

Policy 1—Monetary Penalty

SUNRISE MOUNTAIN RIDGE HOMEOWNERS ASSOCIATION MONETARY PENALTY ENFORCEMENT POLICY RULE VIOLATION

The Board of Directors adopted the following Monetary Penalty Enforcement Policy at its meeting on the 11th day of June, 2009.

1. Notice of Violation. When a violation of the Declaration, the CC&R's or an Association Rule (Rule) is noted by or reported to a member of the Board of Directors, the Board, a member of the Board or a Committee Chair may take such action as may be deemed appropriate to cure the violation without resort to this policy.

However upon approval by the Board of Directors, a notice of violation may be sent to the Lot Owner of record with a timetable for corrective action, which will be at least 10 business days from the date of the notice.

2. Contents of Notice. The Notice of Violation from the Board of Directors or an officer of the Association shall provide at least the following information:

- A. The rule or restriction that allegedly has been violated.
- B. Action(s) required to cure the violation.
- C. The date of the violation or the date the violation was observed.
- D. The first and last name of the person(s) who observed the violation.
- E. The proposed monetary penalty,
- F. A copy of this Policy to assure the Lot Owner is aware of the process he or she must follow to contest the notice.

3. Contesting the Violation. If the Lot Owner wishes to contest the Notice of Violation, he or she shall provide the Board a written response by certified mail within 10 business days after the date of the Notice. This response shall be sent to the address specified on the Notice of Violation. If no written response is received within 15 business days after the date of the Notice of Violation, the Board may impose the monetary penalty specified in the Notice of Violation in which case the provisions of Paragraphs 4 through 10 of this Policy shall not be applicable.

4. Notice of Hearing. A follow-up inspection will be conducted on or after the deadline date for response to the Notice of Violation. If the non-compliance has not been cured, the Board may send the Lot Owner a Notice of Hearing wherein the Owner will be invited to attend the next Board Meeting and have an opportunity to be heard. The date, time and location of the hearing shall be stated in the Notice of Hearing.

5. Hearing Panel. A quorum of the Board of Directors shall act as the Hearing Panel at the Board's regularly scheduled monthly meetings. The Hearing Panel will meet in Executive Session after the end of the open Board meeting.

6. Designated Representative. A Lot Owner may present to the Board (prior to or at the Hearing) written notification that another person is the Owner's designated representative. A designated representative may speak on behalf of the Owner.

7. Procedure for Hearing. The Hearing shall be presided over by the President or his designee. After the hearing is opened the Lot Owner or its designated representative will be given an opportunity to present supporting documentation and testimony to show cause why the monetary penalty specified in the Notice of Hearing should not be authorized by the Board. The hearing shall be limited to thirty minutes unless the Hearing Panel shall extend the time for hearing..

8. Proof of Delivery of Notice. Proof of delivery to the Lot Owner of the Notice of Violation and/or the Notice of Hearing shall be deemed adequate if a copy of the Notice, together with a statement of the date and manner of delivery is entered into the minutes of the meeting, by the officer, director, or agent who mailed or delivered the Notice.

9. Procedure if Owner or Representative Does Not Appear. If the Lot Owner or his/her designated representative does not appear at the hearing, the Board may levy the monetary penalty specified in the Notice of Violation or such lesser monetary penalty as it shall deem appropriate.

10. Hearing Panel's Decision. Notice shall be sent to the Lot Owner by the Board, within 15 days after the date of the Hearing, stating the Hearing Panel's decision, including the amount of any monetary penalty that may have been imposed by the Board and its commencement date.

11. Delinquency of Penalty. Any monetary penalty imposed, which has not been paid within 30 days after its stated due date shall be delinquent, and a late charge of the greater of \$15.00 or ten percent of the delinquent penalty shall be added to the penalty.

12. Repeat Violations. A penalty for a violation of the Association's rule or restriction may be imposed by the Board for each separate or repeat issue of noncompliance. Daily penalties for violation of a rule or restriction may accrue for ongoing issues of noncompliance until each such violation is corrected.

Renewed: 1/12/17