

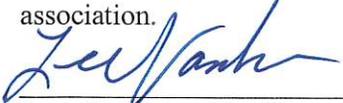
**RESOLUTION OF THE
BOARD OF DIRECTORS OF THE
MOUNTAIN HIGH HOA**

THIS RESOLUTION, executed by all of the directors of the Mountain High HOA, records their action taken by unanimous consent at the August 15, 2017 Board of Directors Meeting effective September 15, 2017:

WHEREAS Article 3.1 of the Mountain High HOA Amended and Restated Codes, Covenants and Restrictions, effective November 15, 2017, empowers the Board of Directors to adopt changes to the Rules and Regulations.

RESOLVED that The Board of Directors adopted the Compliance Violation Remedies and Formal Enforcement Procedures.

The Board of Directors of the Mountain High HOA hereby adopts this resolution for the association.



Larry Langston, President



David Johnson, Treasurer



Joseph Loe, Secretary



Kevin McCarty, Director



Pete Craig, Director

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Compliance Violation Remedies and Formal Enforcement Procedures

Passed by the Board August 15th, 2017

Introduction. In the exercise of its powers and in the performance of its obligations pursuant to the Declarations, Restrictions, Protective Covenants and Conditions for the Mountain High HOA (Declaration or CC&R's), the Mountain High HOA Board of Directors has the authority to impose reasonable monetary fines and suspension of the right to vote and the right to use any recreational facilities on the Common Area, all as more particularly set forth in the Bylaws. The Board shall, in addition, have the power to seek relief in any court for violations or to abate nuisances.

Direct Resolution. Any Member who believes that a neighboring Member is in violation of any of the Mountain High HOA policies, rules & regulations, guidelines or CC&R's is encouraged to first approach the neighbor about the matter while it is occurring or shortly thereafter. Most violations are believed to be unintentional and can be easily resolved in this fashion.

Management Company Intervention. Should a Member feel uncomfortable in utilizing Direct Resolution with a fellow Member, they should contact the Management Company about the situation. Depending upon the severity of the situation, the Management Company may request a written complaint, which can be in the form of e-mail. The Management Company will then initiate contact with the offending Member, notifying them of the problem, offering assistance and information to help resolve the situation and attempt resolution of the situation while keeping the reporting Member's identity confidential. A phone or e-mail contact will be made first. If the situation remains unresolved, the situation will be brought to the attention of the Association and more formal contact by letter from the Association will be made. Should the situation remain unresolved after this contact, the Association may choose to assess fines or take other appropriate remedial action.

Remedies. Under the Declarations and By-Laws, the Association is authorized to pursue various enforcement remedies to bring an owner into compliance. These remedies include, but are not limited to, the following: The power to (1) impose monetary fines for rules violations; (2) engage in self-help on behalf of Mountain High HOA, to abate or remove any thing or condition which violates any of the rules and to recover all costs and expenses incurred in such self-help, including reasonable attorney's fees, costs, expenses and fees, and, if necessary, by filing a lien and pursuing the foreclosure of such lien as a specific assessment against the particular owner and property responsible for the rule violation; and (3) institute legal proceedings on behalf of Mountain High HOA to seek injunctive relief or monetary damages.

In individual cases the Board, in its sole discretion, may impose a lesser sum than the maximum amount prescribed for the violation in these Rules, or waive the fine entirely, if such action is deemed warranted by the facts and circumstances of the particular case. With respect to any rule violation which is not expressly defined in the Schedule of Fines, the Board may determine the amount of the fine to be imposed, if any, on a case by case basis, depending on the particular facts and circumstances of the case, but in no event shall such initial fine exceed \$500 per violation.

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Fines and Late Charges Constitute “Assessments.” Any fine imposed by the Association under these Rules shall constitute a “specific assessment” against the offending Owner’s lot or the particular unit of the owner responsible for the violation, pursuant to Article 7, Section 7.2 of the Mountain High HOA Declarations. Such assessment shall become due and payable by the responsible Owner within thirty (30) days of receipt of a written Notice of Final Decision and Assessment of Fine to be issued by the Board at the conclusion of all proceedings before the Mountain High HOA Board and any subsequent appeal to the Board, in accordance with the procedure set out in these Rules. If the fine is not paid in full within ten (10) days of such due date, any unpaid amount shall constitute a delinquent assessment under Article 7 Section 7.10 of the Mountain High HOA Declarations, and shall incur a late charge of fifteen percent (15%) of the unpaid amount. In such event, the Board shall cause a Notice of Delinquency to be given to the responsible Owner, who shall then have thirty (30) days from receipt of the notice in which to pay the delinquent amount and late charge.

Owner’s Obligation to Abate Continuing Violation. In addition to being responsible for any fine assessment that may be imposed for a rule violation, the Owner shall be obligated to take corrective action to abate the violation if it is a “continuing violation”. In such case the responsible Owner will receive a written Demand to Cease and Desist which, among other things, will (1) clearly state the alleged violation, (2) specify certain corrective actions that must be taken by the Owner to abate the violation; and (3) state a date by which such corrective action must be completed. If the Owner fails to abate the violation adequately by the specified completion date, the Association shall have the right to take whatever action is needed on behalf of Mountain High HOA to effect such abatement, as permitted under Article 7 of the Declarations. Moreover, pursuant to that section of the Declarations, all costs and expenses of any self-help engaged in by the Association on behalf of Mountain High HOA, including any reasonable attorney’s fees actually incurred to effectuate such self-help (hereinafter, “abatement costs”), shall constitute an assessment against the particular Lot of the offending Owner. Any such assessment against the Lot of an owner for abatement costs shall become due and payable by the responsible Owner within thirty (30) days of receipt of a Notice of Assessment of Abatement Costs issued by the Association. If the assessed abatement costs are not paid in full within ten (10) days of the due date, any unpaid amount shall constitute a delinquent assessment under Article 7, Section 7.10 of the Mountain High HOA Declaration, and shall incur a late charge of fifteen percent (15%) of the unpaid amount. In such event, the Association shall cause a Notice of Delinquency to be given to the responsible Owner, who shall have thirty (30) days from the receipt of the notice to pay the delinquent amount and late charge.

Collection of Delinquent Fine Assessment or Abatement Costs Assessments by Lien and Foreclosure. If a delinquent fine, assessment and late charge or delinquent abatement costs assessment and late charge are not paid within thirty (30) days of the responsible Owner’s receipt of the Notice of Delinquency, a lien shall attach to the Owner’s unit pursuant to Article 7, Section 7.10 of the Mountain High HOA Declarations, to secure the amount of the delinquency, together with the late charge, interest at the maximum legal rate from the original due date of the assessment, plus any reasonable attorney’s fees actually incurred by Mountain High HOA to perfect and foreclose the lien. In the event that the delinquency remains unpaid after sixty (60) days from the Owner’s receipt of the Notice of Delinquency, the Association may refer the matter to legal counsel to institute a collection action for all such unpaid sums and to foreclose the lien.

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Owner's Responsibility for Damages Caused by Rule Violation. In addition to being liable for any fine assessment, abatement costs assessment, late charges, interest and lien perfection or foreclosure costs, including attorney's fees, the Owner responsible for the rule violation shall be liable to Mountain High HOA for any damages caused by such violation. The Association may institute legal proceedings against such Owner in the name of Mountain High HOA to recover such damages, together with costs of suit and reasonable attorney fees.

Notice and Right to Hearing

General. In the event of an alleged violation of any of the Mountain High HOA Rules, the Association shall not impose or attempt to collect any fine provided for in these Rules except in accordance with the procedures and requirements set forth herein. Similarly, except in the case of emergencies or violations which could cause irreparable damage, the Association shall not require any corrective action by an Owner to abate an alleged violation, nor seek recovery from an Owner for any abatement costs incurred by the Association in the exercise of self-help regarding such alleged violation, except in accordance with the procedures and requirements set by the Mountain High HOA Board.

Demand to Cease and Desist. In the event the Association believes a Rule violation has occurred which may require or justify resort to one or more of its formal enforcement remedies under these Rules, the Association shall have the Management Company prepare a letter to be sent to the Owner allegedly responsible for the alleged violation a written Demand to Cease and Desist ("Demand"). The contents of such Demand shall depend upon whether or not the alleged violation is a "continuing violation" as that term is defined hereinafter in these Rules.

Continuing Violation. For purposes of these Rules, a Rule violation shall be deemed a "continuing violation" if it results in or involves the continuous existence of an erected thing or condition on the responsible Owner's property, or in a common area, in violation of one or more rules, and such violation can be abated by corrective action. When the Association believes such a continuing violation is occurring, the Demand that is to be served upon the Owner shall state the following:

- (a) Specify the nature of the alleged violation and the specific rule or rules involved;
- (b) State the corrective action that the Association believes is required to abate the violation and demand that the Owner take such corrective action;
- (c) State a date by which such corrective action must be completed by the Owner to avoid the possible imposition of a fine;
- (d) Advise that if the Owner abates the violation adequately by the specified completion date, the Owner will not be subject to any fine for the violation;
- (e) Advise that if the Owner fails to abate the violation adequately by the specified completion date, or the Owner commits or is responsible for another similar violation of the same rule or rules within twelve (12) months of the date of the Demand, a fine may be imposed and an "Opportunity for a Hearing" must be requested in writing within 10 days of receipt of this Demand;
- (f) Advise that any such fine, along with any late charge, interest and attorney's fees, may be collected by assessment, lien and foreclosure, if necessary; and
- (g) Advise also, that if the Owner fails to abate the violation adequately by the specified completion date, the Association may elect to abate the violation and then seek to recover

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from the Owner all abatement costs, together with any late charge, interest and attorney's fees, by assessment, lien and foreclosure, if necessary.

Non-Continuing Violation. When the alleged rule violation is not a continuing violation as defined above, the Demand required under this Rule shall

- (a) Specify the nature of the alleged violation and the rule or rules involved;
- (b) Demand that the Owner refrain from committing any further subsequent violations of the same rule or rules and take such steps as are reasonably necessary to prevent any such violations by other persons for whose conduct the Owner would be responsible under these Rules;
- (c) Advise that the Owner will not be subject to any fine for the violation that has already occurred, but if the owner commits or becomes responsible for another violation of the same rule or rules within twelve (12) months of the date of the Demand, a fine may be imposed for that subsequent violation;. and
- (d) Advise that any such fine, along with any late charge, interest and attorney's fees, may be collected by assessment, lien and foreclosure, if necessary.

1. Owner's Right to Request Hearing. Any Owner who is served with a Demand to Cease and Desist may request a hearing before the Mountain High HOA Board for the purpose of contesting any of the following: (a) whether the alleged violation occurred; (b) the Owner's alleged responsibility for the alleged violation; (c) the Owner's alleged responsibility for taking any corrective action demanded; or (d) whether such corrective action is necessary or appropriate to abate the violation; or, (e) whether the Owner has fully performed the corrective action. Such request for a hearing shall be in writing and must be filed with the Board within ten (10) days of the receipt of the Demand to Cease and Desist. The Management Company shall then schedule such a hearing within sixty (60) days from receipt of the request and provide written notice to the Owner of the time and place of such hearing at least fifteen (15) days before the hearing date. Upon the filing of the request, unless an emergency situation exists, the specified times for completing the corrective action shall be stayed pending the conclusion of the hearing and any appeal there from. This right to request a hearing is waived if the Owner does not file a request for a hearing within ten (10) days of receipt of the Demand to Cease and Desist. Should the Owner waive their right for a hearing, the Management Company will send the Owner a Notice of Final Decision and Assessment of Fine.

2. Hearing Procedure and Committee Decision. Should a hearing be requested by the Owner a written Notice of Hearing shall be served on the accused Owner, which notice shall contain the following: (a) a statement of the nature of the alleged violation and reason the Association believes a fine should be imposed on the Owner under these Rules; (b) a statement of the amount of the fine which the Association believes is appropriate under these Rules; (c) a statement of the time and place of the scheduled hearing, which time shall be not less than ten (10) days from the date of service of the notice; and (d) a statement inviting the accused Owner to attend the hearing and produce any statement, evidence and witnesses on his or her behalf. All hearings before the Mountain High HOA Board concerning alleged rules violations shall be held in executive session as required by Article VIII, Section 4, of the Mountain High HOA By-Laws. If the Owner allegedly responsible for such violations appears at the hearing, the Board need not receive proof that the Owner received notice thereof, but if the Owner does not appear the Board must receive proof of such notice before proceeding to hear the matter, and the minutes must reflect that such proof was received. Such proof shall be deemed adequate if a copy of the

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notice, together with a statement of the date and manner of delivery, is provided by the Officer, Director, or Agent who delivered such notice. If the accused Owner is present, or proof of notice of the hearing has been adequately established, the Board shall proceed to receive all evidence pertaining to the matter offered by the manager of the Association, the Board, the Owner or any other interested party or witness. Such evidence may be in the form of oral testimony or written statements from persons claiming to have knowledge of facts relevant to the issues, and any documentary or physical evidence or pictures that may be relevant to the issues. The accused Owner may be represented by legal counsel and shall have the right to cross examine any witnesses who appear and give oral testimony. The Board also shall hear any oral arguments offered by or on behalf of the accused owner at the hearing and shall accept for later review any written arguments offered at the hearing by or on behalf of the Owner.

3. Decision. The Board shall render its decision in writing within ten (10) business days of the conclusion of the hearing. If the Board concludes a fine should be imposed, the written decision shall state that conclusion along with a recommendation as to the amount of the fine. If the Owner does not file a timely Notice of Appeal, the decision of the Board shall become final on the date the time for filing an appeal expires. If the Board decided that a fine should be imposed, the amount of fine recommended by the Board shall be accepted by the Association, and the Association shall serve upon the Owner a Notice of Final Decision and Assessment of Fine, assessing a fine in that amount or such other amount as the Board deems appropriate. Such fine assessment shall be due within thirty (30) days of the Owner's receipt of the notice.

4. Appeal and Board Hearing. The Owner shall have the right to appeal the Board of Directors decision. To perfect this right, a written Notice of Appeal by the Owner must be received by the Association within thirty (30) days of the date of the hearing before the Board. If such notice is filed within that period, the Board shall schedule a special meeting of the Board to hear the appeal, and shall serve notice of the time and place of such meeting on the Owner. The Owner shall be entitled to attend the meeting and to be represented by counsel. At the meeting, the Owner or the Owner's counsel may present arguments as to why the decision of the Board was incorrect, and/or why the Board's recommendation as to any fine should not be followed by the Board. Within ten (10) days after the conclusion of the appeal meeting, the Board shall decide the issues raised in the appeal and serve upon the Owner a written decision. If the Board's decision is to assess a fine, the Board may re-determine the amount. In either event, the Board's written decision shall be entitled Notice of Final Decision and Assessment of Fine, and shall state the amount of fine that is assessed. Such fine assessment shall then be due in thirty (30) days from the Owner's receipt of the notice.

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Schedule of Fines for the
Enforcement of the CC&R's

As your managing agent, we have been instructed by the Board of Directors on behalf of the Mountain High HOA to contact each individual owner in the event of an alleged violation of any of the Association's rules and regulations as outlined in their governing documents.

In an attempt to correct the violation(s), the following actions will occur:

- A "friendly reminder", e-mail, or letter will be delivered.
- A "second reminder" letter will be sent either by e-mail or US mail to the owner.
- A "final notice and/or cease and desist letter" will be sent either by e-mail or US mail to the owner, giving them a deadline to correct the violation.

If the violation is not corrected upon these attempts to notify the homeowner of the violation and to abate the violation adequately by the expected date, the Association may elect to assess fines accordingly based on the nature of the alleged violation.

The Mountain High HOA does not like to take these types of punitive actions and hopes that direct communications with the homeowners will resolve the violations in a timely manner to avoid the assessment of any fines.

However, please refer to the Mountain High HOA's "Compliance Violation Remedies and Formal Enforcement Procedures" for additional information on direct resolution, management company intervention, remedies, fines, and the rights for a hearing with the Board.

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Schedule of Fines

As stated in the Amended and Restated Rules and Regulations
Dated October 20, 2015

Article 1: Use Restrictions

1:1.1 Prohibits disturbing the peace and tranquility of Mountain High HOA	\$250.00 Per incident
1.2 Prohibits commercial use of property	\$50.00 Per day
1.3 Prohibits outside storage of firewood, building materials, etc.	\$10.00 Per day
1.4 Prohibits clotheslines	\$10.00 Per day
1.5.1 Limits satellite dishes compliant with the Telecommunications Act	\$10.00 Per day
1.6 Requires each lot to be maintained in a clean, non-hazardous condition	\$10.00 Per day
1.7 Requires compliance with Landscape Maintenance Standards	\$10.00 Per day
1.8 Prohibits garage and yard sales	\$250.00 Per incident
1.9 Prohibits timeshares and interval ownership	\$1,000.00 Per month
1.10 Prohibits transient rental use	\$1,500.00 Per incident
1.11 Prohibits fires except in fireplaces, wood stoves, fire pits or BBQ's	\$250.00 Per incident
1.12 Prohibits solicitations by residents and non-residents	\$100.00 Per incident
1.13.1 Restricts exterior contractor activity by days and times	\$250.00 Per day
1.13.2 Failure to obtain ACLC approval for exterior remodeling or building	\$1,500.00 Per month
1.13.3 Failure to follow contractor activity rules	\$100.00 Per day
1.13.4 Failure to provide trash receptacles and portable toilet at construction site	\$100.00 Per day
1.13.5 Failure to store building materials within job site boundary	\$100.00 Per day
1.13.6 Failure to abide by miscellaneous construction rules	\$100.00 Per day
1.14 Failure to properly place air conditioning units	\$500.00 Per incident
1.14 Prohibits dumping of trash within Mountain High HOA	\$50.00 Per incident
1.16 Prohibits vehicular ingress / egress over common areas without permission	\$500.00 Per incident
2.1 Failure to obtain ACLC permits	\$500.00 Per incident
2.2 Failure to comply with exterior painting regulations	\$1,500.00 Per month
2.3 Failure to comply with architecture & landscape regulations	\$1,500.00 Per month
2.3.7 Failure to comply with Willow Creek awning requirements	\$100.00 Per incident
2.3.11 Removal of a tree without ACLC approval (except for trees less than six (6) inches in diameter or nineteen (19) inches in circumference, measured at six (6) feet above ground level)	\$1,500.00 Per incident

Article 3: Motorized Vehicles / Recreational Vehicles / Parking

3.1 Failure to follow overnight parking regulations	\$10.00 Per day
3.2 Failure to follow on street parking regulations	\$10.00 Per day
3.3 Failure to follow RV parking regulations	\$50.00 Per day

Article 4: Pets and Animals

4.1 Failure to follow domestic animal regulations	\$50.00 Per incident
4.2 Prohibits feeding certain wildlife (deer, geese and squirrels)	\$50.00 Per incident

Article 6: Uniform Sign Code

Article 6: Failure to comply with Uniform Sign Code	\$50.00 Per incident
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