

ASSOCIATION
ASSESSMENT COLLECTION POLICY

RESOLUTION OF THE BOARD OF DIRECTORS

WHEREAS the Board of Directors of the Association is charged with the responsibility of collecting assessments from unit owners within the Association for common expenses; and

WHEREAS from time to time unit owners become delinquent in their payments of these assessments and fail to respond to the demands from the Board to bring their accounts current; and

WHEREAS the Board deems it to be in the best interest of the Association to adopt a uniform and systematic procedure for dealing with delinquent accounts in a timely manner, and further believes it to be in the best interest of the Association to refer these accounts promptly for collection so as to minimize the Association's loss of assessment revenue; and

WHEREAS the Board has directed _____ to represent the Association on the terms outlined in this resolution;

NOW THEREFORE, BE IT RESOLVED that the Board of Directors of the _____ Association (the "Association") adopts the following policy and practice effective thirty days after distribution to owners.

- 1.0 Purpose of Policy. This document sets forth the _____ Association's policy regarding the collection of assessments pursuant to the Association's Declaration of Covenants, Conditions, and Restrictions and, to the extent applicable, and incorporated by reference into the CC&Rs; Nevada Revised Statute Chapter 116.3116 through 116.31168 and Nevada Revised Statute Chapter 107.030.
- 2.0 Fiscal Year. The Board establishes the Association's fiscal year, January 1 to December 31, as the regular assessment period.
- 3.0 Assessments in General. The Association has a duty to levy regular and special assessments sufficient to perform its obligations under the governing documents and Nevada law. Regular assessments are levied annually and are payable during the year in monthly installments.
- 4.0 Obligation to Pay Assessments. Each assessment or charge is a personal obligation of the unit owner. In addition, the Association has a lien on a unit for any penalty that is imposed against the unit's owner, any assessment levied against that unit or any fines imposed against the unit's owner from the time the penalty, assessment or fine becomes due.
- 5.0 Notice of Assessments. The Association will give the owners notice before any increase in the annual assessment or any special assessment. Notice will be sent via U.S. mail to addresses on the membership register as of the date of notice. It is the responsibility of each owner to advise the association of any mailing address changes. The Board of Directors may elect from time to time to provide additional periodic statements of assessments and charges, but lack of such statements does not relieve the owners of the obligation to pay assessments.
- 6.0 Designation of Agent. The Board of Directors designates _____ as agent to collect assessment payments. The Board of Directors designates the law firm of Alessi & Koenig, LLC as agent to collect assessments on all accounts transferred by _____.
- 7.0 Due Date/ Delinquency Date of Assessments. Unless otherwise specified by the Board, an assessment is due on the first day of the month for which it is due. If a unit owner fails to pay any assessment when it is due, the Association will send the delinquent unit owner a written notice of default. If the delinquent unit owner fails to pay this amount within 10 days, the Association has the right to establish and enforce a lien against the delinquent unit for the past due amount including interest, late fees, attorney fees and collection costs as set forth herein.

- 8.0 Late Fees & Interest. After a delinquent amount becomes past due, the delinquent owner and unit shall be subject to a late fee in the amount of \$10.00 per month retroactive to the initial delinquent date and, in addition, shall be charged interest at the Default Interest Rate as set forth in §1.1.1 of the Association CC&Rs.
- 9.0 Assignment of Account for Collection. If a unit owner's account remains delinquent for more than 45 days, the Association shall assign the account to Alessi & Koenig, LLC for further action to collect the delinquency on behalf of the Association. Any costs and fees incurred in processing and collecting delinquent amounts, including, without limitation, late and interest charges, charges for preparation of delinquency notices or referral for collection, postage, and copies, and attorney's fees and costs, shall become an additional charge against the owner and the owner's lot and shall be subject to collection action pursuant to this policy. Said action shall include one or more of the following: (1) non-judicial foreclosure proceedings; (2) court action or; (3) judicial foreclosure. A current schedule of fees and costs is available for review at www.nrs116.com, simply click on Nevada Fee Schedule.
- 10.0 Notice of Intent to Lien. If an account remains unpaid for 60 days after it becomes delinquent, in whole or in part, the agent shall send an "intent to lien" letter to the unit owner in accordance with all applicable provisions of Nevada Revised Statutes. The agent shall notify the unit owner by certified and first class mail that a lien will be recorded against the unit unless the entire balance of the account is paid within 10 days of the date of the letter. The agent may require that payment be made in certified funds. This provision will not apply if the Association elects to collect the delinquency through court action or judicial foreclosure.
- 11.0 Recording of the Lien. A Notice of Delinquent Assessment Lien shall be recorded in the County Recorder's Office if the unit owner fails to pay the entire balance of the account within the given time frame which may include delinquent assessments, interest, late fees, management administrative fees, attorney fees and collection fees and costs.
- 12.0 Foreclosure. The Association has the option to proceed with foreclosure, whether judicially or non-judicially, once the Notice of Delinquent Assessment Lien has been recorded and mailed pursuant to the Nevada Revised Statutes and the delinquent account has not been paid in full within 30 days after the mailing.
- 13.0 Payment Agreement. The Association and/or its designated agent must accept partial payment on an assessment account. An owner may petition the Board of Directors in writing for a payment agreement to allow the owner to make periodic partial payments on the entire balance of the assessment account, in addition to the ongoing assessment payments, in amounts and on a payment schedule agreed to by the Board of Directors. The Association has no obligation to enter into such a payment agreement. Any agreement entered into with the owner shall be reasonable, as determined by the Board in its sole discretion, and for the sole purpose of assuring that the best interests of the Association are served. The payment agreement shall be in writing and a provision shall be included that failure to meet any term of the agreement shall give the Board the right to immediately continue the collection process without further notice to the owner.
- 14.0 Recording of Release of Lien. A release of lien will not be recorded until the entire balance of the owner's account is paid. All charges incurred in recording a Release of Lien, including reasonable attorney's fees, will be charged to the account.
- 15.0 Void Provisions. If any provision of this policy is determined to be null and void, all other provisions of the Policy shall remain in full force and effect.

This resolution of the Board of Directors had been duly adopted at the _____, 2011, Board of Directors meeting.

By: _____, President

Attested By: _____, Secretary