

# FLEUR DE LIS HOMEOWNERS ASSOCIATION

## VIOLATION AND FINE POLICY

Revised and Adopted: November 27, 2019

Capitalized terms, unless defined herein, shall have the same meaning as used in the Association's governing documents, as defined in NRS 116.049.

It is the Policy of the Board of Directors ("Board") of Fleur de Lis Homeowners Association ("FDL") to provide for the fair and proper operation of FDL and to uniformly enforce FDL's governing documents. In accordance with this policy, the Board adopts the following procedures for handling alleged and / or proven violation(s) of the governing documents.

1. All complaints must be filed in writing with the management. Verbal complaints and / or anonymous complaints will not be addressed unless there is a serious health and / or safety concern. The name of the person who files the complaint will be kept confidential through the in-house violation process. If the matter goes to court, anonymity cannot be guaranteed.
2. Phase 1 (optional Courtesy Notice). When practicable, a Courtesy Notice may be mailed to the offending Owner and / or resident. A Courtesy Notice is a letter informing the owner and resident (if applicable) that a complaint was filed or a violation observed on their property. This letter asks for voluntary compliance within ten (10) days and a response back to Management. The owner's response may address (i) corrective action taken or to be taken to bring the violation into compliance; (ii) reasons the owner believes no violation exists; and / or (iii) a request for hearing before the Board, if so desired. THIS COURTESY NOTICE IS OPTIONAL, AT THE DISCRETION OF FDL, AND IS NOT A REQUIRED STEP IN THE COMPLIANCE AND ENFORCEMENT PROCEDURE. (NRS 116.31031; CC&R 17.1)
3. Phase 2 is a letter sent to the owner and resident (if applicable) allowing ten (10) days for compliance. This letter is sent Certified Return Receipt Requested and requires a written response. At this time, the resident is informed of: (a) the alleged violation; (b) proposed action for curing the violation; (c) the amount of the potential fine; (d) the date, time and location of for a hearing before the Board. Management sends this letter.
4. Phase 3 (Hearing Procedure) . If an owner is called to a hearing, the following procedure will apply:
  - a. Failure to appear: FDL may impose fines or other sanctions if an owner fails to appear in person, through counsel, or in writing at the hearing. (NRS 116.3103(6)(b))
  - b. Representation: An owner may be self-represented at the hearing or may be represented by counsel. If an owner chooses to be represented by counsel, the owner must give reasonable advance notice (at least 3 days) to FDL of such desire so that FDL may arrange for appearance of its own counsel. (NRS 116.31031; 116.31085; ByLaws)
  - c. Evidence: The owner may present evidence or make any statement relating to the alleged violation or exercise any other due process right as contained in NRS 116.31085(4)(b) at hearing.

- d. Time Limit: Absent written permission obtained in advance, the presentation of argument and evidence at the hearing shall be limited to 15 minutes. (NRS 116.31031)
- e. Hearing Response: After the hearing has concluded, the Board will consider the matter outside the presence of the owner. Within a reasonable time after the hearing, the Board will issue a written Hearing Results / Determination Letter to the owner outlining the decision of the Board. (NRS 116.310361; CC&R 17.1; ByLaws 14)
- f. Sanctions: Following the hearing, FDL may levy fines or other sanctions for each violation.
  - i. Fines: If the Board imposes a fine at a hearing, the fine will be levied in an amount allowable by law and in accordance with FDL's Schedule of Fines (attached). (NRS 116.3102; 116.31031; CC&R 17.1)
  - ii. Continuing Violation Fines: If the violation is not cured within fourteen (14) days of delivery of a Hearing Results / Determination Letter for the hearing, the violation shall be deemed a continuing violation. FDL may thereafter impose additional continuing fines for each seven (7) day period or portion thereof that the violation is not cured. Continuing fines may be imposed without notice or an opportunity to be heard. (NRS 116.3102; 116.31031; CC&Rs 17.1)
  - iii. Other Sanctions: The Board may impose sanctions at a hearing other than or in addition to fines and may take any action allowable under FDL's governing documents and / or in compliance with Nevada law, including, but not limited to: suspension of voting rights for a reasonable period of time, suspension of or imposition of conditions upon use of the recreational facilities for a reasonable period of time, and / or may pursue any other available legal remedies. (NRS 116.3102; 116.31031; CC&R 17.1)

5. Phase 4 Optional Appeal.

- a. An owner may, within twenty-one (21) days after a Hearing Results / Determination Letter is issued, request an appeal to the Board by serving a written notice upon FDL's management company by certified mail or licensed process server (hand delivery by an owner or an owner's representative is not acceptable). The notice must bear the title "Request for Appeal" in the headings on its first page, include a memorandum noting appropriate grounds for reconsideration (facts, law, arguments not previously presented during the original hearing), and include photographic or other documentary evidence supporting the appeal. (NRS 116.31031; CC&R 17.1)
- b. The Board may provide the owner with a written denial of the appeal, a written response / determination with respect to the appeal, or provide an opportunity for an appeal hearing. (NRS 116.31031; CC&R 17.1)
- c. If the Board provides an opportunity for an appeal hearing, the Board will inform the owner of the date, time, and location of the appeal and the appeal hearing will be conducted in accordance with Paragraph 3 (a-f) above.
- d. Any fines or other sanctions previously issued will not be stayed during the pending appeal, but may be waived if the Board rules in favor of the owner at the appeal hearing.
- e. Appeal Necessary Prior to Filing a Complaint Against FDL. The request and processing of an administrative appeal hearing to FDL is part of the administrative process necessary to exhaust the administrative procedures specified in FDL's CC&Rs, ByLaws,

and Rules and Regulations that is a prerequisite to filing an alternative dispute resolution claim or civil action. (NRS 38.310; CC&R 17.1)

f. If an owner does not receive a response to a request for appeal within thirty (30) days of the date their appeal is served, then their appeal is automatically deemed rejected and the administrative process exhausted. (NRS 116.31031; CC&R 17.1)

6. Phase 5: Enforcement & Collections. Failure to timely pay fines or comply with any sanction may result in FDL taking action against the owner which may include, but is not limited to, the following: collection activity against the owner in accordance with FDL's Delinquent Assessment Collection Policy and / or Nevada law; filing a lien on the owner's property; pursuing an Alternative Dispute Resolution ("ADR") claim against the owner; and any other lawful remedy available to FDL with respect to collecting / enforcing such fines and sactions. (NRS 116.31031; CC&R 17.1)

**All violations will remain on the owner's record for a period of six (6) months. Repeat violations of the same nature within a period of six (6) months will cause the violation process to begin where it left off.**

#### **MAINTENANCE VIOLATION CORRECTIONS BY ASSOCIATION**

A "Maintenance Violation" is a violation of any provision of FDL's CC&Rs or Rules and Regulations that governs the condition of any portion of a unit for which an owner is responsible.

1. If a Maintenance Violation exists and the owner fails to correct it within the period specified in the Hearing Results / Determination Letter or within a reasonable time ("cure period"), then FDL, acting through the Board, shall have the right, but not the obligation to correct the Maintenance Violation in accordance with the procedures set forth below.
2. Bids -- In the event FDL elects to correct the Maintenance Violation, then prior to commencement of work to correct the Maintenance Violation and promptly after the expiration of the cure period afforded to the owner, the Board shall solicit three (3) written bids to perform the required work and shall mail any bids received to the owner. The owner shall have the right to select the bid by notifying the Board in writing within fourteen (14) days after the bids are mailed by the Board to the owner. In the event the owner fails to select a bid within the specified time period, the Board shall select a bid and assess accordingly;
3. Violation Assessment -- When a bid has been selected as set forth in the above section, the Board shall levy a "Violation Assessment" against the owner in the amount of the cost of correcting the Maintenance Violation and the costs and expenses, including attorney's fees incurred by FDL incident thereto.
4. Performance of Corrective Work by FDL -- The Board may, at its sole option and discretion, elect to cause the corrective work to be commenced promptly after the Violation Assessment has been levied against the owner, or elect to postpone the corrective work until after the

amount of the Violation Assessment has been collected partially or in full. Neither FDL, the Board, nor any of FDL's agents or employees shall be liable for any damage which may result from any work performed or authorized by FDL to cure a Maintenance Violation.

5. Emergencies -- In the event any Board member (or majority of Board members) of the Association believes in his or her sole reasonable discretion that an emergency situation exists within a unit (including any improvement thereon) or within any Common Element and their immediate repairs are necessary to prevent or mitigate damages, then such Board member or FDL's authorized agent shall have the right to exercise FDL's right of entry without notice. If after gaining entry, any officer or authorized agent of FDL still believes in his or her sole reasonable discretion, that immediate repairs are necessary to prevent or mitigate damages, then FDL shall have the right to make such repairs without notice to the owner and without a hearing and without obtaining competitive bids as provided above. FDL shall levy a Violation Assessment against the owner in the amount of the cost of corrective work and all costs and expenses, including attorney's fees, incurred by FDL incident thereto. Neither FDL, the Board, nor any of FDL's authorized agents or employees nor any person hired by FDL to perform the corrective work shall be liable for any damage which may result from any work so performed on behalf of FDL.
6. Entry by Court Order -- In the event an owner prevents an officer of FDL or authorized agent of FDL from gaining access to such owner's unit (including within any improvement thereon) or Common Element for the purpose of correcting a Maintenance Violation, or for the purpose of attending to an emergency situation, then the owner shall be jointly and severally liable to FDL for attorney's fees, court costs and all other costs and expenses incident thereto (called "Entry Costs") and such Entry Costs shall be assessed to the owner as a Violation Assessment.

# EXHIBIT I

## SCHEDULE OF FINES

**Fine Schedule.** Pursuant to NRS 116.31031, fines will be commensurate with the severity of the violation, but must not exceed \$100 for each violation or a total amount of \$1,000, whichever is less. The limitations on the amount of the fine do not apply to any interest, charges, or costs that may be collected by FDL should the fine become past due, nor do the limitations apply for violations threatening the health, safety or welfare of the owners or residents. (NRS 116.3102; 116.31031; CC&R 2.1; 5.1; 5.2; 17.1)

In accordance with revisions to NRS.116, the following fines may be imposed upon owners where a continuing violation of FDL's governing documents occurs. For uncorrected violations, the initial fine will be imposed at the hearing described in Phase 3 of the current Violation Policy.

Following the initial fine, if the violation is not corrected within fourteen (14) days, a continuing violation fine may be imposed, without notice or opportunity to be heard. Additional fines may also be imposed for each 7-day period, or portion thereof, that the violation is not corrected, without notice or opportunity to be heard. There is no cumulative limit to the amount of a continuing violation fine.

Note: The fine schedule includes, but is not limited to, the following violations. The Board has the right to impose fines for violations not listed herein provided the Violation Policy is followed. Fines for violations that directly affect the health and safety of FDL residents are not subject to the same time and notice requirements.

<u>Nuisances</u>	\$100.00 per occurrence
<u>Refuse Collection/Unsightly Articles</u>	\$100.00 per occurrence
<u>Maintenance &amp; Repair of Improvements</u>	\$100.00 per occurrence
<u>Landscaping and Maintenance of Lots</u>	\$100.00 per occurrence
<u>Household Pets</u>	\$100.00 per occurrence
<u>Business Activities</u>	\$100.00 per occurrence
<u>Parking and Vehicle Restrictions</u>	\$100.00* per occurrence
* Certain approved exceptions may apply	
<u>Continuing General Rules Violations</u>	\$100.00* per week or portion thereof
* There is no cumulative limit to the amount of a continuing violation fine.	

Catch-all -- Any violation not otherwise identified shall bear a fine of \$100. (NRS 11631031; CCC&R 18.1)

Health, Safety or Welfare ("HSW") Violations: If the violation poses an imminent threat of causing substantial adverse effect on the health, safety, or welfare of the other owners or residents of FDL, the amount of the fine shall be commensurate with the severity of the violation. The Board has the authority to determine whether a violation rises to the level of a HSW violation. There is not maximum limit to HSW fines, but they will be no less than \$100. Due to the imminent nature of HSW violations, no courtesy notice will be provided to the owner in violation. (NRS 116.31031; CC&R 10.9; 18.1)

A lien may be filed on the property if payment of fines is not received per the FDL's Collection Policy. It is the responsibility of the owner to pay any such fees, fines, assessments or costs in a timely manner. FDL has the right to pursue collection of such fees, fines, assessments or costs if the owner fails to pay fees, fines, assessments or costs in a timely manner.

This Violations and Fine Policy has been duly adopted at the November 27, 2019 Board of Directors Meeting. The effective date is 30 days from the date of mailing to the membership.

By: Linda Loveland  
Secretary