supersede all previous policies, rules, and regulations regarding

the subject matter of this policy.

14. In the event that a court of competent jurisdiction finds any portion of this policy void or otherwise unenforceable, the other provisions shall remain in full force and effect.

The undersigned hereby certifies that the foregoing resolution was adopted and made a part of the minutes of the meeting of the Board of Directors of the Association conducted on the _____ day of _____, 20____.

**BOARD OF DIRECTORS OF THE
LOOKOUT MOUNTAIN PARADISE HILLS
HOMEOWNERS' ASSOCIATION**

By: _____
_____, Secretary