

SB 185 FINES

Robert Robey
2332 RumRiver St.
Las Vegas, NV 81934
702 360-3691

Dear Senator Weiner and Members of the Senate Judiciary,

Subject: Testimony of Favil West.

Concern: Commissioner West's Comment. Associations need to have fines and penalties for the financial stability of a Common Interest Community.

The boxes below are snippets (copies in part) of Mr. West's testimony available on NELIS. (See SB 185 Favil West 309)

Commissioner West claimed that without fines and penalties an HOA can not have financial stability. Could this be the cause of the complaints of so many homeowners? Are the Boards setting people up to be fined? Or is it the Management Companies? Where do the fines go? Where do penalties go? What fees are charged to some but not all? Is it fair that some contribute more to the operating fund and reserve fund than do others?

What we have learned from Mr. West's testimony is the existence of a system that funds itself through the use of FINES and PENALTIES. This is especially troubling because there is no separation of powers in an HOA. The Board has the authority to issue a fine, hold a hearing on the imposition of the fine, and make a judgment on the merits of the fine. There is no separation of powers. Forgive me for suggesting that Royalty exists on some boards. Some board can and do rule by Royal Decree. This behavior was deemed abhorrent by the Magna Carta.

Mr. Friedrich has a compilation of the horror stories he as received over the last few years. It is very scary reading. Channel 13 has run a series on HOA "Hall of Shame". Have you seen any of it? Too many horror stories are based on ridiculous fines which we now know are imposed because they are necessary for the financial stability of the Association.

Fines must not fund the Association. Penalties must not fund the Association. Please think of who benefits when the balancing of a Yearly Budget is based on fines and penalties.

Thank you,
Robert Robey

Continued on page 2.

EXHIBIT F Senate Committee on Judiciary

Date: 3-10-11 Page 1 of 2

7024862810

Las Vegas Main Fax

07:51:58 a.m. 03-10-2011

2 / 2

Testimony by Commissioner Favil West to Senate Judicial Committee on SB 185 March 9, 2011 Favil West is one of 3 homeowner representatives serving on the Commission.

There are nearly 3000 HOA's in the State of Nevada housing approximately 1 million Nevada residents. Most of these associations not only depend on assessments to pay the expenses of the operation and maintenance of the common areas and facilities, Insurance, management, licenses, utilities and a myriad of other costs but they also depend on certain transfer fees, asset enhancement fees, New Owner fees, fines, penalties, and other fees for financial stability.

Having served as an officer of a number of HOA's, it is my opinion that each, any, and all fees, penalties, and assessments levied and collected by an association do little more than enable that association to maintain their assessments, common areas and facilities, and reserves at an acceptable level.

Thank you.

M. Favil West, Commissioner

CIC

F-2