

ELDORADO NEIGHBORHOOD FIRST HOMEOWNERS ASSOCIATION

**BOARD OF DIRECTORS RESOLUTION
RE: PENALTY POLICY AND PROCEDURE**

WHEREAS, on **March 21, 1990**, **Pardee Construction Company of Nevada** (“**Declarant**”) formed **Eldorado Neighborhood First Homeowners Association** a Nevada nonprofit corporation (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 **Eldorado Neighborhood First Homeowners Association** (the “**Community**”);

WHEREAS, on **August 21, 1990**, Declarant caused to be recorded the **Declaration of Covenants, Conditions and Restrictions for Eldorado Neighborhood First Homeowners Association** (the “**Declaration**”) in the Office of the County Recorder, Clark County, Nevada as Instrument No. 02141;

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 4, Section 4.9 of the Declaration, the Board shall have the right to enforce any or all provisions of the Declaration, the Bylaws, and all other policies and procedures of the Association (collectively, the “**Governing Documents**”) against any property within the Community and the owners thereof;

WHEREAS, pursuant to Article 4, Section 4.18 of the Declaration, the Board is authorized to take all actions necessary for the efficient governance and operation of the Association;

WHEREAS, the Board has deemed it to be in the best interest of the Association to establish a uniform and systematic procedure for handling homeowners who have become non-compliant with the Governing Documents of the Association; and

WHEREAS, the Board desires to adopt the following penalty policy and procedure (the “**Policy**”) to address violations of the Governing Documents.

NOW, THEREFORE, BE IT RESOLVED that the following Policy is hereby approved, adopted, and ratified and shall become effective thirty (30) days after distribution of the same to the homeowners:

1. Courtesy Notice: Upon receipt of a written complaint or if discovered during a routine inspection of the Community of any alleged violation of the Governing Documents by a member, his or her tenant, guests or family members, the Board shall

issue an initial courtesy notice (the “**Courtesy Notice**”), as well as a correction response form (the “**Response Form**”) to the address of the unit and, if different, to a mailing address provided by the unit’s owner to the Association. The Courtesy Notice shall include written details of the alleged violation, including the applicable provisions of the Governing Documents that form the basis of the violation, and the amount of any fine that may be imposed as a result of the failure to cure the violation. The alleged violating member, tenant, guest, family member or invitee (the “**Violator**”) must return the Response Form to the Association within 14 days, and must either identify the corrective action that the Violator has taken to cure the violation, or request a hearing before the Board or its designee.

2. Second Notice: If the Violator fails to return the Response Form or fails to take any corrective action within the timeframe specified in Paragraph 2 above, then the Board shall send the Violator a second notice (the “**Second Notice**”), as well as a correction response form (the “**Response Form**”) to the address of the unit and, if different, to a mailing address provided by the unit’s owner to the Association. The Second Notice shall include written details of the alleged violation, including the applicable provisions of the Governing Documents that form the basis of the violation, and the amount of any fine that may be imposed as a result of the failure to cure the violation. The alleged violating member, tenant, guest, family member or invitee (the “**Violator**”) must return the Response Form to the Association within 14 days, and must either identify the corrective action that the Violator has taken to cure the violation, or request a hearing before the Board or its designee.

3. Hearing Notice: If the Violator fails to return the Response Form or fails to take any corrective action within the timeframe specified in Paragraph 2 above, then the Board shall send the Violator a notice of hearing (the “**Hearing Notice**”), which shall include the same information as the Courtesy Notice and Notice of Violation, and shall also notify the Violator of the date, time, and location for a hearing on the violation (the “**Hearing**”). Upon receipt of a Hearing Notice, the Violator must take one (1) of the following actions:
 - a.) Cure the violation and notify the Board in writing prior to the Hearing that the violation has been cured, and identify what corrective actions were taken;
 - b.) Attend the Hearing. Any Violator shall be subject to the Hearing Procedures set forth in Paragraph 4 below. If the Violator does not attend the Hearing after proper notice and does not provide any other information to the Board regarding the violation, the Board may make a decision on the violation based on the information in its possession, despite the Violator’s absence at the Hearing; or
 - c.) Pay the fine. Payment of the fine does not cure any violation, and fines will continue to accrue without further notice or an opportunity to be heard in accordance with Paragraph 7 below.

Violations deemed to be Health, Safety and Welfare in accordance to NRS 116.31031 may be called to immediate hearing and forego the sending of a courtesy notice

4. Hearing Procedures: If the Violator chooses to attend the Hearing, he or she may present any evidence regarding the violation, including testimony of witnesses. In addition, the Violator may be represented by legal counsel at such Violator's sole cost and expense. The Board or its designee shall have the right to limit the time of the Hearing, and to limit the time in which any evidence may be presented. The Violator shall receive a written decision regarding the outcome of the Hearing within 10 days of the Hearing (the "**Hearing Determination Letter**"). A member of the Board shall not participate in any hearing or cast any vote relating to a fine imposed pursuant to Paragraph 5, Subsection (a)(vi) if such Board member has not paid all assessments that are due to the Association by that Board member. If a Board member participates in a hearing or casts a vote in violation of this Paragraph 4, then any action taken at the hearing or any vote cast shall be void.

5. Hearing Outcome: Upon a majority decision of the Board or its designee, the Violator shall receive a Hearing Determination Letter as identified in Paragraph 4 and shall inform the Violator of one (1) of the following:
 - a.) That no violation exists;
 - b.) That a violation does exist, impose a timeframe within which the violation must be corrected or else be deemed a continuing violation as set forth in Paragraph 7 below, and impose one (1) or more of the following penalties:
 - i.) Prohibit, for a reasonable time, the Violator from voting on any matters relating to the Association;
 - ii.) Prohibit, for a reasonable time, the Violator from using the common areas; provided, however, that nothing in this subparagraph (ii) shall prohibit the Violator from using any vehicular or pedestrian ingress or egress to go to or from the Violator's unit, including any area used for parking;
 - iii.) If the Violator is a homeowner and, thus, a member of the Association, issue a declaration that the Violator is not a member in good standing;
 - iv.) Seek declaratory or injunctive relief against the Violator or the occupants of the unit;
 - v.) If the Violator is a homeowner, impose a special assessment against the Violator's unit for any common expenses including, but not limited to, attorneys' fees and costs, incurred in bringing the unit into compliance with the Governing Documents;
 - vi.) Impose a fine not to exceed One Hundred Dollars (\$100.00) for each violation, or any other amount set forth in Nevada Revised Statutes ("NRS") Chapter 116. Notwithstanding the foregoing, the Board or its designee may impose greater fines for any violations that pose an imminent threat of causing a substantial adverse effect on the health,

safety or welfare of the owners or the residents within the Community; provided, however, that amount of the fine must be commensurate with the severity of the violation. **Notwithstanding the foregoing, if the Violator is an invitee of the homeowner, the Board may not impose a fine against the homeowner for a violation of the Governing Documents committed by such invitee UNLESS: A) the homeowner participated in or authorized the violation; B) the homeowner had prior notice of the violations; or C) the homeowner had the opportunity to stop the violation but failed to do so. Furthermore, a fine may not be imposed against a homeowner, tenant or invitee of a homeowner for a violation of the Governing Documents that involves a vehicle and which is committed by a person who is delivering goods to, or performing services for, the homeowner, tenant or invitee of the homeowner; or**

- vii.) Any other legal or equitable remedies available to the Association for the violation.
 - c.) That the Violator has been given adequate time to cure the violation.
 - d.) **The Association may not interrupt any utility service furnished to a homeowner or a tenant of such homeowner for a violation of the Governing Documents, EXCEPT for nonpayment of utility charges when they are due. The interruption of any utility service must be performed in a manner that is consistent with all laws, regulations, and the Governing Documents. Prior to interrupting any utility service, the Association must send written notice of its intent to do so at least ten (10) days prior to such services being interrupted.**
6. Right to Appeal: The Board may appoint a committee to hold hearings and impose fines if the Governing Documents of the Association so provide. If the Board appoints a committee (the "**Committee**"), then the Violator shall have a right to appeal the decision of the Committee to the Board in accordance with the following procedure:
- a.) Within 14 days from the date of the Hearing Determination Letter, the Violator must submit a written appeal to the Board, providing specific details as to why the decision of the Committee should be overturned.
 - b.) The Board may or may not ask the Violator to attend a meeting to discuss the appeal.
 - c.) If the Violator submits an appeal within the timeframe set forth in this Paragraph 6, the time period for taking any further action on the violation by the Association, such as imposing additional fines for continuing violations as set forth in Paragraph 7, shall be stayed until a decision has been made by the Board on the appeal.
 - d.) If there is no Committee, there shall be no appeal process.
7. Additional Fines for Continuing Violation: Subject to Paragraph 6 above, if a Violator is notified in the Hearing Determination Letter that a violation does exist, then such Violator must cure the violation within thirty (14) days or any other timeframe

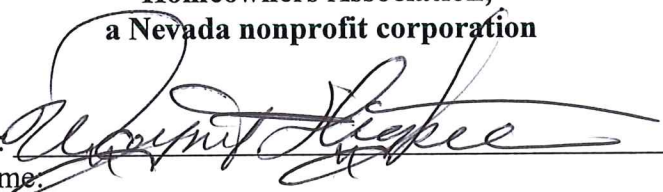
determined by the Board in its sole and absolute discretion. If the Violator fails to cure the violation within the foregoing timeframe, then the violation shall be deemed a continuing violation and the Board shall assess an additional fine of One Hundred Dollars (\$100.00) for each violation for every (7) days or portion thereof that the violation remains uncured without further notice or a hearing. If the violation is one that has been deemed to pose an imminent threat of causing a substantial adverse effect on the health, safety or welfare of the owners of the residents within the Community, then the additional fine imposed shall be consistent with the initial fine imposed.


8. Other Penalties for Non-Compliance with Decision of Board or Committee: If, after the Hearing, the Violator refuses to abide by the decision imposed by the Board or its designee, the Association may, without further notice, elect to compel compliance with such decision as provided for in the Governing Documents, including, but not limited to, recording a lien against the Violator's unit in the Community for the failure to pay any monetary penalty imposed, and foreclosure of any lien recorded if the violation was deemed to pose an imminent threat of causing a substantial adverse effect on the health, safety or welfare of the owners or the residents within the Community.


BE IT FURTHER RESOLVED that the officers of the Association are, and any of them is, hereby authorized and directed to take all actions, including the execution of all documents, that the officers deem necessary or advisable in order to carry out the purpose and intent of the foregoing resolutions and that any such acts taken prior to this Resolution in connection herewith are hereby ratified and approved as acts and deeds of the Association.

Dated this 14 day of Oct, 2021.

**Eldorado Neighborhood First
Homeowners Association,
a Nevada nonprofit corporation**

By: 
Name:
Title:

By: 
Name: Thomas L. Bergman
Title: Vice President

By: 
Name: Rob A. Sigurd
Title: TRUSTEE