

**SOUTH BAY ASSOCIATION  
BOARD OF DIRECTORS RESOLUTION  
RE: FINE POLICY AND PROCEDURE**

WHEREAS, on April 25, 1990, South Pointe Industries, a Nevada corporation ("Declarant") formed the South Bay Association (the "Association") by causing to be filed the Articles of Incorporation of the Association in the Office of the Nevada Secretary of State;

WHEREAS, the Association was formed to operate, administer, and maintain that certain real property comprising the common-interest community known as the South Bay Community (the "Community");

WHEREAS, on June 13, 1990, Declarant caused to be recorded the Declaration of Covenants, Conditions and Restrictions for the South Bay Condominiums Association (the "Declaration") in the Office of the County Recorder, Clark County, Nevada, in Book No. 900613, as Instrument No. 01491;

WHEREAS, the Association, through its Board of Directors (the "Board") is responsible for operating, administering, and maintaining the Community in accordance with, among other things, the provisions of the Declaration;

WHEREAS, pursuant to Article X, Section 10.1 of the Declaration, the Board is authorized to adopt Rules and regulations necessary for the efficient governance and operation of the Community;

WHEREAS, the Board has deemed it to be in the best interest of the Association to establish a uniform and systematic procedure for handling homeowner violations and the imposition of penalties for said violations; and

WHEREAS, the Board desires to adopt the following policy pertaining to its fine policy and procedure for violations.

NOW, THEREFORE, BE IT RESOLVED that the Board for the Association hereby adopts the following Fine Policy and Procedure for implementation within the Association. Except as otherwise set forth herein, the capitalized terms have the same meaning as those terms are defined in the Declaration:

1. Consistent with the Association's Declaration, Bylaws, Articles, and Rules and Regulations, and any resolutions, adopted by the Board, which may be amended from time to time (collectively, the "Governing Documents"), and subject to the relevant provisions of Nevada law, the Owner is responsible for the actions and conduct of any occupants of his or her Lot or Condominium including, but not limited to, family members, tenants or invitees.

2. On at least a monthly basis or more frequently as determined by the Board, the Manager or Board shall inspect the Community for violations of the Governing Documents.

3. Upon receipt of a written complaint from an Owner or resident or, after an inspection, the observation of a member of the Board or Manager, regarding a potential violation of the Governing Documents, the Association's Board, Manager, legal counsel or other authorized agent of the Association (the "Authorized Agent"), acting on behalf of the Board,

shall issue a notice (the "Courtesy Notice") to the Owner of the alleged violation. The Courtesy Notice shall be in writing and must be signed by an Authorized Agent of the Association. The Courtesy Notice shall be sent to the Owner at the address of the Lot or Condominium, unless the Owner has notified the Association, in writing, a different address for notice. In addition, the Courtesy Notice shall:

- (a) specify in detail the alleged violation and the proposed action to cure the alleged violation,
- (b) provide a clear and detailed photograph of the alleged violation, if the alleged violation relates to the physical condition of the Lot or Condominium or the grounds of the Lot or Condominium, or an act or failure of which it is possible to obtain a photograph, and
- (c) provide a reasonable opportunity to cure the alleged violation or contest the alleged violation at a hearing.

A copy of the Courtesy Notice may also be mailed to the occupant of the Lot or Condominium.

4. If the alleged violation is not remedied within the time period set forth in the Courtesy Notice, the Board, or Authorized Agent, may serve a "Notice of Hearing" on the Owner for an alleged violation of any provision of the Governing Documents by the Owner, his family, tenants or invitees and/or on the tenant for an alleged violation by the Owner or Owner's tenant, his family or invitees. The Notice of Hearing shall be sent to the Owner at the address of the Lot or Condominium, unless the Owner has notified the Association, in writing, a different address for notice. The Notice of Hearing must contain each of the items contained in the Courtesy Notice. In addition, the Notice of Hearing must contain:

- (a) the amount of the fine that may be paid by the Owner or tenant for the violation,
- (b) the name of the person issuing the Notice of Hearing, and
- (c) a statement advising the Owner or tenant of the date, time and location of a hearing scheduled with the Board.

A copy of the Notice of Hearing may also be mailed to the occupant of the Lot or Condominium. In addition, the Notice of Hearing shall advise the Owner or tenant that the Owner or tenant:

- (i) has the right to attend all portions of the hearing, except the deliberations of the Board,
- (ii) has the right to counsel, and should the Owner choose to exercise that right, the Owner or tenant must notify the management company in order to provide time for the Board to engage its own legal counsel, if determined by the Board,

- (iii) has the right to present any and all evidence, witnesses and/or information that may be relevant to addressing the allegation of non-compliance,
- (iv) may present information relating to any conflict of interest of any member of the hearing panel,
- (v) may be assessed a fine of not more than \$100.00 per violation if the conduct does not pose an immediate threat of causing a substantial adverse effect on the health, safety or welfare of the Owners or residents of the Community. In addition, the Board also has the right to suspend the Owner's voting privileges and the Owner's, tenant's or the invitees or family members of the Owner's or tenant's right to use the Common Elements and Association Property.
- (vi) may be assessed a fine commensurate with the severity of the violation, with no statutory maximum, if the conduct poses an immediate threat of causing a substantial adverse affect on the health, safety or welfare of the Owners or residents of the Community. In addition, the Board also has the right to suspend the Owner's voting privileges and the Owner's, tenant's or the invitees or family members of the Owner's or tenant's right to use the Common Elements and Association Property.
- (vii) will be deemed to be in continuing violation if the violation should continue beyond 14 days after the hearing result letter is issued and, thereafter, additional fines in an amount not to exceed \$100.00 per violation for every seven (7) day period that the Owner remains in non-compliance will be added to the account, if the underlying violation does not pose an immediate threat of causing a substantial adverse effect on the health, safety or welfare of the Owners or residents of the Community. However, if the underlying violation poses an immediate threat of causing a substantial adverse effect on the health, safety or welfare of the Owners or Residents of the Community then the amount of the fine, per violation, shall be commensurate with the severity of the violation, as set forth in the hearing result letter.

5. If the nature of the alleged violation is such that, in the sole discretion of the Board, it poses an imminent threat of causing a substantial adverse effect on the health, safety or welfare of the Owners or residents of the Community, then, subject to the relevant provisions of Nevada law, the Association may immediately send a Notice of Hearing, as set forth in Section 4 above, without first sending the Courtesy Notice required by Section 3, above.

6. Any hearing at which the Board is considering a violation of the Governing Documents including, without limitation, the failure to pay an assessment, shall be conducted in an executive session of the Board, unless the person who may be sanctioned for the alleged violation requests in writing that the hearing be conducted by the Board at an open meeting of the Board. See NRS 116.31085(3) (c) and (4). If the Board concludes, after Notice and Hearing, that an Owner, tenant or the invitee or family member of an Owner or tenant has violated a

provision of the Governing Documents, then the Board may impose one or all of the following sanctions:

- a. Impose fines, as set forth in Paragraph 4(v) and (vi) above, consistent with NRS 116 and this Resolution;
- b. Suspend the right to use the Common Elements and Association Property during the term of the violation and for a period of not more than 60 days if the violation is remedied;
- c. Suspend the right of the Owner to vote on any matters affecting the Community;
- d. Issue a declaration that the Owner is not in good standing;
- e. Seek declaratory and injunctive relief against the Owner, tenant or the invitee or family member of the Owner or tenant of the Lot or Condominium;
- f. As set forth in Section 9.7 of the Declaration and subject to relevant portions of Nevada law, impose Special Assessments for the actual damage to any part of the Community, or if any Common Expense is caused by the willful misconduct or gross negligence of any Owner, tenant or invitee of an Owner or tenant, the Association may assess that expense exclusively against the Owner and his or her Lot or Condominium even if the Association maintains insurance with respect to that damage or Common Expense; and
- g. Any other legal or equitable remedies available to the Association for said violations.

7. Within fifteen (15) days after the hearing, the Board shall issue a letter to the Owner or tenant outlining the hearing results, including any penalties imposed by the Board. The letter shall be sent by regular and certified mail to the Owner at the address of the Lot or Condominium, unless the Owner has notified the Association, in writing, of a different address for notice. A copy of the hearing result letter may also be mailed to the occupants of the Lot or Condominium.

8. Subject to the imposition of fines for continuing violations, any fines imposed by the Association at the initial hearing, for a violation of the Governing Documents that does not pose an imminent threat of causing a substantial adverse effect to the health, safety or welfare of the Owners and residents of the Community, may not exceed \$100.00 for each violation or a total of \$1,000.00, whichever is less. See NRS 116.31031(1).

9. Any fines imposed by the Association, for a violation of the Governing Documents that poses an imminent threat of causing a substantial adverse effect to the health, safety or welfare of the Owners and or residents of the Community, must be commensurate with the severity of the violation as shall be determined by the Board in accordance with the Governing Documents, but is otherwise not subject to the limitation on the amount set forth in Section 8, above. See NRS 116.31031(1).

10. If a fine is imposed pursuant to Sections 8 or 9 above and the violation is not cured within fourteen (14) days after issuance of the hearing notice, or within any longer period

that may be established by the Board, the violation shall be deemed a continuing violation. Thereafter, the Board may impose an additional fine per violation for each seven (7) day period or portion thereof if the violation is not cured. Any additional fine may be imposed without notice and an opportunity to be heard. See NRS 116.31031(7).

11. Any past due fine must not bear interest, but may include any costs incurred by the Association during a civil action to enforce payment of the past due fine. See NRS 116.31031(11).

12. The Board has the right to refer the violation with its assessed Fine Account to an attorney in order to seek compliance from the Owner, tenant, or the invitee or family member of an Owner or tenant. Subject to relevant provisions of Nevada law and Section 1.08 of the Declaration, the Board may impose Special Assessments for the actual damage to any part of the Community, or if any Common Expense is caused by the willful misconduct or gross negligence of any Owner, tenant or invitee or family member of an Owner or tenant, the Association may assess that expense exclusively against the Owner and his or her Lot or Condominium even if the Association maintains insurance with respect to that damage or Common Expense. See NRS 116.3115(6).

13. Fines are subject to collection costs per NRS 116. No interest may be charged on fines but the property may be liened for fines. See NRS 116.3116. The process for collecting unpaid fines that are subject to lien and foreclosure are set forth in the Association's Delinquent Assessment Policy and Procedure. If the violation giving rise to the fines is of such a nature as to pose an imminent threat of causing a substantial adverse effect on the health, safety or welfare of the Owners or residents in the Association, then in addition to recording a lien against the Lot or Condominium, the Association may initiate foreclosure proceedings against the Lot or Condominium. See NRS 116.31162(5) (a).

14. The Board may appoint a committee, of not less than three (3) members, to conduct hearings on violations and to impose fines and other sanctions pursuant to this policy. If the hearing is held before a hearing officer or a committee appointed by the Board, then the Committee or hearing officer conducting the hearing must, within ten (10) days after the conclusion of the hearing, make a written recommendation to the Board on what action the Board should take with respect to the alleged violation. Upon receipt of the recommendation from the Committee, the Board must act upon the recommendation.

15. Any Owner or tenant has the right to dispute a violation or fine levied against them. All disputes must be submitted to the Board at least 10 days prior to the date of the executive session meeting of the Board. Written disputes submitted by an Owner or tenant must include the property address, the Owner's or tenant's name, and the nature of the dispute, and must include any backup documentation relevant to the dispute.

16. The remedies and penalties set forth herein are cumulative in nature and do not prevent the Association from taking all necessary legal action to enforce any violations of the Association's Governing Documents by declaratory and injunctive relief. Thus, the Association reserves the right to avail itself of any other remedy permitted by law and the Association's Governing Documents to collect assessments and related costs and charges, including but not

limited to bringing an action in Small Claims, Justice or District Court or initiating arbitration proceedings through the Nevada Real Estate Division. See NRS 38.310, et seq. Such remedies may be taken in addition to or in lieu of any action already taken, and commencement of one remedy shall not prevent the Association from electing, at a later date, to pursue another remedy. See Declaration, Article X, Section 10.1.

19. Owners and tenants should respond in writing or make payments to the address as directed by the Association or its designated collection agent. If no address is given, responses and petitions should be mailed to the management company:

Board of Directors  
South Bay Association  
c/o CDM Management  
3650 South Pointe Circle, Ste. 117  
Laughlin, NV 89029

20. The collection fees and costs of the Association or its designated collection agent are attached hereto as Exhibit "A".

DATED this 23 day of Jan, 2016

SOUTH BAY ASSOCIATION

By: Sandra Shields

Its: President

By: Richard J. [Signature]

Its: Vice-President

By: W. [Signature]

Its: Treasurer

By: Robert [Signature]

Its: Secretary

By: [Signature]

Its: Director

**EXHIBIT "A"**

**COLLECTION FEES AND COSTS**

**SCHEDULE OF COLLECTION FEES AND COSTS  
(NAC 116.470(1)-(6))**

1. Except as otherwise provided in subsection 5, to cover the costs of collecting any past due obligation of a unit's owner, an association or a person acting on behalf of an association to collect a past due obligation of a unit's owner may not charge the unit's owner fees in connection with a notice of delinquent assessment pursuant to paragraph (a) of subsection 1 of NRS 116.31162, which exceed a total of \$1,950, plus the costs and fees described in subsections 3 and 4.

2. An association or a person acting on behalf of an association to collect a past due obligation of a unit's owner may not charge the unit's owner fees in connection with a notice of delinquent assessment pursuant to paragraph (a) of subsection 1 of NRS 116.31162 which exceed the following amounts:

(a)	Demand or intent to lien letter .....	\$150
(b)	Notice of delinquent assessment lien .....	\$325
(c)	Intent to notice of default letter.....	\$90
(d)	Notice of default .....	\$400
(e)	Intent to notice of sale letter.....	\$90
(f)	Notice of sale .....	\$275
(g)	Intent to conduct foreclosure sale .....	\$25
(h)	Conduct foreclosure sale.....	\$125
(i)	Prepare and record transfer deed.....	\$125
(j)	Payment plan agreement - One-time set-up fee.....	\$30
(k)	Payment plan breach letter.....	\$25
(l)	Release of notice of delinquent assessment lien.....	\$30
(m)	Notice of rescission fee.....	\$30
(n)	Bankruptcy package preparation and monitoring.....	\$100
(o)	Mailing fee per piece for demand or intent to lien letter, notice of delinquent assessment lien,	\$2
(p)	Insufficient funds fee .....	\$20
(q)	Escrow payoff demand fee.....	\$150
(r)	Substitution of agent document fee.....	\$25
(s)	Postponement fee .....	\$75
(t)	Foreclosure fee .....	\$150

3. If, in connection with an activity described in subsection 2, any costs are charged to an association or a person acting on behalf of an association to collect a past due obligation by a person who is not an officer, director, agent or affiliate of the community manager of the



association or of an agent of the association, including, without limitation, the cost of a trustee's sale guarantee and other title costs, recording costs, posting and publishing costs, sale costs, mailing costs, express delivery costs and skip trace fees, the association or person acting on behalf of an association may recover from the unit's owner the actual costs incurred without any increase or markup.

4. If an association or a person acting on behalf of an association is attempting to collect a past due obligation from a unit's owner, the association or person acting on behalf of an association may recover from the unit's owner:
  - (a) Reasonable management company fees which may not exceed a total of \$200; and
  - (b) Reasonable attorney's fees and actual costs, without any increase or markup, incurred by the association for any legal services which do not include an activity described in subsection 2.
5. If an association or a person acting on behalf of an association to collect a past due obligation of a unit's owner is engaging in the activities set forth in NRS 116.31162 to 116.31168, inclusive, with respect to more than 25 units owned by the same unit's owner, the association or person acting on behalf of an association may not charge the unit's owner fees to cover the costs of collecting a past due obligation which exceed a total of \$1,950 multiplied by the number of units for which such activities are occurring, as reduced by an amount set forth in a resolution adopted by the executive board, plus the costs and fees described in subsections 3 and 4.
6. For a one-time period of 15 business days immediately following a request for a payoff amount from the unit's owner or his or her agent, no fee to cover the cost of collecting a past due obligation may be charged to the unit's owner, except for the fee described in paragraph (q) of subsection 2 and any other fee to cover any cost of collecting a past due obligation which is imposed because of an action required by statute to be taken within that 15-day period.

South Bay  
Rules Fee Schedule  
January 2016

Section	Fee	Rule/Regulation
1.1	\$50	Owners required to register tenants within 15 days
1.4	\$50	Owners required to notify in writing when tenant leaves unit
2.1	\$50	Vehicles noted in this section cannot be parked more than 36 hours
2.2	\$50	Vehicles must be registered and display registration sticker
2.3	\$50	Vehicles may not be stored permanently in unassigned parking space
2.4	\$100	Vehicles may not park in common area street for more than 5 minutes
2.5	\$100	No vehicle overhauls or maintenance work is permitted
2.6	\$100	No vehicle shall be parked so as to prohibit entry by another car
2.7	\$75	Vehicles to be parked in a forward position
2.8	\$100	Speed limit on common area streets is five miles per hour
2.9	\$100	No RV, camper or other vehicle to be used as a living area
2.100	\$50	All RVs, boats, campers, trailers, etc. to be parked in designated area
2.11	\$100	No vehicle to be parked within 15 feet of any fire hydrant or red zone
4.1	\$100	Violations of state and local laws with use of swimming pool/spa
4.2	\$50	Appropriate swim wear shall be worn while in pool area
4.3	\$100	Glass or other breakable items are prohibited in the pool area
4.4	\$100	Pool area quiet time from 10pm to 7am to be observed
4.5	\$50	Must shower before entering pool if suntan lotions or oils are used
4.6	\$100	Resident over 18 years of age must accompany guests under 18 at pool
4.7	\$100	Diving, running, pushing, unreasonable splashing not allowed at pool
4.8	\$100	Keys may not be reproduced, loaned or given to non-residents.
4.9	\$50	No more than 4 guests and resident using pool at one time
5.1	\$100	Private functions at clubhouse must be reserved
6.1	\$50	Recreational facilities restricted to residents and guests only
6.2	\$50	Keep noise level down; language should remain respectful
6.3	\$50	No pets allowed in any recreational facility
7.1	\$100	Maximum of two pets may be kept in living unit
7.2	\$100	All pets must be registered with the HOA's management company
7.3	\$100	No animal will be kept, bred or maintained for commercial purposes
7.4	\$100	Leash laws apply. Pets must be on a leash whenever outside.
7.5	\$50	Pets shall not be tied to trees, stakes or other exterior structure
7.6	\$100	Excessive barking is not allowed.
7.7	\$75	Pick up dog deposits on grass
7.8	\$50	Pets should weigh no more than 35 pounds
8.1	\$50	No signs may be displayed other than what is allowed by law
8.2	\$100	Garage sales are not allowed
8.3	\$50	Political signs are prohibited on common areas
9.1	\$100	Open flame barbeques are not allowed within 10 feet of any building
9.2	\$100	Must keep patio/balcony other exclusive use areas in neat condition
9.3	\$100	Units shall not be used for commercial purposes
9.4	\$100	No firearms may be discharged; no slingshots, knives, bows&arrows
9.5	\$100	No littering; furniture or other large items must be hauled away
9.6	\$25	Bouncing balls off walls is prohibited
9.7	\$100	No combustible machinery is allowed
9.9	\$100	Activity which violates peaceful, quiet living environment

South Bay  
Rules Fee Schedule cont'd

Section	Fee	Rule/Regulation
9.100	\$100	Conduct interferes with right to peaceful, quiet enjoyment
9.11	\$25	Access to roofs of buildings not permitted
9.12	\$50	Under 18 must be under direct supervision of their parent or guardian
9.13	\$100	Resident may not interfere, complain or harass vendor employees
9.14	\$100	Skateboards, roller skates, scooters, go-carts not allowed to be ridden
9.15	\$75	All garbage must be contained in plastic bags and deposited in dumpster
9.16	\$75	Dumpster diving is not permitted
9.17	\$100	Items not allowed to be deposited at dumpster sites
10.2	\$50	Use of appropriate window coverings
10.3	\$50	Must apply to install window or door coverings
10.4	\$75	No outside television, radio antennae or satellite dishes without approval