IN THE SUPREME COURT OF THE STATE OF NEVADA

MARILYN LOIS MAXWELL TRUST AND KATHY HOOVER,
Appellants,
vs.
SATICOY BAY LLC SERIES 3414 BIG SUR AND DESERT INN MOBILE FAMILY ESTATE OWNERS ASSOCIATION,
Respondents.

No. 88377

FILED

AUG 14 2025

ELIZABETH A. BROWN
CLERK OF SUPREME COURT
BY
DEPUTY CLERK

ORDER OF AFFIRMANCE

This is an appeal from a final judgment after a bench trial in an action to quiet title and set aside a foreclosure sale. Eighth Judicial District Court, Clark County; Nadia Krall, Judge.

Respondent, the Desert Inn Mobile Family Estate Owners Association (HOA), is a homeowners' association that is authorized to bill each homeowner for water usage through its covenants, conditions, and restrictions (CC&Rs). The HOA is billed directly by the Las Vegas Water District (water district) for water services based on readings from the HOA's master meter, who in turn bills each homeowner based on their individual usage.

The subject real property in the underlying action is located at 3414 Big Sur, Las Vegas, Nevada (the Property), the title to which was held in the name of the appellant Marilyn Lois Maxwell Trust, and where appellant Kathy Hoover resided. When the HOA account associated with the Property became delinquent for nonpayment on various fees and

assessments, including water usage fees, the HOA placed a lien on the Property. Bank of America—holder of the deed of trust securing the loan to the Property—paid $2,662.05 toward satisfying the lien, but the HOA account continued to be delinquent and the lien remained in place for several years. Appellants contend that the Bank of America tender satisfied the lien in full because water usage fees were improperly included in the total lien amount. Appellants failed to cure the remaining default, and the HOA sold the Property at foreclosure to respondent Saticoy Bay LLC Series 3414 Big Sur for $54,000—a third of the fair market value at the time of the sale.

Appellants sought to prevent Saticoy Bay from taking possession of the Property by filing a complaint against respondents, seeking to set aside the foreclosure sale and to quiet title to the Property. A three-day bench trial ensued, and the district court issued its Findings of Fact, Conclusions of Law and Judgment for respondents, concluding in relevant part that the water usage fees were part of the HOA's lien, thus, the Bank of America tender did not satisfy the total lien. Appellants appeal the district court's final judgment, arguing the inclusion of water usage fees in the lien was improper, such that Bank of America's tender satisfied the entire lien, thereby curing appellants' default and rendering the foreclosure sale invalid. Appellants alternatively argue that the foreclosure sale was unreasonable as a matter of law. For the following reasons, we disagree.

Water usage fees constitute assessments under NRS 116.3116

Appellants argue that Bank of America's tender satisfied the lien placed on the Property and therefore the foreclosure was improper. Appellants contend that if the water usage fees were not included in the Property's lien amount, Bank of America's tender cured the outstanding

lien obligation, such that there was no outstanding obligation to foreclose upon. To support their argument, appellants challenge whether water usage fees may properly constitute an "assessment" under NRS 116.3116. Appellants' challenge invokes a question of statutory interpretation subject to de novo review. *Protective Ins. Co. v. State, Comm'r of Ins.*, 141 Nev., Adv. Op. 3, 562 P.3d 215, 217 (2025).

We begin our statutory interpretation analysis by assessing the statute's plain language. *Webb v. Shull*, 128 Nev. 85, 88-89, 270 P.3d 1266, 1268 (2012). If a statute's text is "plain and unambiguous, such that it is capable of only one meaning, this court should not construe that statute otherwise." *MGM Mirage v. Nev. Ins. Guar. Ass'n*, 125 Nev. 223, 228-29, 209 P.3d 766, 769 (2009). A statute may be deemed ambiguous, however, when its "'meaning . . . is susceptible to two or more reasonable interpretations.'" *Protective Ins. Co.*, 141 Nev., Adv. Op. 3, 562 P.3d at 217 (quoting *Coleman v. State*, 134 Nev. 218, 219, 416 P.3d 238, 240 (2018)). When a statute is ambiguous, the court will examine the context and spirit of the law to determine the Legislature's intent. *Leven v. Frey*, 123 Nev. 399, 405, 168 P.3d 712, 716 (2007). "[W]henever possible, a court will interpret a rule or statute in harmony with other rules or statutes." *Watson Rounds, P.C. v. Eighth Jud. Dist. Ct.*, 131 Nev. 783, 789, 358 P.3d 228, 232 (2015) (quoting *Nev. Power Co. v. Haggerty*, 115 Nev. 353, 364, 989 P.2d 870, 877 (1999)).

> In relevant part, NRS 116.3116(1) provides:
>
> *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.

(Emphases added.) We have previously recognized that NRS Chapter 116 does not define the term "assessment," but that "NRS Chapter 116 consistently uses the term to describe various fees and charges levied by HOAs." *S. Highlands Cmty. Ass'n v. San Florentine Ave. Tr.*, 132 Nev. 24, 27-28, 365 P.3d 503, 505 (2016). Thus, the question we must resolve is whether water usage fees are the type of fees and charges HOAs may levy as "assessments" under NRS 116.3116(1). In doing so, we look to effectuate the Legislature's intent by "construing the statute in a manner that conforms to reason and public policy." *Zohar v. Zbiegien,* 130 Nev. 733, 737, 334 P.3d 402, 405 (2014) (quoting *Great Basin Water Network v. Taylor,* 126 Nev. 187, 196, 234 P.3d 912, 918 (2010)).

Appellants argue the Legislature's intent was to equate the term "common expenses" with the term "assessment." *See* NRS 116.3115 (mentioning the necessity for an association to maintain a budget to cover "assessment[s] for common expenses"). Thus, according to appellants, water usage fees cannot be included within the term "assessment" because it is not a "common expense[ ]" for the community but rather is calculated based on each unit owner's individual consumption. Respondents counter that they incur water fees for the whole community, a "common expense[ ]," and then pass that expense down to each homeowner. Respondents contend the Legislature contemplated water usage fees as "common expenses," and point to the language in NRS 116.3115(4)(c) that provides "the costs of utilities must be assessed in proportion to usage."

We agree with respondents and highlight the relevant statutes that support constructing the term "assessment," as used in NRS 116.3116,

to broadly encompass water usage fees. The HOA in this case is authorized under the CC&Rs, article IV, section 1(m), to secure water services and to place a lien on each property where payment for those services is delinquent. The CC&Rs governing the community are given legal effect by at least two different statutes: NRS 116.3102(1) (providing powers and limitations to owners' associations), and NRS 116.345 (setting forth limitations on actions by the community association). NRS 116.3102(1)(j) grants associations the ability to impose charges for "services" provided to homeowners. While the term "services" is not clearly defined, NRS 116.345(4) prohibits an association from interrupting "utility service[s]" furnished to a homeowner unless charges remain unpaid and interruption "is consistent with all laws, regulations and governing documents" related to interrupted services. These two statutes not only give legal effect to the operative CC&Rs in this case but further indicate the Legislature's approval for an association to furnish *utility* services, such as water. Finally, NRS 116.3115 allows associations to place assessments on unit owners for common expenses, and NRS 116.3116 allows those assessments to become liens when homeowners fail to timely pay them. As such, construing a utility service such as water to fall within the term "assessment" works in harmony with the statutory construction governing this dispute. This scheme is further cemented by the fact that the HOA, and not the water district, holds the lien against the Property.

We conclude that the Legislature intended unpaid water usage fees to qualify as assessments when the HOA is billed directly by the water district and then charges each homeowner for their share. *See* NRS 116.345 (prohibiting associations from interrupting unpaid utilities except as allowed by law); NRS 116.3102(1)(j) (authorizing associations to charge

services furnished to each unit owner); NRS 116.3115 (authorizing associations to levy "assessment[s] for common expenses"); NRS 116.3116 (giving associations a lien for any unpaid assessment).

We therefore conclude water usage fees are included within the term "assessment" under NRS 116.3116. Thus, contrary to appellants' argument, Bank of America's tender did not satisfy the total lien amount since the water usage fees were properly included within the total lien amount placed on the Property.

The foreclosure sale was reasonable as a matter of law

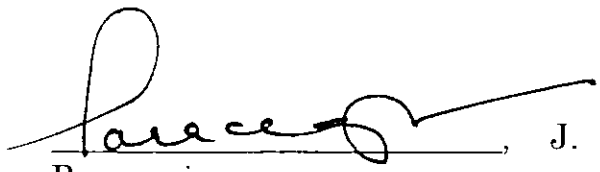
Appellants argue, in the alternative, that the foreclosure sale was unreasonable as a matter of law. The crux of this argument is that the Property only sold for 33% of its fair market value and that a fairer method to collect unpaid fees would have been to shut off water, pursuant to NRS 116.345(4), instead of holding a foreclosure sale.

We clarified in *Nationstar Mortgage, LLC v. Saticoy Bay LLC Series 2227 Shadow Canyon*, that a low sales price alone is insufficient to invalidate a foreclosure sale, and that there must be some showing of "fraud, unfairness, or oppression." 133 Nev. 740, 741, 405 P.3d 641, 642-43 (2017). We further specified that even when a sales price is greatly inadequate, a slighter showing of "fraud, unfairness, or oppression" is still required to entitle a party to relief. *Id.*

None of the considerations presented by appellants indicate that the foreclosure sale was affected by fraud, unfairness, or oppression. Therefore, the foreclosure sale was reasonable as a matter of law and no equitable grounds exist to set aside the sale. *See id.* at 749-50, 405 P.3d at 648-49 (holding that courts have the equitable authority to set aside a

foreclosure sale, but that authority is confined to sales affected by "fraud, unfairness, or oppression"). Accordingly, we

ORDER the judgment of the district court AFFIRMED.



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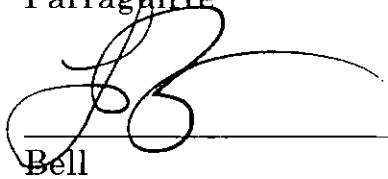

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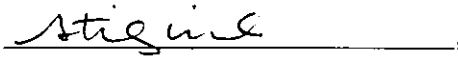

_____, J.
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cc: Hon. Nadia Krall, District Judge
Persi J. Mishel, Settlement Judge
The Dragon Law Group
Hutchison & Steffen, LLC/Reno
Law Offices of Michael F. Bohn, Ltd.
Hutchison & Steffen, LLC/Las Vegas
Eighth District Court Clerk