

AVERA COMMUNITY ASSOCIATION

RULES

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RULES

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AVERA COMMUNITY ASSOCIATION

ASSOCIATION RULES

ARTICLE 1 PURPOSE, ORGANIZATION AND FINANCE

1.1 Governing Documents. The Avera Community Association (the “**Association**”) was established as a Nevada nonprofit corporation for the purpose of providing management, maintenance and care of the Common Elements and any other Areas of Common Responsibility placed under its jurisdiction within the Avera community (the “**Community**”). The duties and powers of the Association are defined in the Governing Documents, which are as follows:

- (i) Declaration of Covenants, Conditions, Restrictions and Easements for Avera, a planned community, as may be amended from time to time (the “**Declaration**”);
- (ii) Articles of Incorporation of Avera Community Association, as may be amended from time to time;
- (iii) Bylaws of Avera Community Association, as may be amended from time to time;
- (iv) Avera Community Association Rules (these “**Rules**”), as may be amended from time to time; and
- (v) Avera Design Guidelines, as may be amended from time to time.

Each Unit Owner in the Community is provided with a copy of all Governing Documents. By taking title to a Unit within the Community, a Unit Owner agrees to comply with the provisions of the Governing Documents as they pertain to the Unit Owners and Members. Throughout these Rules, capitalized words will have the same meanings as described in Article 1 of the Declaration unless they are otherwise defined in these Rules. These Rules are only a part of the Governing Documents; Unit Owners are encouraged to read all Governing Documents to gain an understanding of how the Association operates and what restrictions are placed upon their property and the Common Elements.

1.2 Management. The Board of Directors of the Association (“**Board**”) is responsible for the administration of the Association and is authorized to hire personnel, contractors, consultants, and vendors necessary for the daily operation of the Association and its Common Elements. During the Period of Declarant Control, the Declarant under the Declaration has the authority to appoint and remove members of the Board and the officers of the Association. Upon the termination of the Period of Declarant Control, the Board will be elected by the Members of the Association and the officers will be elected by the Board. Each Unit Owner is a Member of the Association.

The Board has contracted with a property management company (“**Community Manager**”) to oversee the daily operation of the Association. The Community Manager will work

closely with the Board to assure that the Association is being operated in a manner that will enhance and preserve the Community. The Community Manager's name, telephone number and address will be provided to each Unit Owner at the time such Unit Owner purchases a Unit.

1.3 Finance; Collection Policy. The funds necessary to operate the Association and its facilities are provided by the Assessments levied by the Association against each Unit within the Community. The Board, subject to the provisions of the Declaration and Nevada law, has the authority to levy (i) Common Expense Assessments to provide for the operation and management of the Association, (ii) Special Assessments for the cost of any construction, reconstruction, repair or replacement of a capital improvement of the Common Elements or any other Area of Common Responsibility, (iii) Maintenance Assessments for the cost of any maintenance, repair or replacement of Improvements to a Unit incurred by the Association after the failure of the Unit Owner to perform such obligations, and (iv) Reserve Assessments deemed by the Board to be necessary and reasonable for the establishment of adequate reserve funds. The financial stability of the Association is dependent upon the timely payment of all Assessments. The following rules shall apply to the payment of Common Expense Assessments:

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| 1st day of month in which payment is due: | Assessment is due and payable to the Association at the address provided to you by the Community Manager. |
| 15th day of month in which payment is due: | If payment is not received by the Community Manager by the 15th day of the month in which it became due, a \$10.00 charge for late payment is automatically assessed (charges for late payment will be applied on every account showing one full Assessment due with no notice to Unit Owner). |
| 60th day after payment is due: | If payment has not been received within 60 days after its due date, (i) the past-due amount bears interest at the rate permitted by Nevada law, and (ii) the Board may authorize the Community Manager to record a lien on your Unit and file a lawsuit in Justice Court to collect the past-due Assessments. The amount to be collected under the lawsuit will include all interest due on the past-due Assessments and amounts to reimburse the Association for all costs expended by the Association to record the lien and file the lawsuit. At this point, payment must include the collection costs and be paid by cashier's check, certified check or money order. The lien will remain on the Unit until the account is current. |

When judgment is received from Justice Court:

The delinquency and judgment will be referred to an attorney or collection agency for collection. Any additional fees incurred in the collection of the delinquency will be charged to the delinquent Unit Owner.

Returned checks:

There will be a \$25.00 processing fee for checks not paid by a Unit Owner's bank, plus any fees charged to the Association by the bank.

The fiscal year for the Association is the calendar year. The amount of the Common Expense Assessment will be determined each year by the Board and all Unit Owners will be notified and asked to ratify the budget at an Association meeting called for that purpose. Subsection 7.1.2 of the Declaration sets forth the details of the budget approval process.

In addition to the foregoing collection policy, the Association also has the right, at its option, to enforce payment of delinquent Assessments and all other fees and charges by bringing an action to foreclose the Assessment Lien against the Unit in the manner provided under Nevada law.

ARTICLE 2 COMMON ELEMENTS AND FACILITIES

2.1 General Rules. General rules applicable to all Common Elements and facilities are as follows:

2.1.1 All persons must conduct themselves in a civil and courteous manner at all times and must not jeopardize or interfere with the rights and privileges of others.

2.1.2 Loud, profane, indecent or abusive language is prohibited.

2.1.3 Harassment or physical abuse of any person by another is prohibited.

2.1.4 No person's actions shall compromise the safety of another.

2.2 Notices and Advertisements. No notices, advertisements or posters of any kind shall be placed or distributed on Common Elements or any other Areas of Common Responsibility except notices placed by the Association.

ARTICLE 3 RULES GOVERNING THE USE OF UNITS

3.1 Trash Containers and Collection. Trash containers may be left at the curb for pickup no earlier than 5:00 p.m. on the day before the scheduled pickup is to occur and may remain at the curb until no later than 9:00 p.m. on the day the scheduled pickup is to occur.

3.2 Garage Sales. Garage sales by individual Unit Owners and Residents are prohibited. One or more community garage sales may be organized and conducted by the Association each calendar year.

**ARTICLE 4
POLICY OF CORRECTIVE ACTIONS
AND
SCHEDULE OF FINES**

4.1 Notice and Hearing. No fines will be assessed without notice and an opportunity to be heard. Article 8 of the Bylaws sets forth the notice and hearing procedures for fines. Any fine for which a Unit Owner has waived the right to be heard (by waiving such right in writing or by failing to appear at the hearing after being provided with proper notice of the hearing), or any fine affirmed by the Board after hearing, shall be paid in accordance with Article 8 of the Bylaws. Pursuant to Subsection 3.3.1(v) of the Declaration, the Association is entitled to suspend the rights of a Unit Owner or Resident to use the Common Elements if fines are not paid when due. Pursuant to Subsection 7.9.2 of the Declaration, the Association has a lien on each Unit for any amounts due the Association, including fines, and the Association may use the same remedies to collect fines as it uses to collect Assessments, subject to applicable law. In addition to levying fines as penalties for infractions, the Association also may exercise any other remedy available pursuant to the Declaration or pursuant to Nevada law.

4.2 Violations of Section 4.1 of the Declaration, Architectural Control. The Board shall levy a fine of \$100.00 against a Unit Owner for the failure by the Unit Owner, or by a Resident of the Unit, to obtain written approval from the Architectural Review Committee prior to constructing or installing an Improvement that would require approval pursuant to Section 4.1 of the Declaration, or for the failure to comply with any other provision of Section 4.1 of the Declaration or any provision of the Design Guidelines. A Unit Owner may submit a request for approval to the Architectural Review Committee after the Board levies the fine, but the request will not be considered until the earlier of (i) payment of the fine by the Unit Owner, or (ii) determination by the Board that the fine should not be assessed.

The failure by a Unit Owner or Resident to remove or satisfactorily correct an Improvement for which the Architectural Review Committee has disapproved may result in the Association taking legal action to correct the violation. In any such legal action, the Association will seek to recover all attorneys' fees, costs and expenses resulting from the action pursuant to Section 12.1 of the Declaration and pursuant to Nevada law. In addition, if the Unit Owner fails to cure the violation within 14 days of receiving notice thereof, then the violation shall be deemed to be a continuing violation pursuant to N.R.S. 116.31031(5) and the Board, subject to Nevada law, shall impose an additional fine of \$100.00 against a Unit Owner for each 7 day period or portion thereof that the violation is not cured.

4.3 Violations of Section 4.10 of the Declaration, Trash Containers and Collection. The Board shall levy a fine against a Unit Owner for the failure by such Unit Owner, or by a Resident of such Unit Owner's Unit, to comply with Section 4.10 of the Declaration and the additional rules contained Section 3.1 of these Rules. Failure to comply with Section 4.10 of the Declaration and Section 3.1 of these Rules may result in the Board levying against a Unit Owner

a fine equal to \$10.00 multiplied by the number of days the violation exists, not to exceed a maximum fine of \$50.00. A Unit Owner shall be entitled to one warning letter before a fine is levied. If the next violation after a warning letter is committed more than one year after the warning letter is issued, then another warning letter shall be issued before a fine is levied.

4.4 Violations of Section 4.14 of Declaration, Animals. A Unit Owner shall be subject to a fine of (i) \$25.00 for the first violation, (ii) \$50.00 for the second violation and (iii) \$100.00 for the third violation and each violation thereafter for the following violations of Section 4.14 of the Declaration. The Unit Owner of a Unit shall be entitled to one warning letter before the first fine is levied.

- (i) Failure by a Unit Owner or Resident to observe the leash rule;
- (ii) Failure by a Unit Owner or Resident to control an animal so that it does not create an unreasonable annoyance; and
- (iii) Failure by a Unit Owner or Resident to immediately clean up after an animal on any portion of the Common Elements.

No warning letter will be issued on second or subsequent violations occurring less than one year after the first violation. If a violation occurs more than one year after a previous violation for which a warning letter was issued, then the warning letter is again applicable and any fine assessed shall be in an amount equal to a first violation.

4.5 Violations of Section 4.18 and 4.19 of the Declaration, Motor Vehicles and Parking. A Unit Owner shall be entitled to one warning letter prior to the Board taking any action. The failure to comply with the warning letter in the time provided therein, or a second or subsequent violation within one year after the previous violation, will result in the Board levying a fine of \$50.00 for each time a Unit Owner fails to comply with directions from the Board to correct the violation. No warning letter will be issued on second or subsequent violations. In addition, upon compliance with applicable law, the Board also may exercise its rights pursuant to Section 4.20 of the Declaration by towing the vehicle. The costs and expenses of towing the vehicle shall be charged to the Unit Owner as provided in Section 4.20 of the Declaration.

4.6 Other Violations of Governing Documents. Violations by a Unit Owner of any provision of the Governing Documents not specifically provided for in this Section may result in the Board levying a fine against the Unit Owner in the amount of (i) \$25.00 for the first violation, (ii) \$50.00 for the second violation and (iii) \$100.00 for the third violation and each violation thereafter if the violation is one that is not continuing in nature, or in the amount of \$10.00 multiplied by the number of days the violation exists if the violation is one that is continuing in nature, not to exceed a maximum fine of \$100.00. Any Unit Owner committing a continuing violation shall be entitled to one warning letter before a fine is levied.

**ARTICLE 5
MISCELLANEOUS**

5.1 Complaints Concerning Violations. A Unit Owner or Resident may report an alleged violation to the Association by a telephone call, e-mail or in writing by U.S. mail to the Community Manager.

5.2 Modification of Rules. These Rules may be modified from time to time as may be deemed necessary in the sole discretion of the Board.

5.3 Conflict. In the event of any conflict between these Rules and the Declaration, the Declaration shall control. In the event of any conflict between these Rules and the Bylaws, the Bylaws shall control.