

SUMMERLIN NORTH COMMUNITY ASSOCIATION

PENALTY POLICY AND PROCEDURE GUIDE

The Board of Directors ("Board") of the Summerlin North Community Association ("Association") has been granted responsibility to conduct, manage and control the affairs and business of the Association. In accordance with Article V, Functions of the Association, Section 5.2 of the Amended and Restated Declaration of Covenants, Conditions Restrictions and Reservations of Easements for Summerlin North Community Association ("Declaration"), the Board is empowered to adopt, amend, and repeal such Rules and Regulations as it deems reasonable and appropriate. Accordingly, the Board hereby adopts the following Penalty Policy and Procedure Guide ("Policy").

Whereas the Board has established the Covenant Compliance Committee (the "Compliance Committee") by the Covenant Compliance Committee Resolution and has delegated certain powers to the Compliance Committee, as permitted by the Amended and Restated Bylaws of Summerlin North Community Association (the "Bylaws"), the Declaration, and NRS Chapter 116, including to act as a designee of the Board and to hold hearings and make final decisions relative to all compliance matters, including alleged violations of the Association's Governing Documents (defined below), enforcement of the Governing Documents, and monetary and/or non-monetary sanctions related to violations of the Governing Documents.

Furthermore, the Rules and Regulations, in accordance with Article VI, Section 6.8(b), may also include the establishment of a Specific Assessment related to the enforcement and/or violation thereof.

Accordingly, to provide for continuing proper operation of the Association property, the Association, through its Board, and in conformity with Article V and Article VI of the Declaration, and Article IV, Section 4.3 and Article XII of the Bylaws, has adopted the following Policy, now in force or as may be amended or supplemented hereafter, and of the Rules and Regulations as may be hereinafter adopted, amended, supplemented or repealed.

This Policy replaces and supersedes any prior document entitled "Penalty Policy and Procedure Guide" or "Specific Assessment Penalty Policies and Procedures" that may have been previously adopted by the Board. This Policy also replaces and supersedes any prior document entitled "Compliance Resolution Procedures" that may have been adopted by the Board. This Policy does not replace or supersede any other policy that may have been or may be adopted by the Board, including the Residential Billing and Collection Procedures Policy. This Policy is to be interpreted in conjunction with NRS Chapter 116, including Section 116.31031, and any other policy adopted by the Board, including the Residential Billing and Collection Procedures Policy and Non-Residential Billing and Collection Procedures Policy. The provisions of NRS Chapter 116 shall govern in the event of a conflict between NRS Chapter 116 and this Policy, including any conflict resulting from any amendments or revisions to NRS Chapter 116 that occur after the adoption date of this Policy.

The Association's governing documents consist of those documents identified in NRS 116.049, including the Declaration, the Articles of Incorporation, the Bylaws, the Compliance Resolution Procedures, and any other documents that govern the Association and its operation, management, or control and any amendments or supplements to any of the foregoing (collectively the "Governing Documents").

POLICY/PROCEDURES

Prior to the imposition of any monetary fine, sanction or other penalty for violation of the Governing Documents, the Association shall afford the offending Member (per Article I, Section 1.46 of the Declaration) with notice of the violation and an opportunity to be heard on the alleged violation.

(A) **SPECIFIC ASSESSMENT PENALTIES:** Violations of the Association's Governing Documents are subject to the enforcement and hearing procedures identified by the Association's Governing Documents, including the Article XII of the Bylaws and NRS Chapter 116, including the following Specific Assessment penalties:

1. Courtesy Letter – Written notice of violation and request for compliance without Specific Assessment. A Courtesy Letter may, or may not, be sent depending upon the circumstances of the violation.
2. Request for Compliance – Written warning of violation and request for compliance without Specific Assessment.
3. Second Request for Compliance and Notice of Hearing – Written notice of violation and request for compliance without a Specific Assessment and setting a "Hearing" before the Compliance Committee regarding the violation.
4. After sending the Second Request for Compliance and Notice of Hearing, the accused Member will be entitled to appear before the Compliance Committee. At the Hearing, a Specific Assessment, which must be commensurate with the severity of the violation, may be imposed, not to exceed \$100.00 for each violation or a total of \$1,000.00, in compliance with NRS 116.31031.
 - a. If a fine is imposed pursuant to Section A(4), and the violation is not cured within fourteen (14) days immediately following the Hearing, or a longer period of time, as determined by the Compliance Committee, the violation shall be deemed a repeated or continuing violation. Thereafter, for each seven (7) day period that passes in which the violation has not been corrected as required by the Compliance Committee, the Compliance Committee may impose an additional Specific Assessment, which must be commensurate with the severity of the violation, in an amount not to exceed the amount of the original Specific Assessment, per NRS 116.31031.
 - b. Additionally, the Compliance Committee shall have the power to levy a Special Assessment against the accused Member for violations which the Compliance Committee determines threaten the health, safety, and welfare of the Association and its Members. The Specific Assessment amount shall be commensurate with the severity of the violation, but shall not be restricted by a maximum dollar amount, per NRS 116.31031.
5. If the violation resulted in damage to the Common Area, the Compliance Committee may order that the damages be repaired at the expense of the offending Member.
6. A violation is deemed to be a repeated or continued violation for purposes of the fourteen (14) day period and for each seven (7) day period thereafter (per Section

A(4)(a)), including because a sufficient amount of time has elapsed from the preceding violation to allow correction of the initial violation.

- (B) **NOTICE:** Prior to the imposition of a Specific Assessment for violation of the Association's Governing Documents, the Association shall afford the offending Member with notice of the violation and an opportunity to be heard, by submission of a written statement or at a Compliance Committee meeting for such purpose. Violations of the Association's Governing Documents are subject to the enforcement and hearing procedures identified by the Association's Governing Documents, including the Article XII of the Bylaws and NRS Chapter 116, including the following notice procedures:

1. Many violation matters can be quickly and easily resolved by friendly neighbor-to-neighbor contact. If such contact is unproductive, deemed to be unwise, or inappropriate, then violations must be reported by a Member in writing. A "Homeowner Complaint Form" can be obtained at the Summerlin North Community Association office at 2120 Snow Trail, Las Vegas, Nevada 89134, at the Trails Community Center at 1910 Spring Gate Lane, Las Vegas, Nevada 89134, and on the www.summerlink.com website.
2. Upon inspection by the Association observing an alleged violation and/or upon receipt of a written complaint by a Member alleging a violation of the Governing Documents by another Member (including Member's dependents, guests, or tenants), and if it appears to the Association that a violation does exist, then the Association will follow the procedures identified herein, including the following prior to scheduling a hearing on the violation:
 - a. The Association will issue a Courtesy Letter to the violator requesting compliance with the Governing Documents, although, a Courtesy Letter may, or may not, be issued by the Association depending upon the circumstances of the violation; and
 - b. The Association may issue a Request for Compliance to the violator if the violation is repeated or uncorrected within ten (10) days of receipt of the Courtesy Letter, which requests compliance with the Governing Documents.
3. The Member is required to respond in writing to the Request for Compliance by returning the "Correction Response", which is sent with the Request for Compliance, by returning the Correction Response to the Association.
4. If the Member adequately responds through the Correction Response showing the matter is resolved to the satisfaction of the Association, the Association will consider the matter closed. If the offending Member fails to respond to the Request for Compliance or does not adequately respond through the Correction Response showing the matter is resolved to the satisfaction of the Association, then a Second Request for Compliance and Notice of Hearing may be sent to the offending Member further requesting compliance and setting a Hearing before the Compliance Committee and inviting the Member to attend and present the Member's response to the violation. The Hearing date shall be at least fifteen (15) days from the date the Second Request for Compliance and Notice of Hearing is mailed and/or delivered to the Member. The Second Request for Compliance and Notice of

Hearing will be sent in compliance with the Governing Documents and NRS Chapter 116, including NRS 116.31031.

(B) **HEARINGS/PENALTIES**: Violations of the Association's Governing Documents are subject to the enforcement and hearing procedures identified by the Association's Governing Documents, including the Article XII of the Bylaws and NRS Chapter 116, including the following hearings and penalties procedures:

1. If the Members fails to take action and fails to cease and desist from further violations of the Governing Documents before receiving the Second Request for Compliance and Notice of Hearing, the Compliance Committee may order a Hearing on the violations, via the Second Request for Compliance and Notice of Hearing, to potentially impose a Specific Assessment against the Member. The Compliance Committee shall have the right to limit the time of the Hearing and limit the time in which evidence may be presented at the Hearing.
2. Proof that the accused Member was sent the Second Request for Compliance and Notice of Hearing and that the Association has complied with the Governing Documents regarding distribution of relevant restrictions of the Association shall be entered into the minutes of the Hearing. Proof that the accused Member was sent, and received, the Second Request for Compliance and Notice of Hearing shall be adequate if a copy of the Second Request for Compliance and Notice of Hearing, together with a statement of the date and manner of delivery, is entered into the minutes of the Hearing by the Compliance Committee Member or agent who delivered, or caused to be delivered, the Second Request for Compliance and Notice of Hearing. If the Member is present at the Hearing, the Second Request for Compliance and Notice of Hearing shall be deemed adequate.
3. At the Hearing, the accused Member may present evidence or make statements relating to the violation, either in person or in writing.
4. The Second Request for Compliance and Notice of Hearing shall state that the general policy of Association is that neither the Association nor any accused Member will have a representative present at such Hearing; provided, however should the accused Member desire to have a representative present at the Hearing, the accused Member must notify the Compliance Committee of such preference at least forty-eight (48) hours in advance of the Hearing, and, in such case, both the Association and the accused Member will be entitled to have a representative present.
5. Upon hearing all of the evidence, the Compliance Committee may, by a majority vote:
 - [a] Find that no violation exists and not impose a monetary fine, sanction or other penalty, and extinguish the Specific Assessment;
 - [b] Find that the Member is in violation of the Governing Documents and take the following action: (1) impose a \$100.00 Specific Assessment against the Member; (2) reduce the amount of the \$100.00 Specific Assessment; and/or (3) impose additional Specific Assessments as set forth herein. Such

Specific Assessments shall not exceed the amounts established in NRS Chapter 116, including NRS 116.31031.

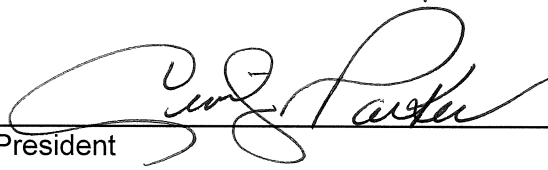
If a Specific Assessment is imposed and the violation is not cured within fourteen (14) days immediately following the Hearing, or a longer period of time, as determined by the Compliance Committee, the violation shall be deemed a continuing or repeated violation. Thereafter, for each seven (7) day period that passes in which the violation has not been corrected as required by the Compliance Committee, the Compliance Committee may impose an additional Specific Assessment, which must be commensurate with the severity of the violation, in an amount not to exceed the amount of the original Specific Assessment, per NRS 116.31031.

- [c] If the violation has resulted in damage to the Common Area, the Compliance Committee may order that the damages be repaired at the expense of the Member.
 - [d] Require the Member to sign an agreement to correct the violation within a specific time frame and to post a cash bond, not to exceed \$1,000.00, guaranteeing performance.
 - [e] Suspend the Member's rights and privileges to use the Association Common Areas.
 - [f] Suspend the Member's ability to vote on matters related to the Association.
 - [g] If the violation resulted in damage to the Common Area, order the damage be repaired at the expense of the violating Member.
 - [h] Record a notice noncompliance with the Governing Documents or a violation lien encumbering the Member's Lot.
 - [i] Take any other action allowed by the Governing Documents and Nevada law, including NRS Chapter 116.
6. If, after the Hearing, the Member refuses to abide by the decision imposed by the Compliance Committee, the Compliance Committee may, without further notice, elect to compel compliance with such decision as provided in the Governing Documents and Nevada law, including NRS Chapter 116.
 7. If any Member accused of a violation of the Governing Documents, after notice has been provided herein, shall fail to appear for a Hearing, the Compliance Committee shall proceed in their absence, and make a determination based on the facts presented, including as provided in NRS 116.31031.
 8. Any action taken by the Compliance Committee under this Policy shall not deprive either party of any remedies otherwise available by law.
 9. The Member shall have the right to appeal the decision of the Compliance Committee to the full Board, whose decision is final.

(C) **VIOLATION LIENS:**

1. In the event any monetary fine(s) are imposed for a violation of the Governing Documents, the Association will establish a separate account to account for the monetary fine(s) as prescribed by NRS Chapter 116, including NRS 116.310315.
2. If the Member does not pay the monetary fine(s) imposed on the account, or otherwise becomes delinquent on the violation fine(s) account, then the Association may proceed with a Notice of Delinquent Violation Lien against the Member's Lot by following the same time frames, processes and procedures for pursuing delinquencies and recording a lien against the Lot as identified in the Association's Governing Documents, including its policies governing collection of delinquent assessments, the Residential Billing and Collection Policy and the Non-Residential Billing and Collection Procedures Policy.
3. The Association will not foreclose upon a Notice of Delinquent Violation Lien unless allowed pursuant to NRS Chapter 116, including NRS 116.31162.

Adopted this 26 day of April, 2023.



President



Secretary