

Highland Ranches Property Owner's Association
P.O. Box 1039
Virginia City, NV 89440

Date: February 28, 2006

**HEARING PROCEDURE FOR AN ALLEGED VIOLATION OF
THE BY-LAWS, C.C.&R.'S, ARCHITECTURAL GUIDELINES AND NRS 116**

1. The executive board may not impose a fine unless:
 - (a) Not less than 30 days before the violation, the person against whom the fine will be imposed has been provided with written notice of the Fine and Hearing Procedure; and
 - (b) Within a reasonable time after the discovery of the violation, the person against whom the fine will be imposed has been provided with:
 - (1) Written notice specifying the details of the violation, the potential amount of the fine, and the date, time and location for a hearing on the violation; and
 - (2) A reasonable opportunity to contest the violation at the hearing.
2. The executive board must schedule the date, time and location for the hearing on the violation so that 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.
3. The Board shall meet in Executive Session to hold a hearing on an alleged violation unless the property owner who allegedly committed the violation requests in writing that the Hearing be conducted by the Board in an open meeting. The property owner who is alleged to have committed the violation may attend the Hearing and testify concerning the alleged violation, but may be excluded by the Board from any other portion of the Hearing, including without limitation, the deliberations of the Board (NRS 116.31085).
4. If the alleged violator does not appear at the Hearing, or has not requested in writing a different hearing date (with reasonable advance notice to the Board) the Board may make a decision without any further hearing.
5. The Board shall determine, by majority vote of the quorum members present, if in fact the By-laws, CC&R's, Architectural Guidelines of the Association or NRS 116 have been violated. The Board may levy fines per the "Schedule of Fines and Penalties" for violations of the By-laws, CC&R's and/or Architectural Guidelines, and NRS 116.
6. The Board shall maintain minutes of any decision made pursuant to the Hearing and provide a copy of the decision to the property owner who was the subject of the Hearing or to his designated representative (NRS 116.31085).
7. If the alleged violator is a member of the Board or Architectural Committee, a hearing panel of three (3) property owners, appointed by the Board (excluding the alleged violator), shall review the violation and recommend to the Board its findings. If a fine or penalty is found to be appropriate by the Board (excluding the alleged violator), the fine or penalty shall be in accordance with the Schedule of "Fines and Penalties".

*This "Hearing Procedure" was unanimously approved and adopted by the HRPOA
Board of Directors on February 28, 2006.*