

# EXHIBIT 4

Quoted excerpts of all  
reference to foreclosure  
or write offs from

## SCA BOARD MINUTES

9/27/12-12/31/14

A handwritten signature in black ink, appearing to read "nona Tobin". The signature is written in a cursive, lowercase style.

Compiled by Nona Tobin  
from SCA website

# EXHIBIT 4

2013-2014 SCA BOARD ACTIONS TO FORECLOSE  
OR WRITE OFF DEBT  
OF AN UNKNOWN NUMBER OF UNIDENTIFIED PROPERTIES  
JANUARY 10, 2013 THROUGH DECEMBER 4, 2014

DATE	BOARD ACTION
1/10/13	No record that the SCA Board adjourned to an executive session held on 1/24/13 and no minutes of an open board meeting on 1/24/13 where ""Write off bad debt for three accounts reviewed at the 1/24/13 executive session meeting in the amount of \$3,431.39" was in 2/28/13 item 17B minutes
2/28/13	Item 17B"Write off bad debt for three accounts reviewed at the 1/24/13 executive session meeting in the amount of \$3,431.39 and for one account reviewed at the February 28, 2013 Executive Session meeting in the amount of \$13,395.48, for a total of \$16,826.87 that is outside the nine (9) month super priority lien."
2/28/13	President's report: "At today's executive session, our Board considered one request for a waiver of the minimum age requirement, a request for a waiver of fees, a request for both a payment plan and a waiver of fines, and one bad debt write-off"
3/28/13	President's Report: At our executive session today, our Board considered one request for a waiver of fines and one request for a payment agreement.
4/25/13	President's Report: At our executive session today, our Board considered one request for a waiver of fines and one request for a payment agreement.
5/27/13	President's Report: "At today's executive session, the Board considered one request for a waiver of late fees
8/1/13	President's Report: "There were no bad debts or write-offs considered at the executive session earlier today. The Board considered three appeals for waivers of fines, and one appeal was returned to committee
8/22/13	President's Report: Three requests for waivers and/or a reduction and/or payment plans and one appeal.
9/26/13	President's Report: "At today's executive session, your Board considered six appeals including waiver of late fees, fines or requests for payment plans."
10/24/13	President's report: "At today's our Board considered two requests for payment plans of delinquent assessments or waivers of fees and/or fines. We approved foreclosure proceedings on five properties and took no action on bad debt.

- 12/5/13 President's report: "At each executive session, your Board considers appropriate action regarding homeowners in our community who fall behind in paying their assessments. Last month, we took action to foreclose on the liens of five properties, and this month, at this afternoon's session we considered other seriously delinquent accounts. It is important to note that the vast majority of our neighbors meet their financial responsibilities to the Association. There are a very few, however, who do not. As I stated in the President's Report in this month's Spirit, we believe that it is not in the best interests of our Association for your Board to sit back and allow certain homeowners to continually neglect their financial responsibilities to our neighbors. I am pleased to report that of the five homes the Board took action on in October, at least one has paid their balance in full. We also determined that another home was foreclosed on by the City of Henderson. The Association did not and will not receive any funds as a result.
- 12/5/13 Item 17 Approve a write off of bad debt for three accounts reviewed at the December 5, 2013 Executive Session meeting in the amount of \$24,568.94 that is outside of the nine-month super priority lien.
- 1/23/14 President's Report: "In our executive session held this morning, our Board heard appeals from residents regarding assessment payments and other issues of enforcement and acted to write off bad debts in the amount of \$18,349.17
- 2/27/14 Approve the write-off of bad debt for accounts reviewed at the February 27, 2014 Executive Session meeting in the amount of \$332.92.
- 2/27/14 President report: Our Board continues to work through member accounts that are in serious arrears. We have taken action to foreclose on some, and continue to contact others in an attempt to bring all accounts current. When a homeowner fails to pay their authorized assessments, an added burden falls on those who do pay as they should. Our board believes it is not in the best interests of our Association to sit back and allow certain homeowners to continually neglect their financial responsibilities. As of this meeting, our Board has acted to foreclose on a total of nineteen homes and, as of this date, five have been sold at auction. On all five of those accounts, the Association was made whole and collected past due assessments, costs of collection, interest, late fees and fines. On the other homes, many owners have entered a payment plan, some have paid the amounts due in full and some have been foreclosed on by other entities such as a mortgage holder or the City of Henderson. As I mentioned above, our Board does not take these actions easily. We initiate several contacts with homeowners throughout to make sure they understand the consequences of nonpayment. The Board conducts hearings, offers payment plans and otherwise acts to encourage and allow homeowners to pay their just debt to the Association. As I mentioned above, our Board does not take these actions easily. We initiate several contacts with homeowners throughout to make sure they understand the consequences of nonpayment. The Board conducts

hearings, offers payment plans and otherwise acts to encourage and allow homeowners to pay their just debt to the Association.

- 5/22/14 Item 17 "This write off is the result of a bank foreclosure of a house and the write off is the amount in excess of the Association's nine-month super-priority lien.
- 6/26/14 Item 16 "...approve the write off of bad debt due to the foreclosure by lenders on two homes in SCA in the amount of \$18,843.93. This amount is uncollectable by the Association."
- 6/26/14 President's report "At the executive session earlier today, our Board considered two appeals from homeowners for exemptions from our CC&Rs and one appeal to settle a delinquent account. The Board also reviewed properties that may be considered for foreclosure by the Association and reviewed other properties previously approved for foreclosure. We consider the write-off of bad debt from two properties. The Board also reviewed incident/accident reports that may result in insurance claims."
- 7/24/14 President's report "At today's executive session, our Board considered one appeal from a homeowner for relief from a fine imposed for a violation of provisions in the CC&Rs and another appeal for a waiver of late fees and interest. The Board reviewed properties that may be considered for foreclosure by the Association and reviewed others previously approved for foreclosure. We did not consider any write-off of bad debt this month.
- 8/21/14 Item 16 "approve the write off of bad debt for accounts reviewed at the 8/21/14 executive session in the amount of \$751.49.
- 8/21/14 President's Report "At today's executive session, our Board reviewed incident reports that may result in insurance claims, properties on which foreclosure action was taken in the past and others that may come to foreclosure in the near future. We considered write off of debt in the amount of \$751.49 from two properties, one that was foreclosed on by the lender and the other amount was the outcome of a payment plan.
- 9/18/14 President's Report: There were no write off of bad debts at the September 18, 2014 Executive Session. At the executive session, the Board considered or reviewed payment plans on six properties, reviewed accounts on properties that have been foreclosed on and considered foreclosure on others, and reviewed incidents that may result in insurance claims and certain legal issues before the Association.

- 10/21/14 At the Executive session earlier today, our Board reviewed three requests for waivers of late fees and other charges, accounts of properties that may be foreclosed on, and insurance claims and accident reports.
- 12/4/14 Collections Report: The Treasurer, on behalf of the Board, reviewed the September 30, 2014 Collections Report. The Association has collected \$252,609.34 year-to-date from delinquent accounts compared to \$121,514.32 year-to-date September 2013. The delinquent accounts represented 1.89% of budgeted assessments compared to 4.94% as of September 2013. Out of 7,144 accounts, only 43 accounts were at collections ending September 2014, putting the percentage of accounts at collections at 0.59% for the month of September 2014.
- 12/4/14 The Board unanimously approved the write-off of bad debt for accounts reviewed at the December 4, 2014 Executive Session, in the amount of \$2,255.19.

# EXHIBIT 5

BOD approved the sale in secret violating NRS 116.31083 or NRS 116.31085

1. SCA disclosed no minutes of any BOD action to authorize this sale or any of the 12 (or more) SCA foreclosures in 2014.
2. SCA response to Tobin ROGGs stated minutes were in SCA000644 – through SCA000654, but SCA disclosures only went up to SCA000643.
3. SCA 000315 reports BOD approval, “Approved 12/5 R05 120513” to sell 2763 White Sage on March 7, 2014 , **but**
  - a. motion R05 is a vote on the Reserve Study, not on a sale.
  - b. The only published Notice of Sale was posted on 2/12/14.
  - c. Jean Capillupo signed the approval 2/27/14,
4. 12/5/13 President Report states “*we took action to foreclose on five properties*” that were unidentified
5. SCA000406 “*Association Foreclosure Sale Approval*” “*all twelve properties attached*”, signed on 1/9/14, **but**
  - a. no list of properties was attached
  - b. no action item was on any agenda to authorize posting any property for sale at all, let alone 12 properties identified by address
  - c. no sale date for any property was in any BOD minutes

# EXHIBIT 5

1. [SCA 315](#) was the only evidence proffered of Board action to authorize the sale of 2763 White Sage Drive.

2. SCA 315 alleges that Jean Capillupo, Board member, signed on February 27, 2014 a statement on RRFS letterhead, dated February 14, 2014,

“The Board of Directors of Sun City Anthem Community Association approves that Red Rock Financial Services is to proceed with the foreclosure of the property address 2763 White Sage Dr., Henderson NV 89052 on March 7, 2014 at 10:00 AM pursuant to this authorization and the conditions set forth in the Permission for Publication of Foreclosure Sale and Authority to Conduct Foreclosure Sale.”

3. SCA 315 also includes a note, handwritten by an unknown author, that stated

“approved  
12/5  
R05-120513”

4. SCA Board minutes of the December 5, 2013 Board meeting were retrieved from the SCA website since SCA refused to disclose minutes, the requested in discovery, of any meeting at which action was taken to authorize the sale.

5. Item R05 – 120513 on page 2 did not authorize the sale of 2763 White Sage Drive.

6. SCA Board minutes of the December 5, 2013 Board meeting **Item R05 – 120513** reads

**“(R05-120513) UPON motion duly made by Dan Forgeron and Jim Mayfield, the Board unanimously voted to refer the bids to the Reserve Study group for analysis and recommendation presented at the January 23, 2014 regular Board meeting.”**

**The sale of 2763 White Sage Drive is voidable as it was not authorized by a SCA Board action taken in compliance with the provisions of NRS 116.31083 and NRS 116.31085**

1. [NRS 116.3102](#) define the powers of unit-owners' association.
2. [NRS 116.3102\(m\)](#) limits the association's authority to sanction an owner for an alleged violation of the governing documents by requiring the association to provide notice and due process as delineated in [NRS 116.31031](#) to the owner who may be sanctioned.
3. With certain exceptions defined in [NRS 116.31085](#), Board actions must occur at duly called Board meetings, compliant with the provisions of [NRS 116.31083](#), i.e.,
  - a. that are open to all unit owners,
  - b. that provide meaningful notice of the actions the Board intends to take at that meeting,
  - c. that provide minutes of all Board decisions made and actions taken.

**SCA BOARD DID NOT TAKE ANY ACTION TO AUTHORIZE THE SALE OF 2763 WHITE SAGE IN ANY MEETING COMPLIANT WITH THE REQUIREMENTS IN [NRS \(2013\) 116.31083](#) AND [NRS\(2013\)116.31085](#) , AND THEREFORE, THE DECISION AND THE SALE ARE VOIDABLE.**

**NO COMPLIANT AGENDAS**

4. **SCA did not publish notice of its intent to authorize the sale of 2763 White Sage Drive on any agenda for any meeting of the Board in the manner proscribed by NRS 116.31083(5) and NRS 116.3108(4).**
5. According to NRS 116.31083(5), meetings of an association's executive board must comply with the provisions of subsection 4 of NRS 116.3108.
6. NRS 116.3108(4) defines requirements of notice and agendas:
  - (a) A clear and complete statement of the topics scheduled to be considered during the meeting, ...

(b) A list describing the items on which action may be taken and clearly denoting that action may be taken on those items. In an emergency, the units' owners may take action on an item which is not listed on the agenda as an item on which action may be taken.

(c) A period devoted to comments by units' owners regarding any matter affecting the common-interest community or the association and discussion of those comments. Except in emergencies, no action may be taken upon a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action may be taken pursuant to paragraph (b).

**No minutes of any SCA Board meeting, compliant with NRS 116.31083 and NRS 116.31085, document a Board action to authorize the foreclosure of 2763 White Sage Drive was ever taken, and therefore the decision is voidable.**

7. NRS (2013) 116.31083 (8) (10) require the Board to maintain "*the minutes of each meeting of the executive board until the common-interest community is terminated.*" that include the following specific information:

8. Except as otherwise provided in subsection 9 (*Section 9 allows the Board to "establish reasonable limitations on materials, remarks or other information to be included in the minutes of its meetings."*) and NRS 116.31085, the minutes of each meeting of the executive board must include:

(a) The date, time and place of the meeting;

(b) Those members of the executive board who were present and those members who were absent at the meeting;

(c) The substance of all matters proposed, discussed or decided at the meeting;

(d) A record of each member's vote on any matter decided by vote at the meeting; and

(e) The substance of remarks made by any unit's owner who addresses the executive board at the meeting if the unit's owner requests that the minutes reflect his or her remarks or, if the unit's owner has prepared written remarks, a copy of his or her prepared remarks if the unit's owner submits a copy for inclusion.

## IMPERMISSIBLE TO SANCTION AN OWNER IN A CLOSED MEETING

8. **The decision to foreclose on 2763 White Sage was made in a closed session which was not permissible under the terms of NRS 16.31085 (3) (4) and is therefore voidable.**
9. [NRS 116.31085](#) (3) defines the only permissible topics of discussion and actions the Board is authorized to take in an executive session closed to owners

### NRS 116.31085 (3)

3. An executive board may meet in executive session only to:
  - (a) Consult with the attorney for the association on matters relating to proposed or pending litigation if the contents of the discussion would otherwise be governed by the privilege set forth in [NRS 49.035](#) to [49.115](#), inclusive.
  - (b) Discuss the character, alleged misconduct, professional competence, or physical or mental health of a community manager or an employee of the association.
  - (c) **Except as otherwise provided in subsection 4, discuss a violation of the governing documents, including, without limitation, the failure to pay an assessment.**
  - (d) Discuss the alleged failure of a unit's owner to adhere to a schedule required pursuant to [NRS 116.310305](#) if the alleged failure may subject the unit's owner to a construction penalty.

10. Whereas NRS 116.31085(3)(c) only authorizes the Board to “**discuss**” alleged violations of the governing documents in executive session, NRS 116.31085(4) only permits Board action to sanction an owner for an alleged violation in closed session when it holds a hearing at which the owner can present a defense to dissuade the Board from imposing a sanction for an alleged violation.

### NRS 116.31085(4)

4. An executive board shall meet in executive session to hold a hearing on an alleged violation of the governing documents unless the person who may be sanctioned for the alleged violation requests in writing that an open hearing be conducted by the executive board. If the person who may be sanctioned for the alleged violation requests in writing that an open hearing be conducted, the person:

(a) Is entitled to attend all portions of the hearing related to the alleged violation, including, without limitation, the presentation of evidence and the testimony of witnesses;

(b) Is entitled to due process, as set forth in the standards adopted by regulation by the Commission, which must include, without limitation, the right to counsel, the right to present witnesses and the right to present information relating to any conflict of interest of any member of the hearing panel; and

(c) Is not entitled to attend the deliberations of the executive board.

### **NO MINUTES = IT NEVER HAPPENED**

11. NRS 116.31085(6) requires the Board to report its actions taken in closed session in the regular Board minutes.

6. Except as otherwise provided in this subsection, any matter discussed by the executive board when it meets in executive session must be generally noted in the minutes of the meeting of the executive board.

12. There are no minutes of any SCA Board meeting that document a Board action to authorize the sale of 2763 White Sage Drive.

13. NRS 116.31085 (6) also defines a sanctioned owner's right to receive minutes of any closed meeting at which the Board took action to sanction an owner for an alleged violation pursuant to a hearing.

The executive board shall maintain minutes of any decision made pursuant to subsection 4 concerning an alleged violation and, upon request, provide a copy of the decision to the person who was subject to being sanctioned at the hearing or to the person's designated representative.

**14. SCA refused to provide minutes as required by NRS 116.31085(6) to document a decision to foreclose was made pursuant to a hearing make the action voidable.**

15. The fact that SCA Board did not provide notice of its intent to authorize the foreclosure of 2763 White Sage, nor offer the owner an opportunity for an open hearing, nor hold a hearing that provided the owner with the mandated due process is evidenced by CAM Lori Martin's June 1,

2016 email refusing Tobin's request for minutes of any meeting at which the BOD took action to foreclose:

"Your request for the "minutes where actions leading to foreclosure for delinquent assessment(s) was approved for 2763 White Sage" cannot be fulfilled since those minutes are Executive Session minutes and not privy to the anyone except the Board. The only time Executive Session minutes are released to a homeowner is if a hearing was held and then, only that portion of the meeting minutes is provided."



February 14, 2014

Re: 2763 White Sage Dr, Henderson, NV 89052  
Sun City Anthem Community Association  
GORDON B. HANSEN, TRUSTEE OF THE GORDON B. HANSEN TRUST, DATED AUGUST 22,  
2008 / R808634

**Red Rock Financial Services is a debt collector and is attempting to collect a debt. Any information obtained will be used for that purpose.**

The Board of Directors Sun City Anthem Community Association approves that Red Rock Financial Services is to proceed with the foreclosure sale of property address 2763 White Sage Dr, Henderson, NV 89052 on **March 7, 2014 at 10:00 am** pursuant to this authorization and the conditions set forth in the Permission for Publication of Foreclosure Sale and Authority to Conduct Foreclosure Sale.

JEAN CAPILLUPO  
Board Member (Please Print)

2/27/14  
Date

Jean Capillupo  
Board Member (Signature)

Approved  
12/5  
R05-120513



**Association Foreclosure Sale Approval**

Association: Sun City Anthem  
 Property Address: ALL TWELVE PROPERTIES ATTACHED  
 Homeowner: \_\_\_\_\_

Account Approval			
	Yes	No	Comments
Permission for Publication has been reviewed and signed	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Red Rock is given permission to Postpone Foreclosure Sale w/out approval Allowed up to 3 Postponements	<input type="checkbox"/>	<input checked="" type="checkbox"/>	If Yes: Number of Postponements: _____ Length of Time: _____
Red Rock has the authority to enter into Payment Agreement with Homeowner w/out Board Approval	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Down Payment and length of Payment Plan			Down Payment \$ _____ Or % _____  Length of payment plan _____
Board approves waiver of late fees/interest/fines upon completion of Payment Agreement or Payment in Full	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Board has approved Settlement offers of no less than 9 months for short sales	<input type="checkbox"/>	<input checked="" type="checkbox"/>	



Board Member Signature: [Signature] Date: 02/19/14  
 Acting President  
 Board Member Printed: DANIEL KURGEON Date:    /   /     
 Next Board Meeting Date:    /   /



PERMISSION FOR PUBLICATION OF FORECLOSURE SALE  
AND  
AUTHORITY TO CONDUCT FORECLOSURE SALE

January 3, 2014

RE: 2763 White Sage Dr. Henderson, NV 89052  
Sun City Anthem Community Association / R808634

The Board of Directors of Sun City Anthem Community Association, hereby give permission to, authorize and direct Red Rock Financial Services, as agent for Sun City Anthem Community Association, to proceed forward with the collection process and set a date of foreclosure, post and publish the foreclosure date, and conduct the foreclosure sale for the property commonly known and described as 2763 White Sage Dr. Henderson, NV 89052. At any time prior to the foreclosure sale, the Association may instruct Red Rock, in writing, to postpone or cancel the foreclosure sale of the above referenced property. In addition, Red Rock Financial Services may postpone the sale if deemed reasonably necessary without specific instruction or authorization from the Board of Directors.

The Board of Directors also expressly understand that if the Association takes title of the property through the foreclosure sale, the Association will be responsible for all collection fees and costs associated to the collection and the sale of the above referenced property. All fees and costs will be paid in accordance with the approved collection contract with Red Rock Financial Services. Red Rock Financial Services will provide the Association with a Trustee's Deed upon Sale (without warranty) for signature and recording after the foreclosure sale.

The Board of Directors acknowledges that the foreclosure sale will result in the transfer of title of the property from the existing homeowner. The Board of Directors agree that in the event that the homeowner makes any claim regarding the loss of its property through this foreclosure action, the Association shall have the exclusive duty to defend and to pay all defense costs of all such claims, provided that in the event that such claims are determined by a Court of law to be the sole error of Red Rock Financial Services, Red Rock Financial Services shall immediately reimburse the Association of all costs and expenses of such claim.

Executed On: 01/07/14

Signed: [Signature]  
Signature of Board Member

DANIEL KOPPELSON  
Printed Name of Board Member



**SUN CITY ANTHEM COMMUNITY ASSOCIATION, INC.**  
**BOARD OF DIRECTORS REGULAR MEETING**  
**December 5, 2013**  
**Freedom Hall in Independence Center at 6:30 p.m.**  
**Henderson, Nevada 89052**

---

**MINUTES**

**1. CALL TO ORDER 6:30 p.m.**

**2. PLEDGE OF ALLEGIANCE**

**3. ROLL CALL/ESTABLISH QUORUM**

Board of Directors:

Jean Capillupo	President
Dan Forgeron	Vice President
Bella Meese	Vice President of Community Relations
Mike Carey	Assistant Secretary
Jim Mayfield	Treasurer
Jerry Gardberg	Assistant Treasurer

Absent:

Jim Long	Secretary
----------	-----------

Management:

William Jarrett	Assistant Community Association Manager
Gary Leobold	Assistant Community Association Manager

**4. PRESIDENT'S REPORT**

Board President Jean Capillupo read aloud her President's Report which is attached hereto and made a part of these minutes. (See Attachment #1)

**5. APPROVAL OF DECEMBER 5, 2013 AGENDA**

**[R01-120513] UPON motion duly made by Bella Meese and seconded by Mike Carey, the Board unanimously approved the agenda of the Regular Session meeting dated December 5, 2013.**

**6. MEMBER COMMENT PERIOD**

A total of two residents spoke regarding the status of the management contract and the processes the Board will be using regarding future foreclosures in the community.

**7. DIRECTOR COMMENT PERIOD**

Mike Carey spoke regarding the collection of funds for disaster relief due to the typhoon in the Philippines. The funds that were collected include:

- Catholic Relief Services - \$7,360.00;
- Doctors without Borders - \$6,148.00;
- Feed the Hungry - \$2,831.00; and
- Others - \$2,454.00; for a total contribution of \$19,243.00.

Mike Carey also spoke briefly regarding the newly donated carom table in the billiards room and moving one of the seven-foot tables to the Anthem Center Lower Gallery. Facilities was asked to make the moves without waiting for today's meeting, due to the time span until the installer was scheduled to appear. He indicated the Board's appreciation for how all parties worked together to best satisfy the needs of everyone. Bella Meese then gave a brief update on the recently completed SCA Image video.

8. **APPROVAL OF MINUTES FROM THE OCTOBER 24, 2013 BOARD MEETING [R02-120513] UPON motion duly made by Bella Meese and seconded by Mike Carey, the Board unanimously approved the minutes of the Regular Session meeting dated October 24, 2013.**

9. **BIDS**

- Microsoft Client Access Services  
Bids for 128 standard and 42 enterprise licenses were solicited from the following companies:
  - a. CDW - \$11,398.30;
  - b. SHI - \$11,830.00;
  - c. PC Connections - \$11,846.42.

**[R03-120513] UPON motion duly made by Dan Forgeron and seconded by Jim Mayfield, the Board unanimously voted to refer the bids to staff for review and recommendation for purchase order during item 16.2 on this agenda.**

- Phone Switches (Phone System)  
Bids for a new phone system were solicited from the following companies:
  - a. Plus 6 - no bid submitted;
  - b. PC Connection - no bid submitted;
  - c. GHA - no bid submitted; and
  - d. CDW - \$132,867.33.

**[R04-120513] UPON motion duly made by Dan Forgeron and seconded by Jim Mayfield, the Board unanimously voted to refer the bids to staff for review and recommendation for purchase order during item 16.3 on this agenda.**

- 2014 Reserve Study/2016 Update – Specialist Contract Bids  
Bids were received from the following companies:
  - a. Complex Solutions - \$32,080
  - b. Criterium Mc Williams - \$72,900
  - c. RSI Reserve Studies - \$45,700
  - d. Better Reserve Studies - \$48,150
  - e. Association Reserve Consultants - \$33,800
  - f. Association Reserves NV LLC - \$35,270
  - g. QED Labs - \$28,681
  - h. Resource 1 Building Consultants - \$34,550
  - i. Reserve Data Analysis, CAL LLC - \$30,690
  - j. Hughes Reserve and Asset Management - \$41,300
  - k. Reserve Advisors - \$37,700
  - l. Blackpointe - \$31,010

**[R05-120513] UPON motion duly made by Dan Forgeron and seconded by Jim Mayfield, the Board unanimously voted to refer the bids to the Reserve Study Work Group for analysis and recommendation presented at the January 23, 2014 regular Board meeting.**

- Any Other Bids received as of December 4, 2013  
Bids were received for eight replacement table tennis tables from the following companies:
  - a. Sport Squad - \$6,400.00 (refurbished);
  - b. Joola North America LLC - \$11,199.60;
  - c. Rollins Specialities - \$11,600.00

**[R06-120513] UPON motion duly made by Dan Forgeron and seconded by Mike Carey, the Board unanimously voted to accept the bids and forward the bids to management for review and recommendation presented at the January 23, 2014 regular Board meeting.**

**10. COMMUNITY MANAGER’S REPORT**

Assistant Community Manager Gary Leobold provided the Community Manager’s Report which included an update of December events in the community, an update on the Annual Members’ meeting in late November, an update on the holiday schedule for the three on-site buildings and a recognition of the outstanding work performed by Barb Mowry, who was recently promoted from her SCA position to a position at FSR corporate. (See Attachment #2)

**11. INVESTMENT REPORT**

There were no investment transactions for the month of October 2013.

**12. FINANCIAL REPORT**

The Finance Committee completed its review of the unaudited financial statements prepared by FSR for the nine months ending September 30, 2013. A presentation of the financial highlights as of the end of the third quarter of 2013, which includes a summary of actual financial performance compared to budget, will be presented at the Board meeting. After the Board meeting, the unaudited financial reports as of September 2013, the unaudited financial reports for the nine months ending on September 30, 2013, and the slide presentation by the Finance Committee to the Board will be available on the SCACAI web site.

**ACTION ITEM**

1. The Treasurer and Assistant Treasurer recommend that in compliance with NRS 116.31083 that the Board acknowledge it has reviewed the unaudited September 2013 year-to-date financial statements of the Association, a year-to-date schedule through September 30, 2013 of the Operating and Reserve accounts compared to the 2013 approved budget, bank statements prepared by the financial institutions, and the current status of any civil action or claim submitted to arbitration or mediation in which the Association is a party.

**[R07-120513] UPON motion duly made by Jim Mayfield and seconded by Jerry Gardberg, the Board unanimously acknowledges it has reviewed the unaudited September 2013 year-to-date financial statements of the Association, a year-to-date schedule through September 30, 2013 of the Operating and Reserve accounts compared to the 2013 approved budget, bank statements prepared by the financial institutions, and the current status of any civil action or claim submitted to arbitration or mediation in which the Association is a party.**

**13. COMMITTEE REPORTS (Action May Be Taken)**

**A. Architectural Review Committee**

At its October 23, 2013 meeting, the Architectural Review Committee welcomed the new members of the Subcommittee and voted to change ARC member term limits. For

the month of October the Architectural Review Subcommittee reviewed 77 plans for exterior modifications.

ACTION ITEM

1. Approve the recommendation to revise Architectural Review Committee member term limits to four consecutive years with an option to renew for an additional two years at the Committee's request.

**[R08-120513] Dan Forgeron made a motion to revise the Architectural Review Committee member term limits to four consecutive years with an option to renew for an additional two years at the Committee's request. The motion was seconded by Jerry Gardberg. After a discussion, Dan Forgeron then moved to substitute a motion to approve the reappointment for an additional two-year term of one of the three ARC members whose terms expire on 12/31/2013, with this member to be selected by the ARC. The substitute motion was seconded by Jerry Gardberg. The substitute motion passed unanimously. This motion therefore replaced the original motion.**

**B. Communications Committee**

ACTION ITEMS

1. Approve the recommendation to revise the SCA Print Style Guide, September 2013 concerning SCA social media submissions for all standing committees, service clubs and clubs.

**This item will be carried over to the January regular Board meeting.**

2. Approve the updated Communication Committee Strategic Plan for 2013.

**[R09-102413] UPON motion duly made by Bella Meese and seconded by Mike Carey, the Board unanimously voted to approve the updated Communication Committee Strategic Plan for 2013.**

**C. Community Lifestyle Committee**

ACTION ITEMS

1. Approve Charles V. Naill to serve a two-year term on the Community Lifestyle Committee beginning January 1, 2014.

**[R10-102413] UPON motion duly made by Mike Carey and seconded by Bella Meese, the Board unanimously voted to approve Charles V. Naill to serve a two-year term on the Community Lifestyle Committee beginning January 1, 2014.**

**D. Covenants Committee**

At its November 2013 meeting, the Covenants Committee reviewed two cases. The cases involved were one CC&R violation and one Design Guidelines violation.

NO ACTION ITEMS

**E. Election Committee**

ACTION ITEM

1. Approve the 2014 Election Manual and Election Calendar as presented.

**[R11-120513] UPON motion duly made by Mike Carey and seconded by Jim Mayfield, the Board voted unanimously to approve the 2014 Election Manual and Election Calendar as presented.**

#### **F. Finance Committee**

The Finance Committee reviewed and accepted the monthly unaudited Summary Financial Statements as of September 30, 2013 and the related Quarterly Analysis and recommended that they be forwarded to the SCA Board for acceptance.

##### **ACTION ITEMS**

1. Accept the unaudited SCACAI Summary Financial statements as of September 30, 2013 and the related Quarterly Narrative Analysis as revised and accepted by the Finance Committee subsequent to the November 13, 2013 Finance Committee meeting.

**[R12-120513] UPON motion duly made by Jim Mayfield, and seconded by Jerry Gardberg, the Board voted unanimously to accept the unaudited SCACAI Summary Financial statements as of September 30, 2013 and the related Quarterly Narrative Analysis as revised and accepted by the Finance Committee subsequent to the November 13, 2013 Finance Committee meeting.**

2. Approve Ira Adler and Barry Goldstein to serve two-year terms on the Finance Committee beginning January 1, 2014.

**[R13-120513] UPON motion duly made by Jim Mayfield, and seconded by Jerry Gardberg, the Board voted unanimously to approve Ira Adler and Barry Goldstein to serve two-year terms on the Finance Committee beginning January 1, 2014.**

3. Approve the return of excess working capital to Pinnacle in the amount of \$125.00 for each unit.

**[R14-120513] UPON motion duly made by Jim Mayfield, and seconded by Jerry Gardberg, the Board voted unanimously to approve the return of excess working capital to Pinnacle in the amount of \$125.00 for each unit.**

Jim Mayfield thanked outgoing Committee members Don Davidson and Al Glickman for their contributions to the Association.

#### **G. Golf Course Liaison Committee**

**NO ACTION ITEMS**

#### **H. Health and Fitness Committee**

**NO ACTION ITEMS**

#### **I. Properties and Grounds Committee**

At its November meeting, the Property and Grounds Committee approved a pull-down screen for the Penn Room (PIRF 0822203-01 by John Waterhouse) for the 2015 Capital Budget and denied the bocce court modification (PIRF 11042012-03 by Forrest Fetherolf) and horseshoe pit (PIRF 10302013-01 by Tim Stebbins). They also accepted seven PIRFs for further vetting.

##### **ACTION ITEMS**

1. Approve the eight locations for the pet waste stations.

**[R15-120513] UPON motion duly made by Dan Forgeron and seconded by Bella Meese, the Board unanimously voted to approve the eight locations for the pet waste stations, as follows:**

- Olivia Heights Ave. at Sun City Anthem Dr. (northwest corner);
- Lewiston Place and Shadow Canyon Dr. near 2187 Ocean Grove Ave.;
- Near 2548 Thatcher Ave. at Evening Sky Dr.;
- Warrington Dr. near Harrisburg St. near electric box HHH27549;
- Southwest corner Anthem Pkwy. at Alyssa Jade Dr.;
- Near 2974 Gettysburg Ave. at Morganton Dr.;

- Close to 2195 Shadow Canyon near Ocean Grove and;
- Anthem Pkwy south of Atchley Dr.

2. Approve the pull-down screen for the Penn Room (PIRF 0822203-01 by John Waterhouse) for inclusion in the 2015 Capital Budget.

**[R16-120513] UPON motion duly made by Dan Forgeron and seconded by Bella Meese, the Board unanimously voted to approve the motorized screen for the Penn Room (PIRF 0822203-01 by John Waterhouse) for inclusion in the 2015 Capital Budget.**

3. Acknowledge seven PIRFs will receive further vetting for 2015 Capital Budget.
- Reclassify new vegetation for lot in Model Village (PIRF 11042013-01 by Robert Peck);
  - Community Patrol Building Expansion (PIRF 11042013-04 by Mike Waterhouse);
  - Miniature Golf (PIRF 080202013-01 by David Berman);
  - Liberty Center Parking Lot Expansion (PIRF 09272013-02 by Dwight Luerssen);
  - Additional Tennis Court (PIRF 08192013-01 by Ed Ritz);
  - Croquet Field (PIRF 11112013-01 by Ronald Johnson); and
  - Shuffleboard Overlay (PIRF 11042013-02 by Forrest Fetherolf).

No Board action was required on these items. Dan Forgeron thanked outgoing Committee members Bill Beckman and Mike Picciano for their contributions to the Association.

#### 14. **AD-HOC WORK/ADVISORY GROUPS**

##### **A. Annual Audit Task Force**

NO ACTION ITEMS

##### **B. Guest Policy Task Force**

NO ACTION ITEMS

##### **C. Management Agreement Negotiating Team**

Jim Mayfield provided a progress report to the Board (see Attachment #3).

NO ACTION ITEMS

##### **D. Proactive Community Standard Enforcement Task Force**

NO ACTION ITEMS

##### **E. Reserve Study Work Group**

NO ACTION ITEMS

##### **F. Restaurant Liaison**

Dan Forgeron provided an update to the Board.

NO ACTION ITEMS

##### **G. Villa/Pinnacle Advisory Groups**

NO ACTION ITEMS

##### **H. Volunteer Coordinator**

Bella Meese provided an update to the Board.

NO ACTION ITEMS

15. **SERVICE GROUPS**

**A. Community Patrol**

Bella Meese announced that the election of officers will be on the January Board of Directors meeting agenda.

Operational Statistics for the month of OCTOBER 2013:

Volunteers for Month	141	Vacation Home Checks	1421
Volunteer Hours	2817.5	Parking Reminders	23
Open Garage Doors	78	Vehicles - Miles Driven	8000
911 Lights	1		

NO ACTION ITEMS

**B. Community Service Club**

Operational Statistics for the month of OCTOBER 2013:

Calls Received	248	Other Assistance	467
Home Maintenance Provided	99	Monthly Support Groups	7
Equipment Provided	100	Support Group Attendance	203
Transportation Provided	4		

NO ACTION ITEMS

**C. Sun City Anthem Television**

ACTION ITEM

1. Approve the policy for SCA-TV Coverage of SCA HOA Standing Committee Proceedings.

Bella Meese requested that the Board take no action on this item at this time.

16. **EXPENDITURES AND CONTRACTS**

1. Reserve Item – Anthem Outdoor Pool Resistance Pump

Bids were received from American Pool Supply, Inc. for \$2805.08, Leslie's Pool Supplies for \$2,918.69 and SCP Distributors for \$3,572.40. Facilities staff recommended acceptance of the bid from American Pool Supply, Inc., in the amount of \$2805.08.

**[R17-120513] UPON motion duly made by Dan Forgeron and seconded by Bella Meese, the Board unanimously voted to accept the bid from American Pool Supply, Inc., in the amount of \$2805.08.**

2. 2014 Capital Item – Microsoft Client Access Licenses

Bids for 128 Standard and 42 Enterprise Licenses (CALs) were received from CDW of \$11,398.30, from SHI in the amount of \$11,830.00, and PC Connection in the amount of \$11,846.42. Facilities staff recommended acceptance of the bid from CDW, in the amount of \$11,398.30.

**[R18-120513] UPON motion duly made by Dan Forgeron and seconded by Jerry Gardberg, the Board unanimously voted to accept the bid from CDW, in the amount of \$11,398.30.**

3. Reserve Item – Phone System and Switches

The bids to supply the goods and installation services for the Cisco Call Manager were requested from four companies: Plus 6, PC Connection, GHA, and CDW. Of these, only CDW responded to the bid request, with a total project cost of \$132,867.33.

**[R19-120513] UPON motion duly made by Dan Forgeron and seconded by Jim Mayfield, the Board unanimously voted to authorize the placement of a purchase order with CDW not to exceed \$132,867.33.**

**17. REVIEW OF BAD DEBT & WRITE-OFFS**

The Board of Directors, in Executive Session on December 5, 2013, reviewed the possible write off of \$24,568.94 from three accounts.

ACTION ITEM

1. Approve a write off of bad debt for three accounts reviewed at the December 5, 2013 Executive Session meeting in the amount of \$24,568.94 that is outside of the nine-month super priority lien.

[R20-120513] UPON motion duly made by Jean Capillupo and seconded by Jim Mayfield, the Board unanimously voted to authorize the write off of bad debt for three accounts reviewed at the December 5, 2013 Executive Session meeting in the amount of \$24,568.94, that is outside of the nine-month super priority lien.

**18. OTHER BUSINESS**

1. Analysis of Sun City Anthem audio/video systems

[R21-120513] Bella Meese made a motion to have the Board direct staff to develop and issue an RFP for the hiring of an Audio Visual Consultant to perform a complete analysis of all Sun City Anthem audio/video systems and equipment and to determine and make recommendations for current and future audio visual equipment use, upgrades and purchase and that this contract shall not exceed \$10,000.00. Dan Forgeron seconded the motion.

Jim Mayfield made a motion to amend the original motion to limit the limit of the contract to \$6,000.00. This motion had no seconder.

The Board then passed the original motion 5-1, with Dan Forgeron, Jerry Gardberg, Mike Carey, Bella Meese and Jean Capillupo voting in the affirmative and with Jim Mayfield voting in the negative.

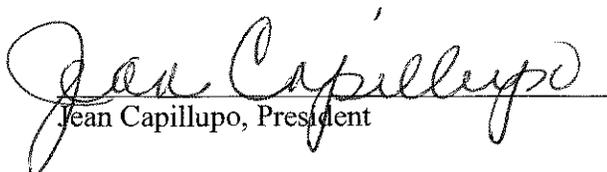
**19. MEMBER COMMENTS**

Two residents spoke on the following topics during the member comment period: the first speaker had comments with respect to the Villas/Pinnacle areas, and had questions on Pinnacle construction defect projects. The second speaker had questions regarding the new term structure for the Architectural Review Committee voted on by the Board earlier in the meeting.

**20. ADJOURNMENT**

The meeting was adjourned at 8:37 p.m.

Approved by

  
Jean Capillupo, President

  
~~Jim Long, Secretary~~  
Mike Carey - Asst. Secretary

Attachment #1

**SCA Regular Board Meeting, December 5, 2013, 6:30 p.m.  
President's Report**

I hope all residents of Sun City Anthem enjoyed a delightful Thanksgiving with friends and family.

On Thursday, November 21<sup>st</sup>, our Board hosted the Annual Members Meeting for Sun City Anthem. There were 40 homes represented at that meeting. The Annual Budget for 2014 was automatically ratified and homeowners spoke on a variety of topics.

As we approach the new year, our Board is looking forward to resuming its work on a Policy Manual, reviewing and organizing policies from the past and setting new standards for the future. If you attended any of our sessions dealing with development of this manual, which started last January with an introduction to the tenets of Policy Governance, you know what an in-depth effort this has been. I am anticipating that we will hold additional meetings, each of which will likely last most of a day – one next month and another in February. Please watch the January and February Spirit magazines for notice of these activities.

Another effort that will continue into the early months of the new year is the negotiation with FSR for a new management contract. If you have followed this multi-year process, you know that three of our Board members, Jim Long, Jim Mayfield and Dan Forgeron, are representing us in this process. Our Board is seeking a new way of operating that will result in a more integrated management approach capitalizing on FSR corporate assets and offering greater coordination with FSR on-site personnel. Later in this meeting, Jim Mayfield will provide us an update to their efforts.

At each executive session, your Board considers appropriate action regarding homeowners in our community who fall behind in paying their assessments. Last month, we took action to foreclose on the liens of five properties, and this month, at this afternoon's session we considered other seriously delinquent accounts. It is important to note that the vast majority of our neighbors meet their financial responsibilities to the Association. There are a very few, however, who do not. As I stated in the President's Report in this month's Spirit, we believe that it is not in the best interests of our Association for your Board to sit back and allow certain homeowners to continually neglect their financial responsibilities to our neighbors. I am pleased to report that of the five homes the Board took action on in October, at least one has paid their balance in full. We also determined that another home was foreclosed on by the City of Henderson. The Association did not and will not receive any funds as a result.

I plan to continue the discussion of the foreclosure process in the January Spirit, providing more detail on the impact, financial and otherwise, to the Association.

At this afternoon's executive session, our Board approved the initiation of foreclosure on nineteen homes. This process will continue after the first of the year.

Jean Capillupo

## CAM REPORT – DECEMBER 5, 2013

On behalf of the FirstService Residential staff both on-site and at the corporate office, I'd like to wish everyone present tonight a safe and happy holiday season!

There are some events over the next few weeks that are not to be missed. These include:

- First Friday Health and Wellness seminar – Friday, December 6<sup>th</sup> at 9 am in the Morris-Nelson Room at Independence Center;
- Jingle Bell Walk on Saturday Dec 7<sup>th</sup>, starts 8 am at Independence Center;
- Holiday Club Fair – Saturday Dec 7<sup>th</sup> in the Grand Ballroom, from 8 am to noon;
- HopeLink Charity Toy Drive, collecting toys for local homeless children. Drop boxes are at all three buildings and the collection runs until Tuesday, December 10<sup>th</sup>;
- Holiday shows, including Kelly Clinton, performing at Freedom Hall at 8 pm on Friday, December 20<sup>th</sup>, and Holidays in Harmony at Freedom Hall at 7 pm on Friday, December 13<sup>th</sup> and 3 pm on Sunday, December 15<sup>th</sup>;
- And the big event, the New Year's Eve party at Vic's Restaurant and Hanneman Hall. The event is casino-themed, and tickets are on sale until Sunday, December 22<sup>nd</sup>. Doors open at 6 pm and ticket prices are \$100 for Hanneman Hall seating and \$125 for restaurant seating.

The Annual SCA Members Meeting was held on Thursday, November 21<sup>st</sup>. There were a total of 47 households represented.

Our holiday schedule is: Saturday, December 7<sup>th</sup>, the Admin Office will be open from 9 am to 1 pm. Christmas Eve, AC Fitness Center and the Gallery and restaurant close at 4pm. IC and LC close at noon. All facilities are closed on Christmas Day. On New Year's Eve, AC Fitness Center and the Gallery/restaurant close at noon to prepare for the New Year's Eve Party. IC and LC close at noon.

Finally, I would like to recognize the excellent work that has been done by Barbara Mowry in the Admin Office. She has been promoted to Corporate Training Facilitator at FSR's corporate office and her last day with SCA is Friday. She has been a very important member of our on-site team, with duties ranging from assistance with the Board Book process to coordinating safety and training activities. Her competent and cheerful presence will be greatly missed.

PROGRESS REPORT FROM MANAGEMENT COMPANY CONTRACT  
NEGOTIATING TEAM  
DECEMBER 5, 2013

We have made substantial progress in defining the changes in operating practices our Association will expect from FSR under the new contract.

The crux of our negotiations has been our belief that we can achieve better performance by transitioning to a new operations model that fully integrates and aligns all FSR resources. It has taken time to work with FSR management to reach agreement on the details of this new operating model and the best implementation strategy.

We now expect to be able to conclude negotiations in time to hold a public information workshop on the new contract next February, and present the new contract for consideration by our Board at its February meeting.

On a cautionary note, key provisions of the new contract and the wording of the contract itself must still be agreed upon. We do not anticipate these issues will result in a delay from the schedule I have outlined, but if a delay becomes necessary, we will notify you of the change.

# EXHIBIT

Relevant NRS 111, 116,  
205, 240 provisions

# EXHIBIT 1

**NRS 116.3102 Powers of unit-owners' association; limitations.**

1. Except as otherwise provided in this chapter, and subject to the provisions of the declaration, the association:

**(a) Shall adopt and, except as otherwise provided in the bylaws, may amend bylaws and may adopt and amend rules and regulations.**

(b) Shall adopt and may amend budgets in accordance with the requirements set forth in [NRS 116.31151](#), may collect assessments for common expenses from the units' owners and may invest funds of the association in accordance with the requirements set forth in [NRS 116.311395](#).

(c) May hire and discharge managing agents and other employees, agents and independent contractors.

(d) May institute, defend or intervene in litigation or in arbitration, mediation or administrative proceedings in its own name on behalf of itself or two or more units' owners on matters affecting the common-interest community. The association may not institute, defend or intervene in litigation or in arbitration, mediation or administrative proceedings in its own name on behalf of itself or units' owners with respect to an action for a constructional defect pursuant to [NRS 40.600](#) to [40.695](#), inclusive, unless the action pertains exclusively to common elements.

(e) May make contracts and incur liabilities. Any contract between the association and a private entity for the furnishing of goods or services must not include a provision granting the private entity the right of first refusal with respect to extension or renewal of the contract.

(f) May regulate the use, maintenance, repair, replacement and modification of common elements.

(g) May cause additional improvements to be made as a part of the common elements.

**(h) May acquire, hold, encumber and convey in its own name any right, title or interest to real estate or personal property, but:**

(1) Common elements in a condominium or planned community may be conveyed or subjected to a security interest only pursuant to [NRS 116.3112](#); and

(2) Part of a cooperative may be conveyed, or all or part of a cooperative may be subjected to a security interest, only pursuant to [NRS 116.3112](#).

(i) May grant easements, leases, licenses and concessions through or over the common elements.

(j) May impose and receive any payments, fees or charges for the use, rental or operation of the common elements, other than limited common elements described in subsections 2 and 4 of [NRS 116.2102](#), and for services provided to the units' owners, including, without limitation, any services provided pursuant to [NRS 116.310312](#).

**(k) May impose charges for late payment of assessments** pursuant to [NRS 116.3115](#).

(l) May impose construction penalties when authorized pursuant to [NRS 116.310305](#).

**(m) May impose reasonable fines for violations of the governing documents of the association only if the association complies with the requirements set forth in [NRS 116.31031](#).**

(n) May impose reasonable charges for the preparation and recordation of any amendments to the declaration or any statements of unpaid assessments, and impose reasonable fees, not to exceed the amounts authorized by [NRS 116.4109](#), for preparing and furnishing the documents and certificate required by that section.

(o) May provide for the indemnification of its officers and executive board and maintain directors and officers liability insurance.

**(p) May assign its right to future income, including the right to receive assessments for common expenses, but only to the extent the declaration expressly so provides.**

(q) May exercise any other powers conferred by the declaration or bylaws.

(r) May exercise all other powers that may be exercised in this State by legal entities of the same type as the association.

(s) May direct the removal of vehicles improperly parked on property owned or leased by the association, as authorized pursuant to [NRS 487.038](#), or improperly parked on any road, street, alley or other thoroughfare within the common-interest community in violation of the governing documents. In addition to complying with the requirements of [NRS 487.038](#) and any requirements in the governing documents, if a vehicle is improperly parked as described in this paragraph, the association must post written notice in a conspicuous place on the vehicle or provide oral or written notice to the owner or operator of the vehicle at least 48 hours before the association may direct the removal of the vehicle, unless the vehicle:

(1) Is blocking a fire hydrant, fire lane or parking space designated for the handicapped;

or

(2) Poses an imminent threat of causing a substantial adverse effect on the health, safety or welfare of the units' owners or residents of the common-interest community.

(t) May exercise any other powers necessary and proper for the governance and operation of the association.

2. The declaration may not limit the power of the association to deal with the declarant if the limit is more restrictive than the limit imposed on the power of the association to deal with other persons.

**3. The executive board may determine whether to take enforcement action by exercising the association's power to impose sanctions or commence an action for a violation of the declaration, bylaws or rules, including whether to compromise any claim for unpaid assessments or other claim made by or against it. The executive board does not have a duty to take enforcement action if it determines that, under the facts and circumstances presented:**

**(a) The association's legal position does not justify taking any or further enforcement action;**

**(b) The covenant, restriction or rule being enforced is, or is likely to be construed as, inconsistent with current law;**

**(c) Although a violation may exist or may have occurred, it is not so material as to be objectionable to a reasonable person or to justify expending the association's resources; or**

**(d) It is not in the association's best interests to pursue an enforcement action.**

4. The executive board's decision under subsection 3 not to pursue enforcement under one set of circumstances does not prevent the executive board from taking enforcement action under another set of circumstances, but **the executive board may not be arbitrary or capricious in taking enforcement action.**

5. Notwithstanding any provision of this chapter or the governing documents to the contrary, an association may not impose any assessment pursuant to this chapter or the governing documents on the owner of any property in the common-interest community that is exempt from taxation pursuant to [NRS 361.125](#). For the purposes of this subsection, "assessment" does not include any charge for any utility services, including, without limitation, telecommunications, broadband communications, cable television, electricity, natural gas, sewer services, garbage collection, water or for any other service which is delivered to and used or consumed directly by the property in the common-interest community that is exempt from taxation pursuant to [NRS 361.125](#).

(Added to NRS by [1991, 556](#); A [1999, 3000](#); [2003, 2227, 2267](#); [2005, 2590](#); [2009, 1009, 2796, 2879, 2911](#); [2011, 2427](#); [2015, 18](#))

**NRS 116.31031 Power of executive board to impose fines and other sanctions for violations of governing documents; limitations; procedural requirements; continuing violations; collection of past due fines; statement of balance owed.**

**1. Except as otherwise provided in this section, if a unit's owner or a tenant or an invitee of a unit's owner or a tenant violates any provision of the governing documents of an association, the executive board may, if the governing documents so provide:**

(a) **Prohibit**, for a reasonable time, the unit's owner or the tenant or the invitee of the unit's owner or the tenant from:

(1) **Voting on matters related to the common-interest community.**

(2) **Using the common elements.** The provisions of this subparagraph do not prohibit the unit's owner or the tenant or the invitee of the unit's owner or the tenant from using any vehicular or pedestrian ingress or egress to go to or from the unit, including any area used for parking.

(b) Impose a fine against the unit's owner or the tenant or the invitee of the unit's owner or the tenant for each violation, except that:

(1) A fine may not be imposed for a violation that is the subject of a construction penalty pursuant to [NRS 116.310305](#); and

(2) A fine may not be imposed against a unit's owner or a tenant or invitee of a unit's owner or a tenant for a violation of the governing documents which involves a vehicle and which is committed by a person who is delivering goods to, or performing services for, the unit's owner or tenant or invitee of the unit's owner or the tenant.

□ If the violation poses an imminent threat of causing a substantial adverse effect on the health, safety or welfare of the units' owners or residents of the common-interest community, the amount of the fine must be commensurate with the severity of the violation and must be determined by the executive board in accordance with the governing documents. **If the violation does not pose an imminent threat of causing a substantial adverse effect on the health, safety or welfare of the units' owners or residents of the common-interest community, the amount of the fine must be commensurate with the severity of the violation and must be determined by the executive board in accordance with the governing documents, but the amount of the fine 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 charges or costs that may be collected by the association pursuant to this section if the fine becomes past due.**

(c) Send a written notice to cure an alleged violation, without the imposition of a fine, to the unit's owner and, if different, the person responsible for curing the alleged violation. Any such written notice must:

(1) Include an explanation of the applicable provisions of the governing documents that form the basis of the alleged violation;

(2) Specify in detail the alleged violation and the proposed action to cure the alleged violation;

(3) Provide a clear and detailed photograph of the alleged violation, if the alleged violation relates to the physical condition of the unit or the grounds of the unit or an act or a failure to act of which it is possible to obtain a photograph; and

(4) Provide the unit's owner or the tenant a reasonable opportunity to cure the alleged violation before the executive board may take additional actions, including, without limitation, other remedies available pursuant to this section.

2. The executive board may not impose a fine pursuant to subsection 1 against a unit's owner for a violation of any provision of the governing documents of an association committed by an invitee of the unit's owner or the tenant unless the unit's owner:

- (a) Participated in or authorized the violation;
- (b) Had prior notice of the violation; or
- (c) Had an opportunity to stop the violation and failed to do so.

3. If the association adopts a policy imposing fines for any violations of the governing documents of the association, the secretary or other officer specified in the bylaws shall prepare and cause to be hand-delivered or sent prepaid by United States mail to the mailing address of each unit or to any other mailing address designated in writing by the unit's owner, a schedule of the fines that may be imposed for those violations.

**4. The executive board may not impose a fine pursuant to subsection 1 unless:**

**(a) Not less than 30 days before the alleged violation, the unit's owner and, if different, the person against whom the fine will be imposed had been provided with written notice of the applicable provisions of the governing documents that form the basis of the alleged violation; and**

**(b) Within a reasonable time after the discovery of the alleged violation, the unit's owner and, if different, the person against whom the fine will be imposed has been provided with:**

**(1) Written notice:**

**(I) Specifying in detail the alleged violation, the proposed action to cure the alleged violation, the amount of the fine, and the date, time and location for a hearing on the alleged violation; and**

**(II) Providing a clear and detailed photograph of the alleged violation, if the alleged violation relates to the physical condition of the unit or the grounds of the unit or an act or a failure to act of which it is possible to obtain a photograph; and**

**(2) A reasonable opportunity to cure the alleged violation or to contest the alleged violation at the hearing.**

For the purposes of this subsection, a unit's owner **shall not be deemed to have received written notice unless written notice is mailed to the address of the unit and, if different, to a mailing address specified by the unit's owner.**

**5. The executive board must schedule the date, time and location for the hearing on the alleged violation so that the unit's owner and, if different, the person against whom the fine will be imposed is provided with a reasonable opportunity to prepare for the hearing and to be present at the hearing.**

**6. The executive board must hold a hearing before it may impose the fine, unless the fine is paid before the hearing or unless the unit's owner and, if different, the person against whom the fine will be imposed:**

(a) Executes a written waiver of the right to the hearing; or

(b) Fails to appear at the hearing after being provided with proper notice of the hearing.

7. If a fine is imposed pursuant to subsection 1 and the violation is not cured within 14 days, or within any longer period that may be established by the executive board, the violation shall be deemed a continuing violation. Thereafter, the executive board may impose an additional fine for the violation for each 7-day period or portion thereof that the violation is not cured. Any additional fine may be imposed without providing the opportunity to cure the violation and without the notice and an opportunity to be heard required by paragraph (b) of subsection 4.

**8. If the governing documents so provide, the executive board may appoint a committee, with not less than three members, to conduct hearings on alleged violations** and to impose fines pursuant to this section. While acting on behalf of the executive board for those limited purposes, the committee and its members are entitled to all privileges and immunities and are subject to all duties and requirements of the executive board and its members.

9. A member of the executive board shall not participate in any hearing or cast any vote relating to a fine imposed pursuant to subsection 1 if the member has not paid all assessments which are due to the association by the member. If a member of the executive board:

(a) Participates in a hearing in violation of this subsection, any action taken at the hearing is void.

(b) Casts a vote in violation of this subsection, the vote is void.

**10. The provisions of this section establish the minimum procedural requirements that the executive board must follow before it may impose a fine. The provisions of this section do not preempt any provisions of the governing documents that provide greater procedural protections.**

11. Any past due fine must not bear interest, but may include any costs incurred by the association during a civil action to enforce the payment of the past due fine.

12. If requested by a person upon whom a fine was imposed, not later than 60 days after receiving any payment of a fine, an association shall provide to the person upon whom the fine was imposed a statement of the remaining balance owed.

(Added to NRS by [1997, 3112](#); A [1999, 3001](#); [2003, 2228, 2268](#); [2005, 2592](#); [2009, 2797, 2880, 2913](#); [2011, 2431](#); [2013, 267](#); [2017, 4036](#))

**NRS 116.31085 - Right of units owners to speak at certain meetings; limitations on right; limitations on power of executive board to meet in executive session; procedure governing hearings on alleged violations; requirements concerning minutes of certain meetings.**

**Universal Citation:** [NV Rev Stat § 116.31085 \(2013\)](#)

1. Except as otherwise provided in this section, a unit s owner may attend any meeting of the units' owners or of the executive board and speak at any such meeting. The executive board may establish reasonable limitations on the time a unit s owner may speak at such a meeting.

2. An executive board may not meet in executive session to open or consider bids for an association project as defined in NRS 116.31086, or to enter into, renew, modify, terminate or take any other action regarding a contract.

**3. An executive board may meet in executive session only to:**

(a) Consult with the attorney for the association on matters relating to proposed or pending litigation if the contents of the discussion would otherwise be governed by the privilege set forth in NRS 49.035 to 49.115, inclusive.

(b) Discuss the character, alleged misconduct, professional competence, or physical or mental health of a community manager or an employee of the association.

(c) Except as otherwise provided in subsection 4, **discuss a violation** of the governing documents, including, without limitation, the failure to pay an assessment.

(d) Discuss the alleged failure of a unit s owner to adhere to a schedule required pursuant to NRS 116.310305 if the alleged failure may subject the unit s owner to a construction penalty.

4. An executive board **shall meet in executive session to hold a hearing on an alleged violation of the governing documents unless the person who may be sanctioned for the alleged violation requests in writing that an open hearing** be conducted by the executive board. If the person who may be sanctioned for the alleged violation requests in writing that an open hearing be conducted, the person:

**(a) Is entitled to attend all portions of the hearing related to the alleged violation, including, without limitation, the presentation of evidence and the testimony of witnesses;**

**(b) Is entitled to due process, as set forth in the standards adopted by regulation by the Commission, which must include, without limitation, the right to counsel, the right to present witnesses and the right to present information relating to any conflict of interest of any member of the hearing panel; and**

(c) Is not entitled to attend the deliberations of the executive board.

5. The provisions of subsection 4 **establish the minimum protections** that the executive board must provide before it may make a decision. The provisions of subsection 4 do not preempt any provisions of the governing documents that provide greater protections.

6. Except as otherwise provided in this subsection, **any matter discussed** by the executive board when it meets in executive session must be generally noted in the minutes of the meeting of the executive board. **The executive board shall maintain minutes of any decision made pursuant to subsection 4 concerning an alleged violation and, upon request, provide a copy of the decision to the person who was subject to being sanctioned at the hearing or to the person s designated representative.**

7. Except as otherwise provided in subsection 4, a unit s owner is not entitled to attend or speak at a meeting of the executive board held in executive session.

(Added to NRS by 1997, 3111; A 1999, 3005; 2003, 2236, 2271; 2005, 2602; 2009, 1100, 2891)

**NRS 116.31083 - Meetings of executive board; frequency of meetings; periodic review of certain financial and legal matters at meetings; requirements concerning minutes of meetings; right of units owners to make audio recordings of certain meetings.**

**Universal Citation:** [NV Rev Stat § 116.31083 \(2013\)](#)

1. A meeting of the executive board must be held at least once every quarter, and not less than once every 100 days and must be held at a time other than during standard business hours at least twice annually.

**2. Except in an emergency or unless the bylaws of an association require a longer period of notice, the secretary or other officer specified in the bylaws of the association shall, not less than 10 days before the date of a meeting of the executive board, cause notice of the meeting to be given to the units owners. Such notice must be:**

(a) Given to the units owners in the manner set forth in NRS 116.31068; or

(b) Published in a newsletter or other similar publication that is circulated to each unit s owner.

3. In an emergency, the secretary or other officer specified in the bylaws of the association shall, if practicable, cause notice of the meeting to be sent prepaid by United States mail to the mailing address of each unit within the common-interest community. If delivery of the notice in this manner is impracticable, the notice must be hand-delivered to each unit within the common-interest community or posted in a prominent place or places within the common elements of the association.

**4. The notice of a meeting of the executive board must state the time and place of the meeting and include a copy of the agenda for the meeting or the date on which and the locations where copies of the agenda may be conveniently obtained by the units' owners. The notice must include notification of the right of a unit s owner to:**

**(a) Have a copy of the audio recording, the minutes or a summary of the minutes of the meeting provided to the unit s owner upon request, in electronic format at no charge to the unit s owner or, if the association is unable to provide the copy or summary in electronic format, in paper format at a cost not to exceed 25 cents per page for the first 10 pages, and 10 cents per page thereafter.**

**(b) Speak to the association or executive board, unless the executive board is meeting in executive session.**

**5. The agenda of the meeting of the executive board must comply with the provisions of subsection 4 of NRS 116.3108. A period required to be devoted to comments by the units' owners and discussion of those comments must be scheduled for both the beginning and the end of each meeting.** During the period devoted to comments by the units' owners and

discussion of those comments at the beginning of each meeting, comments by the units owners and discussion of those comments must be limited to items listed on the agenda. In an emergency, the executive board may take action on an item which is not listed on the agenda as an item on which action may be taken.

**6. At least once every quarter**, and not less than once every 100 days, **unless the declaration or bylaws of the association impose more stringent standards**, the executive board shall review, at a minimum, the following financial information at one of its meetings:

- (a) A current year-to-date financial statement of the association;
- (b) A current year-to-date schedule of revenues and expenses for the operating account and the reserve account, compared to the budget for those accounts;
- (c) A current reconciliation of the operating account of the association;
- (d) A current reconciliation of the reserve account of the association;
- (e) The latest account statements prepared by the financial institutions in which the accounts of the association are maintained; and
- (f) The current status of any civil action or claim submitted to arbitration or mediation in which the association is a party.

7. The secretary or other officer specified in the bylaws shall cause each meeting of the executive board to be **audio recorded and the minutes to be recorded or otherwise taken at each meeting of the executive board, but if the executive board is meeting in executive session, the meeting must not be audio recorded**. Not more than 30 days after each such meeting, the secretary or other officer specified in the bylaws shall cause the audio recording of the meeting, the minutes of the meeting and a summary of the minutes of the meeting to be made available to the units owners. Except as otherwise provided in this subsection, a copy of the audio recording, the minutes or a summary of the minutes must be provided to any unit s owner upon request, in electronic format at no charge to the unit s owner or, if the association is unable to provide the copy or summary in electronic format, in paper format at a cost not to exceed 25 cents per page for the first 10 pages, and 10 cents per page thereafter.

**8. Except as otherwise provided in subsection 9 and NRS 116.31085, the minutes of each meeting of the executive board must include:**

- (a) The date, time and place of the meeting;**
- (b) Those members of the executive board who were present and those members who were absent at the meeting;**
- (c) The substance of all matters proposed, discussed or decided at the meeting;**

**(d) A record of each member s vote on any matter decided by vote at the meeting; and**

**(e) The substance of remarks made by any unit s owner who addresses the executive board at the meeting if the unit s owner requests that the minutes reflect his or her remarks or, if the unit s owner has prepared written remarks, a copy of his or her prepared remarks if the unit s owner submits a copy for inclusion.**

**9. The executive board may establish reasonable limitations on materials, remarks or other information to be included in the minutes of its meetings.**

**10. The association shall maintain the minutes of each meeting of the executive board until the common-interest community is terminated.**

11. A unit s owner may record on audiotape or any other means of sound reproduction a meeting of the executive board, unless the executive board is meeting in executive session, if the unit s owner, before recording the meeting, provides notice of his or her intent to record the meeting to the members of the executive board and the other units owners who are in attendance at the meeting.

**12. As used in this section, emergency means any occurrence or combination of occurrences that:**

**(a) Could not have been reasonably foreseen;**

**(b) Affects the health, welfare and safety of the units' owners or residents of the common-interest community;**

**(c) Requires the immediate attention of, and possible action by, the executive board; and**

**(d) Makes it impracticable to comply with the provisions of subsection 2 or 5.**

(Added to NRS by 1999, 2995; A 2001, 472; 2003, 2234; 2005, 2600; 2009, 2803, 2889, 2922; 2011, 2439)

**NRS 116.3108 - Meetings of units owners of association; frequency of meetings; calling special meetings; requirements concerning notice and agendas; requirements concerning minutes of meetings; right of units owners to make audio recordings of meetings.**

**Universal Citation:** [NV Rev Stat § 116.3108 \(2013\)](#)

**4. The agenda for a meeting of the units owners must consist of:**

**(a) A clear and complete statement of the topics scheduled to be considered during the meeting,** including, without limitation, any proposed amendment to the declaration or bylaws, any fees or assessments to be imposed or increased by the association, any budgetary changes **and any proposal to remove an officer of the association or member of the executive board.**

**(b) A list describing the items on which action may be taken and clearly denoting that action may be taken on those items.** In an emergency, the units owners may take action on an item which is not listed on the agenda as an item on which action may be taken.

by units owners regarding any matter affecting the common-interest community or the association and discussion of those comments. **Except in emergencies, no action may be taken upon a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action may be taken pursuant to paragraph (b).**

**NRS 116.1113 Obligation of good faith.** Every contract or duty governed by this chapter imposes an obligation of good faith in its performance or enforcement.

(Added to NRS by [1991, 541](#))

**NRS 116.3103 Power of executive board to act on behalf of association; members and officers are fiduciaries; duty of care; application of business-judgment rule and conflict of interest rules; limitations on power.**

**1. Except as otherwise provided in the declaration, the bylaws, this section or other provisions of this chapter, the executive board acts on behalf of the association.** In the performance of their duties, the officers and members of the executive board are **fiduciaries** and **shall act on an informed basis, in good faith** and in the honest belief that their actions are in the best interest of the association. Officers and members of the executive board:

(a) Are required to exercise the **ordinary and reasonable care** of officers and directors of a nonprofit corporation, **subject to the business-judgment rule**; and

(b) Are subject to conflict of interest rules governing the officers and directors of a nonprofit corporation organized under the law of this State.

**2.** The executive board may not act to:

(a) Amend the declaration.

(b) Terminate the common-interest community.

(c) Elect members of the executive board, but notwithstanding any provision of the governing documents to the contrary, the executive board may fill vacancies in its membership for the unexpired portion of any term or until the next regularly scheduled election of executive board members, whichever is earlier. Any executive board member elected to a previously vacant position which was temporarily filled by board appointment may only be elected to fulfill the remainder of the unexpired portion of the term.

(d) Determine the qualifications, powers, duties or terms of office of members of the executive board.

**3.** The executive board shall adopt budgets as provided in [NRS 116.31151](#).

(Added to NRS by [1991, 557](#); A [1993, 2364](#); [2001, 3193](#); [2003, 225](#); [2005, 2592](#); [2009, 1734, 2797](#); [2011, 2430](#); [2017, 1083](#))

**NRS 116.31087 Right of units' owners to have certain complaints placed on agenda of meeting of executive board.**

1. If an executive board receives a written complaint from a unit's owner alleging that the executive board has violated any provision of this chapter or any provision of the governing documents of the association, the executive board shall, upon the written request of the unit's owner, place the subject of the complaint on the agenda of the next regularly scheduled meeting of the executive board.

2. Not later than 10 business days after the date that the association receives such a complaint, the executive board or an authorized representative of the association shall acknowledge the receipt of the complaint and notify the unit's owner that, if the unit's owner submits a written request that the subject of the complaint be placed on the agenda of the next regularly scheduled meeting of the executive board, the subject of the complaint will be placed on the agenda of the next regularly scheduled meeting of the executive board.

(Added to NRS by [2003, 2218](#); A [2009, 2892](#))

**NRS 116.31065 Rules.** The rules adopted by an association:

1. Must be reasonably related to the purpose for which they are adopted.  
2. Must be sufficiently explicit in their prohibition, direction or limitation to inform a person of any action or omission required for compliance.

**3. Must not be adopted to evade any obligation of the association.**

**4. Must be consistent with the governing documents** of the association and **must not arbitrarily restrict conduct** or require the construction of any capital improvement by a unit's owner that is not required by the governing documents of the association.

**5. Must be uniformly enforced under the same or similar circumstances against all units' owners. Any rule that is not so uniformly enforced may not be enforced against any unit's owner.**

**6. May be enforced by the association through the imposition of a fine only if the association complies with the requirements set forth in [NRS 116.31031](#).**

(Added to NRS by [1997, 3111](#); A [1999, 3004](#); [2003, 2269](#))

**NRS 116.4117 Effect of violations on rights of action; civil action for damages for failure or refusal to comply with provisions of chapter or governing documents; members of executive board not personally liable to victims of crimes; circumstances under which punitive damages may be awarded; attorney's fees.**

1. Subject to the requirements set forth in subsection 2, if a declarant, community manager or any other person subject to this chapter fails to comply with any of its provisions or any provision of the declaration or bylaws, any person or class of persons suffering actual damages from the failure to comply may bring a civil action for damages or other appropriate relief.

2. Subject to the requirements set forth in [NRS 38.310](#) and except as otherwise provided in [NRS 116.3111](#), a civil action for damages or other appropriate relief for a failure or refusal to comply with any provision of this chapter or the governing documents of an association may be brought:

(a) By the association against:

- (1) A declarant;
- (2) A community manager; or
- (3) A unit's owner.

(b) By a unit's owner against:

- (1) The association;
- (2) A declarant; or
- (3) Another unit's owner of the association.

(c) By a class of units' owners constituting at least 10 percent of the total number of voting members of the association against a community manager.

3. Members of the executive board are not personally liable to the victims of crimes occurring on the property.

4. Except as otherwise provided in subsection 5, punitive damages may be awarded for a willful and material failure to comply with any provision of this chapter if the failure is established by clear and convincing evidence.

5. Punitive damages may not be awarded against:

(a) The association;

(b) The members of the executive board for acts or omissions that occur in their official capacity as members of the executive board; or

(c) The officers of the association for acts or omissions that occur in their capacity as officers of the association.

6. The court may award reasonable attorney's fees to the prevailing party.

7. The civil remedy provided by this section is in addition to, and not exclusive of, any other available remedy or penalty.

8. The provisions of this section do not prohibit the Commission from taking any disciplinary action against a member of an executive board pursuant to [NRS 116.745](#) to [116.795](#), inclusive.

(Added to NRS by [1991, 578](#); A [1993, 2377](#); [1997, 3125](#); [2009, 2812](#), [2898](#); [2011, 2458](#))

**NRS 116.31175 Maintenance and availability of books, records and other papers of association: General requirements; exceptions; general records concerning certain violations; enforcement by Ombudsman; limitations on amount that may be charged to conduct review.**

1. Except as otherwise provided in subsection 4, the executive board of an association shall, upon the written request of a unit's owner, make available the books, records and other papers of the association for review at the business office of the association or a designated business location not to exceed 60 miles from the physical location of the common-interest community and during the regular working hours of the association, including, without limitation:

(a) The financial statement of the association;

(b) The budgets of the association required to be prepared pursuant to [NRS 116.31151](#);

(c) The study of the reserves of the association required to be conducted pursuant to [NRS 116.31152](#); and

(d) All contracts to which the association is a party and all records filed with a court relating to a civil or criminal action to which the association is a party.

2. The executive board shall provide a copy of any of the records described in paragraphs (a), (b) and (c) of subsection 1 to a unit's owner or the Ombudsman within 21 days after receiving a written request therefor. Such records must be provided in electronic format at no charge to the unit's owner or, if the association is unable to provide the records in electronic format, the executive board may charge a fee to cover the actual costs of preparing a copy, but the fee may not exceed 25 cents per page for the first 10 pages, and 10 cents per page thereafter.

3. If the executive board fails to provide a copy of any of the records pursuant to subsection 2 within 21 days, the executive board must pay a penalty of \$25 for each day the executive board fails to provide the records.

4. The provisions of subsection 1 do not apply to:

(a) The personnel records of the employees of the association, except for those records relating to the number of hours worked and the salaries and benefits of those employees;

(b) The records of the association relating to another unit's owner, including, without limitation, any architectural plan or specification submitted by a unit's owner to the association during an approval process required by the governing documents, except for those records described in subsection 5; and

(c) Any document, including, without limitation, minutes of an executive board meeting, a reserve study and a budget, if the document:

(1) Is in the process of being developed for final consideration by the executive board; and

(2) Has not been placed on an agenda for final approval by the executive board.

5. The executive board of an association shall maintain a general record concerning each violation of the governing documents, other than a violation involving a failure to pay an assessment, for which the executive board has imposed a fine, a construction penalty or any other sanction. The general record:

(a) Must contain a general description of the nature of the violation and the type of the sanction imposed. If the sanction imposed was a fine or construction penalty, the general record must specify the amount of the fine or construction penalty.

(b) Must not contain the name or address of the person against whom the sanction was imposed or any other personal information which may be used to identify the person or the location of the unit, if any, that is associated with the violation.

(c) Must be maintained in an organized and convenient filing system or data system that allows a unit's owner to search and review the general records concerning violations of the governing documents.

6. If the executive board refuses to allow a unit's owner to review the books, records or other papers of the association, the Ombudsman may:

(a) On behalf of the unit's owner and upon written request, review the books, records or other papers of the association during the regular working hours of the association; and

(b) If the Ombudsman is denied access to the books, records or other papers, request the Commission, or any member thereof acting on behalf of the Commission, to issue a subpoena for their production.

7. The books, records and other papers of an association must be maintained for at least 10 years. The provisions of this subsection do not apply to:

(a) The minutes of a meeting of the units' owners which must be maintained in accordance with [NRS 116.3108](#); or

(b) The minutes of a meeting of the executive board which must be maintained in accordance with [NRS 116.31083](#).

8. The executive board shall not require a unit's owner to pay an amount in excess of \$10 per hour to review any books, records, contracts or other papers of the association pursuant to the provisions of subsection 1.

(Added to NRS by [1999, 2996](#); A [2003, 2245](#); [2009, 1737, 2807, 2894, 2928](#); [2011, 1879, 2451](#))

**NRS 116.31183 Retaliatory action prohibited; separate action by unit's owner.**

1. An executive board, a member of an executive board, a community manager or an officer, employee or agent of an association shall not take, or direct or encourage another person to take, any retaliatory action against a unit's owner because the unit's owner has:

(a) Complained in good faith about any alleged violation of any provision of this chapter or the governing documents of the association;

(b) Recommended the selection or replacement of an attorney, community manager or vendor;  
or

(c) Requested in good faith to review the books, records or other papers of the association.

2. In addition to any other remedy provided by law, upon a violation of this section, a unit's owner may bring a separate action to recover:

(a) Compensatory damages; and

(b) Attorney's fees and costs of bringing the separate action.

(Added to NRS by 2003, 2218; A 2009, 2808, 2895)

**NRS 116.31184 Threats, harassment and other conduct prohibited; penalty.**

1. A community manager, an agent or employee of the community manager, a member of the executive board, an officer, employee or agent of an association, a unit's owner or a guest or tenant of a unit's owner shall not willfully and without legal authority threaten, harass or otherwise engage in a course of conduct against any other person who is the community manager of his or her common-interest community or an agent or employee of that community manager, a member of the executive board of his or her association, an officer, employee or agent of his or her association, another unit's owner in his or her common-interest community or a guest or tenant of a unit's owner in his or her common-interest community which:

(a) Causes harm or serious emotional distress, or the reasonable apprehension thereof, to that person; or

(b) Creates a hostile environment for that person.

2. A person who violates the provisions of subsection 1 is guilty of a misdemeanor.

(Added to NRS by [2013, 2529](#))

**NRS 116.31185 Prohibition against certain personnel soliciting or accepting compensation, gratuity or remuneration under certain circumstances.**

1. Except as otherwise provided in subsection 2, a member of an executive board, an officer of an association or a **community manager** shall not solicit or accept any form of compensation, gratuity or other remuneration that:

(a) Would improperly influence or would appear to a reasonable person to improperly influence the decisions made by those persons; or

(b) **Would result or would appear to a reasonable person to result in a conflict of interest for those persons.**

2. Notwithstanding the provisions of subsection 1, a member of an executive board, an officer of an association, a community manager or any person working for a community manager shall not accept, directly or indirectly, any gifts, incentives, gratuities, rewards or other items of value from:

(a) An attorney, law firm or vendor, or any person working directly or indirectly for the attorney, law firm or vendor, which total more than the amount established by the Commission by regulation, not to exceed \$100 per year per such attorney, law firm or vendor; or

(b) A declarant, an affiliate of a declarant or any person responsible for the construction of the applicable community or association which total more than the amount established by the Commission by regulation, not to exceed \$100 per year per such declarant, affiliate or person.

3. An attorney, law firm or vendor, or any person working directly or indirectly for the attorney, law firm or vendor, shall not provide, directly or indirectly, any gifts, incentives, gratuities, rewards or other items of value to a member of the executive board, an officer of the association, the community manager or any person working for the community manager which total more than the amount established by the Commission by regulation, not to exceed \$100 per year per such member, officer, community manager or person.

4. A declarant, an affiliate of a declarant or any person responsible for the construction of a community or association, shall not provide, directly or indirectly, any gifts, incentives, gratuities, rewards or other items of value to a member of the executive board, an officer of the association, the community manager or any person working for the community manager which total more than the amount established by the Commission by regulation, not to exceed \$100 per year per such member, officer, community manager or person.

5. In addition to the limitations set forth in subsection 1, a community manager shall not solicit or accept any form of compensation, fee or other remuneration that is based, in whole or in part, on:

(a) The number or amount of fines imposed against or collected from units' owners or tenants or guests of units' owners pursuant to [NRS 116.31031](#) for violations of the governing documents of the association; or

(b) **Any percentage or proportion of those fines.**

6. **The provisions of this section do not prohibit a community manager from being paid compensation, a fee or other remuneration under the terms of a contract between the community manager and an association if:**

(a) **The scope of the respective rights, duties and obligations of the parties under the contract comply with the standards of practice for community managers set forth as [NRS 116A.630](#) and [116A.640](#) and any additional standards of practice adopted by the Commission by regulation pursuant to [NRS 116A.400](#);**

**(b) The compensation, fee or other remuneration is being paid to the community manager for providing management of the common-interest community; and**

**(c) The compensation, fee or other remuneration is not structured in a way that would violate the provisions of subsection 1 or 5.**

(Added to NRS by [2003, 2218](#); A [2005, 1716, 2611](#); [2009, 2808](#))

**NRS 116A.640 Community manager prohibited from engaging in certain acts; exceptions.** In addition to the standards of practice for community managers set forth in [NRS 116A.630](#) and any additional standards of practice adopted by the Commission by regulation pursuant to [NRS 116A.400](#), a community manager shall not:

1. Except as otherwise required by law or court order, disclose confidential information relating to a client, which includes, without limitation, the business affairs and financial records of the client, unless the client agrees to the disclosure in writing.

2. Impede or otherwise interfere with an investigation of the Division by:

(a) Failing to comply with a request of the Division to provide documents;

(b) Supplying false or misleading information to an investigator, auditor or any other officer or agent of the Division; or

(c) **Concealing any facts or documents relating to the business of a client.**

3. Commingle money or other property of a client with the money or other property of another client, another association, the community manager or the employer of the community manager.

4. Use money or other property of a client for his or her own personal use.

5. Be a signer on a withdrawal from a reserve account of a client.

6. Except as otherwise permitted by the provisions of the court rules governing the legal profession, establish an attorney-client relationship with an attorney or law firm which represents a client that employs the community manager or with whom the community manager has a management agreement.

7. Provide or attempt to provide to a client a service concerning a type of property or service:

(a) That is outside the community manager's field of experience or competence without the assistance of a qualified authority unless the fact of his or her inexperience or incompetence is disclosed fully to the client and is not otherwise prohibited by law; or

(b) For which the community manager is not properly licensed.

**8. Intentionally apply a payment of an assessment from a unit's owner towards any fine, fee or other charge that is due.**

**9. Refuse to accept from a unit's owner payment of any assessment, fine, fee or other charge that is due because there is an outstanding payment due.**

**10. Collect any fees or other charges from a client not specified in the management agreement.**

**11. Accept any compensation, gift or any other item of material value as payment or consideration for a referral or in the furtherance or performance of his or her normal duties unless:**

(a) **Acceptance of the compensation, gift or other item of material value complies with the provisions of [NRS 116.31185](#) or [116B.695](#) and all other applicable federal, state and local laws, regulations and ordinances; and**

(b) Before acceptance of the compensation, gift or other item of material value, the community manager provides **full disclosure** to the client and the client consents, in writing, to the acceptance of the compensation, gift or other item of material value by the community manager.

(Added to NRS by [2009, 2816](#))

**NRS 116.310313 Collection of past due obligation; charge of reasonable fee to collect.**

**1. An association may charge a unit's owner reasonable fees to cover the costs of collecting any past due obligation. The Commission shall adopt regulations establishing the amount of the fees that an association may charge pursuant to this section.**

**2. The provisions of this section apply to any costs of collecting a past due obligation charged to a unit's owner, regardless of whether the past due obligation is collected by the association itself or by any person acting on behalf of the association, including, without limitation, an officer or employee of the association, a community manager or a collection agency.**

3. As used in this section:

(a) **"Costs of collecting" includes any fee, charge or cost, by whatever name, including, without limitation, any collection fee, filing fee, recording fee, fee related to the preparation, recording or delivery of a lien or lien rescission, title search lien fee, bankruptcy search fee, referral fee, fee for postage or delivery and any other fee or cost that an association charges a unit's owner for the investigation, enforcement or collection of a past due obligation. The term does not include any costs incurred by an association if a lawsuit is filed to enforce any past due obligation or any costs awarded by a court.**

(b) **"Obligation" means any assessment, fine, construction penalty, fee, charge or interest levied or imposed against a unit's owner pursuant to any provision of this chapter or the governing documents.**

(Added to NRS by [2009, 2795](#))

**NRS 116.3115 Assessments for common expenses; funding of adequate reserves; collection of interest on past due assessments; calculation of assessments for particular types of common expenses; notice of meetings regarding assessments for capital improvements.**

1. Until the association makes an assessment for common expenses, the declarant shall pay all common expenses. After an assessment has been made by the association, assessments must be made at least annually, based on a budget adopted at least annually by the association in accordance with the requirements set forth in [NRS 116.31151](#). Unless the declaration imposes more stringent standards, the budget must include a budget for the daily operation of the association and a budget for the reserves required by paragraph (b) of subsection 2.

2. Except for assessments under subsections 4 to 7, inclusive, or as otherwise provided in this chapter:

(a) All common expenses, including the reserves, must be assessed against all the units in accordance with the allocations set forth in the declaration pursuant to subsections 1 and 2 of [NRS 116.2107](#).

(b) The association shall establish adequate reserves, funded on a reasonable basis, for the repair, replacement and restoration of the major components of the common elements and any other portion of the common-interest community that the association is obligated to maintain, repair, replace or restore. The reserves may be used only for those purposes, including, without limitation, repairing, replacing and restoring roofs, roads and sidewalks, and must not be used for daily maintenance. The association may comply with the provisions of this paragraph through a funding plan that is designed to allocate the costs for the repair, replacement and restoration of the major components of the common elements and any other portion of the common-interest community that the association is obligated to maintain, repair, replace or restore over a period of years if the funding plan is designed in an actuarially sound manner which will ensure that sufficient money is available when the repair, replacement and restoration of the major components of the common elements or any other portion of the common-interest community that the association is obligated to maintain, repair, replace or restore are necessary. Notwithstanding any provision of the governing documents to the contrary, to establish adequate reserves pursuant to this paragraph, including, without limitation, to establish or carry out a funding plan, the executive board may, without seeking or obtaining the approval of the units' owners, impose any necessary and reasonable assessments against the units in the common-interest community. Any such assessments imposed by the executive board must be based on the study of the reserves of the association conducted pursuant to [NRS 116.31152](#).

**3. Any assessment for common expenses or installment thereof that is 60 days or more past due bears interest at a rate equal to the prime rate at the largest bank in Nevada as ascertained by the Commissioner of Financial Institutions on January 1 or July 1, as the case may be, immediately preceding the date the assessment becomes past due, plus 2 percent. The rate must be adjusted accordingly on each January 1 and July 1 thereafter until the balance is satisfied.**

4. Except as otherwise provided in the governing documents:

(a) Any common expense associated with the maintenance, repair, restoration or replacement of a limited common element must be assessed against the units to which that limited common element is assigned, equally, or in any other proportion the declaration provides;

(b) Any common expense benefiting fewer than all of the units or their owners, including, without limitation, common expenses consisting of the payment, on behalf of a unit's owner, of delinquent property taxes or utility charges owed by the unit's owner, may be assessed exclusively against the units or units' owners benefited; and

(c) The costs of insurance must be assessed in proportion to risk and the costs of utilities must be assessed in proportion to usage.

5. Assessments to pay a judgment against the association may be made only against the units in the common-interest community at the time the judgment was entered, in proportion to their liabilities for common expenses.

6. If damage to a unit or other part of the common-interest community, or if any other common expense is caused by the willful misconduct or gross negligence of any unit's owner, tenant or invitee of a unit's owner or tenant, the association may assess that expense exclusively against his or her unit, even if the association maintains insurance with respect to that damage or common expense, unless the damage or other common expense is caused by a vehicle and is committed by a person who is delivering goods to, or performing services for, the unit's owner, tenant or invitee of the unit's owner or tenant.

7. The association of a common-interest community created before January 1, 1992, is not required to make an assessment against a vacant lot located within the community that is owned by the declarant.

8. If liabilities for common expenses are reallocated, assessments for common expenses and any installment thereof not yet due must be recalculated in accordance with the reallocated liabilities.

9. The association shall provide written notice to each unit's owner of a meeting at which an assessment for a capital improvement is to be considered or action is to be taken on such an assessment at least 21 calendar days before the date of the meeting.

(Added to NRS by [1991, 567](#); A [1993, 2371](#); [1995, 2230](#); [1997, 3119, 3120](#); [1999, 3008](#); [2001, 2491](#); [2005, 2603](#); [2009, 1734, 2805, 2892](#); [2011, 2447](#); [2017, 1993](#))

**NRS 116.31153 Signatures required for withdrawals of certain association funds; exceptions.**

1. Money in the reserve account of an association required by paragraph (b) of subsection 2 of [NRS 116.3115](#) may not be withdrawn without the signatures of at least two members of the executive board or the signatures of at least one member of the executive board and one officer of the association who is not a member of the executive board.

2. Except as otherwise provided in subsection 3, money in the operating account of an association **may not be withdrawn without the signatures of at least one member of the executive board** or one officer of the association **and a member of the executive board**, an officer of the association **or the community manager**.

3. Money in the operating account of an association may be withdrawn without the signatures required pursuant to subsection 2 to:

- (a) Transfer money to the reserve account of the association at regular intervals;
- (b) Make automatic payments for utilities;
- (c) Make an electronic transfer of money to a state agency pursuant to [NRS 353.1467](#); or
- (d) Make an electronic transfer of money to the United States Government, or any agency thereof, pursuant to any federal law requiring transfers of money to be made by an electronic means authorized by the United States Government or the agency thereof.

4. An association may use electronic signatures to withdraw money in the operating account of the association if:

- (a) The electronic transfer of money is made pursuant to a written agreement entered into between the association and the financial institution where the operating account of the association is maintained;
- (b) The executive board has expressly authorized the electronic transfer of money; and
- (c) The association has established internal accounting controls which comply with generally accepted accounting principles to safeguard the assets of the association.

5. As used in this section, “electronic transfer of money” has the meaning ascribed to it in [NRS 353.1467](#).

(Added to NRS by [1999, 2995](#); A [2009, 2927](#); [2011, 1879](#))

**NAC 116.405 Executive board: Determination by Commission of whether members have performed their duties. (NRS 116.3103, 116.615)** In determining whether a member of the executive board has performed his or her duties pursuant to [NRS 116.3103](#), the Commission may consider whether the member of the executive board has:

- 1. Acted outside the scope of the authority granted in the governing documents;**
2. Acted for reasons of self-interest, gain, prejudice or revenge;
3. Committed an act or omission which amounts to incompetence, negligence or gross negligence;
4. Except as otherwise required by law or court order, disclosed confidential information relating to a unit's owner, a member of the executive board or an officer, employee or authorized agent of the association unless the disclosure is consented to by the person to whom the information relates;
5. Impeded or otherwise interfered with an investigation of the Division by:
  - (a) Failing to comply with a request by the Division to provide information or documents;
  - (b) Supplying false or misleading information to an investigator, auditor or any other officer or agent of the Division; or
  - (c) Concealing any facts or documents relating to the business of the association;**
6. Kept informed of laws, regulations and developments relating to common-interest communities;
7. **Cooperated with the Division in resolving complaints filed** with the Division; and
8. **Caused the association to:**
  - (a) Comply with all applicable federal, state and local laws and regulations and the governing documents of the association;**
  - (b) Uniformly enforce the governing documents of the association;**
  - (c) Hold meetings** of the executive board with such frequency as to **properly and efficiently address the affairs of the association;**
  - (d) Obtain, when practicable, at least three bids from reputable service providers who possess the proper licensing before purchasing any such service for use by the association;
  - (e) Consult with appropriate professionals as necessary before making any major decision affecting the association or the common elements, including, without limitation, consulting with a reserve study specialist who is registered pursuant to [chapter 116A](#) of NRS and [chapter 116A](#) of NAC when conducting the reserve study, as required by subsection 2 of [NRS 116.31152](#) and [NRS 116A.420](#);
  - (f) Deposit all funds of the association for investment in government securities that are backed by the full faith and credit of the United States or in a financial institution whose accounts are insured by the Federal Deposit Insurance Corporation, the National Credit Union Share Insurance Fund, the Securities Investor Protection Corporation or a private insurer approved pursuant to [NRS 678.755](#);
  - (g) Maintain current, accurate and properly documented financial records;**
  - (h) Establish policies and procedures for the disclosure of potential conflicts of interest and the appropriate manner by which to resolve such conflicts;**
  - (i) Establish policies and procedures that are designed to provide reasonable assurances in the reliability of financial reporting, including, without limitation, proper maintenance of accounting records, documentation of the authorization for receipts and disbursements,**

**verification of the integrity of the data used in making business decisions, facilitation of fraud detection and prevention, and compliance with the applicable laws and regulations governing financial records;**

(j) Prepare interim and annual financial statements that will allow the Division, the executive board, the units' owners and the accountant or auditor to determine whether the financial position of the association is fairly presented in accordance with the provisions of [NAC 116.451](#) to [116.461](#), inclusive;

(k) Make the financial records of the association available for inspection by the Division in accordance with the applicable laws and regulations of this State;

(l) Cooperate with the Division in resolving complaints filed with the Division; and

**(m) Adopt and fairly enforce the collection policies of the association.**

(Added to NAC by Comm'n for Common-Interest Communities by R129-04, eff. 4-14-2005; A by Comm'n for Common-Interest Communities & Condo. Hotels by R108-08, 4-20-2010; R050-13, 8-10-2015)

**NAC 116.470 Fees and costs for collection of past due obligations of unit's owner. ([NRS 116.310313](#), [116.615](#))**

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, notice of default and notice of sale.....	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.

**7. As used in this section, "affiliate of the community manager of the association or of an agent of the association" means any person who controls, is controlled by or is under common control with a community manager or such agent.** For the purposes of this subsection:

**(a) A person "controls" a community manager or agent if the person:**

**(1) Is a general partner, officer, director or employer of the community manager or agent;**

**(2) Directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, holds with power to vote or holds proxies representing, more than 20 percent of the voting interest in the community manager or agent;**

(3) Controls in any manner the election of a majority of the directors of the community manager or agent; or

(4) Has contributed more than 20 percent of the capital of the community manager or its agent.

**(b) A person "is controlled by" a community manager or agent if the community manager or agent:**

**(1) Is a general partner, officer, director or employer of the person;**

(2) Directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, holds with power to vote or holds proxies representing more than 20 percent of the voting interest in the person;

(3) Controls in any manner the election of a majority of the directors of the person; or

(4) Has contributed more than 20 percent of the capital of the person.

(c) Control does not exist if the powers described in this subsection are held solely as security for an obligation and are not exercised.

(Added to NAC by Comm'n for Common-Interest Communities & Condo. Hotels by R199-09, eff. 5-5-2011)

**NRS 116A.630 Standards of practice for community managers.** In addition to any additional standards of practice for community managers adopted by the Commission by regulation pursuant to [NRS 116A.400](#), a community manager shall:

1. Except as otherwise provided by specific statute, at all times:

**(a) Act as a fiduciary in any client relationship; and**

(b) Exercise ordinary and reasonable care in the performance of duties.

**2. Comply with all applicable:**

**(a) Federal, state and local laws, regulations and ordinances; and**

**(b) Lawful provisions of the governing documents of each client.**

3. Keep informed of new developments in the management of a common-interest community through continuing education, including, without limitation, new developments in law, insurance coverage and accounting principles.

4. Advise a client to obtain advice from an independent expert relating to matters that are beyond the expertise of the community manager.

**5. Under the direction of a client, uniformly enforce the provisions of the governing documents of the association.**

6. At all times ensure that:

(a) The financial transactions of a client are current, accurate and properly documented; and

(b) There are established policies and procedures that are designed to provide reasonable assurances in the reliability of the financial reporting, including, without limitation:

(1) Proper maintenance of accounting records;

(2) Documentation of the authorization for any purchase orders, expenditures or disbursements;

(3) Verification of the integrity of the data used in business decisions;

(4) Facilitation of fraud detection and prevention; and

(5) Compliance with all applicable laws and regulations governing financial records.

7. Prepare or cause to be prepared interim and annual financial statements that will allow the Division, the executive board, the units' owners and the accountant or auditor to determine whether the financial position of an association is fairly presented in accordance with all applicable laws and regulations.

8. Cause to be prepared, if required by the Division, a financial audit performed by an independent certified public accountant of the records of the community manager pertaining to the common-interest community, which must be made available to the Division.

9. Make the financial records of an association available for inspection by the Division in accordance with the applicable laws and regulations.

10. Cooperate with the Division in resolving complaints filed with the Division.

11. Upon written request, make the financial records of an association available to the units' owners electronically or during regular business hours required for inspection at a reasonably convenient location, which must be within 60 miles from the physical location of the common-

interest community, and provide copies of such records in accordance with the applicable laws and regulations. As used in this subsection, “regular business hours” means Monday through Friday, 9 a.m. to 5 p.m., excluding legal holidays.

12. Maintain and invest association funds in a financial institution whose accounts are insured by the Federal Deposit Insurance Corporation, National Credit Union Share Insurance Fund, Securities Investor Protection Corporation, or a private insurer approved pursuant to [NRS 678.755](#), or in government securities that are backed by the full faith and credit of the United States Government.

**13. Except as required under collection agreements, maintain the various funds of the client in separate financial accounts in the name of the client and ensure that the association is authorized to have direct access to those accounts.**

14. Provide notice to each unit’s owner that the executive board is aware of all legal requirements pursuant to the applicable laws and regulations.

**15. Maintain internal accounting controls, including, without limitation, segregation of incompatible accounting functions.**

16. Ensure that the executive board develops and approves written investment policies and procedures.

17. Recommend in writing to each client that the client register with the Division, maintain its registration and file all papers with the Division and the Secretary of State as required by law.

18. Comply with the directions of a client, unless the directions conflict with the governing documents of the client or the applicable laws or regulations of this State.

19. Recommend in writing to each client that the client be in compliance with all applicable federal, state and local laws, regulations and ordinances and the governing documents of the client.

20. Obtain, when practicable, at least three qualified bids for any capital improvement project for the client.

**21. Develop written collection policies, approved by the executive board, to comply with all applicable federal, state and local laws, regulations and ordinances relating to the collection of debt. The collection policies must require:**

**(a) That the executive board approve all write-offs of debt; and**

**(b) That the community manager provide timely updates and reports as necessary.**

(Added to NRS by [2009, 2814](#))

**2013 Nevada Revised Statutes**  
**Chapter 116 - Common-Interest Ownership (Uniform Act)**  
**NRS 116.3116 - Liens against units for assessments.**

[Universal Citation: NV Rev Stat § 116.3116 \(2013\)](#)

1. The association has a lien on a unit for any construction penalty that is imposed against the unit's owner pursuant to NRS 116.310305, any assessment levied against that unit or any fines imposed against the unit's owner from the time the construction penalty, assessment or fine becomes due. Unless the declaration otherwise provides, any penalties, fees, charges, late charges, fines and interest charged pursuant to paragraphs (j) to (n), inclusive, of subsection 1 of NRS 116.3102 are enforceable as assessments under this section. If an assessment is payable in installments, the full amount of the assessment is a lien from the time the first installment thereof becomes due.

2. A lien under this section is prior to all other liens and encumbrances on a unit except:

(a) Liens and encumbrances recorded before the recordation of the declaration and, in a cooperative, liens and encumbrances which the association creates, assumes or takes subject to;

(b) A first security interest on the unit recorded before the date on which the assessment sought to be enforced became delinquent or, in a cooperative, the first security interest encumbering only the unit's owner's interest and perfected before the date on which the assessment sought to be enforced became delinquent; and

(c) Liens for real estate taxes and other governmental assessments or charges against the unit or cooperative.

The lien is also prior to all security interests described in paragraph (b) to the extent of any charges incurred by the association on a unit pursuant to NRS 116.310312 and to the extent of the assessments for common expenses based on the periodic budget adopted by the association pursuant to NRS 116.3115 which would have become due in the absence of acceleration during the 9 months immediately preceding institution of an action to enforce the lien, unless federal regulations adopted by the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association require a shorter period of priority for the lien. If federal regulations adopted by the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association require a shorter period of priority for the lien, the period during which the lien is prior to all security interests described in paragraph (b) must be determined in accordance with those federal regulations, except that notwithstanding the provisions of the federal regulations, the period of priority for the lien must not be less than the 6 months immediately preceding institution of an action to enforce the lien. This subsection does not affect the priority of mechanics or materialmen's liens, or the priority of liens for other assessments made by the association.

3. The holder of the security interest described in paragraph (b) of subsection 2 or the holder's authorized agent may establish an escrow account, loan trust account or other impound account for advance contributions for the payment of assessments for common expenses based on the periodic budget adopted by the association pursuant to NRS 116.3115 if the unit's owner and the holder of that

security interest consent to the establishment of such an account. If such an account is established, payments from the account for assessments for common expenses must be made in accordance with the same due dates as apply to payments of such assessments by a unit's owner.

4. Unless the declaration otherwise provides, if two or more associations have liens for assessments created at any time on the same property, those liens have equal priority.

5. Recording of the declaration constitutes record notice and perfection of the lien. No further recordation of any claim of lien for assessment under this section is required.

6. A lien for unpaid assessments is extinguished unless proceedings to enforce the lien are instituted within 3 years after the full amount of the assessments becomes due.

7. This section does not prohibit actions to recover sums for which subsection 1 creates a lien or prohibit an association from taking a deed in lieu of foreclosure.

8. A judgment or decree in any action brought under this section must include costs and reasonable attorney's fees for the prevailing party.

9. The association, upon written request, shall furnish to a unit's owner a statement setting forth the amount of unpaid assessments against the unit. If the interest of the unit's owner is real estate or if a lien for the unpaid assessments may be foreclosed under NRS 116.31162 to 116.31168, inclusive, the statement must be in recordable form. The statement must be furnished within 10 business days after receipt of the request and is binding on the association, the executive board and every unit's owner.

10. In a cooperative, upon nonpayment of an assessment on a unit, the unit's owner may be evicted in the same manner as provided by law in the case of an unlawful holdover by a commercial tenant, and:

(a) In a cooperative where the owner's interest in a unit is real estate under NRS 116.1105, the association's lien may be foreclosed under NRS 116.31162 to 116.31168, inclusive.

(b) In a cooperative where the owner's interest in a unit is personal property under NRS 116.1105, the association's lien:

(1) May be foreclosed as a security interest under NRS 104.9101 to 104.9709, inclusive; or

(2) If the declaration so provides, may be foreclosed under NRS 116.31162 to 116.31168, inclusive.

11. In an action by an association to collect assessments or to foreclose a lien created under this section, the court may appoint a receiver to collect all rents or other income from the unit alleged to be due and owing to a unit's owner before commencement or during pendency of the action. The receivership is governed by chapter 32 of NRS. The court may order the receiver to pay any sums held by the receiver to the association during pendency of the action to the extent of the association's common expense assessments based on a periodic budget adopted by the association pursuant to NRS 116.3115.

(Added to NRS by 1991, 567; A 1999, 390; 2003, 2243, 2272; 2009, 1010, 1207; 2011, 2448; 2013, 3787)

**2013 Nevada Revised Statutes**

**Chapter 116 - Common-Interest Ownership (Uniform Act)**

**NRS 116.31162 - Foreclosure of liens: Mailing of notice of delinquent assessment; recording of notice of default and election to sell; period during which unit s owner may pay lien to avoid foreclosure; limitations on type of lien that may be foreclosed.**

[Universal Citation: NV Rev Stat § 116.31162 \(2013\)](#)

1. Except as otherwise provided in subsection 5 or 6, in a condominium, in a planned community, in a cooperative where the owner s interest in a unit is real estate under NRS 116.1105, or in a cooperative where the owner s interest in a unit is personal property under NRS 116.1105 and the declaration provides that a lien may be foreclosed under NRS 116.31162 to 116.31168, inclusive, the association may foreclose its lien by sale after all of the following occur:

(a) The association has mailed by certified or registered mail, return receipt requested, to the unit s owner or his or her successor in interest, at his or her address, if known, and at the address of the unit, a notice of delinquent assessment which states the amount of the assessments and other sums which are due in accordance with subsection 1 of NRS 116.3116, a description of the unit against which the lien is imposed and the name of the record owner of the unit.

(b) Not less than 30 days after mailing the notice of delinquent assessment pursuant to paragraph (a), the association or other person conducting the sale has executed and caused to be recorded, with the county recorder of the county in which the common-interest community or any part of it is situated, a notice of default and election to sell the unit to satisfy the lien which must contain the same information as the notice of delinquent assessment and which must also comply with the following:

(1) Describe the deficiency in payment.

(2) State the name and address of the person authorized by the association to enforce the lien by sale.

(3) Contain, in 14-point bold type, the following warning:

**WARNING! IF YOU FAIL TO PAY THE AMOUNT SPECIFIED IN THIS NOTICE, YOU COULD LOSE YOUR HOME, EVEN IF THE AMOUNT IS IN DISPUTE!**

(c) The unit s owner or his or her successor in interest has failed to pay the amount of the lien, including costs, fees and expenses incident to its enforcement, for 90 days following the recording of the notice of default and election to sell.

2. The notice of default and election to sell must be signed by the person designated in the declaration or by the association for that purpose or, if no one is designated, by the president of the association.

3. The period of 90 days begins on the first day following:

(a) The date on which the notice of default is recorded; or

(b) The date on which a copy of the notice of default is mailed by certified or registered mail, return receipt requested, to the unit's owner or his or her successor in interest at his or her address, if known, and at the address of the unit,

whichever date occurs later.

4. An association may not mail to a unit's owner or his or her successor in interest a letter of its intent to mail a notice of delinquent assessment pursuant to paragraph (a) of subsection 1, mail the notice of delinquent assessment or take any other action to collect a past due obligation from a unit's owner or his or her successor in interest unless, not earlier than 60 days after the obligation becomes past due, the association mails to the address on file for the unit's owner:

(a) A schedule of the fees that may be charged if the unit's owner fails to pay the past due obligation;

(b) A proposed repayment plan; and

(c) A notice of the right to contest the past due obligation at a hearing before the executive board and the procedures for requesting such a hearing.

5. The association may not foreclose a lien by sale based on a fine or penalty for a violation of the governing documents of the association unless:

(a) The violation poses an imminent threat of causing a substantial adverse effect on the health, safety or welfare of the unit's owners or residents of the common-interest community; or

(b) The penalty is imposed for failure to adhere to a schedule required pursuant to NRS 116.310305.

6. The association may not foreclose a lien by sale if:

(a) The unit is owner-occupied housing encumbered by a deed of trust;

(b) The beneficiary under the deed of trust, the successor in interest of the beneficiary or the trustee has recorded a notice of default and election to sell with respect to the unit pursuant to subsection 2 of NRS 107.080; and

(c) The trustee of record has not recorded the certificate provided to the trustee pursuant to subparagraph (1) or (2) of paragraph (d) of subsection 2 of NRS 107.086.

As used in this subsection, owner-occupied housing has the meaning ascribed to it in NRS 107.086.

(Added to NRS by 1991, 569; A 1993, 2371; 1997, 3121; 1999, 3011; 2003, 2244, 2273; 2005, 2608; 2013, 3483, 3789)

## **2013 Nevada Revised Statutes**

### **Chapter 116 - Common-Interest Ownership (Uniform Act)**

#### **NRS 116.31163 - Foreclosure of liens: Mailing of notice of default and election to sell to certain interested persons.**

[Universal Citation: NV Rev Stat § 116.31163 \(2013\)](#)

The association or other person conducting the sale shall also mail, within 10 days after the notice of default and election to sell is recorded, a copy of the notice by first-class mail to:

1. Each person who has requested notice pursuant to NRS 107.090 or 116.31168;
2. Any holder of a recorded security interest encumbering the unit's owner's interest who has notified the association, 30 days before the recordation of the notice of default, of the existence of the security interest; and
3. A purchaser of the unit, if the unit's owner has notified the association, 30 days before the recordation of the notice, that the unit is the subject of a contract of sale and the association has been requested to furnish the certificate required by NRS 116.4109.

(Added to NRS by 1993, 2355; A 2005, 2609)

**2013 Nevada Revised Statutes**

**Chapter 116 - Common-Interest Ownership (Uniform Act)**

**NRS 116.311635 - Foreclosure of liens: Providing notice of time and place of sale; service of notice of sale; contents of notice of sale; proof of service.**

[Universal Citation: NV Rev Stat § 116.311635 \(2013\)](#)

1. The association or other person conducting the sale shall also, after the expiration of the 90 days and before selling the unit:

(a) Give notice of the time and place of the sale in the manner and for a time not less than that required by law for the sale of real property upon execution, except that in lieu of following the procedure for service on a judgment debtor pursuant to NRS 21.130, service must be made on the unit's owner as follows:

(1) A copy of the notice of sale must be mailed, on or before the date of first publication or posting, by certified or registered mail, return receipt requested, to the unit's owner or his or her successor in interest at his or her address, if known, and to the address of the unit; and

(2) A copy of the notice of sale must be served, on or before the date of first publication or posting, in the manner set forth in subsection 2; and

(b) Mail, on or before the date of first publication or posting, a copy of the notice by certified or registered mail, return receipt requested, to:

(1) Each person entitled to receive a copy of the notice of default and election to sell notice under NRS 116.31163;

(2) The holder of a recorded security interest or the purchaser of the unit, if either of them has notified the association, before the mailing of the notice of sale, of the existence of the security interest, lease or contract of sale, as applicable; and

(3) The Ombudsman.

2. In addition to the requirements set forth in subsection 1, a copy of the notice of sale must be served:

(a) By a person who is 18 years of age or older and who is not a party to or interested in the sale by personally delivering a copy of the notice of sale to an occupant of the unit who is of suitable age; or

(b) By posting a copy of the notice of sale in a conspicuous place on the unit.

3. Any copy of the notice of sale required to be served pursuant to this section must include:

(a) The amount necessary to satisfy the lien as of the date of the proposed sale; and

(b) The following warning in 14-point bold type:

**WARNING! A SALE OF YOUR PROPERTY IS IMMINENT! UNLESS YOU PAY THE AMOUNT SPECIFIED IN THIS NOTICE BEFORE THE SALE DATE, YOU COULD LOSE YOUR HOME, EVEN IF THE AMOUNT IS IN DISPUTE. YOU MUST ACT BEFORE THE SALE DATE. IF YOU HAVE ANY QUESTIONS, PLEASE CALL (name and telephone number of the contact person for the association). IF YOU NEED ASSISTANCE, PLEASE CALL THE FORECLOSURE SECTION OF THE OMBUDSMAN S OFFICE, NEVADA REAL ESTATE DIVISION, AT (toll-free telephone number designated by the Division) IMMEDIATELY.**

4. Proof of service of any copy of the notice of sale required to be served pursuant to this section must consist of:

(a) A certificate of mailing which evidences that the notice was mailed through the United States Postal Service; or

(b) An affidavit of service signed by the person who served the notice stating:

(1) The time of service, manner of service and location of service; and

(2) The name of the person served or, if the notice was not served on a person, a description of the location where the notice was posted on the unit.

(Added to NRS by 1993, 2355; A 2003, 2245; 2005, 2609; 2013, 3790)

## **2013 Nevada Revised Statutes**

### **Chapter 116 - Common-Interest Ownership (Uniform Act)**

**NRS 116.31164 - Foreclosure of liens: Procedure for conducting sale; purchase of unit by association; execution and delivery of deed; use of proceeds of sale.**

[Universal Citation: NV Rev Stat § 116.31164 \(2013\)](#)

1. The sale must be conducted in the county in which the common-interest community or part of it is situated, and may be conducted by the association, its agent or attorney, or a title insurance company or escrow agent licensed to do business in this State, except that the sale may be made at the office of the association if the notice of the sale so provided, whether the unit is located within the same county as the office of the association or not. The association or other person conducting the sale may from time to time postpone the sale by such advertisement and notice as it considers reasonable or, without further advertisement or notice, by proclamation made to the persons assembled at the time and place previously set and advertised for the sale.

2. On the day of sale originally advertised or to which the sale is postponed, at the time and place specified in the notice or postponement, the person conducting the sale may sell the unit at public auction to the highest cash bidder. Unless otherwise provided in the declaration or by agreement, the association may purchase the unit and hold, lease, mortgage or convey it. The association may purchase by a credit bid up to the amount of the unpaid assessments and any permitted costs, fees and expenses incident to the enforcement of its lien.

3. After the sale, the person conducting the sale shall:

(a) Make, execute and, after payment is made, deliver to the purchaser, or his or her successor or assign, a deed without warranty which conveys to the grantee all title of the unit's owner to the unit;

(b) Deliver a copy of the deed to the Ombudsman within 30 days after the deed is delivered to the purchaser, or his or her successor or assign; and

(c) Apply the proceeds of the sale for the following purposes in the following order:

(1) The reasonable expenses of sale;

(2) The reasonable expenses of securing possession before sale, holding, maintaining, and preparing the unit for sale, including payment of taxes and other governmental charges, premiums on hazard and liability insurance, and, to the extent provided for by the declaration, reasonable attorney's fees and other legal expenses incurred by the association;

(3) Satisfaction of the association's lien;

(4) Satisfaction in the order of priority of any subordinate claim of record; and

(5) Remittance of any excess to the unit's owner.

(Added to NRS by 1991, 569; A 1993, 2372; 2005, 2610)

**2013 Nevada Revised Statutes**

**Chapter 116 - Common-Interest Ownership (Uniform Act)**

**NRS 116.31166 - Foreclosure of liens: Effect of recitals in deed; purchaser not responsible for proper application of purchase money; title vested in purchaser without equity or right of redemption.**

[Universal Citation: NV Rev Stat § 116.31166 \(2013\)](#)

1. The recitals in a deed made pursuant to NRS 116.31164 of:

(a) Default, the mailing of the notice of delinquent assessment, and the recording of the notice of default and election to sell;

(b) The elapsing of the 90 days; and

(c) The giving of notice of sale,

are conclusive proof of the matters recited.

2. Such a deed containing those recitals is conclusive against the unit's former owner, his or her heirs and assigns, and all other persons. The receipt for the purchase money contained in such a deed is sufficient to discharge the purchaser from obligation to see to the proper application of the purchase money.

3. The sale of a unit pursuant to NRS 116.31162, 116.31163 and 116.31164 vests in the purchaser the title of the unit's owner without equity or right of redemption.

(Added to NRS by 1991, 570; A 1993, 2373)

**2013 Nevada Revised Statutes**

**Chapter 116 - Common-Interest Ownership (Uniform Act)**

**NRS 116.31168 - Foreclosure of liens: Requests by interested persons for notice of default and election to sell; right of association to waive default and withdraw notice or proceeding to foreclose.**

[Universal Citation: NV Rev Stat § 116.31168 \(2013\)](#)

1. The provisions of NRS 107.090 apply to the foreclosure of an association's lien as if a deed of trust were being foreclosed. The request must identify the lien by stating the names of the unit's owner and the common-interest community.

2. An association may, after recording a notice of default and election to sell, waive the default and withdraw the notice or any proceeding to foreclose. The association is thereupon restored to its former position and has the same rights as though the notice had not been recorded.

(Added to NRS by 1991, 570; A 1993, 2373)

**NRS 38.310 Limitations on commencement of certain civil actions.**

1. No civil action based upon a claim relating to:

(a) The interpretation, application or enforcement of any covenants, conditions or restrictions applicable to residential property or any bylaws, rules or regulations adopted by an association; or

(b) The procedures used for increasing, decreasing or imposing additional assessments upon residential property, may be commenced in any court in this State unless the action has been submitted to mediation or, if the parties agree, has been referred to a program pursuant to the provisions of [NRS 38.300](#) to [38.360](#), inclusive, and, if the civil action concerns real estate within a planned community subject to the provisions of [chapter 116](#) of NRS or real estate within a condominium hotel subject to the provisions of [chapter 116B](#) of NRS, all administrative procedures specified in any covenants, conditions or restrictions applicable to the property or in any bylaws, rules and regulations of an association have been exhausted.

2. A court shall dismiss any civil action which is commenced in violation of the provisions of subsection 1.

(Added to NRS by [1995, 1417](#); A [1997, 526](#); [2007, 2278](#); [2013, 2296](#))

## **NRS Chapter 111 STATUTE OF FRAUDS REGARDING CONVEYANCE OF REAL PROPERTY**

**NRS 111.105 Conveyances by deed.** Conveyances of lands, or of any estate or interest therein, may be made by deed, signed by the person from whom the estate or interest is intended to pass, being of lawful age, or by the person's lawful agent or attorney, and acknowledged or proved, and recorded, as directed in this chapter.

**NRS 111.120 Conditions necessary before proof by subscribing witness can be taken.** No proof by a subscribing witness shall be taken unless the witness shall be personally known to the person taking the proof to be the person whose name is subscribed to the conveyance as witness thereto, or shall be proved to be such by the oath or affirmation of a credible witness.

**NRS 111.125 Proof required from subscribing witnesses.** No certificate of proof shall be granted unless subscribing witnesses shall prove: 1. That the person whose name is subscribed thereto as a party is the person described in, and who executed the same. 2. That such person executed the conveyance. 3. That such witness subscribed his name thereto as a witness thereof.

**NRS 111.315 Recording of conveyances and instruments: Notice to third persons.** Every conveyance of real property, and every instrument of writing setting forth an agreement to convey any real property, or whereby any real property may be affected, proved, acknowledged and certified in the manner prescribed in this chapter, to operate as notice to third persons, shall be recorded in the office of the recorder of the county in which the real property is situated or to the extent permitted by [NRS 105.010](#) to [105.080](#), inclusive, in the Office of the Secretary of State, but shall be valid and binding between the parties thereto without such record.

**NRS 111.320 Filing of conveyances or other instruments is notice to all persons: Effect on subsequent purchasers and mortgagees.** Every such conveyance or instrument of writing, acknowledged or proved and certified, and recorded in the manner prescribed in this chapter or in [NRS 105.010](#) to [105.080](#), inclusive, must from the time of filing the same with the Secretary of State or recorder for record, impart notice to all persons of the contents thereof; and subsequent purchasers and mortgagees shall be deemed to purchase and take with notice.

**NRS 111.325 Unrecorded conveyances void as against subsequent bona fide purchaser for value when conveyance recorded.** Every conveyance of real property within this State hereafter made, which shall not be recorded as provided in this chapter, shall be void as against any subsequent purchaser, in good faith and for a valuable consideration, of the same real property, or any portion thereof, where his or her own conveyance shall be first duly recorded.

**NRS 111.340 Certificate of acknowledgment and record may be rebutted.** Neither the certificate of the acknowledgment nor of the proof of any conveyance or instrument, nor the record, nor the transcript of the record, of such conveyance or instrument, shall be conclusive, but the same may be rebutted.

**NRS 111.345 Proof taken upon oath of incompetent witness: Instrument not admissible until established by competent proof.** If the party contesting the proof of any conveyance or instrument shall make it appear that any such proof was taken upon the oath of an incompetent witness, neither such conveyance or instrument, nor the record thereof, shall be received in evidence, until established by other competent proof.

**NRS 111.180 Bona fide purchaser: Conveyance not deemed fraudulent in favor of bona fide purchaser unless subsequent purchaser had actual knowledge, constructive notice or reasonable cause to know of fraud.**

1. Any purchaser who purchases an estate or interest in any real property in good faith and for valuable consideration and who does not have actual knowledge, constructive notice of, or reasonable cause to know that there exists a defect in, or adverse rights, title or interest to, the real property is a bona fide purchaser.

2. No conveyance of an estate or interest in real property, or charge upon real property, shall be deemed fraudulent in favor of a bona fide purchaser unless it appears that the subsequent purchaser in such conveyance, or person to be benefited by such charge, had actual knowledge, constructive notice or reasonable cause to know of the fraud intended.

## RELEVANT SECTIONS OF THE NRS 240 RE NOTARY PUBLICS

### **NRS 240.155 Notarization of signature of person not in presence of notary public unlawful; penalty.**

1. A notary public who is appointed pursuant to this chapter shall not willfully notarize the signature of a person unless the person is in the presence of the notary public and:

- (a) Is known to the notary public; or
- (b) If unknown to the notary public, provides a credible witness or documentary evidence of identification to the notary public.

2. A person who:

- (a) Violates the provisions of subsection 1; or
- (b) Aids and abets a notary public to commit a violation of subsection 1, is guilty of a gross misdemeanor.

(Added to NRS by [2005, 2274](#); A [2007, 1100](#))

### **NRS 240.075 Prohibited acts. A notary public shall not:**

1. Influence a person to enter or not enter into a lawful transaction involving a notarial act performed by the notary public.

2. Certify an instrument containing a statement known by the notary public to be false.

3. Perform any act as a notary public with intent to deceive or defraud, including, without limitation, altering the journal that the notary public is required to keep pursuant to [NRS 240.120](#).

4. Endorse or promote any product, service or offering if his or her appointment as a notary public is used in the endorsement or promotional statement.

5. Certify photocopies of a certificate of birth, death or marriage or a divorce decree.

6. Allow any other person to use his or her notary's stamp.

7. Allow any other person to sign the notary's name in a notarial capacity.

8. Perform a notarial act on a document that contains only a signature.

9. Perform a notarial act on a document, including a form that requires the signer to provide information within blank spaces, unless the document has been filled out completely and has been signed.

10. Make or note a protest of a negotiable instrument unless the notary public is employed by a depository institution and the protest is made or noted within the scope of that employment. As used in this subsection, "depository institution" has the meaning ascribed to it in [NRS 657.037](#).

11. Affix his or her stamp to any document which does not contain a notarial certificate.

(Added to NRS by [1985, 1205](#); A [1987, 1114](#); [1995, 193](#); [2001, 653](#); [2011, 1610](#); [2015, 930](#))

**NRS 240.147 Unlawful destruction, defacement or concealment of notarial record.** It is unlawful for a person to knowingly destroy, deface or conceal a notarial record.(Added to NRS by [1997, 930](#); A [2009, 3029](#))

### **NRS 240.120 Journal of notarial acts: Duty to maintain; contents; verification based upon credible witness; copy of entry; storage; period of retention; report of loss or theft; exceptions.**

1. Except as otherwise provided in subsection 2, each notary public shall keep a journal in his or her office in which the notary public shall enter for each notarial act performed, at the time the act is performed:

(a) The fees charged, if any;

(b) The title of the document;

(c) The date on which the notary public performed the act;

(d) Except as otherwise provided in subsection 3, the name and signature of the person whose signature is being notarized;

(e) Subject to the provisions of subsection 4, a description of the evidence used by the notary public to verify the identification of the person whose signature is being notarized;

(f) An indication of whether the notary public administered an oath; and

(g) The type of certificate used to evidence the notarial act, as required pursuant to [NRS 240.1655](#).

2. A notary public may make one entry in the journal which documents more than one notarial act if the notarial acts documented are performed:

(a) For the same person and at the same time; and

(b) On one document or on similar documents.

3. When performing a notarial act for a person, a notary public need not require the person to sign the journal if:

- (a) The notary public has performed a notarial act for the person within the previous 6 months;
- (b) The notary public has personal knowledge of the identity of the person; and
- (c) The person is an employer or coworker of the notary public and the notarial act relates to a transaction performed in the ordinary course of the person's business.

4. **If, pursuant to subsection 3, a notary public does not require a person to sign the journal, the notary public shall enter "known personally" as the description required to be entered into the journal pursuant to paragraph (e) of subsection 1.**

5. If the notary verifies the identification of the person whose signature is being notarized on the basis of a credible witness, the notary public shall:

- (a) Require the witness to sign the journal in the space provided for the description of the evidence used; and
- (b) Make a notation in the journal that the witness is a credible witness.

6. **The journal must:**

- (a) **Be open to public inspection.**
- (b) **Be in a bound volume with preprinted page numbers.**

7. **A notary public shall, upon request and payment of the fee set forth in [NRS 240.100](#), provide a certified copy of an entry in his or her journal.**

8. A notary public shall keep his or her journal in a secure location during any period in which the notary public is not making an entry or notation in the journal pursuant to this section.

9. **A notary public shall retain each journal that the notary public has kept pursuant to this section until 7 years after the date on which he or she ceases to be a notary public.**

10. A notary public shall file a report with the Secretary of State and the appropriate law enforcement agency if the journal of the notary public is lost or stolen.

11. The provisions of this section do not apply to a person who is authorized to perform a notarial act pursuant to paragraph (b), (c), (d) or (e) of subsection 1 of [NRS 240.1635](#).

[Part 18:49:1883; BH § 2359; C § 2483; RL § 2020; NCL § 2951] + [Part 21:49:1883; BH § 2362; C § 2486; RL § 2023; NCL § 2954]—(NRS A [1967, 533](#); [1993, 262](#); [1995, 193, 1596](#); [1997, 936](#); [2001, 654](#); [2007, 46](#); [2011, 1611](#); [2013, 1376](#))

**[NRS 240.150](#) Liability for misconduct or neglect; liability of employer; penalties for willful violation or neglect of duty; procedure upon revocation or suspension.**

1. For misconduct or neglect in a case in which a notary public appointed pursuant to the authority of this State may act, either by the law of this State or of another state, territory or country, or by the law of nations, or by commercial usage, **the notary public is liable on his or her official bond to the parties injured thereby, for all the damages sustained.**

2. **The employer of a notary public may be assessed a civil penalty by the Secretary of State of not more than \$2,000 for each violation specified in subsection 4 committed by the notary public, and the employer is liable for any damages proximately caused by the misconduct of the notary public, if:**

(a) **The notary public was acting within the scope of his or her employment at the time the notary public engaged in the misconduct; and**

(b) **The employer of the notary public consented to the misconduct of the notary public.**

3. The Secretary of State may refuse to appoint or may suspend or revoke the appointment of a notary public who fails to provide to the Secretary of State, within a reasonable time, information that the Secretary of State requests from the notary public in connection with a complaint which alleges a violation of this chapter.

4. Except as otherwise provided in this chapter, for any willful violation or neglect of duty or other violation of this chapter, or upon proof that a notary public has been convicted of, or entered a plea of guilty, guilty but mentally ill or nolo contendere to, a crime described in paragraph (c) of subsection 2 of [NRS 240.010](#):

(a) The appointment of the notary public may be suspended for a period determined by the Secretary of State, but not exceeding the time remaining on the appointment;

(b) The appointment of the notary public may be revoked after a hearing; or

(c) The notary public may be assessed a civil penalty of not more than \$2,000 for each violation.

5. If the Secretary of State revokes or suspends the appointment of a notary public pursuant to this section, the Secretary of State shall:

(a) Notify the notary public in writing of the revocation or suspension;

- (b) Cause notice of the revocation or suspension to be published on the website of the Secretary of State; and
- (c) If a county clerk has issued a certificate of permission to perform marriages to the notary public pursuant to [NRS 122.064](#), notify the county clerk of the revocation or suspension.

6. Except as otherwise provided by law, the Secretary of State may assess the civil penalty that is authorized pursuant to this section upon a notary public whose appointment has expired if the notary public committed the violation that justifies the civil penalty before his or her appointment expired.

7. The appointment of a notary public may be suspended or revoked by the Secretary of State pending a hearing if the Secretary of State believes it is in the public interest or is necessary to protect the public.

## NRS CHAPTER 205 CRIMES AGAINST PROPERTY

### **NRS 205.395 False representation concerning title; penalties; civil action.**

1. Every person who:

(a) Claims an interest in, or a lien or encumbrance against, real property in a document that is recorded in the office of the county recorder in which the real property is located and who knows or has reason to know that the document is forged or groundless, contains a material misstatement or false claim or is otherwise invalid;

(b) Executes or **notarizes** a document purporting to create an interest in, or a lien or encumbrance against, real property, that is recorded in the office of the county recorder in which the real property is located and who knows or has reason to know that the document is forged or groundless, contains a material misstatement or false claim or is otherwise invalid; or

(c) Causes a document described in paragraph (a) or (b) to be recorded in the office of the county recorder in which the real property is located and who knows or has reason to know that the document is forged or groundless, contains a material misstatement or false claim or is otherwise invalid,

has made a false representation concerning title.

2. A person who makes a false representation concerning title in violation of subsection 1 is guilty of a category C felony and shall be punished as provided in [NRS 193.130](#).

3. A person who engages in a pattern of making false representations concerning title is guilty of a category B felony and shall be punished by imprisonment in the state prison for a minimum term of not less than 3 years and a maximum term of not more than 20 years, or by a fine of not more than \$50,000, or by both fine and imprisonment.

4. In addition to the criminal penalties imposed for a violation of this section, any person who violates this section is subject to a civil penalty of not more than \$5,000 for each violation. This penalty must be recovered in a civil action, brought in the name of the State of Nevada by the Attorney General. In such an action, the Attorney General may recover reasonable attorney's fees and costs.

5. Except as otherwise provided in this subsection, the owner or holder of the beneficial interest in real property which is the subject of a false representation concerning title may bring a civil action in the district court in and for the county in which the real property is located to recover any damages suffered by the owner or holder of the beneficial interest plus reasonable attorney's fees and costs. The owner or holder of the beneficial interest in the real property must, before bringing a civil action pursuant to this subsection, send a written request to the person who made the false representation to record a document which corrects the false representation. If the person records such a document not later than 20 days after the date of the written request, the owner or holder of the beneficial interest may not bring a civil action pursuant to this subsection.

6. As used in this section:

(a) "Encumbrance" includes, without limitation, a lis pendens or other notice of the pendency of an action.

(b) "Pattern of making false representations concerning title" means one or more violations of a provision of subsection 1 committed in two or more transactions:

(1) Which have the same or similar pattern, purposes, results, accomplices, victims or methods of commission, or are otherwise interrelated by distinguishing characteristics;

(2) Which are not isolated incidents within the preceding 4 years; and

(3) In which the aggregate loss or intended loss is more than \$250.

[1911 C&P § 441; RL § 6706; NCL § 10394] — (NRS A [2011, 338, 1748; 2015, 1358](#))

# EXHIBIT 7

## Table of Authorities

1. Table of Authorities compiled by Nona Tobin
2. SCA bylaws 3.20/3.18 prohibiting delegation of certain duties
3. SCA bylaws 3.21(f)(v) requiring quarterly delinquency report
4. Analysis of NRS 116 requirements for valid BOD action in compliant meetings
5. SCA bylaws 3.15A permissible topics/actions in closed BOD meetings
6. SCA BOD Resolution Establishing the Governing Documents Enforcement Policy & Process
7. SCA CC&Rs XVI Dispute Resolution and Limitation on Litigation
8. SCA CC&Rs 7.4 Compliance and Enforcement
9. Assemblyman Conklin summary of AB 284 (2011)
10. 2011 Legislative Digest of AB 284 changes to NRS 107 and NRS 205

# EXHIBIT 7

## TABLE OF AUTHORITIES

### 2013 Lien and Foreclosure Statutes

[NRS 116.3116](#) - Liens against units for assessments.

[NRS 116.31162](#) - Foreclosure of liens: Mailing of notice of delinquent assessment; recording of notice of default and election to sell; period during which unit s owner may pay lien to avoid foreclosure; limitations on type of lien

[NRS 116.3163](#) - Foreclosure of liens: Mailing of notice of default and election to sell to certain interested persons

[NRS 116.311635](#) - Foreclosure of liens: Providing notice of time and place of sale; service of notice of sale; contents of notice of sale; proof of service.

[NRS 116.31164](#) - Foreclosure of liens: Procedure for conducting sale; purchase of unit by association; execution and delivery of deed; use of proceeds of sale.

[NRS 116.31166](#) - Foreclosure of liens: Effect of recitals in deed; purchaser not responsible for proper application of purchase money; title vested in purchaser without equity or right of redemption.

[NRS 116.31168](#) - Foreclosure of liens: Requests by interested persons for notice of default and election to sell; right of association to waive default and withdraw notice or proceeding to foreclose.

### Other Relevant Statutes which apply to the enforcement of the SCA governing documents

[NRS 116.1113](#) Obligation of good faith

[NRS 116.3102\(3\)\(4\)](#) Enforcement decisions must be prudent, not arbitrary or capricious

[NRS 116.3103](#) Fiduciary, business judgment, act on an informed basis

[NRS 116.31031](#) Limits on Board's power to sanction

[NRS 116.310313](#) Authority of Association to collect past due obligations and to charge reasonable fee to collect.

[NRS 116.3106\(d\)](#) Requires association bylaws to define what BOD can't delegate

[NRS 116A.640\(8\)](#) Intentionally apply a payment of an assessment from a unit's owner towards any fine, fee or other charge that is due.

- [NRS 116A.640\(9\)](#) Refuse to accept from a unit's owner payment of any assessment, fine, fee or other charge that is due because there is an outstanding payment due.
- [NRS 116A.640\(10\)](#) Collect any fees or other charges from a client not specified in the management agreement.
- [NRS 116.31085](#)  
[NRS 116.31085\(4\)](#) BOD SHALL meet in exec session to hold a hearing on an alleged violation of the governing documents unless the person who is about to be sanctioned requests an open hearing by the BOD. If the person requests in writing that an open hearing be conducted
- [NRS 116.31085\(4a\)](#) Owner who is being sanctioned for an alleged violation is entitled to attend all portions of the Board hearing, including the presentation of evidence and the testimony of witnesses
- [NRS 116.31085\(4b\)](#) Owner is entitled to due process which must include without limitation the right to counsel, right to present witnesses and the right to present information relating to any conflict of interest of any member of the hearing panel (BOD)
- [NRS 116.31085\(5\)](#) Subsection 4 establishes the MINIMUM protections the BOD must provide before it makes a decision
- [NRS 116.31085\(6f\)](#) Any matter discussed in exec session must be noted briefly in the minutes of the Executive Board. The Board shall maintain minutes of any decision related to subsection concerning the alleged violation and upon request shall provide a copy of the decision to the owner subject to being sanctioned or representative
- [NRS 116.31087](#) Right of units' owners to have certain complaints placed on BOD agenda
- [NRS 116.31065](#) Rules must not evade an obligation, must be uniformly enforced or can't be enforced at all; association may only sanction an owner after complying with [NRS 116.31031](#)
- [NRS 116.4117](#) Civil action for failure to comply with NRS 116 or governing documents
- [NRS 116.31175](#) Board required to provide owner rights to access association records
- [NRS 116.31083](#) Owner rights to attend all Board meetings and hear all deliberations, to receive clear notice of the agenda so it is known what actions the Board intends to take

## Relevant Governing Documents provisions

### SCA Third Amended and restated CC&Rs (2008)

6.1 Function of the association -primary entity to enforce the governing documents; must perform in accordance with governing documents

7.4 Compliance & Enforcement: The Board may impose sanctions for violation of the Governing Documents after notice and a hearing in accordance with the procedures set forth in the By-Laws.

8.8 Lien for assessment may be enforced in the manner proscribed in act

8.8A Procedures for sale

8.12 Asset enhancement fee 1/3 of 1% due to the association on all but specifically exempted transfers of title.

### XVI Dispute resolution and limitation on litigation

### SCA Third Amended and Restated Bylaws, 2008

3.13(a, e, f) Compensation can't appear to influence decisions, create a conflict; can't relate to fines or violations; must conform to standards of practice

3.15 Open BOD meetings - must give owner minutes of hearing on violation of governing documents

3.15A SHALL hold hearing re violations Executive session

3.17 Powers of BOD business judgment benefits the association

3.18(a) Duties of the Board that SHALL NOT be delegated (a) adopt budget

3.18(b) Duties of the Board that SHALL NOT be delegated (b) levy and collect assessments

3.18(e) Duties of the Board that SHALL NOT be delegated (e) deposit all funds taken on association's behalf and use to operate

3.18(f) Duties of the Board that SHALL NOT be delegated (f) Use restrictions and rules

3.18(g) Duties of the Board that SHALL NOT be delegated (g) opening of bank accounts on the Association's behalf and designating signatories required

- [3.18\(i\)](#) Duties of the Board that SHALL NOT be delegated (i) enforcing the Governing Documents and bringing any legal proceedings...on behalf of or against the Owners concerning the Association; provided, the Association's obligation in this regard shall be conditioned as provided in CC&Rs 7.4
- [3.20](#) Defines what duties SHALL NOT be delegated
- [3.21](#) Accounts and reports: delinquency report
- [3.25](#) Board standards: must be reasonable
- [3.26](#) Enforcement procedures
- [4.6](#) Contracts, checks, agreements must be signed by two BOD members, not manager or debt collector or attorney
- [5.2](#) Deed Restriction Enforcement Committee (Covenants)
- [6.4 \(a,b,c\)](#) Books & Records: rights of owners and directors to SCA information defined

#### **SCA Policies**

- 10/1/13 [SCA Board Resolution Delinquent Assessment Policy and Procedure](#)
- 11/17/11 [Resolution Establishing the Governing Documents Enforcement Policy & Process](#)
- 10/23/14 [SCA Rules and Regulations](#)

#### **Management and Debt Collection Agreements**

- 1/1/10 [RMI Management Agreement](#)  
RMI Management LLC
- 4/27/12 [RRFS Delinquent Assessment Collection Agreement](#)  
Red Rock Financial Services, a FirstService Residential Management company
- 3/31/14 [FSR Management Agreement](#)  
FirstService Residential, Nevada Management Agreement

#### **Nevada Real Estate Division Advisory Opinions**

- 12/12/12 [NRED Advisory 13-01 The Super Priority Lien](#)
- 11/15/12 [NRED Advisory 12-05-116 Executive Session Agendas](#)
- 6/30/14 [NRED Advisory 14-02 Notices prior to an association's foreclosure proceeding](#)

## ANTI-FORECLOSURE FRAUD LEGISLATION

AB 284      [Foreclosure reform act](#) – specifies duties of the trustee; assignments not effective unless and until recorded; notarized affidavit under penalty of perjury that the lender or trustee is in actual possession of the note; civil penalties for mortgage lending fraud;

[NRS 205.372](#) False representation of title raised to category C felony or category B if there is a pattern of deceit.

[12 CFR1026.39](#)      Mortgage transfer disclosures - Truth in Lending (TILA)

[SB 321 \(2013\)](#)      Nevada Homeowner Bill of Rights – prevention of “dual tracking”

## **SCA Bylaws Excerpt Regarding Restrictions on Board's Delegation of Duties**

### **3.20. Management.**

The Board may employ a professional management agent or agents at such compensation as the Board may establish, to perform such duties and services as the Board shall authorize. The Board may delegate such powers as are necessary to perform the manager's assigned duties but **shall not delegate policy making authority or those duties** set forth in Sections 3.18(a), 3.18(b), 3.18(e), 3.18(f), 3.18(g) and 3.18(i).

### **3 .18. Duties.**

The Board's duties shall include, without limitation:

(a) preparing and adopting, in accordance with the Declaration, an annual **budget**

(b) **levying and collecting such assessments** from the Owners;

(e) **depositing all funds** received on Association's behalf in a bank depository which it shall approve, and **using such funds to operate the Association...**

(f) making and amending **Use Restrictions and Rules ...**

(g) opening of **bank accounts** on the Association's behalf and **designating the signatories required;**

(i) **enforcing the Governing Documents** and bringing any legal proceedings which may be instituted on behalf of or against the Owners concerning the Association; provided, the Association's **obligation in this regard shall be conditioned as provided in Section 7.4** of the Declaration;

# Accounts and Reports

## 3.21 (f)(v) Delinquency report

3.21. Accounts and Reports. The following management standards of performance shall be followed unless the Board, by resolution, specifically determines otherwise:

(v) a delinquency report listing all Owners who are delinquent in paying any assessments at the time of the report and describing the status of any action to collect such assessments which remain delinquent (any assessment or installment thereof shall be considered to be delinquent on the 15th day following the due date unless otherwise specified by Board resolution).

**The sale of 2763 White Sage Drive is voidable as it was not authorized by a SCA Board action taken in compliance with the provisions of NRS 116.31083 and NRS 116.31085**

1. [NRS 116.3102](#) define the powers of unit-owners' association.
2. [NRS 116.3102\(m\)](#) limits the association's authority to sanction an owner for an alleged violation of the governing documents by requiring the association to provide notice and due process as delineated in [NRS 116.31031](#) to the owner who may be sanctioned.
3. With certain exceptions defined in [NRS 116.31085](#), Board actions must occur at duly called Board meetings, compliant with the provisions of [NRS 116.31083](#), i.e.,
  - a. that are open to all unit owners,
  - b. that provide meaningful notice of the actions the Board intends to take at that meeting,
  - c. that provide minutes of all Board decisions made and actions taken.

**SCA BOARD DID NOT TAKE ANY ACTION TO AUTHORIZE THE SALE OF 2763 WHITE SAGE IN ANY MEETING COMPLIANT WITH THE REQUIREMENTS IN [NRS \(2013\) 116.31083](#) AND [NRS\(2013\)116.31085](#) , AND THEREFORE, THE DECISION AND THE SALE ARE VOIDABLE.**

**NO COMPLIANT AGENDAS**

4. **SCA did not publish notice of its intent to authorize the sale of 2763 White Sage Drive on any agenda for any meeting of the Board in the manner proscribed by NRS 116.31083(5) and NRS 116.3108(4).**
5. According to NRS 116.31083(5), meetings of an association's executive board must comply with the provisions of subsection 4 of NRS 116.3108.
6. NRS 116.3108(4) defines requirements of notice and agendas:
  - (a) A clear and complete statement of the topics scheduled to be considered during the meeting, ...

(b) A list describing the items on which action may be taken and clearly denoting that action may be taken on those items. In an emergency, the units' owners may take action on an item which is not listed on the agenda as an item on which action may be taken.

(c) A period devoted to comments by units' owners regarding any matter affecting the common-interest community or the association and discussion of those comments. Except in emergencies, no action may be taken upon a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action may be taken pursuant to paragraph (b).

**No minutes of any SCA Board meeting, compliant with NRS 116.31083 and NRS 116.31085, document a Board action to authorize the foreclosure of 2763 White Sage Drive was ever taken, and therefore the decision is voidable.**

7. NRS (2013) 116.31083 (8) (10) require the Board to maintain "*the minutes of each meeting of the executive board until the common-interest community is terminated.*" that include the following specific information:

8. Except as otherwise provided in subsection 9 (*Section 9 allows the Board to "establish reasonable limitations on materials, remarks or other information to be included in the minutes of its meetings."*) and NRS 116.31085, the minutes of each meeting of the executive board must include:

(a) The date, time and place of the meeting;

(b) Those members of the executive board who were present and those members who were absent at the meeting;

(c) The substance of all matters proposed, discussed or decided at the meeting;

(d) A record of each member's vote on any matter decided by vote at the meeting; and

(e) The substance of remarks made by any unit's owner who addresses the executive board at the meeting if the unit's owner requests that the minutes reflect his or her remarks or, if the unit's owner has prepared written remarks, a copy of his or her prepared remarks if the unit's owner submits a copy for inclusion.

## IMPERMISSIBLE TO SANCTION AN OWNER IN A CLOSED MEETING

8. **The decision to foreclose on 2763 White Sage was made in a closed session which was not permissible under the terms of NRS 16.31085 (3) (4) and is therefore voidable.**
9. [NRS 116.31085](#) (3) defines the only permissible topics of discussion and actions the Board is authorized to take in an executive session closed to owners

### NRS 116.31085 (3)

3. An executive board may meet in executive session only to:
  - (a) Consult with the attorney for the association on matters relating to proposed or pending litigation if the contents of the discussion would otherwise be governed by the privilege set forth in [NRS 49.035](#) to [49.115](#), inclusive.
  - (b) Discuss the character, alleged misconduct, professional competence, or physical or mental health of a community manager or an employee of the association.
  - (c) **Except as otherwise provided in subsection 4, discuss a violation of the governing documents, including, without limitation, the failure to pay an assessment.**
  - (d) Discuss the alleged failure of a unit's owner to adhere to a schedule required pursuant to [NRS 116.310305](#) if the alleged failure may subject the unit's owner to a construction penalty.

10. Whereas NRS 116.31085(3)(c) only authorizes the Board to “**discuss**” alleged violations of the governing documents in executive session, NRS 116.31085(4) only permits Board action to sanction an owner for an alleged violation in closed session when it holds a hearing at which the owner can present a defense to dissuade the Board from imposing a sanction for an alleged violation.

### NRS 116.31085(4)

4. An executive board shall meet in executive session to hold a hearing on an alleged violation of the governing documents unless the person who may be sanctioned for the alleged violation requests in writing that an open hearing be conducted by the executive board. If the person who may be sanctioned for the alleged violation requests in writing that an open hearing be conducted, the person:

(a) Is entitled to attend all portions of the hearing related to the alleged violation, including, without limitation, the presentation of evidence and the testimony of witnesses;

(b) Is entitled to due process, as set forth in the standards adopted by regulation by the Commission, which must include, without limitation, the right to counsel, the right to present witnesses and the right to present information relating to any conflict of interest of any member of the hearing panel; and

(c) Is not entitled to attend the deliberations of the executive board.

### **NO MINUTES = IT NEVER HAPPENED**

11. NRS 116.31085(6) requires the Board to report its actions taken in closed session in the regular Board minutes.

6. Except as otherwise provided in this subsection, any matter discussed by the executive board when it meets in executive session must be generally noted in the minutes of the meeting of the executive board.

12. There are no minutes of any SCA Board meeting that document a Board action to authorize the sale of 2763 White Sage Drive.

13. NRS 116.31085 (6) also defines a sanctioned owner's right to receive minutes of any closed meeting at which the Board took action to sanction an owner for an alleged violation pursuant to a hearing.

The executive board shall maintain minutes of any decision made pursuant to subsection 4 concerning an alleged violation and, upon request, provide a copy of the decision to the person who was subject to being sanctioned at the hearing or to the person's designated representative.

**14. SCA refused to provide minutes as required by NRS 116.31085(6) to document a decision to foreclose was made pursuant to a hearing make the action voidable.**

15. The fact that SCA Board did not provide notice of its intent to authorize the foreclosure of 2763 White Sage, nor offer the owner an opportunity for an open hearing, nor hold a hearing that provided the owner with the mandated due process is evidenced by CAM Lori Martin's June 1,

2016 email refusing Tobin's request for minutes of any meeting at which the BOD took action to foreclose:

"Your request for the "minutes where actions leading to foreclosure for delinquent assessment(s) was approved for 2763 White Sage" cannot be fulfilled since those minutes are Executive Session minutes and not privy to the anyone except the Board. The only time Executive Session minutes are released to a homeowner is if a hearing was held and then, only that portion of the meeting minutes is provided."

3.15. Open Board Meetings. Subject to the provisions of Section 3.16, all Board meetings shall be open to all Members. Members other than directors may participate in any discussion or deliberation except those taking place in executive session; provided, the President may place reasonable limitations on the time any such individual may speak on any matter.

Notwithstanding the above, the President may adjourn any Board meeting and reconvene in executive session, and may exclude Persons other than directors, to (a) consult with an attorney for the Association on matters relating to proposed or pending litigation if the contents of the discussion would otherwise be governed by the attorney-client privilege; (b) discuss matters relating to personnel; or (c) discuss a violation of the Governing Documents alleged to have been committed by an Owner. Any matter discussed in executive session must be generally noted in the Board meeting minutes. Further, the Board shall maintain detailed minutes of any matter discussed regarding an Owner's alleged violation of the Governing Documents and, upon request, provide a copy of those minutes to said Owner (or his or her designated representative).

3.15A Executive Session.

(a) Except as otherwise provided in this section, an Owner may attend any meeting of the Members or of the Board of Directors and speak at any such meeting. The Board of Directors may establish reasonable time limitations on the time an Owner may speak at such a meeting.

14

(b) The Board of Directors may not meet in executive session to enter into, renew, modify, terminate, or take any other action regarding a contract, unless it is a contract between the Association and an attorney.

(c) The Board of Directors may meet in executive session only to:

(i) Consult with the attorney for the Association on matters relating to proposed or pending litigation if the contents of the discussion would otherwise be governed by the privilege set forth in NRS 49.035 to 49.115, inclusive, or entering into, renewing, modifying, terminating or taking any other action regarding a contract between the Association and an attorney;

(ii) Discuss the character, alleged misconduct, professional competence or physical or mental health of a community manager or an employee of the Association;

(iii) Discuss a violation of the Governing Documents including, without limitation, the failure to pay an assessment; or

(iv) Discuss the alleged failure of an Owner to adhere to a schedule required by the Association for completion of the design of an Improvement or modification, or the commencement and completion of construction, or the issuance of a permit necessary for the occupancy or use, of such Improvement or modification, if such alleged failure may subject the Owner to a construction penalty as provided in the Declaration.

(d) The Board of Directors shall meet in executive session to hold a hearing on an alleged violation of the Governing Documents unless the person who may be sanctioned for the alleged violation requests in writing that an open hearing be conducted by the Board of Directors. If the person who may be sanctioned for the alleged violation requests in writing that an open hearing be conducted, the person:

(i) Is entitled to attend all portions of the hearing related to the alleged violation, including, without limitation, the presentation of evidences and the testimony of witnesses; and

(ii) Is not entitled to attend the deliberations of the Board of Directors.

(e) Except as otherwise provided in this section, any matter discussed by the Board of Directors when it meets in executive session must be generally noted in the minutes of the meeting of the Board of Directors. The Board of Directors shall maintain minutes of any decision concerning an alleged violation and, upon request, provide a copy of the decision to the person who is subject to being sanctioned at the hearing or to his designated representative.

(f) Except as otherwise provided above, an Owner is not entitled to attend or speak at a meeting of the Board of Directors held in executive session.

**RESOLUTION ESTABLISHING THE GOVERNING DOCUMENTS  
ENFORCEMENT POLICY & PROCESS**

Sun City Anthem Community Association, Inc.

**Whereas, the Association's affairs shall be governed by a Board of Directors (By-Laws, Article III. Section A, Paragraph 3.1), and**

**Whereas, the Board may create, modify, and enforce reasonable Rules governing the use of the Properties (CC&Rs, Article III, Section 3.3(a), and**

**Whereas, the Board has fiduciary duty to the Members to protect and maintain the Properties, and**

**Whereas, the Board has a duty to fairly enforce the rules of the Association, and**

**Whereas, the Board desires to clearly describe the process for enforcing the Association's Governing Documents, and**

**Whereas, the Board desires to clearly describe the consequences for non-compliance with the rules of the Association,**

**Therefore Be It Resolved, the following Governing Documents Enforcement Policy Process is adopted:**

- I. Notice of Violation: A Notice of Violation or Notice of Alleged Violation will be sent by the Board of Directors (or its managing agent as the Board may direct) via first class mail to the alleged violator/homeowner at the address provided by the homeowner/alleged violator to the Sun City Anthem Community Association, Inc. The letter shall include the following information:**
  - A description of the violation,
  - A specific reference to the provision(s) of the Association's Governing Documents that is alleged to be violated
  - A request that the homeowner respond in writing and comply with the requirement
  - A time limit for compliance. The alleged violator will be given at least seven (7) days to comply with the requirement, and
  - Notice that failure to comply may result in a hearing before the Covenants Committee.
  
- 2. Notice of Hearing: A Notice of Hearing Letter will be sent by the Board of Directors (or its managing agent) via first class and certified U.S. mail to the alleged violator/homeowner if compliance is not achieved in the required time specified in the Notice of violation. The Notice of Hearing letter shall include the following information:**
  - A description of the violation,

- A specific reference to the provision of the Association's Governing Documents that has been violated,
- A request that the alleged violator comply with the Governing Document provision that is specified within a specified number of days or by a specified date.
- Notification that a fine of \$100.00 per week may be assessed if the violation is not cured, and that other sanctions, as set forth in the' CC&Rs (Article VII, Section 4) may be imposed,
- Notification that in the case of a determination that the conduct is a violation and poses an immediate threat of causing a substantial adverse effect on the health, safety or welfare of the residents of the community there is no statutory limit on the fines.
- Notification that a hearing, at a specific date and time, will be held.
- Notification that the hearing will be held and a decision made whether or not the member attends the hearing.
- The alleged violator (homeowner) has one opportunity to reschedule the hearing by requesting another date in writing in advance of the scheduled date.
- A copy of the Notice of Hearing letter shall be sent to the property address and to the alleged violator/homeowner address of record if the two addresses are different.

The Covenants Committee will serve as the Hearing Panel (By-Laws Article III, Section C, paragraph 3.26) with the administrative assistance of the Managing Agent. The alleged violator will have the right to make a statement to the Hearing Panel, present written testimony, provide documentation, and/or invite a witness to testify on their behalf. The Hearing Panel will make a decision after the alleged violator leaves the hearing.

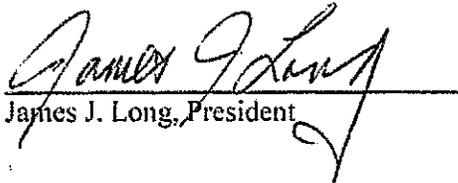
3. **Notice of Fines and/or Sanctions:** Notice of Fine or Sanction letter will be sent by the Managing Agent via regular and certified mail within five business days after the hearing if fines or sanctions are imposed and will include the following:
- The decision of the Hearing Panel,
  - The fines and/or sanctions imposed (if any),
  - Notice that if the violation is not cured prior to the date of the initial fine/sanction posting date, the fine/sanction(s) will begin as directed by the Covenants Committee Hearing Panel.
  - Notice that if the owner/violator does not agree with the Hearing Panel's decision, the owner/violator has fifteen (15) days to submit a written appeal to Board of Directors. All fines and/or sanctions will be temporarily suspended until the appeal is heard.
  - If the appeal is denied, the fines will be reinstated to the date the fines or sanctions were originally to begin. If there is no appeal, the initial fine and any continuing violations fines shall be charged to the homeowner/violator account.

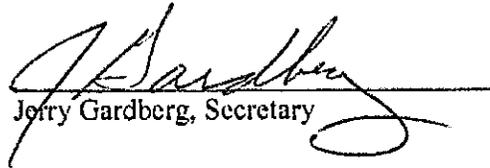
- All costs and fees incurred by the Association to compel compliance will be charged back to the violator.
- For Collection Account Hearings the Notice of Hearing and the Sanction to be imposed for accounts at collection are both noticed in the one letter:

All appeals are reviewed in Executive Session before at least a quorum of the Board of Directors unless the violator requests the hearing be held in public. The homeowner/violator will have the right to make a statement to the Board of Directors. The decision by the Board of Directors will be made after the homeowner/violator leaves the Appeal Hearing. If the appeal was made directly to the Community Association and not via the collection agency then the Association shall send an Appeal Hearing Determination Letter within five (5) business days after the Appeal Hearing. The decision of the Board of Directors is final.

4. Health, Safety, and Welfare Violations: If it is determined that a violation poses an imminent threat which would cause a substantial adverse effect on the health, safety, or welfare of the owners and occupants of the Association, then the Board of Directors, at its sole discretion, may set aside the timeline described in Items 1-4 above. The Board of Directors shall undertake any and all actions necessary to compel compliance including liens, foreclosures, or enforcement by declaratory and injunctive relief. All costs and fees incurred by the Association will be charged back to the member.
5. Once a total of \$500.00 in fines has been assessed for any violation, the matter may be processed for collection and a lien may be filed on the property.

Adopted the 17<sup>th</sup> day of November 2011 at a duly constituted meeting of the Board of Directors of the Sun City Anthem Community Association, Inc.

  
James J. Long, President

  
Jerry Gardberg, Secretary

arrangements set forth in a contract or covenant to share costs between the Association and the owner of such Vacation Villas. Additional Activity Cards shall be issued to Declarant upon request with payment of the then current charge for additional Activity Cards, In the event that no "then current charge" Is in effect at the time of such request, the charge for additional Activity Cards for Vacation Villas shall be determined in the reasonable discretion of Declarant.

15.4. Issuance to Declarant.

As long as Declarant owns any portion of the Properties or has the right to annex property pursuant to Section 9.1, the Association shall provide Declarant, free of charge, with as many Activity Cards as Declarant, in its sole discretion, deems necessary for the purpose of marketing the Properties or any property described in Exhibit "B." Declarant may transfer the Activity Cards to prospective purchasers of Lots subject to such terms and conditions as it, in its sole discretion, may determine. Activity Cards provided to Declarant shall entitle the bearer to use all Common Area and recreational facilities (subject to the payment of admission fees or other use fees charged to Qualified Occupants holding Activity Cards).

**PART SIX: RELATIONSHIPS WITHIN AND OUTSIDE THE COMMUNITY**

*The growth and success of Sun City Anthem as a community in which people enjoy living, working, and playing requires good faith efforts to resolve disputes amicably, attention to and understanding of relationships within the community and with our neighbors, and protection of the rights of others who have an interest in Sun City Anthem.*

**ARTICLE XVI  
DISPUTE RESOLUTION AND LIMITATION ON LITIGATION**

16.1. Prerequisites to Actions Against Declarant.

Prior to any Owner, the Association, or any Neighborhood Association filing a civil action, undertaking any action in accordance with Section 15.4, or retaining an expert for such actions against Declarant or any Builder or subcontractor of any portion of Anthem Country Club, the Owner, the Board or the board of the Neighborhood Association, as appropriate, shall notify and meet with the Members to discuss the alleged problem or deficiency. Moreover, prior to taking any action, the potential adverse party shall be notified of the alleged problem or deficiency and provided reasonable opportunity to inspect and repair the problem.

16.2. Consensus for Association Litigation.

Except as provided in this Section, the Association or a Neighborhood Association shall not commence a judicial or administrative proceeding without first providing at least 21 days written notice of a meeting to consider such proposed action to its Members. Taking such action shall require the vote of Owners of 75% of the total number of Lots in the Association or in the Neighborhood Association, as appropriate. This Section shall not apply, however, to (a) actions brought by the Association to enforce the Governing Documents (including, without limitation, the collection of assessments and the foreclosure of liens); (b) counterclaims brought by the Association in proceedings instituted against it; or (c) actions to protect the health, safety, and welfare of the Members. This Section shall not be amended unless such amendment is approved by the percentage of votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

16.3. Alternative Method for Resolving Disputes.

Declarant, the Association, any Neighborhood Association, their officers, directors, and committee members, all Persons subject to this Declaration, and any Person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, "Bound Parties") agree to encourage the amicable resolution of disputes involving the Properties, without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees that those claims, grievances, or disputes described in Sections 16.4 ("Claims") shall be resolved using the procedures set forth in Section 16.5 in lieu of filing suit in any court.

16.4 Claims.

Unless specifically exempted below all Claims arising out of or relating to the interpretation, application, or enforcement of the Governing Documents, or the rights, obligations, and duties of any Bound Party under the Governing Documents or relating to the design or construction of improvements on the Properties shall be subject to the provisions of Section 16.5.

Notwithstanding the above, unless all parties thereto otherwise agree, the following shall not constitute a Claim and shall not be subject to the provisions of Section 16.5:

(a) any suit by the Association against any Bound Party to enforce the provisions of Article VIII;

(b) any suit by the Association to obtain a temporary restraining order (or equivalent emergency equitable relief) and such other ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association's ability to enforce the provisions of Article III and Article IV;

(c) any suit between Owners, which does not include Declarant or the Association as a party, if such suit asserts a Claim which would constitute a cause of action independent of the Governing Documents;

(d) any suit by an Owner concerning the aesthetic judgment of the Architectural Review Committee, the Association, or Declarant pursuant to their authority and powers under Article IV.

(e) any suit in which any indispensable party is not a Bound Party; and

(f) any suit as to which any applicable statute of limitations would expire within 90 days of giving the Notice required by Section 16.5(a), unless the party or parties against whom the Claim is made agree to toll the statute of limitations as to such Claim for such period as may reasonably be necessary to comply with this Article.

With the consent of all parties thereto, any of the above may be submitted to the alternative dispute resolution procedures set forth in Section 16.5.

16.5. Mandatory Procedures.

(a) Notice. Any Bound Party having a Claim ("Claimant") against any other Bound Party ("Respondent") (collectively, the "Parties") shall notify each Respondent in writing (the "Notice"), stating plainly and concisely:

(i) the nature of the Claim, including the Persons involved and Respondent's role in the Claim;

(ii) the legal basis of the Claim (i.e., the specific authority out of which the Claim arises).

(iii) Claimant's proposed remedy; and

(iv) that Claimant will meet with Respondent to discuss good faith ways to resolve the Claim.

(b) Negotiation and Mediation. The Parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Board may appoint a representative to assist the Parties in negotiation.

If the Parties do not resolve the Claim within 30 days of the date of the Notice (or within such other period as may be agreed upon by the Parties) ("Termination of Negotiations"), Claimant shall have 30 additional days to submit the Claim to mediation under the auspices of an independent agency providing dispute resolution services in the Las Vegas, Nevada area.

If Claimant does not submit the Claim to mediation within such time, or does not appear for the mediation, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to any Person other than the Claimant.

Any settlement of the Claim through mediation shall be documented in writing by the mediator and signed by the Parties. If the Parties do not settle the Claim within 30 days after submission of the matter to the mediation, or within such time as determined by the mediator, the mediator shall issue a written notice of termination of the mediation proceedings. The notice of termination of mediation shall set forth that the Parties are at an impasse and the date that mediation was terminated.

The Association must satisfy the mediation or arbitration process under the direction of the Nevada Real Estate Division and in compliance with Nevada Revised Statutes,

#### 16.6 Allocation of Costs of Resolving Claims.

Each Party shall bear its own costs, including attorneys' fees, and each Party shall share equally all charges rendered by the mediator(s).

#### 16.7. Enforcement of Resolution.

After resolution of any Claim through negotiation or mediation, if any Party fails to abide by the terms of any agreement, then any other Party may file suit or initiate administrative proceedings to enforce such agreement without the need to again comply with the procedures set forth in Section 16.5. In such event, the Party taking action to enforce the agreement shall be entitled to recover from the non-complying Party (or if more than one noncomplying Party, from all such Parties pro rata) all costs incurred in enforcing such agreement, including, without limitation, attorneys' fees and court costs,

16.8. Attorneys' Fees.

In the event of an action instituted to enforce any of the provisions contained in the Governing Documents, the party prevailing in such action shall be entitled to recover from the other party thereto as part of the judgment, reasonable attorneys' fees and costs, including administrative and lien fees, of such suit. In the event the Association is a prevailing party in such action, the amount of such attorneys' fees and costs shall be a Specific Assessment with respect to the Lot(s) involved in the action.

The following diagram depicts the dispute resolution process:

**← DISPUTE RESOLUTION TIMELINE →**

**Claim Between Bound Parties**

- | <u>Day 1</u>  | <u>Days 1-30</u>   | <u>Days 30-60</u>   | <u>Days 60-90+</u>  |
|---|--|---|---|
| <ul style="list-style-type: none"><li>• Factual Basis</li><li>• Legal Basis</li><li>• Propose a resolution</li><li>• Propose a meeting</li><li>• Send by hand delivery or First class mail</li><li>• Send copy to Board</li></ul> | <ul style="list-style-type: none"><li>• Good faith effort</li><li>• Parties meet within the Properties</li><li>• May request Board assistance</li><li>• If unsuccessful written termination sent by Claimant to Respondent and Board</li></ul> | <ul style="list-style-type: none"><li>• Claimant must submit Claim</li><li>• Mediator assigned by agency under pre-arranged agreement</li><li>• If Claim is not submitted, it is waived</li></ul> | <ul style="list-style-type: none"><li>• Agency supplies rules</li><li>• Fee split between Parties</li><li>• Written summary from each side</li><li>• Supervised negotiation</li><li>• Contractual settlement<br/><u>or</u></li><li>• Termination of mediation</li></ul> |

The Association shall provide Declarant at least 20 days prior written notice of any cancellation, termination, substantial modification, or non-renewal of any Association insurance policy.

(c) Restoring Damaged Improvements. In the event of damage to or destruction of Common Area or other property which the Association is obligated to insure, the Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repairing or restoring the property to substantially the condition in which it existed prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes.

Damaged improvements on the Common Area shall be repaired or reconstructed unless the Members representing at least 80% of the total votes in the Association, and Declarant, for so long as it owns any property described on Exhibits "A" or "B," decide within 60 days after the loss not to repair or reconstruct, if the damage is to Limited Common Area, 80% of the Owners to which such Limited Common Area is assigned and Declarant, for so long as it owns any property described on Exhibits "A" or "B," must vote not to repair or reconstruct.

If either the insurance proceeds or estimates of the loss, or both, are not available to the Association within such 60-day period, then the period shall be extended until such funds or information are available. However, such extension shall not exceed 60 additional days. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to the Common Area shall be repaired or reconstructed.

If a decision is made not to restore the damaged improvements, and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by the Association in a neat and attractive, landscaped condition consistent with the Community-Wide Standard.

If Owners to which Limited Common Area is assigned vote (as provided above) not to repair or reconstruct improvements on such Limited Common Area, then any insurance proceeds attributable to such Limited Common Area, minus the costs of clearing and landscaping, shall be distributed to such Owners in proportion to their ownership interest therein. If Members vote (as provided above) not to repair or reconstruct improvements on Common Area, then any insurance proceeds attributable to such Common Area, minus the costs of clearing and landscaping, shall be distributed to all Owners in equal amounts. This provision may be enforced by the Mortgagee of any affected Lot.

If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board may, without a vote of the Members, levy Special Assessments to cover the shortfall against those Owners responsible for the premiums for the applicable insurance coverage under Section 7.3(a).

(d) Waiver of Claims. To the extent permitted by law, the Association and each Owner, by accepting a deed or entering into a Recorded contract of sale for any portion of the properties, waives any claims against Declarant and its affiliates for any damages or losses for which insurance coverage is available, to the extent of such insurance coverage.

#### 7.4. Compliance and Enforcement.

(a) Every Owner and Occupant of a Lot shall comply with the Governing Documents. The Board may impose sanctions for violation of the Governing Documents after notice and a hearing in accordance with the procedures set forth in the By-Laws. The Board shall

establish a range of penalties for such violations, with violations of the Declaration, unsafe conduct, harassment, or intentionally malicious conduct treated more severely than other violations. Such sanctions may include, without limitation:

(i) imposing a graduated range of reasonable monetary fines which shall, pursuant to the Act, constitute a lien upon the violator's Lot. However, unless the imposed fine was for a violation affecting the health, safety and welfare of the Association, such lien may not be foreclosed by the Association. The amount of each such fine must be commensurate with the severity of the violation and shall in no event exceed the maximum permitted by the Act. The Rules may be enforced by the assessment of a fine only if: (A) Not less than thirty (30) days before the violation, the person against whom the monetary penalty will be imposed has been provided with written notice of the applicable provisions of the Governing Documents that form the basis of the violation; (B) Within a reasonable time after the discovery of the violation, the person against whom the monetary fine will be imposed has been provided with written notice specifying the details of the violation, the amount of the monetary penalty, and the date, time, and location for a hearing on the violation and a reasonable opportunity to contest the violation at the hearing; (C) The Board must schedule the date, time, and location for the hearing on the violation so that the person against whom the monetary fine will be imposed is provided with a reasonable opportunity to prepare for the hearing and to be present at the hearing; and (D) The Board must hold a hearing before it may impose a monetary fine, unless the person against whom the monetary fine will be imposed: (1) pays the monetary fine; (2) executes a written waiver of the right to the hearing; or (3) fails to appear at the hearing after being provided with notice of the hearing in accordance with this Section 7.4(a)(i). If a fine is imposed pursuant to this subsection and the violation is not cured within fourteen (14) days or such longer cure period as the Board establishes, the violation shall be deemed a continuing violation and the Board may thereafter impose an additional fine for the violation for each seven (7) day period or portion thereof that the violation is not cured. Any additional fine may be imposed without notice and an opportunity to be heard. In the event that any Occupant, guest, or invitee of a Lot violates the Governing Documents and a fine is imposed, the fine shall be assessed against the violator, provided, however, if the fine is not paid by the violator within the time period set by the Board, the Owner shall pay the fine upon notice from the Board. The Board shall publish and cause to be hand delivered or sent prepaid by United States mail to the mailing address of each Lot or to any other mailing address designated in writing by the Lot Owner a schedule of fines applicable to particular violations;

(ii) suspending an Owner's right to vote;

(iii) suspending any Person's right to use any recreational facilities within the Common Area; provided, however, nothing herein shall authorize the Board to limit ingress or egress to or from a Lot;

(iv) suspending any services provided by the Association to an Owner or the Owner's Lot if the Owner is more than 30 days delinquent in paying any assessment or other charge owed to the Association;

(v) exercising self-help or taking action to abate any violation of the Governing Documents in a non-emergency situation;

(vi) requiring an Owner, at its own expense, to remove any structure or improvement on such Owner's Lot in violation of Article IV and to restore the Lot to its

previous condition and, upon failure of the Owner to do so, the Board or its designee shall have the right to enter the property, remove the violation and restore the property to substantially the same condition as previously existed and any such action shall not be deemed a trespass;

(vii) without liability to any Person, precluding any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of Article IV and the Design Guidelines from continuing or perforating any further activities in the Properties; and

(viii) levying Benefited Assessments to cover costs incurred by the Association to bring a Lot into compliance with the Governing Documents.

In addition, the Board may take the following enforcement procedures to ensure compliance with the Governing Documents without the necessity of compliance with the procedures set forth in Section 3.26 of the By-Laws:

(i) exercising self-help in any emergency situation (specifically including, but not limited to, the towing of vehicles that are in violation of parking Rules);

(ii) bringing suit at law or in equity to enjoin any violation or to recover monetary damages or both.

In addition to any other enforcement rights, if an Owner fails properly to perform his or her maintenance responsibility, the Association may Record a notice of violation or perform such maintenance responsibilities and assess all costs incurred by the Association against the Lot and the Owner as a Benefited Assessment. If a Neighborhood Association fails to perform its maintenance responsibilities, the Association may perform such maintenance and assess the costs as a Benefited Assessment against all Lots within such Neighborhood. Except in an emergency situation, the Association shall provide the Owner or Neighborhood Association reasonable notice and an opportunity to cure the problem prior to taking such enforcement action.

All remedies set forth in the Governing Documents shall be cumulative of any remedies available at law or in equity. In any action to enforce the Governing Documents, if the Association prevails, it shall be entitled to recover all costs, including, without limitation, attorneys' fees and court costs, reasonably incurred in such action.

**(b) The decision to pursue enforcement action in any particular case shall be left to the Board's discretion, except that the Board shall not be arbitrary or capricious in taking enforcement action. Without limiting the generality of the foregoing sentences the Board may determine that, under the circumstances of a particular case:**

(i) the Association's position is not strong enough to justify taking any or further action;

(ii) the covenant, restriction, or rule being enforced is, or is likely to be construed as, inconsistent with applicable law;

(iii) although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or

(iv) that it is not in the Association's best interests, based upon hardship, expense, or other reasonable criteria, to pursue enforcement action. Such decision shall not be construed a waiver of the Association's right to enforce such provision at a later time under other circumstances of preclude the Association from enforcing any other covenant, restriction, or rule.

The Association, by contract or other agreement, may enforce applicable State and local laws and ordinances, and shall permit the Council and governmental bodies to enforce their respective laws and ordinances within the Properties for the benefit of the Association and its Members.

7.5. Implied Rights: Board Authority.

The Association may exercise any right or privilege given to it expressly by the Governing Documents or reasonably implied from or reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in the Governing Documents or by law, all rights and powers of the Association may be exercised by the Board without a vote of the membership.

7.6. Indemnification at Officers, Directors, and Others.

(a) Indemnification. The Association shall indemnify every officer, director, and committee member against all damages and expenses, including counsel fees, reasonably incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer, director, or committee member, except that such obligation to indemnify shall be limited to those actions for which liability is limited under this Section, the Articles of Incorporation, the By-Laws, and Nevada law.

(b) Claims Related to Breach of Duty. The officers, directors, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Association (except to the extent that such officers or directors may also be Members of the Association).

Decisions whether to institute litigation are no different from other decisions directors make. There is no independent legal obligation to bring a civil action against another party, and no provision of the Governing Documents shall be construed to impose a duty upon the Board to sue under any circumstances. In deciding whether to bring a civil action against another party, a director is protected by the business judgment rule as explained in the By-Laws.

(c) Exclusion from Liability for Other Tortious Acts.

(i) Volunteer directors, officers, and committee members of the Association shall not be personally liable in excess of the coverage of insurance specified in subparagraph (D) below, to any person who suffers injury, including but not limited to, bodily injury, emotional distress, wrongful death, or property damage or loss as a result of his or her tortious act or omission as long as the following requirements are met by the volunteer director, officer, or committee member and the Association:

(A) the directors, officers, or committee member's act or omission was performed within the scope of their duties;

**TALKING POINTS ON A.B. 284 --  
FORECLOSURE REFORM**

**Assemblyman Marcus Conklin**

**March 31, 2011**

**INTRODUCTION**

I don't have to remind you that Nevada is "ground zero" for foreclosures. We are caught in a downward spiral of declining property values and waves of foreclosures—affecting not only borrowers and lenders, but literally every Nevadan. We have led the nation in the residential foreclosure rate for *four years*.

We have enacted many bills over the last several sessions to help protect our residents—or at least prevent some of the problems we're experiencing now from reoccurring in the future.

But one problem that still needs attention is foreclosures based on false, improper, or incomplete documents.

We need to protect our homeowners and businesses from foreclosure fraud.

We need to give buyers confidence that they can actually take title to the homes they're buying now.

We need to make sure buyers can get title insurance.

And we need to give our homeowners complete, transparent information—in the public records—about who owns their loan, and how much they owe.

Committee: Assembly Judiciary  
Exhibit: C Page 1 of 4 Date: 3/31/11  
Submitted by: Assemblyman Conklin

## WHAT'S THE PROBLEM?

You have no doubt heard of the "robo-signing" controversy. The AG's of all 50 states, and 12 separate federal agencies, are investigating the lenders and servicers involved.

In today's environment, after a borrower takes out a loan to buy a house, the loan is sold—assigned—many times over. The number of assignments, nationally, is staggering. It is alleged that lenders and servicers cranked out thousands of assignments every day, signed by people who knew nothing about what they were signing. There is evidence of fake witnesses, fake notaries, false affidavits, and outright forgery.

Improper assignments have been recorded—or not—and we are told that some foreclosures were based on falsified documents by lenders who did not truly hold the note. Amazingly, when this happens, the borrower may still be at risk of a claim from the lender who actually *does* hold the note.

Virtually every residential foreclosure in Nevada is non-judicial. There is no court overseeing the validity of the documents involved.

We need to make sure, before a foreclosure proceeds, that there is a proper chain of title, with safeguards in place to protect our property owners.

## WHAT DOES A.B. 284 DO?

There are four main aspects of the bill:

- First, it requires the documents used in the foreclosure process to be recorded in the county where the property is located.
- Second, it specifies who can be the trustee on a deed of trust, and specifies their duties in the foreclosure process.
- Third, it strengthens the ability of the Attorney General to enforce the laws.
- And fourth, it gives property owners new rights to enforce their legal rights in foreclosure proceedings.

Sections 1 and 2 require assignments of mortgages and deeds of trust, and documents that change the priority of a lien, to be recorded in the county where the property is located, within 60 days. Section 1 says an assignment is not effective "unless and until it is recorded."

Section 3 requires a certificate of discharge to be recorded in the county also.

If the lender or the trustee does not record the discharge of a mortgage or deed of trust within 21 days, sections 4, 7, and 8 increase their civil liability by \$500.

Section 5 says that an encumbrance on real property is enforceable only if recorded in the county where the property is located, and the party seeking to enforce it is either an original party or the holder of record.

Section 6 specifies who can be a trustee on a deed of trust, provides that the trustee cannot be the beneficiary, and requires the trustee to act impartially and in good faith. It also establishes civil penalties for a trustee who violates section 6 or the other applicable laws.

Section 9 amends NRS 107.080, which is one of the main statutes related to foreclosures. It requires a notice of default or "NOD" to include a notarized affidavit of the trustee's authority to exercise the power of sale. The affidavit must spell out all the money that is owed, and must include a statement under penalty of perjury that the lender or the trustee is in actual possession of the note. As in section 6, it sets forth civil penalties for violations.

Sections 10 and 11 incorporate the affidavit requirement in other sections that refer to the NOD.

Section 12 makes that particular section of NRS parallel to the new requirements in section 9.

Section 13 adds civil penalties to the penalties that can be imposed for mortgage lending fraud, and authorizes the victim of the fraud to bring a civil action to recover damages plus fees and costs.

Section 14 revises the language in Chapter 205 relating to the crime of false representation of title, and increases the penalty from a gross misdemeanor to a category C felony, or if there is a pattern of deceit, a category B felony. It also makes the person who commits such a crime subject to a civil penalty, and authorizes the property owner to bring a civil action for damages plus fees and costs.

Section 15 makes the bill effective on July 1, 2011.

Thank you Mr. Chairman.

W111114

Assembly Bill No. 284—Assemblymen  
Conklin, Horne; and Kirkpatrick

CHAPTER.....

AN ACT relating to real property; revising provisions governing the recording of assignments of mortgages and deeds of trust; revising provisions governing the exercise of the power of sale under a deed of trust; revising provisions concerning the crimes of mortgage lending fraud and making a false representation concerning title to real property; providing civil and criminal penalties; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Under exiting law, the assignment of a mortgage or the beneficial interest in a deed of trust may be recorded. (NRS 106.210, 107.070) **Section 1** of this bill requires such an assignment to be recorded in the office of the county recorder of the county in which the real property is located.

**Sections 4, 7 and 8** of this bill increase from \$500 to \$1,000 the civil liability of a mortgagee or trustee or beneficiary under a deed of trust who fails to discharge the mortgage or deed of trust within 21 days after the obligation secured by mortgage or deed of trust has been satisfied.

**Section 6** of this bill prescribes certain duties of a trustee under a deed of trust and provides for a civil action against a trustee under certain circumstances.

**Section 9** of this bill requires a notice of default and election to sell real property subject to a deed of trust to include an affidavit setting forth certain information concerning the deed of trust, the amounts due, the possession of the note and the deed of trust and the authority to foreclose. **Section 9** also provides for a civil action against a person who exercises the power of sale under a deed of trust without complying with the provisions of law governing the exercise of that power.

Existing law authorizes certain persons to request a statement of the amount necessary to discharge a debt secured by a deed of trust. (NRS 107.210) **Section 12** of this bill adds to the information required to be provided in this statement: (1) the identity of the trustee, any trustee's agent, the current holder of the note, the beneficiary of record and the servicers of the debt; and (2) if the debt is in default, the amount in default, the principal, interest, default fees and the cost and fees associated with the exercise of a power of sale.

**Section 13** of this bill revises provisions relating to the crime of mortgage lending fraud by: (1) providing that a person who commits mortgage lending fraud is subject to a civil penalty of not more than \$5,000; and (2) authorizing the owner or the holder of the beneficial interest in the real property to bring a civil action for damages suffered because of the conduct and for attorney's fees and costs.

**Section 14** of this bill revises the crime of making a false representation concerning title and increases the penalty for such a crime from a gross misdemeanor to a category C felony. If the person engages in a pattern of making false representations concerning title, the person is guilty of a category B felony. In addition, a person who commits this crime is subject to a civil penalty of not more than \$5,000, and the owner or the holder of the beneficial interest in the real property may bring a civil action for damages suffered because of the false representation and for attorney's fees and costs.



EXPLANATION - Matter in *bolded italics* is new; matter between brackets ~~is material to be omitted~~ is material to be omitted.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

**Section 1.** NRS 106.210 is hereby amended to read as follows:

106.210 1. Any assignment of a mortgage of real property, or of a mortgage of personal property or crops recorded prior to March 27, 1935, and any assignment of the beneficial interest under a deed of trust ~~may~~ **must** be recorded ~~in the office of the recorder of the county in which the property is located~~, and from the time any of the same are so filed for record shall operate as constructive notice of the contents thereof to all persons. ***A mortgage of real property, or a mortgage of personal property or crops recorded prior to March 27, 1935, which has been assigned may not be enforced unless and until the assignment is recorded pursuant to this subsection. If the beneficial interest under a deed of trust has been assigned, the trustee under the deed of trust may not exercise the power of sale pursuant to NRS 107.080 unless and until the assignment is recorded pursuant to this subsection.***

2. Each such filing or recording ~~shall~~ **must** be properly indexed by the recorder.

**Sec. 2.** NRS 106.220 is hereby amended to read as follows:

106.220 1. Any instrument by which any mortgage or deed of trust of, lien upon or interest in real property is subordinated or waived as to priority, ~~may~~ **must**, in case it concerns only one or more mortgages or deeds of trust of, liens upon or interests in real property, together with, or in the alternative, one or more mortgages of, liens upon or interests in personal property or crops, the instruments or documents evidencing or creating which have been recorded prior to March 27, 1935, be recorded ~~in the office of the recorder of the county in which the property is located~~, and from the time any of the same are so filed for record ~~shall operate~~ **operates** as constructive notice of the contents thereof to all persons. ***The instrument is not enforceable under this chapter or chapter 107 of NRS unless and until it is recorded.***

2. Each such filing or recording ~~shall~~ **must** be properly indexed by the recorder.

**Sec. 3.** NRS 106.280 is hereby amended to read as follows:

106.280 Every certificate of discharge of a recorded mortgage, and the proof or acknowledgment thereof, ~~shall~~ **must** be recorded at full length, and a reference ~~shall~~ **must** be made to the **county**



book containing such record in the minutes of the discharge of such mortgage made by the recorder upon the record thereof.

**Sec. 4.** NRS 106.290 is hereby amended to read as follows:

106.290 1. Within 21 calendar days after receiving written notice that a debt secured by a mortgage has been paid or otherwise satisfied or discharged, the mortgagee shall cause a discharge of the mortgage to be recorded pursuant to NRS 106.260 or 106.270 if the mortgagor, the mortgagor's heirs or assigns have fully performed the conditions of the mortgage.

2. If a mortgagee fails to comply with the provisions of this section, the mortgagee is liable in a civil action to the mortgagor, the mortgagor's heirs or assigns for:

- (a) The sum of ~~[\$500;]~~ **\$1,000;**
- (b) Any actual damages caused by the failure of the mortgagee to comply with the provisions of this section; and
- (c) ~~[A reasonable]~~ **Reasonable** attorney's ~~[fee]~~ **fees** and the costs of bringing the action.

3. Except as otherwise provided in this subsection, if a mortgagee fails to cause a discharge of the mortgage to be recorded pursuant to subsection 1 within 75 calendar days, a title insurer may prepare and cause to be recorded a release of the mortgage. At least 30 calendar days before the recording of a release pursuant to this subsection, the title insurer shall mail, by first-class mail, postage prepaid, notice of the intention to record the release of the mortgage to the mortgagor and mortgagee, or their successors in interest, at the last known address of each such person. A release prepared and recorded pursuant to this subsection shall be deemed a discharge of the mortgage. The title insurer shall not cause a release to be recorded pursuant to this subsection if the title insurer receives written instructions to the contrary from the mortgagor, the mortgagee or a successor in interest.

4. The release prepared pursuant to subsection 3 must set forth:

- (a) The name of the mortgagor;
- (b) The name of the mortgagee;
- (c) The recording reference to the mortgage;
- (d) A statement that the debt secured by the mortgage has been paid in full or otherwise satisfied or discharged;
- (e) The date and amount of payment or other satisfaction or discharge; and
- (f) The name and address of the title insurer issuing the release.

5. A release prepared and recorded pursuant to subsection 3 does not relieve a mortgagee of the requirements imposed by subsections 1 and 2.



6. In addition to any other remedy provided by law, a title insurer who improperly causes to be recorded a release of a mortgage pursuant to this section is liable in a civil action for actual damages and for a reasonable attorney's fee and the costs of bringing the action to any person who is injured because of the improper recordation of the release.

7. Any person who willfully violates this section is guilty of a misdemeanor.

8. As used in this section, "title insurer" has the meaning ascribed to it in NRS 692A.070.

**Sec. 5.** NRS 106.360 is hereby amended to read as follows:

106.360 1. A borrower may execute an instrument encumbering the borrower's real property to secure future advances from a lender within a mutually agreed maximum amount of principal. *The instrument or an amendment to the instrument is enforceable only if the instrument or the amendment is recorded in the office of the county recorder of the county in which the real property is located and the party seeking to enforce the instrument or the amendment is an original party to the instrument or amendment or the current assignee of record.*

2. The instrument must state clearly:

- (a) That it secures future advances; and
- (b) The maximum amount of principal to be secured.

3. The maximum amount of advances of principal to be secured by the instrument may increase or decrease from time to time by amendment of the instrument.

**Sec. 6.** Chapter 107 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *The trustee under a deed of trust must be:*

- (a) *An attorney licensed to practice law in this State;*
- (b) *A title insurer or title agent authorized to do business in this State pursuant to chapter 692A of NRS; or*
- (c) *A person licensed pursuant to chapter 669 of NRS or a person exempt from the provisions of chapter 669 of NRS pursuant to paragraph (a) or (h) of subsection 1 of NRS 669.080.*

2. *A trustee under a deed of trust must not be the beneficiary of the deed of trust for the purposes of exercising the power of sale pursuant to NRS 107.080.*

3. *A trustee under a deed of trust must not:*

- (a) *Lend its name or its corporate capacity to any person who is not qualified to be the trustee under a deed of trust pursuant to subsection 1.*



*(b) Act individually or in concert with any other person to circumvent the requirements of subsection 1.*

*4. A beneficiary of record may replace its trustee with another trustee. The appointment of a new trustee is not effective until the substitution of trustee is recorded in the office of the recorder of the county in which the real property is located.*

*5. The trustee does not have a fiduciary obligation to the grantor or any other person having an interest in the property which is subject to the deed of trust. The trustee shall act impartially and in good faith with respect to the deed of trust and shall act in accordance with the laws of this State. A rebuttable presumption that a trustee has acted impartially and in good faith exists if the trustee acts in compliance with the provisions of NRS 107.080. In performing acts required by NRS 107.080, the trustee incurs no liability for any good faith error resulting from reliance on information provided by the beneficiary regarding the nature and the amount of the default under the obligation secured by the deed of trust if the trustee corrects the good faith error not later than 20 days after discovering the error.*

*6. If, in an action brought by a grantor, a person who holds title of record or a beneficiary in the district court in and for the county in which the real property is located, the court finds that the trustee did not comply with this section, any other provision of this chapter or any applicable provision of chapter 106 or 205 of NRS, the court must award to the grantor, the person who holds title of record or the beneficiary:*

*(a) Damages of \$5,000 or treble the amount of actual damages, whichever is greater;*

*(b) An injunction enjoining the exercise of the power of sale until the beneficiary, the successor in interest of the beneficiary or the trustee complies with the requirements of subsections 2, 3 and 4; and*

*(c) Reasonable attorney's fees and costs,*

*unless the court finds good cause for a different award.*

**Sec. 7.** NRS 107.077 is hereby amended to read as follows:

**107.077 1.** Within 21 calendar days after receiving written notice that a debt secured by a deed of trust made on or after October 1, 1991, has been paid or otherwise satisfied or discharged, the beneficiary shall deliver to the trustee or the trustor the original note and deed of trust, if the beneficiary is in possession of those documents, and a properly executed request to reconvey the estate in real property conveyed to the trustee by the grantor. If the beneficiary delivers the original note and deed of trust to the trustee



or the trustee has those documents in his or her possession, the trustee shall deliver those documents to the grantor.

2. Within 45 calendar days after a debt secured by a deed of trust made on or after October 1, 1991, is paid or otherwise satisfied or discharged, and a properly executed request to reconvey is received by the trustee, the trustee shall cause to be recorded a reconveyance of the deed of trust.

3. If the beneficiary fails to deliver to the trustee a properly executed request to reconvey pursuant to subsection 1, or if the trustee fails to cause to be recorded a reconveyance of the deed of trust pursuant to subsection 2, the beneficiary or the trustee, as the case may be, is liable in a civil action to the grantor, his or her heirs or assigns in the sum of  ~~{\$500,}~~  **\$1,000**, plus  ~~{a}~~  reasonable attorney's  ~~{fee}~~  **fees** and the costs of bringing the action, and the beneficiary or the trustee is liable in a civil action to any party to the deed of trust for any actual damages caused by the failure to comply with the provisions of this section and for  ~~{a}~~  reasonable attorney's  ~~{fee}~~  **fees** and the costs of bringing the action.

4. Except as otherwise provided in this subsection, if a reconveyance is not recorded pursuant to subsection 2 within:

(a) Seventy-five calendar days after the payment, satisfaction or discharge of the debt, if the payment, satisfaction or discharge was made on or after October 1, 1993; or

(b) Ninety calendar days after the payment, satisfaction or discharge of the debt, if the payment, satisfaction or discharge was made before October 1, 1993,

→ a title insurer may prepare and cause to be recorded a release of the deed of trust. At least 30 calendar days before the recording of a release pursuant to this subsection, the title insurer shall mail, by first-class mail, postage prepaid, notice of the intention to record the release of the deed of trust to the trustee, trustor and beneficiary of record, or their successors in interest, at the last known address of each such person. A release prepared and recorded pursuant to this subsection shall be deemed a reconveyance of a deed of trust. The title insurer shall not cause a release to be recorded pursuant to this subsection if the title insurer receives written instructions to the contrary from the trustee, the trustor, the owner of the land, the holder of the escrow or the owner of the debt secured by the deed of trust or his or her agent.

5. The release prepared pursuant to subsection 4 must set forth:

- (a) The name of the beneficiary;
- (b) The name of the trustor;
- (c) The recording reference to the deed of trust;



(d) A statement that the debt secured by the deed of trust has been paid in full or otherwise satisfied or discharged;

(e) The date and amount of payment or other satisfaction or discharge; and

(f) The name and address of the title insurer issuing the release.

6. A release prepared and recorded pursuant to subsection 4 does not relieve a beneficiary or trustee of the requirements imposed by subsections 1 and 2.

7. A trustee may charge a reasonable fee to the trustor or the owner of the land for services relating to the preparation, execution or recordation of a reconveyance or release pursuant to this section. A trustee shall not require the fees to be paid before the opening of an escrow, or earlier than 60 calendar days before the payment, satisfaction or discharge of the debt secured by the deed of trust. If a fee charged pursuant to this subsection does not exceed \$100, the fee is conclusively presumed to be reasonable.

8. In addition to any other remedy provided by law, a title insurer who improperly causes to be recorded a release of a deed of trust pursuant to this section is liable for actual damages and for a reasonable attorney's fee and the costs of bringing the action to any person who is injured because of the improper recordation of the release.

9. Any person who willfully violates this section is guilty of a misdemeanor.

**Sec. 8.** NRS 107.078 is hereby amended to read as follows:

107.078 1. If a deed of trust made on or after October 1, 1995, authorizes the grantor to discharge in part the debt secured by the deed of trust and the deed of trust authorizes a partial reconveyance of the estate in real property in consideration of a partial discharge, the beneficiary shall, within 21 calendar days after receiving notice that the debt secured by the deed of trust has been partially discharged, deliver to the trustee a properly executed request for a partial reconveyance of the estate in real property conveyed to the trustee by the grantor.

2. Within 45 calendar days after a debt secured by a deed of trust made on or after October 1, 1995, is partially discharged and a properly executed request for a partial reconveyance is received by the trustee, the trustee shall cause to be recorded a partial reconveyance of the deed of trust.

3. If the beneficiary fails to deliver to the trustee a properly executed request for a partial reconveyance pursuant to subsection 1, or if the trustee fails to cause to be recorded a partial reconveyance of the deed of trust pursuant to subsection 2, the



beneficiary or the trustee, as the case may be, is liable in a civil action to the grantor, the grantor's heirs or assigns in the amount of ~~[\$500.]~~ \$1,000, plus ~~{a}~~ reasonable attorney's ~~{fee}~~ fees and the costs of bringing the action, and the beneficiary or trustee is liable in a civil action to any party to the deed of trust for any actual damages caused by the failure to comply with the provisions of this section and for ~~{a}~~ reasonable attorney's ~~{fee}~~ fees and the costs of bringing the action.

4. Except as otherwise provided in this subsection, if a partial reconveyance is not recorded pursuant to subsection 2 within 75 calendar days after the partial satisfaction of the debt and if the satisfaction was made on or after October 1, 1995, a title insurer may prepare and cause to be recorded a partial release of the deed of trust. At least 30 calendar days before the recording of a partial release pursuant to this subsection, the title insurer shall mail, by first-class mail, postage prepaid, notice of the intention to record the partial release of the deed of trust to the trustee, trustor and beneficiary of record, or their successors in interest, at the last known address of each such person. A partial release prepared and recorded pursuant to this subsection shall be deemed a partial reconveyance of a deed of trust. The title insurer shall not cause a partial release to be recorded pursuant to this subsection if the title insurer receives written instructions to the contrary from the trustee, trustor, owner of the land, holder of the escrow or owner of the debt secured by the deed of trust or his or her agent.

5. The release prepared pursuant to subsection 4 must set forth:

- (a) The name of the beneficiary;
- (b) The name of the trustor;
- (c) The recording reference to the deed of trust;
- (d) A statement that the debt secured by the deed of trust has been partially discharged;
- (e) The date and amount of partial payment or other partial satisfaction or discharge;
- (f) The name and address of the title insurer issuing the partial release; and
- (g) The legal description of the estate in real property which is reconveyed.

6. A partial release prepared and recorded pursuant to subsection 4 does not relieve a beneficiary or trustee of the requirements imposed by subsections 1 and 2.

7. A trustee may charge a reasonable fee to the trustor or the owner of the land for services relating to the preparation, execution or recordation of a partial reconveyance or partial release pursuant



to this section. A trustee shall not require the fees to be paid before the opening of an escrow or earlier than 60 calendar days before the partial payment or partial satisfaction or discharge of the debt secured by the deed of trust. If a fee charged pursuant to this subsection does not exceed \$100, the fee is conclusively presumed to be reasonable.

8. In addition to any other remedy provided by law, a title insurer who improperly causes to be recorded a partial release of a deed of trust pursuant to this section is liable for actual damages and for a reasonable attorney's fee and the costs of bringing the action to any person who is injured because of the improper recordation of the partial release.

9. Any person who willfully violates this section is guilty of a misdemeanor.

**Sec. 9.** NRS 107.080 is hereby amended to read as follows:

107.080 1. Except as otherwise provided in NRS *106.210*, 107.085 and 107.086, if any transfer in trust of any estate in real property is made after March 29, 1927, to secure the performance of an obligation or the payment of any debt, a power of sale is hereby conferred upon the trustee to be exercised after a breach of the obligation for which the transfer is security.

2. The power of sale must not be exercised, however, until:

(a) Except as otherwise provided in paragraph (b), in the case of any trust agreement coming into force:

(1) On or after July 1, 1949, and before July 1, 1957, the grantor, the person who holds the title of record, a beneficiary under a subordinate deed of trust or any other person who has a subordinate lien or encumbrance of record on the property has, for a period of 15 days, computed as prescribed in subsection 3, failed to make good the deficiency in performance or payment; or

(2) On or after July 1, 1957, the grantor, the person who holds the title of record, a beneficiary under a subordinate deed of trust or any other person who has a subordinate lien or encumbrance of record on the property has, for a period of 35 days, computed as prescribed in subsection 3, failed to make good the deficiency in performance or payment. [-]

(b) In the case of any trust agreement which concerns owner-occupied housing as defined in NRS 107.086, the grantor, the person who holds the title of record, a beneficiary under a subordinate deed of trust or any other person who has a subordinate lien or encumbrance of record on the property has, for a period that commences in the manner and subject to the requirements described



in subsection 3 and expires 5 days before the date of sale, failed to make good the deficiency in performance or payment . ~~{;}~~

(c) The beneficiary, the successor in interest of the beneficiary or the trustee first executes and causes to be recorded in the office of the recorder of the county wherein the trust property, or some part thereof, is situated a notice of the breach and of the election to sell or cause to be sold the property to satisfy the obligation ~~{; and}~~ *which, except as otherwise provided in this paragraph, includes a notarized affidavit of authority to exercise the power of sale stating, based on personal knowledge and under the penalty of perjury:*

*(1) The full name and business address of the trustee or the trustee's personal representative or assignee, the current holder of the note secured by the deed of trust, the current beneficiary of record and the servicers of the obligation or debt secured by the deed of trust;*

*(2) The full name and last known business address of every prior known beneficiary of the deed of trust;*

*(3) That the beneficiary under the deed of trust, the successor in interest of the beneficiary or the trustee is in actual or constructive possession of the note secured by the deed of trust;*

*(4) That the trustee has the authority to exercise the power of sale with respect to the property pursuant to the instruction of the beneficiary of record and the current holder of the note secured by the deed of trust;*

*(5) The amount in default, the principal amount of the obligation or debt secured by the deed of trust, a good faith estimate of all fees imposed and to be imposed because of the default and the costs and fees charged to the debtor in connection with the exercise of the power of sale; and*

*(6) The date, recordation number or other unique designation of the instrument that conveyed the interest of each beneficiary and a description of the instrument that conveyed the interest of each beneficiary.*

*↳ The affidavit described in this paragraph is not required for the exercise of the trustee's power of sale with respect to any trust agreement which concerns a time share within a time share plan created pursuant to chapter 119A of NRS if the power of sale is being exercised for the initial beneficiary under the deed of trust or an affiliate of the initial beneficiary.*

(d) Not less than 3 months have elapsed after the recording of the notice.



3. The 15- or 35-day period provided in paragraph (a) of subsection 2, or the period provided in paragraph (b) of subsection 2, commences on the first day following the day upon which the notice of default and election to sell is recorded in the office of the county recorder of the county in which the property is located and a copy of the notice of default and election to sell is mailed by registered or certified mail, return receipt requested and with postage prepaid to the grantor or, to the person who holds the title of record on the date the notice of default and election to sell is recorded, and, if the property is operated as a facility licensed under chapter 449 of NRS, to the State Board of Health, at their respective addresses, if known, otherwise to the address of the trust property. The notice of default and election to sell must:

(a) Describe the deficiency in performance or payment and may contain a notice of intent to declare the entire unpaid balance due if acceleration is permitted by the obligation secured by the deed of trust, but acceleration must not occur if the deficiency in performance or payment is made good and any costs, fees and expenses incident to the preparation or recordation of the notice and incident to the making good of the deficiency in performance or payment are paid within the time specified in subsection 2; and

(b) If the property is a residential foreclosure, comply with the provisions of NRS 107.087.

4. The trustee, or other person authorized to make the sale under the terms of the trust deed or transfer in trust, shall, after expiration of the 3-month period following the recording of the notice of breach and election to sell, and before the making of the sale, give notice of the time and place thereof by recording the notice of sale and by:

(a) Providing the notice to each trustor, any other person entitled to notice pursuant to this section and, if the property is operated as a facility licensed under chapter 449 of NRS, the State Board of Health, by personal service or by mailing the notice by registered or certified mail to the last known address of the trustor and any other person entitled to such notice pursuant to this section;

(b) Posting a similar notice particularly describing the property, for 20 days successively, in three public places of the township or city where the property is situated and where the property is to be sold;

(c) Publishing a copy of the notice three times, once each week for 3 consecutive weeks, in a newspaper of general circulation in the county where the property is situated; and



(d) If the property is a residential foreclosure complying with the provisions of NRS 107.087.

5. Every sale made under the provisions of this section and other sections of this chapter vests in the purchaser the title of the grantor and any successors in interest without equity or right of redemption. A sale made pursuant to this section ~~may~~ **must** be declared void by any court of competent jurisdiction in the county where the sale took place if:

(a) The trustee or other person authorized to make the sale does not substantially comply with the provisions of this section or any applicable provision of NRS 107.086 and 107.087;

(b) Except as otherwise provided in subsection 6, an action is commenced in the county where the sale took place within 90 days after the date of the sale; and

(c) A notice of lis pendens providing notice of the pendency of the action is recorded in the office of the county recorder of the county where the sale took place within 30 days after commencement of the action.

6. If proper notice is not provided pursuant to subsection 3 or paragraph (a) of subsection 4 to the grantor, to the person who holds the title of record on the date the notice of default and election to sell is recorded, to each trustor or to any other person entitled to such notice, the person who did not receive such proper notice may commence an action pursuant to subsection 5 within 120 days after the date on which the person received actual notice of the sale.

*7. If, in an action brought by the grantor or the person who holds title of record in the district court in and for the county in which the real property is located, the court finds that the beneficiary, the successor in interest of the beneficiary or the trustee did not comply with any requirement of subsection 2, 3 or 4, the court must award to the grantor or the person who holds title of record:*

*(a) Damages of \$5,000 or treble the amount of actual damages, whichever is greater;*

*(b) An injunction enjoining the exercise of the power of sale until the beneficiary, the successor in interest of the beneficiary or the trustee complies with the requirements of subsections 2, 3 and 4; and*

*(c) Reasonable attorney's fees and costs, unless the court finds good cause for a different award. The remedy provided in this subsection is in addition to the remedy provided in subsection 5.*



8. The sale of a lease of a dwelling unit of a cooperative housing corporation vests in the purchaser title to the shares in the corporation which accompany the lease.

~~[8.]~~ 9. After a sale of property is conducted pursuant to this section, the trustee shall:

(a) Within 30 days after the date of the sale, record the trustee's deed upon sale in the office of the county recorder of the county in which the property is located; or

(b) Within 20 days after the date of the sale, deliver the trustee's deed upon sale to the successful bidder. Within 10 days after the date of delivery of the deed by the trustee, the successful bidder shall record the trustee's deed upon sale in the office of the county recorder of the county in which the property is located.

~~[9.]~~ 10. If the successful bidder fails to record the trustee's deed upon sale pursuant to paragraph (b) of subsection ~~[8.]~~ 9, the successful bidder:

(a) Is liable in a civil action to any party that is a senior lienholder against the property that is the subject of the sale in a sum of up to \$500 and for reasonable attorney's fees and the costs of bringing the action; and

(b) Is liable in a civil action for any actual damages caused by the failure to comply with the provisions of subsection ~~[8.]~~ 9 and for reasonable attorney's fees and the costs of bringing the action.

~~[10.]~~ 11. The county recorder shall, in addition to any other fee, at the time of recording a notice of default and election to sell collect:

(a) A fee of \$150 for deposit in the State General Fund.

(b) A fee of \$50 for deposit in the Account for Foreclosure Mediation, which is hereby created in the State General Fund. The Account must be administered by the Court Administrator, and the money in the Account may be expended only for the purpose of supporting a program of foreclosure mediation established by Supreme Court Rule.

→ The fees collected pursuant to this subsection must be paid over to the county treasurer by the county recorder on or before the fifth day of each month for the preceding calendar month, and, except as otherwise provided in this subsection, must be placed to the credit of the State General Fund or the Account as prescribed pursuant to this subsection. The county recorder may direct that 1.5 percent of the fees collected by the county recorder be transferred into a special account for use by the office of the county recorder. The county treasurer shall, on or before the 15th day of each month, remit the fees deposited by the county recorder pursuant to this subsection to



the State Controller for credit to the State General Fund or the Account as prescribed in this subsection.

~~{11}~~ 12. The beneficiary, the successor in interest of the beneficiary or the trustee who causes to be recorded the notice of default and election to sell shall not charge the grantor or the successor in interest of the grantor any portion of any fee required to be paid pursuant to subsection ~~{10}~~.

~~{12}~~ 11.

13. As used in this section ~~{, "residential"}~~ :

(a) "**Residential** foreclosure" means the sale of a single family residence under a power of sale granted by this section. As used in this subsection, "single family residence":

~~{(a)}~~ (1) Means a structure that is comprised of not more than four units.

~~{(b)}~~ (2) Does not include any time share or other property regulated under chapter 119A of NRS.

(b) "**Trustee**" means the trustee of record.

**Secs. 10 and 11.** (Deleted by amendment.)

**Sec. 12.** NRS 107.210 is hereby amended to read as follows:

107.210 Except as otherwise provided in NRS 107.230 and 107.240, the beneficiary of a deed of trust secured on or after October 1, 1995, shall, within 21 days after receiving a request from a person authorized to make such a request pursuant to NRS 107.220, cause to be mailed, postage prepaid, or sent by facsimile machine to that person a statement of the amount necessary to discharge the debt secured by the deed of trust. The statement must set forth:

1. *The identity of the trustee or the trustee's personal representative or assignee, the current holder of the note secured by the deed of trust, the beneficiary of record and the servicers of the obligation or debt secured by the deed of trust;*

2. The amount of money necessary to discharge the debt secured by the deed of trust on the date the statement is prepared by the beneficiary; ~~and~~

~~{2}~~ 3. The information necessary to determine the amount of money required to discharge the debt on a per diem basis for a period, not to exceed 30 days, after the statement is prepared by the beneficiary ~~{}~~; and

4. *If the debt is in default, the amount in default, the principal amount of the obligation or debt secured by the deed of trust, the interest accrued and unpaid on the obligation or debt secured by the deed of trust, all fees imposed because of the*



*default and the costs and fees charged to the debtor in connection with the exercise of the power of sale.*

**Sec. 13.** NRS 205.372 is hereby amended to read as follows:

205.372 1. A person who ~~[, with the intent to defraud]~~ *is* a participant in a mortgage lending transaction ~~[:]~~ *and who:*

(a) Knowingly makes a false statement or misrepresentation concerning a material fact or ~~[deliberately]~~ *knowingly* conceals or fails to disclose a material fact;

(b) Knowingly uses or facilitates the use of a false statement or misrepresentation made by another person concerning a material fact or ~~[deliberately]~~ *knowingly* uses or facilitates the use of another person's concealment or failure to disclose a material fact;

(c) Receives any proceeds or any other money in connection with a mortgage lending transaction that the person knows resulted from a violation of paragraph (a) or (b);

(d) Conspires with another person to violate any of the provisions of paragraph (a), (b) or (c); or

(e) Files or causes to be filed with a county recorder any document that the person knows to include a misstatement, misrepresentation or omission concerning a material fact,

→ commits the offense of mortgage lending fraud which is a category C felony and, upon conviction, shall be punished by imprisonment in the state prison for a minimum term of not less than 1 year and a maximum term of not more than 10 years, or by a fine of not more than \$10,000, or by both fine and imprisonment.

2. A person who engages in a pattern of mortgage lending fraud or conspires or attempts to engage in a pattern of mortgage lending fraud is guilty of a category B felony and, upon conviction, shall be punished by imprisonment in the state prison for a minimum term of not less than 3 years and a maximum term of not more than 20 years, or by a fine of not more than \$50,000, or by both fine and imprisonment.

3. Each mortgage lending transaction in which a person violates any provision of subsection 1 constitutes a separate violation.

4. Except as otherwise provided in this subsection, if a lender or any agent of the lender is convicted of the offense of mortgage lending fraud in violation of this section, the mortgage lending transaction with regard to which the fraud was committed may be rescinded by the borrower within 6 months after the date of the conviction if the borrower gives written notice to the lender and records that notice with the recorder of the county in which the mortgage was recorded. A mortgage lending transaction may not be



rescinded pursuant to this subsection if the lender has transferred the mortgage to a bona fide purchaser.

5. The Attorney General may investigate and prosecute a violation of this section.

6. *In addition to the criminal penalties imposed for a violation of this section, any person who violates this section is subject to a civil penalty of not more than \$5,000 for each violation. This penalty must be recovered in a civil action, brought in the name of the State of Nevada by the Attorney General. In such an action, the Attorney General may recover reasonable attorney's fees and costs.*

7. *The owner or holder of the beneficial interest in real property which is the subject of mortgage lending fraud may bring a civil action in the district court in and for the county in which the real property is located to recover any damages suffered by the owner or holder of the beneficial interest plus reasonable attorney's fees and costs.*

8. As used in this section:

(a) "Bona fide purchaser" means any person who purchases a mortgage in good faith and for valuable consideration and who does not know or have reasonable cause to believe that the lender or any agent of the lender engaged in mortgage lending fraud in violation of this section.

(b) "Mortgage lending transaction" means any transaction between two or more persons for the purpose of making or obtaining, attempting to make or obtain, or assisting another person to make or obtain a loan that is secured by a mortgage or other lien on residential real property. The term includes, without limitation:

- (1) The solicitation of a person to make or obtain the loan;
- (2) The representation or offer to represent another person to make or obtain the loan;
- (3) The negotiation of the terms of the loan;
- (4) The provision of services in connection with the loan;

and

(5) The execution of any document in connection with making or obtaining the loan.

(c) "Participant in a mortgage lending transaction" includes, without limitation:

- (1) A borrower as defined in NRS 598D.020;
- (2) An escrow agent as defined in NRS 645A.010;
- (3) A foreclosure consultant as defined in NRS 645F.320;
- (4) A foreclosure purchaser as defined in NRS 645F.330;
- (5) An investor as defined in NRS 645B.0121;



# EXHIBIT 8

## SCA Response to Tobin ROGGs

**SCA "outsourced" collections and enforcement  
in violation of SCA bylaws 3.20 and 3.18 (b)(i)**

**SCA does not account for or control the money  
collected in violation of SCA bylaws 3.20 and  
3.18 (e)(g)**

# EXHIBIT 8

**Lipson, Neilson P.C.**  
9900 Covington Cross Drive, Suite 120  
Las Vegas, Nevada 89144  
(702) 382-1500 FAX: (702) 382-1512

1 LIPSON NEILSON P.C.  
2 KALEB D. ANDERSON, ESQ.  
3 Nevada Bar No. 7582  
4 DAVID T. OCHOA, ESQ.  
5 Nevada Bar No. 10414  
6 9900 Covington Cross Drive, Suite 120  
7 Las Vegas, Nevada 89144  
8 (702) 382-1500 - Telephone  
9 (702) 382-1512 - Facsimile  
10 [kanderson@lipsonneilson.com](mailto:kanderson@lipsonneilson.com)  
11 [dochoa@lipsonneilson.com](mailto:dochoa@lipsonneilson.com)  
12 *Attorneys for Cross-Defendant*  
13 *Sun City Anthem Community Association*

8  
9  
10 **DISTRICT COURT**  
11  
12 **CLARK COUNTY, NEVADA**

11 JOEL A. STOKES and SANDRA F.  
12 STOKES, as trustee for the JIMI JACK  
13 IRREVOCABL TRUST,

12 Plaintiffs,

13 vs.

14 BANK OF AMERICA, N.A.; SUN CITY  
15 ANTHEM COMMUNITY ASSOCIATION.;  
16 DOES I through X and ROES BUISNESS  
17 ENTITIES 1 through 10, inclusive,

16 Defendants.

18 NONA TOBIN, an individual and Trustee  
19 of the GORDON B. HANSEN TRUST,  
20 dated 8/22/25,

19 Counter-Claimant,

20 vs.

21 JOEL A. STOKES and SANDRA F.  
22 STOKES, as trustee for the JIMI JACK  
23 IRREVOCABL TRUST,

23 Counter-Defendant.

24 NONA TOBIN, an individual and Trustee  
25 of the GORDON B. HANSEN TRUST,  
26 dated 8/22/25,

26 Cross-Claimant,

27 vs.

CASE NO.: A-15-720032-C

Dept. XXXI

**DEFENDANT / CROSS-DEFENDANT  
SUN CITY ANTHEM COMMUNITY  
ASSOCIATION'S RESPONSE TO  
COUNTER-CLAIMANT / CROSS-  
CLAIMANT NONA TOBIN'S FIRST SET  
OF INTERROGATORIES**

1 SUN CITY ANTHEM COMMUNITY  
2 ASSOCIATION, INC., DOES 1-10, and  
3 ROE CORPORATIONS 1-10, inclusive,

4 Cross-Defendant.

5 **DEFENDANT / CROSS-DEFENDANT SUN CITY ANTHEM COMMUNITY**  
6 **ASSOCIATION'S RESPONSE TO COUNTER-CLAIMANT / CROSS-CLAIMANT**  
7 **NONA TOBIN'S FIRST SET OF INTERROGATORIES**

8 TO: Counter-Claimant / Cross-Claimant Nona Tobin;

9 TO: Michael R. Mushkin, Esq., and L Joe Coppedge, Esq., attorneys for Nona Tobin

10 Defendant / Cross-Defendant Sun City Anthem Community Association ("SCA"  
11 or "HOA"), by and through its counsel of record, Lipson Neilson, P.C., hereby submits  
12 its responses to Counter-Claimant / Cross-Claimant Nona Tobin's ("Tobin") First Set of  
13 Interrogatories.

14 **PRELIMINARY STATEMENT**

15 SCA's responses to the following Interrogatories are based on information  
16 currently known to SCA and are provided without prejudice to SCA's right to submit  
17 evidence of any subsequently discovered facts, information, or documents, should such  
18 become known. These responses are made in a good faith effort to supply such  
19 information as presently known to SCA after reasonably investigation. SCA reserves its  
20 right to further supplement or alter any answer set forth herein and to use such  
21 additional information at trial.

22 Further, because some of these responses may have been ascertained by SCA's  
23 attorneys, investigators, and/or through discovery in this litigation, SCA may not have  
24 personal knowledge of the information from which these responses are derived.

25 \\ \

26 \\ \

**GENERAL OBJECTIONS**

1  
2           1.     SCA objects to this Interrogatories as overly broad to the extent they seek  
3 information or documents not relevant to the issues in this case nor reasonably  
4 calculated to lead to the discovery of admissible evidence.

5  
6           2.     SCA objects to these Interrogatories to the extent they seek information  
7 exempted from discovery and protected from disclosure pursuant to the attorney-client  
8 privilege, the attorney work product doctrine, other applicable confidentiality  
9 agreements, privileges or protections, privacy protections, or any professional rules of  
10 conduct.

11           3.     SCA objects to these Interrogatories to the extent they seek confidential  
12 and/or proprietary information.

13           4.     SCA objects to these Interrogatories to the extent they seek information  
14 already in Tobin’s possession on the ground that producing such information would be  
15 duplicative, unduly burdensome and oppressive.

16           5.     SCA objects to these Interrogatories to the extent they are predicated  
17 upon erroneous assumptions or to the extent they state incorrect facts. When SCA  
18 responds to these Interrogatories, SCA does not agree to these assumptions or factual  
19 predicates and specifically reserves the right to challenge any of the assumptions or  
20 factual predicates contained in these Interrogatories.

21           6.     SCA objects to this Interrogatories to the extent they seek information  
22 irrelevant to the claims in this case and are not reasonably calculated to lead to the  
23 discovery of admissible evidence.

24           7.     SCA objects to this Interrogatories to the extent they seek information in  
25 violation of the privacy rights of third parties.  
26  
27  
28



1 **RESPONSE TO INTERROGATORY NO 2:**

2 SCA objects to this Interrogatory on the grounds that it does not seek facts but  
3 seeks counsel's mental impressions. SCA objects to this Interrogatory on the grounds  
4 that it is not reasonably limited in time or scope. SCA objects to this Interrogatory as it  
5 impermissibly calls for a legal conclusion rather than disclosure of facts.  
6

7 Without waiving the objections, SCA responds as follows: SCA outsources  
8 collection activities to Red Rock Financial Services ("RRFS"). See Sun City Anthem  
9 Community Association's Disclosures ("SCA's disclosure"); Red Rock Financial  
10 Services' Foreclosure File ("RRFS Foreclosure File") (SCA000176-SCA000643).

11 **INTERROGATORY NO. 3:**

12 Describe in detail the factual basis supporting your defense that the HOA's lien  
13 was perfected at the recording of its CC&Rs and thus, the entire lien is superior to any  
14 recorded deed of trust.  
15

16 **RESPONSE TO INTERROGATORY NO. 3:**

17 SCA objects to this Interrogatory on the grounds that it does not seek facts but  
18 seeks counsel's mental impressions. SCA objects to this Interrogatory as it  
19 impermissibly calls for a legal conclusion rather than disclosure of facts.  
20

21 Without waiving said objections, SCA responds as follows: See SCA's  
22 disclosures; Sun City Anthem Community Association's CC&Rs ("SCA's CC&Rs")  
23 (SCA000001-SCA000116). Discovery is ongoing and SCA reserves the right to  
24 supplement this response.

25 **INTERROGATORY NO. 4:**

26 Describe in detail the factual basis supporting your defense that the HOA had the  
27 right to foreclose on its entire lien pursuant to Nevada Law.  
28

1 **RESPONSE TO INTERROGATORY NO. 4:**

2 SCA objection to this Interrogatory on the grounds it calls for a legal conclusion.

3 Without waiving said objections, SCA responds as follows: See SCA's CC&Rs  
4 (SCA000001-SCA000116); Sun City Anthem Community Association's Rules and  
5 Regulations ("SCA's Rules") (SCA000146-SCA000163) and Sun City Anthem  
6 Community Association's Delinquent Assessment Policy ("SCA's Policy") (SCA000168-  
7 SCA000175). SCA outsources collection activities and the amounts of its lien would be  
8 in notices prepared by Red Rock Financial, see RRFS Foreclosure File (SCA000176-  
9 SCA000643).

10  
11 **INTERROGATORY NO. 5:**

12 Describe in detail the factual basis supporting your defense that Nationstar or its  
13 predecessor failed to tender a correct amount.

14  
15 **RESPONSE TO INTERROGATORY NO. 5:**

16 SCA objects to this Interrogatory on the grounds that it does not seek facts but  
17 seeks counsel's mental impressions. SCA objects to this Interrogatory as it  
18 impermissibly calls for a legal conclusion rather than disclosure of facts.

19 Without waiving said objection, SCA responds as follows: SCA outsources its  
20 collection activities to its agent RRFS. See ledgers in RRFS Foreclosure File  
21 (SCA000176-SCA000643).

22  
23 **INTERROGATORY NO. 6:**

24 Describe in detail the factual basis supporting your defense Nationstar or its  
25 predecessor alleged tender was conditional.

26 \ \ \

27 \ \ \

28

1 **RESPONSE TO INTERROGATORY NO. 6:**

2 SCA objects to this Interrogatory on the grounds that it does not seek facts but  
3 seeks counsel's mental impressions. SCA objects to this Interrogatory as it  
4 impermissibly calls for a legal conclusion rather than disclosure of facts.

5 Without waiving said objections, SCA responds as follows: SCA outsources  
6 collection activities to RRFS. See alleged tender in RRFS Foreclosure File  
7 (SCA000176-SCA000643).

8 **INTERROGATORY NO. 7:**

9 Identify each and every exhibit you intend to have admitted into evidence at the  
10 time of the trial and for each exhibit please state:

11 a. the name, professional status, job title, and address of each individual who  
12 presently has custody of the original of the exhibit;

13 b. the name, address, job title and professional status of every witness from  
14 whom you will, at the time of the trial, elicit testimony to admit the exhibit as evidence.

15 **RESPONSE TO INTERROGATORY NO. 7:**

16 SCA objects to this Interrogatory as it is overly broad and unduly burdensome  
17 and calls for speculation. SCA objects to this Interrogatory as the time to make pre-trial  
18 disclosure has not run. SCA objects to this interrogatory as it requests privileged  
19 confidential legal strategy.

20 Without waiving said objections, SCA responds as follows: SCA will provide  
21 exhibit information as needed per the order setting trial.

22 **INTERROGATORY NO. 8:**

23 Identify and describe all notices, meetings, and/or votes by your Board of  
24 Directors regarding this litigation, the subject property, or regarding Nina Tobin in  
25  
26  
27  
28

1 relation to this litigation or the subject property.

2 **RESPONSE TO INTERROGATORY NO. 8:**

3 SCA objects to this Interrogatory as it is overly broad and unduly burdensome  
4 and calls for speculation.

5 Without waiving said objections, SCA responds as follows: The Notices,  
6 meetings, and/or votes are described in SCA's disclosures at RRFS Foreclosure File  
7 (SCA000176-SCA000643) and SCA's Second Supplemental Disclosure at Board  
8 Meeting Minutes (SCA000644-SCA000654).  
9

10 **INTERROGATORY NO. 9:**

11 Describe in detail the factual basis supporting your defense that the non-judicial  
12 foreclosure sale of the HOA lien complied with all of the applicable statutes.

13 **RESPONSE TO INTERROGATORY NO. 9:**

14 SCA objects to this Interrogatory on the grounds it seeks information which is  
15 irrelevant to the claims in this lawsuit and not reasonably calculated to lead to the  
16 discovery of admissible evidence. SCA objects to this Request on the grounds it calls  
17 for a legal conclusion.  
18

19 Without waiving said objections, SCA responds as follows: SCA outsources its  
20 collection activities to RRFS. See SCA's disclosures; RRFS' Foreclosure File  
21 (SCA000176-SCA000643).  
22

23 **INTERROGATORY NO. 10:**

24 Describe in detail the factual basis supporting your defense that the final price of  
25 the HOA non-judicial foreclosure sale is insufficient to set aside foreclosure sale absent  
26 a showing of fraud, unfairness, or oppression.

27 \ \ \

28



**CERTIFICATE OF SERVICE**

I hereby certify that on the 26<sup>th</sup> day of February, 2019, service of the foregoing  
**DEFENDANT / CROSS-DEFENDANT SUN CITY ANTHEM COMMUNITY  
ASSOCIATION'S RESPONSE TO COUNTER-CLAIMANT / CROSS-CLAIMANT  
NONA TOBIN'S FIRST SET OF INTERROGATORIES** was made by electronic  
submission and filing of the foregoing with the Clerk of the Court by using the ECF  
system which served the following parties electronically:

Darren T. Brenner, Esq.  
Vatana Lay, Esq.  
AKERMAN LLP  
1635 Village Center Circle Ste. 200  
Las Vegas, NV 89134  
Darren.brenner@akerman.com  
Vatana.lay@akerman.com

*Attorneys for Defendants*

Joseph Y. Hong, Esq.  
HONG & HONG  
10781 W. Twain Avenue  
Las Vegas, NV 89135

*Attorneys for Plaintiff*

David R. Koch  
Steven B. Scow  
KOCH & SCOW LLC  
11500 S. Eastern Ave. Suite 210  
Henderson, NV 89052  
dkoch@kochscow.com  
sscow@kochscow.com

*Attorneys for Cross-Defendant Red Rock  
Financial Services, LLC*

Joe Coppedge, Esq.  
Michael R. Mushkin & Associates, P.C.  
4475 S. Pecos Road  
Las Vegas, NV 89121

*Attorney for Nona Tobin an individual and  
Trustee of the Gordon B. Hansen Trust,  
dated 8/22/25*

*/s/ Ashley Scott-Johnson*

\_\_\_\_\_  
An Employee of LIPSON NEILSON, P.C.

Lipson, Neilson P.C.  
9900 Covington Cross Drive, Suite 120  
Las Vegas, Nevada 89144  
(702) 382-1500 FAX: (702) 382-1512

VERIFICATION

STATE OF NEVADA        )  
  ) ss.  
COUNTY OF CLARK        )

I, ELYSSA RAMMOS, declare as follows:

I am authorized to make this verification of behalf of Sun City Anthem Community Association, Inc.

I have read the foregoing document(s) entitled **DEFENDANT/ CROSS-DEFENDANT SUN CITY ANTHEM COMMUNITY ASSOCIATION'S RESPONSES TO COUNTER-CLAIMANT / CROSS-CLAIMANT NONA TOBIN'S FIRST SET OF INTERROGATORIES** and know the contents thereof. I am informed and believe that the matters stated therein are true and on that ground I allege that the matters stated therein are true, except as to those matters stated on information and belief which I am informed and believe are true as stated therein.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on the 26<sup>th</sup> day of February, 2019, at Las Vegas, Nevada.

*Elyssa Rammos*

ELYSSA RAMMOS, COMMUNITY MANAGER FOR  
SUN CITY ANTHEM COMMUNITY ASSOCIATION,  
INC.

SUBSCRIBED AND SWORN TO ME

before me on this 26<sup>TH</sup> day of February, 2019.

*Anneliese Gamboa*

NOTARY PUBLIC for CLARK  
COUNTY STATE OF NEVADA



# EXHIBIT 9

## SCA Response to Tobin RFDs

SCA has no record the property was foreclosed or accounting of the funds collected.

"Minutes (SCA000644-SCA000654)" referenced were not disclosed

# EXHIBIT 9

**Lipson, Neilson P.C.**  
9900 Covington Cross Drive, Suite 120  
Las Vegas, Nevada 89144  
(702) 382-1500 FAX: (702) 382-1512

1 LIPSON NEILSON P.C.  
2 KALEB D. ANDERSON, ESQ.  
3 Nevada Bar No. 7582  
4 DAVID T. OCHOA, ESQ.  
5 Nevada Bar No. 10414  
6 9900 Covington Cross Drive, Suite 120  
7 Las Vegas, Nevada 89144  
8 (702) 382-1500 - Telephone  
9 (702) 382-1512 - Facsimile  
10 [kanderson@lipsonneilson.com](mailto:kanderson@lipsonneilson.com)  
11 [dochoa@lipsonneilson.com](mailto:dochoa@lipsonneilson.com)  
12 *Attorneys for Cross-Defendant*  
13 *Sun City Anthem Community Association*

8  
9  
10 **DISTRICT COURT**  
11  
12 **CLARK COUNTY, NEVADA**

11 JOEL A. STOKES and SANDRA F.  
12 STOKES, as trustee for the JIMI JACK  
13 IRREVOCABL TRUST,

14 Plaintiffs,

15 vs.

16 BANK OF AMERICA, N.A.; SUN CITY  
17 ANTHEM COMMUNITY ASSOCIATION.;  
18 DOES I through X and ROES BUISNESS  
19 ENTITIES 1 through 10, inclusive,

20 Defendants.

21 NONA TOBIN, an individual and Trustee  
22 of the GORDON B. HANSEN TRUST,  
23 dated 8/22/25,

24 Counter-Claimant,

25 vs.

26 JOEL A. STOKES and SANDRA F.  
27 STOKES, as trustee for the JIMI JACK  
28 IRREVOCABL TRUST,

Counter-Defendant.

NONA TOBIN, an individual and Trustee  
of the GORDON B. HANSEN TRUST,  
dated 8/22/25,

Cross-Claimant,

vs.

CASE NO.: A-15-720032-C

Dept. XXXI

**DEFENDANT / CROSS-DEFENDANT  
SUN CITY ANTHEM COMMUNITY  
ASSOCIATION'S RESPONSE TO  
COUNTER-CLAIMANT / CROSS-  
CLAIMANT NONA TOBIN'S FIRST SET  
OF REQUEST FOR PRODUCTION OF  
DOCUMENTS**

1 SUN CITY ANTHEM COMMUNITY  
2 ASSOCIATION, INC., DOES 1-10, and  
3 ROE CORPORATIONS 1-10, inclusive,

4 Cross-Defendant.

5 **DEFENDANT / CROSS-DEFENDANT SUN CITY ANTHEM COMMUNITY**  
6 **ASSOCIATION'S RESPONSE TO COUNTER-CLAIMANT / CROSS-CLAIMANT**  
7 **NONA TOBIN'S FIRST SET OF REQUEST FOR PRODUCTION OF DOCUMENTS**

8 TO: Counter-Claimant / Cross-Claimant Nona Tobin;

9 TO: Michael R. Mushkin, Esq., and L Joe Coppedge, Esq., attorneys for Nona Tobin

10 Defendant / Cross-Defendant Sun City Anthem Community Association ("SCA"  
11 or "HOA"), by and through its counsel of record, Lipson Neilson, P.C., hereby submits  
12 its responses to Counter-Claimant / Cross-Claimant Nona Tobin's ("Tobin") First Set of  
13 Requests for Production of Documents.

14 **DEFINITIONS AND GENERAL OBJECTIONS**

15 A. "Unduly burdensome" – The request seeks discovery that is unduly  
16 burdensome or expensive, taking into account the needs of the case, limitation on the  
17 party's resources, and the importance of the issues at stake in this litigation.

18 B. "Vague" – The request contains a word or phrase that is not adequately  
19 defined or the overall request is confusing or ambiguous.

20 C. "Overly broad" – The request seeks information or documents beyond the  
21 scope of, or beyond the time period relevant to, the subject matter of this litigation.

22 D. Each answer will be subject to all objections as to competence, relevance,  
23 materiality, propriety and admissibility, and to any and all other objections on any round  
24 that would require the exclusion from evidence of any statement herein if any such  
25 statements were made by a witness present and testifying at trial, all of which objections  
26 and grounds are expressly reserved and may be interposed at trial.  
27  
28

**RESPONSES**

**REQUEST NO. 1:**

Produce each and every exhibit you intend to have admitted into evidence at the time of the trial.

**RESPONSE TO REQUEST NO. 1:**

SCA objects to this Request on the grounds that it proposes a hypothetical that the claims against SCA will make it to trial. SCA objects to this request as the time has not run to make pre-trial disclosures. SCA objects to the request as it seeks privileged confidential legal strategy. SCA further objects to this Request on the grounds it is overly broad and unduly burdensome.

Without waiving said objections, SCA responds as follows: SCA has disclosed a number of documents bates stamped SCA000001 – SCA000643 and reserves the right to use these documents as exhibits as wells documents disclosed by any other party. Further, discovery is ongoing and may lead to the disclosure of additional documents.

**REQUEST NO. 2:**

Produce all documents in your possession which were utilized or referenced in in responding to Nona Tobin’s Interrogatories served concurrently herewith.

**RESPONSE TO REQUEST NO. 2:**

SCA objects to this Request on the grounds it seeks information which may be protected by attorney – client privilege, or confidential, or proprietary information.

Without waiving said objection, SCA responds as follows: See Cross-Defendant Sun City Anthem Community Association’s Initial Disclosure of Witnesses and Documents Pursuant to Nev. R. Civ. P. 16.1 (“SCA’s disclosures”) (SCA000001-SCA000643).

1 **REQUEST NO. 3:**

2 Produce any and all documents, including any notices, agendas, and minutes of  
3 all SCA board meetings, open or in executive session, at which the SCA Board  
4 approved the approximately 17 foreclosures of properties within Sun City Anthem HOA  
5 for delinquent assessments reports on the SCA annual registrations between January  
6 2010 to the present.  
7

8 **RESPONSE TO REQUEST NO. 3:**

9 SCA objects to this Request on the grounds that it seeks documents which are  
10 irrelevant to the claims in this lawsuit and not reasonably calculated to lead to the  
11 discovery of admissible evidence. SCA objects to this Request to the extent it seeks to  
12 violate third-party privacy rights. SCA further objects to this Request on the grounds it  
13 is overly broad and unduly burdensome.  
14

15 Without waving said objection, SCA responds as follows: For this foreclosure  
16 See SCA's disclosures; specifically, the Board's authorization of this foreclosure is  
17 referenced throughout Red Rock Foreclosure File SCA000176 – SCA000643.  
18

19 **REQUEST NO. 4:**

20 Produce all documents which show the all costs of collection, including those  
21 incurred by SCA, its agents, and/or outside counsel attorney's fees, insurance  
22 deductibles, retroactively-adjusted premium costs, litigation costs, write-off of bad debt,  
23 or any other cost arising from each property that SCA, or any of its agents, foreclosed  
24 on or threatened to foreclose on between January 2010 to the present.

25 **RESPONSE TO REQUEST NO. 4:**

26 SCA objects to this Request on the grounds that it seeks information which is  
27 irrelevant to the claims in this lawsuit and not reasonably calculated to lead to the  
28

1 discovery of admissible evidence. SCA objects to this Request to the extent it seeks to  
2 violate third-party privacy rights. SCA further objects to this Request on the grounds it  
3 is overly broad and unduly burdensome.

4 Without waiving said objections, SCA responds as follows: SCA outsources its  
5 collection activities to Red Rock Financial Services (“RRFS”). See SCA’s disclosures;  
6 Red Rock Financial Services’ Foreclosure File (“RRFS Foreclosure File) (SCA000176-  
7 SCA000643) that would have collection costs for this property.

8  
9 **REQUEST NO. 5:**

10 Produce SCA’s accounting records for the receipt and disposition of all funds  
11 collected, including, but not limited to, all proceeds from each and every foreclosure  
12 conducted for the benefit of, and under the authority of, SCA from January 2010 to the  
13 present.

14  
15 **RESPONSE TO REQUEST NO. 5:**

16 SCA objects to this Request on the grounds that it seeks information which is  
17 irrelevant to the claims of this lawsuit and not reasonably calculated to lead to the  
18 discovery of admissible evidence. SCA objects to this Request to the extent it seeks to  
19 violate third-party privacy rights. SCA further objects to this Request on the grounds it  
20 is overly broad and unduly burdensome.

21 Without waiving said objections, SCA responds as follows: SCA outsources its  
22 collection activities to RRFS. All documentation arising from these activities would be in  
23 the possession of its collection company. See SCA’s disclosures; RRFS’ Foreclosure  
24 File (SCA000176-SCA000643).

25  
26 \ \ \

27 \ \ \

28

1 **REQUEST NO. 6:**

2 Produce any and all records, including but not limited to, the Resident  
3 Transaction Report of all assessments, fines, asset enhancement fees, payments, or  
4 any other monetary or non-monetary compensation received, or owing, for the period  
5 from 2006 to the present:

6 (a) For or related to the subject property; and

7 (b) For the approximately sixteen (16) other SCA foreclosures which have  
8 occurred since 2010.

9  
10 **RESPONSE TO REQUEST NO. 6:**

11 (a) SCA objects to this Request on the grounds that it seeks information which is  
12 irrelevant to the claims in this lawsuit and not reasonably calculated to lead to the  
13 discovery of admissible evidence.

14 Without waiving said objections, SCA responds as follows: See SCA's  
15 disclosures; SCA's CC&Rs (SCA000001-SCA000116) and RRFs' Foreclosure File  
16 (SCA000176-SCA000643); also more specifically SCA000382 – SCA000384.

17 (b) SCA objects to this Request on the grounds that it seeks information which is  
18 irrelevant to the claims in this lawsuit and not reasonably calculated to lead to the  
19 discovery of admissible evidence. SCA objects to this Request on the grounds that it  
20 seeks information in violation of third party privacy rights. SCA further objects to this  
21 Request on the grounds it is overly broad and unduly burdensome.

22 **REQUEST NO. 7:**

23 Produce all documents, including but not limited to notices, notes, agents,  
24 minutes of SCA Board meetings, recordings of SCA Board meetings, informal SCA  
25 Board meetings and/or any other document which references and/or relates to the  
26  
27  
28

1 subject property or Nona Tobin.

2 **RESPONSE TO REQUEST NO. 7:**

3 SCA objects to this Request on the grounds that it seeks documents which are  
4 irrelevant to the claims in this lawsuit and not reasonably calculated to lead to the  
5 discovery of admissible evidence. SCA objects to this Request to the extent it seeks to  
6 violate third party privacy rights.  
7

8 Without waiving said objections, SCA responds as follows: See SCA's  
9 disclosures: RRFS' Foreclosure File (SCA000176-SCA000643) and Board Meeting  
10 Minutes (SCA000644-SCA000654).

11 **REQUEST NO. 8:**

12 Produce any and all ledgers of transactions and/or payments which relate to the  
13 \$63,100.00 allegedly paid by Thomas Lucas/Opportunity Homes, LLC, or about August  
14 15, 2014.  
15

16 **RESPONSE TO REQUEST NO. 8:**

17 SCA objects to this Request on the grounds that it is not reasonably calculated to  
18 lead to the discovery of admissible evidence.

19 Without waiving said objections, SCA responds as follows: See RRFS'  
20 Foreclosure File (SCA000176-SCA000643).  
21

22 **REQUEST NO. 9:**

23 Produce any and all delinquency reports which are required by SCA bylaws for  
24 the period from January 2010 through the present.

25 **RESPONSE TO REQUEST NO. 9:**

26 SCA objects to this Request on the grounds it seeks documents which are  
27 irrelevant to the claims in this lawsuit and not reasonably calculated to lead to the  
28

1 discovery of admissible evidence. SCA further objects to this Request on the grounds it  
2 is overly broad and unduly burdensome.

3 Without waiving said objections, SCA responds as follows: for the delinquency  
4 related to this property See RRFs' Foreclosure File (SCA000176-SCA000643).

5 **REQUEST NO. 10:**

6 Produce all documents showing the record of all asset enhancement fees paid to  
7 SCA upon any transfer of title to the subject property from January 2010 to the present,  
8 including but not limited to:

- 9
- 10 (a) Payments made as a result of the change of title which occurred with the  
11 recording of the August 22, 2014 foreclosure deed;
  - 12 (b) Any payments made by Opportunity Homes, LLC and/or Thomas Lucas
  - 13 (c) Any payments made by Joel and Sandra Stokes and/or Jimijack  
14 Irrevocable Trust;
  - 15 (d) Any payments made by Yuen K. Lee and/or F. Bondurant, LLC;
  - 16 (e) The record of any new owner set-up fees paid to SCA for changes in  
17 ownership of the subject property.

18 **RESPONSE TO REQUEST NO. 10:**

19 SCA objects to this Request on the grounds it is overbroad as to scope and time  
20 and seeks information that is not reasonably calculated to lead to the discovery of  
21 admissible evidence. SCA objects to this Request on the grounds that it seeks  
22 information which is irrelevant to the claims of this. SCA objects to this Request to the  
23 extent it seeks to violate third-party privacy rights. SCA further objects to this Request  
24 on the grounds it is overly broad and unduly burdensome.

25 \ \ \

26

1 Without waiving foregoing objections, SCA responds as follows: See RRFS'  
2 Foreclosure File (SCA000176-SCA000643).

3 **REQUEST NO. 11:**

4 Produce all documents showing the monthly collection reports related to the  
5 subject property for the period from January 2010 through present, including all reports  
6 from each and every collection agent that was handling SCA collections during that time.

7 **RESPONSE TO REQUEST NO. 11:**

8 SCA objects to this Request on the grounds that it seeks information that is  
9 irrelevant to the claims of this lawsuit and not reasonably calculated to lead to the  
10 discovery of admissible evidence. SCA objects to this Request as it is overly  
11 burdensome because the information is more easily available from another party to the  
12 lawsuit. SCA objects to this Request as it is vague and ambiguous as to the term  
13 "monthly collection reports".

14 Without waiving said objections, SCA responds as follows: SCA outsources its  
15 collection activities. See SCA's disclosures; RRFS Foreclosure File (SCA000176-  
16 SCA000643).

17 **REQUEST NO.12:**

18 Produce all notices, certified or not, that you claim were sent to the estate of  
19 Gordon Hansen or the Gordon Bruce Hansen Trust at any address from January 2010 to  
20 the present, including but not limited to any notice of intent to lien, notice of default,  
21 notice of default & election to sell, notice of sale, any rescission, any offer of a payment  
22 plan, or any notice of opportunity to appeal to the SCA Board of Directors, including the  
23 proof of the service of all such notices.

24 \ \ \

1 **RESPONSE TO REQUEST NO. 12:**

2 SCA objects to this Request on the grounds that it is vague and ambiguous as to  
3 the undefined term “notice” and overly broad as to scope and time. SCA objects to this  
4 Request on the grounds that it seeks information which is irrelevant and immaterial  
5 because recitals within the Trustee’s Deed Upon Sale are conclusive proof of  
6 compliance with the notice requirements of Chapter 116. See NRS 116.3116; *SFR*  
7 *Investments Pool I, LLC v. U.S. Bank, N.A.*, 130 Nev. Adv. Op. 75 (2014). SCA objects  
8 to this Request on the grounds that it seeks to place an additional legal burden on the  
9 HOA not provided for in NRS Chapter 116. SCA further objects on the grounds that it  
10 seeks a legal conclusion.  
11

12 Without waiving said objection, SCA responds as follows: SCA outsources  
13 collection activities. See SCA’s disclosures; RRFS Foreclosure File (SCA000176-  
14 SCA000643).  
15

16 **REQUEST NO. 13:**

17 Produce all documents showing the minutes of any SCA board meetings and/or  
18 executive sessions at which any discussion was held, or any decision was made,  
19 regarding the subject property, including but not limited to, the decision to refer the  
20 account into Red Rock Financial Services for collections and the decision to foreclose.  
21

22 **RESPONSE TO REQUEST NO. 13:**

23 SCA objects to this Request on the grounds that it seeks documents which are  
24 irrelevant to the claims in this lawsuit and not reasonably calculated to lead to the  
25 discovery of admissible evidence. SCA objects to this Request to the extent it seeks to  
26 violate third party privacy rights.  
27

28 \ \ \

1 Without waiving said objections, SCA responds as follows: See Board Meeting  
2 Minutes (SCA000644-SCA000654).

3 **REQUEST NO. 14:**

4 Produce all documents showing all communications related to collections or  
5 foreclosure of the subject property with any party, including, but not limited to those with  
6 Red Rock Financial Services or the Ombudsman.  
7

8 **RESPONSE TO REQUEST NO. 14:**

9 SCA objects to this Request on the grounds it is not reasonably calculated to  
10 lead to the discovery of admissible evidence as the recitals in the Foreclosure Deed are  
11 conclusive compliance with the notice requirements of NRS Chapter 116.  
12

13 Without waiving said objections, SCA responds as follows: SCA outsources its  
14 collection activities to RRFS. See SCA's disclosures; RRFS Foreclosure File  
15 (SCA000176-SCA000643).

16 **REQUEST NO. 15:**

17 Produce all documents showing communications related to the subject property  
18 with any party, including, but not limited to those with Red Rock Financial Services,  
19 regarding, the decision to not settle with Nationstar over their tender of the super-priority  
20 amount.  
21

22 **RESPONSE TO REQUEST NO. 15:**

23 SCA objects to this Request on the grounds it is burdensome, ambiguous, vague  
24 and undefined as to the terms "settle" and "tender" and overly broad as to the scope and  
25 time a requires a legal conclusion regarding "tender" and "super-priority amount". SCA  
26 also objects to this Request as it lacks foundation and assumes facts not established in  
27 discovery.  
28

1 Without waiving said objections, SCA responds as follows: See SCA's  
2 disclosures (SCA000001-SCA000643).

3 **REQUEST NO. 16:**

4 Produce any and all documents regarding changes of ownership of the subject  
5 property from January 2010 to the present.  
6

7 **RESPONSE TO REQUEST NO. 16:**

8 SCA objects to this Request on the grounds that it seeks information which is  
9 irrelevant to the claims in this lawsuit and not reasonably calculated to lead to the  
10 discovery of admissible evidence. SCA objects to this Request on the grounds that it  
11 assumes facts. SCA further objects to this Request on the grounds it is overly broad  
12 and unduly burdensome.

13 Without waiving said objections, SCA responds as follows: See RRFS  
14 Foreclosure File (SCA000176-SCA000643).  
15

16 **REQUEST NO. 17:**

17 Produce all documents showing any and all payments received or costs you  
18 incurred, and/or paid, in connection with any and all changes of ownership of the subject  
19 property from January 2010 to the present.  
20

21 **RESPONSE TO REQUEST NO. 17:**

22 See Response to Request No. 16.

23 **REQUEST NO. 18:**

24 Produce all documents that support or refute which supports Plaintiffs'  
25 allegations that their "Predecessor's legal and equitable indemnification rights were  
26 assigned to Plaintiffs" which allegedly would give rise to a duty for SCA to indemnify  
27 Jimijack against losses and which Jimijack claims would result in the unjust enrichment  
28

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

of SCA or its agents were file not quieted to Plaintiffs.

**RESPONSE TO REQUEST NO. 18:**

SCA objects to this Request on the grounds it seeks documents which are irrelevant to the claims in this lawsuit and not reasonably calculated to lead to the discovery of admissible evidence. SCA objects to this Request on the grounds it is vague and ambiguous as to the terms “predecessor’s legal and equitable indemnification rights were assigned to Plaintiffs.” SCA objects to this Request on the grounds it is overly broad and unduly burdensome. SCA further objects as the Request seeks a legal conclusion.

Dated this 26<sup>th</sup> day of February, 2019.

LIPSON NEILSON P.C.

*/s/ David T. Ochoa*

By: \_\_\_\_\_

JOSEPH P. GARIN, ESQ. (BAR NO. 6653)  
KALEB D. ANDERSON, ESQ. (BAR NO. 7582)  
DAVID T. OCHOA, ESQ. (BAR NO. 10414)  
9900 Covington Cross Dr., Suite 120  
Las Vegas, NV 89144  
Attorneys for Cross-Defendant *SUN CITY ANTHEM  
COMMUNITY ASSOCIATION*

**CERTIFICATE OF SERVICE**

I hereby certify that on the 26<sup>th</sup> day of February, 2019, service of the foregoing  
**CROSS-DEFENDANT SUN CITY ANTHEM COMMUNITY ASSOCIATION'S FIRST  
SET OF REQUESTS FOR ADMISSION TO NATIONSTAR MORTGAGE** was made by  
electronic submission and filing of the foregoing with the Clerk of the Court by using the  
ECF system which served the following parties electronically:

Darren T. Brenner, Esq.  
Vatana Lay, Esq.  
AKERMAN LLP  
1635 Village Center Circle Ste. 200  
Las Vegas, NV 89134  
Darren.brenner@akerman.com  
Vatana.lay@akerman.com

*Attorneys for Defendants*

Joseph Y. Hong, Esq.  
HONG & HONG  
10781 W. Twain Avenue  
Las Vegas, NV 89135

*Attorneys for Plaintiff*

David R. Koch  
Steven B. Scow  
KOCH & SCOW LLC  
11500 S. Eastern Ave. Suite 210  
Henderson, NV 89052  
dkoch@kochscow.com  
sscow@kochscow.com

*Attorneys for Cross-Defendant Red Rock  
Financial Services, LLC*

Joe Coppedge, Esq.  
Michael R. Mushkin & Associates, P.C.  
4475 S. Pecos Road  
Las Vegas, NV 89121

*Attorney for Nona Tobin an individual and  
Trustee of the Gordon B. Hansen Trust,  
dated 8/22/25*

*/s/ Ashley Scott-Johnson*

---

An Employee of LIPSON NEILSON, P.C.