

South Shores Community Association

Penalty Policy

The Board of Directors (the "Board") of **South Shores Community Association** (the "Association") is responsible for conducting, managing, and controlling the affairs and business of the Association. In accordance with those responsibilities, the Board may adopt reasonable policies and procedures governing, among other things, the management of the Association. Based on the foregoing, the following policy and procedures for handling violation by homeowners (the "Owner") is hereby adopted ("Procedures").

POLICY

It is the policy of the Board to provide for the proper and fair operation of the Association. In accordance with that policy, the Board has adopted the following procedures, which govern the Association's method for handling alleged and actual violations of the Declaration of the Covenants, Conditions and Restrictions for the Association, as recorded April 3, 1989 (the "Declaration"), the Articles of Incorporation of the Association, which were filed with the Nevada Secretary of State on April 13, 1989 (the "Articles"), the Bylaws of the Association, (the "Bylaws"), the Rules and Regulations (the "Rules"), and any other documents that govern the operation of the Association (collectively the "Governing Documents").

PROCEDURE

Information received by the Association relating to an Owner's non-compliance with the Governing Documents is subject to the following procedures:

Courtesy Notice: A Courtesy Notice will be sent notifying the Owner of an alleged violation with reference to the applicable documents and provision at issue. The Courtesy Notice will be sent without monetary penalty or sanction.

1. Upon receipt of the Courtesy Notice: The Owner **MUST** participate in the process by:
 - a) The corrective action taken or to be taken that will bring the Owner into compliance; or
 - b) The reasons that the Owner feels that he or she is not in violation; or
 - c) A request for a hearing before the Board or its duly authorized designee.
 - d) Correct the violation within 10 days.

Second Request for Information and Compliance: If an Owner fails to select one of the above options or fails to abide by his or her selection, a second formal violation notice will be sent.

1. Upon receipt of the formal notice: The Owner must participate in the process by completing the enclosed Homeowner Response Form and returning it to the Association within fourteen (15) days of the postmark of the Notice. The Owner must include the following information:
 - a) The corrective action taken or to be taken that will bring the Owner into compliance; or
 - b) The reasons that the Owner feels that he or she is not in violation; or
 - c) A request for a hearing before the Board or its duly authorized designee

Hearings

1. If an Owner fails to take corrective action, requests a hearing, or fails to communicate with the Board, the Board will notify the Owner of the date, time and location for a hearing before the Board or its duly appointed designee.
 - a) **Failure to Appear:** If an Owner does not communicate a request for a change of the hearing and/or fails to appear at the scheduled hearing, the Owner will have waived all future rights to a hearing for the alleged violation. The Board or its duly appointed designee will proceed in the Owner's absence and make a decision based on the evidence in its possession.
 - b) **Representation:** An Owner requesting a hearing may be represented at the hearing by counsel, by any other individual named on the deed, or by any other individual holding a notarized power of attorney from the Owner.
 - c) **Evidence:** The Owner may present any evidence or make any statement relating to the alleged violation, either in person or through a representative as defined above.
 - d) **Time Limit:** The Board or its duly appointed designee may reasonably limit the time an Owner is allowed to present evidence.
 - e) **Hearing Response:** After an Owner presents his or her case, the Board or its duly appointed designee will consider the matter outside the presence of the Owner. Within fourteen (14) days of the hearing the Board, or its duly appointed designee, will issue a written response to the Owner outlining the decision which may include fines and/or sanctions.

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- f) Sanctions: At the hearing, the Board or its duly appointed designee may use its power to levy a violation assessment or other sanctions in accordance with Nevada law.
 - g) Fines: Pursuant to NRS 116.31031, if the Board or its duly appointed designee imposes a fine, it will be levied in an amount not to exceed \$100 for each violation or a total amount of \$1,000, whichever is less. However, a fine imposed for a violation that poses a substantial adverse effect on the health, safety or welfare of the units' owners or residents of the community may be commensurate with the severity of the violation and must be determined by the Board. Pursuant to NRS 116.31031(5), if the violation is not cured within fourteen (14) days, the violation shall be deemed a continuing violation. Thereafter, the Board or its duly appointed designee may impose additional fines in amounts up to \$50 each for each 7-day period or portion thereof that the violation is not cured in accordance with Nevada law. Additional fines on what is deemed to be a continuing violation will be imposed without notice and without an opportunity to be heard.
 - h) If a fine is not paid within thirty (30) days after it is levied, the unpaid fine may become subject to collection action. Any lien, foreclosure action, or further collection activity shall be pursued only in accordance with the Association's adopted Collection Policy and applicable provisions of Nevada Revised Statutes Chapter 116, including all required notices, hearing rights, dollar-amount thresholds, and cure periods.
 - i) Other Sanctions: The Board or its duly appointed designee may impose sanctions other than fines or in addition to fines, and either body may take any action allowable under Nevada law, including, but not limited to, removal of voting rights, restriction of use of common areas, institution of legal action, and correction of the violation. Additionally, if provided for in the Governing Documents, the Owner may be deemed ineligible to serve on the Board of Directors.
 - j) Any fees or costs incurred in correction of the violation will be assessed to the Owner's account.
- D. **Health, Safety and Welfare Violations:** Violations that pose a substantial adverse effect on the health, safety, or welfare of the residents or the community may be addressed on an expedited basis as permitted by Nevada law. For such violations, the Board or its duly authorized designee may impose fines in amounts commensurate with the severity of the violation, require immediate corrective action, and impose additional sanctions authorized by the Governing Documents and Nevada law. Nothing herein shall be interpreted to eliminate the Owner's right to notice and an opportunity to be heard as required by law, nor to alter the Association's obligation to follow its adopted Collection Policy and Enforcement policy prior to recording any lien or pursuing foreclosure.
- E. **Notice of Correction:** It is the Owner's responsibility to notify the Board or its duly appointed designee, in writing, through the management company, when the violation has been corrected.
- F. **Appeal Process:** In the event that a Compliance Committee is appointed to handle hearings and sanctions, an Owner may, within fourteen (14) days of the decision, appeal to the Board by submitting a written request to the management company or the Board's designee and a new hearing may be scheduled. If the violation process is managed by the Board, without involvement of a designee or the Compliance Committee, no appeal may be taken.
- G. **Relationship to Collection Policy:** This Penalty Policy governs the notice, hearing, and sanction process for violations of the Governing Documents. The collection of unpaid fines, including payment plans, liens, and foreclosure actions, is governed separately by the Association's adopted Collection Policy. In the event of any inconsistency, the Collection Policy and applicable Nevada law shall control with respect to collection remedies.
- H. **CC&R Provision | Section Description | Potential Fine**
- Section 7.04 | Animals / Pets (including noise, leash, waste) | \$50
 - Section 7.05 | Nuisances (noise, odors, disturbances) | \$50
 - Section 7.06 | Maintenance and Repair – Owner Responsibility | \$50
 - Section 7.10 | Prohibited Temporary Structures | \$50
 - Section 8.02 | Improvements Made Without Approval | \$50
 - Section 8.03 | Landscaping Violations (dead plants, weeds, irrigation issues) | \$50
 - Section 8.04 | Parking and Vehicular Restrictions | \$50
 - Section 8.06 | Unauthorized Signs | \$50
 - Section 8.07 | Unsightly Articles / Storage | \$50
 - Section 8.08 | View Obstructions | \$50

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Section 9.03 | Architectural Approval Required / Unapproved Modifications | \$50

Enforcement Workflow | Habitual / Repeat Violations | \$50

May Vary | Any other violation not specifically listed that violates the Governing Documents | Up to \$100

CONFLICT AND SEVERABILITY

In the event these Procedures may be, at any time, inconsistent with any provision of the Governing Documents or Nevada law, the Governing Documents and Nevada law shall control.

If any of these Procedures should be ruled invalid or improper, the validity and enforceability of the remaining Procedures shall be unaffected and the Procedure held invalid shall be reformed so as to give it the manifest intent for which it was drafted.

THE FOREGOING PENALTY POLICY AND PROCEDURE GUIDE IS HEREBY ADOPTED BY THE **South Shores Community Association** **01/20/2026**. THIS VERSION SUPERSEDES ANY PREVIOUS POLICIES AND WILL BE IN EFFECT STARTING **03/01/2026**.

By: Verena Bryan

Verena Bryan- President

By: Jeannie Epstein

Jeannie Epstein- Secretary