

# HICA Governance Committee

The Governance Committee members are:

- Aimee Chambers (Board Chair)
- Karen Conner (Community Chair)
- Jennifer Davis (Secretary)
- Scott Holte (Community member)
- Turie Holte (Community member)
- Jo Levin (Community member)
- Sharron Meadows (Community member)
- Kevin Smith (Community member)

# HICA Governance Committee

## Process

- 1: Committee Proposes By-Law Changes:
- 2: Board Votes to Advance By-Law Changes to Community for Vote
- 3: \*Community Votes on Proposed By-Law Changes

\*"By-Laws may be amended at any time by a vote of two-thirds of the members in good standing voting at any meeting of the members of the Association in accordance with Article V Section 3", Ref By-Laws Article IX

# HICA Governance Committee

Proposed By-Law Changes (two proposals voted on separately)

1. Reduce the time HICA must wait before proceeding with the option of foreclose for failure to pay assessments
  - Reduce the time from one year to 120 days (~4 months) after notice has been sent
  - No requirement to foreclosure, HICA may or may not choose to foreclose
  - With any delinquency, the preferred option will always to be to establish a payment plan with the owner
  - After the 120 days (~4 months) has elapsed, it takes an additional minimum of 2-5 months to complete the foreclosure process, during which the owner can pay the assessments and stop the foreclosure process at any time

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Proposed By-Law Changes (two proposals voted on separately)

## 2. Establish an Alternative Dispute Resolution Process as a Substitute for Lawsuits

- A process to resolve disputes between the HICA and Owners, not including foreclosures
- A prompt and clear resolution for HICA and Owners, regardless of which party initiates the process
- Alternate process to lengthy and expensive lawsuits in the courts
  - Step 1 - Closed Board meeting with Owner, if not resolved proceed to Step 2 ->>>
  - Step 2 - Mediation with mutually agreed upon mediator, if not resolved proceed to Step 3 ->>>
  - Step 3 - Binding arbitration with mutually agreed upon arbitrator
- Both parties are entitled to have an attorney during any step in the process
- With the exception of either party's attorney fees, the cost of mediation/arbitration is equally shared between HICA and Owner(s)
- Resolution is reached within months and is final/binding

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## Impact of Lawsuits on Owners

### In the last 5 years

- HICA Owners spent \$135,000 (Insurance Deductibles) on Attorney Fees and Costs.
- The lawsuits resulted in cancellation of our insurance policy, causing significant expenditure of HICA resources to find a new insurance carrier
- HICA Owners spent thousands of hours of staff time producing over 300,000 pages of documents for major lawsuit.
- HICA Board spent a minimum of 1000 hrs of Trustee's time on litigation.

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## Next Steps

These proposed By-Law changes and the 2021 Annual Budget will be on the ballot mailed to the Community after the November 21 Board meeting.

Results of the vote on the proposed By-Law changes and the 2021 Annual Budget will be announced in the Dec 19 Community Meeting.