

SUMMERLIN NORTH COMMUNITY ASSOCIATION
SPECIFIC ASSESSMENT PENALTY POLICIES AND PROCEDURES

The Board of Directors of the Summerlin North Community 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 and Restrictions for the Summerlin North Community Association, the Board is empowered to adopt, amend, and repeal such Rules and Regulations as it deems reasonable and appropriate.

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 of Directors, and in conformity with Article V and Article VI of the CC & R's and Article IV, Section 4.3 of the Bylaws, has adopted the following Specific Assessment Penalty Policies and Procedures for the CC & R's now in force or as may be amended hereafter, and of the Rules and Regulations as may be hereinafter adopted, amended or repealed.

POLICY

Violation of the CC & R's and/or Rules are subject to the following Specific assessment penalties:

- [a] First Notice of Violation - written warning without Monetary Penalty
- [b] Second Notice of Violation - \$100.00 Specific Assessment
- [c] (1) After sending a second notice of the violation, the offending member will be entitled to appear before the Association's Board of Directors. 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 \$500.00, whichever is less.

(2) If a fine is imposed pursuant to subsection c.1, and the violation is not cured within 14 days immediately following the hearing, or a longer period, as determined by the Board of Directors, the violation shall be deemed a continuing violation. Thereafter, for each seven (7) day period that passes in which the violation has not been corrected as required by the Board, the Board may impose an additional Specific Assessment, which must be commensurate with the severity of the violation. Any specific assessment imposed as a result of a continuing violation may be imposed without notice and an opportunity to be heard.

Additionally, the Board shall have the power to levy a Specific Assessment against the Member for violations which the Board determines threaten the health and welfare of the community. The Specific Assessment amount shall be commensurate with the severity of the violation but shall not be restricted by a maximum dollar amount.
- [d] If the violation has resulted in damage to the Common Area, the Board may order that the damages be repaired at the expense of the offending Member.
- [e] A violation is deemed to be a repeated or continued violation for purposes of the 14 day period and for each 7 day period thereafter when a sufficient amount of time has elapsed from the preceding violation to allow correction of the initial violation.

PROCEDURES

Prior to the imposition of any penalty for violation of the CC & R's or Rules, the Association shall afford the offending Member with notice of the violation and an opportunity to be heard in person, by submission of a written statement or through a representative at an Executive Session of a meeting of the Board of Directors called for such purpose.

(A) NOTICE:

1. Upon receipt of a written complaint from an Association Member or a report to the Association alleging a violation of the CC & R's or Rules by a Member, or Member's dependants or guests and if it appears to the Association that the violation does exist, then the Association will issue a "Request for Compliance", which will serve as first notice of the violation.
2. The Association 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. If the offending Member fails to respond to the Request for Compliance, a "Notice of Hearing" may be sent to the offending Member at which time a hearing shall be set. The hearing date shall be a least ten (10) days from the date the Notice of Hearing is mailed and/or delivered to the offending Member.

(B) HEARINGS:

1. If the Member fails to take action and fails to cease and desist from further violations before receiving the Notice of Hearing, the Board of Directors of the Association may order a Hearing if the Association desires to impose any Specific Assessment. The Board shall have the right to limit the time of the Hearing and limit the time in which any evidence may be presented. The Hearing shall be held in a Board Executive Session.
2. Proof that the accused Member received the Notice of Hearing and that the Association has complied with the CC & R's and Bylaws regarding distribution of relevant restrictions of the Association shall be entered into the minutes of the Hearing. Proof that the accused member has received Notice of Hearing shall be adequate if a copy of the Notice of Hearing, together with a statement of the date and manner of delivery, is entered into the minutes of the meeting by the officer, Directors or agent who delivered the Notice of Hearing. If the accused Member is present at the Hearing, notice shall be deemed adequate.
3. At the Hearing, the accused Member may present any evidence or make any statement relating to the violation, either in person or in writing to the Board of Directors.
4. Upon hearing all of the evidence, the Board may, by a majority vote:
 - [a] Find that no violation exists and extinguish the Specific Assessment, or
 - [b] Find that the Member is in violation and maintain the imposition of the \$100.00 Specific Assessment, reduce the amount of the \$100.00 Specific

Assessment and/or impose additional Specific Assessments as set forth herein.

- [c] Require the offending 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.
 - [d] Suspend the Member's rights and privileges for the use of the Common Area.
 - [e] If the violation resulted in damage to the Common Area, order the damage be repaired at the expense of the violating Member.
 - [f] Take any other action allowed by the CC & R's and Nevada Revised Statutes
5. If, after the Hearing, the offending Member refuses to abide by the decision imposed by the Board, the Board may, without further notice, elect to compel compliance with such decision as provided in the CC & R's.
 6. If any Member accused of a violation of the CC & R's or Rules, after notice as provided herein, shall fail to appear for a Hearing, the Board or its designee shall proceed in their absence, and make a determination based on the facts presented.
 7. Any action taken by the Board of Directors under this section shall not deprive either party of any remedies otherwise available by law.
 8. If the Hearing is conducted before a committee of the Board of Directors, the violating Member shall have the right to appeal the decision of the committee to the full Board of Directors.

Adopted this 15th day of December, 1999

John Potts

President

Jeffery Geen

Secretary