

THE VILLAS AT SOUTH POINTE HOMEOWNERS ASSOCIATION
A Nevada non-profit corporation

ASSESSMENT COLLECTION POLICY

WHEREAS, the Board of Directors of The Villas at South Pointe Homeowners Association, a Nevada non-profit corporation (“Association”), on behalf of the Association and under the authority of NRS 116.3102 and NRS 116.3116, is charged with the responsibility of collecting assessments for common expenses from all Owners; and

WHEREAS, from time to time Owners become delinquent in their payments of these assessments and fail to respond to the demands from the Association 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 promptly refer delinquent accounts for collection so as to minimize the Association's loss of assessment revenue; and

WHEREAS, the Association may retain an agent or several agents for their experience in representing homeowners associations in collections; and

WHEREAS, the Association may direct such agent or agents to represent the Association on the terms outlined in this Assessment Collection Policy;

NOW THEREFORE, BE IT RESOLVED that the Board adopts the following policy and practice effective thirty (30) days after distribution of the Assessment Collection Policy to Owners. Upon the effectiveness of this policy, any and all previous collection policies are hereby deemed null and void.

The Board establishes the Association's fiscal year, January 1 through December 31, as the Regular Assessment Period. Regular Assessment payments are due on the first (1) day of each month (“Due Date”). Assessments are delinquent if not paid on the Due Date, unless a Special Assessment, Capital Improvement Assessment or other assessment is levied and the Board establishes a different due date for such Assessment.

1. **Assessments in General.** The Association shall have the power to levy all types of assessments as defined in its CC&Rs 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. In addition to Regular Assessments, the Association may levy Special Assessments to cover unbudgeted expenses or expenses in excess of those budgeted.
2. **Obligation to Pay Assessments and Charges.** Each Owner covenants and agrees to pay all assessments and charges levied by the Association in a timely manner. The Association shall have the right to record a notice of the Association's statutory lien against the Owner's property, notifying the owner of the Association's security for payment of delinquent assessments, as well as interest, late charges and costs of collection.

3. Designation of Agent(s). The Association may designate an Agent or several Agents to collect assessments, interest, late charges and other collection charges and administer the Assessment Collection Policy. Such designated Agent(s) may be an Association Officer, Association Manager, Association Attorney, Trustee Service or other appropriate agent.
4. Notice of Assessments. The Association will give the Owner notice before any increase in the regular assessment or before the levy of any special assessment. Notice will be sent by first-class mail to the Owner's address listed on the Association's membership register as of the date of the notice. It is the responsibility of each Owner to advise the Association of any mailing address change in writing. **The Board of Directors may elect from time to time to provide additional periodic statements of assessments and charges, but the absence of such statements does not relieve the Owner of his/her obligation to pay assessments and charges.**
5. Interest Charges. The unpaid balance of the Owner's assessment account may bear interest at the maximum rate of the prime rate plus two percent (2%) for any assessment that is sixty (60) days or more past due. The prime rate must be adjusted accordingly on January 1st and July 1st of each year.
6. Late Fees and Collection Charges. Any costs and fees incurred in processing and collecting delinquent assessment amounts, including, without limitation, interest charges, charges for preparation of delinquency notices, recorder costs, postage, copies, and attorney's fees and costs shall become an additional charge against the Owner and the Owner's property and shall be subject to collection action pursuant to this Policy. At 30 days past the Due Date, a late charge of \$15.00 per month may be imposed for each month that the assessment, or any portion thereof, remains unpaid. Attached hereto is a Schedule of Collection Fees and Costs that may be charged with the collection of past due assessments or fines.
7. Application of Payments. Payments shall be applied to the most delinquent of late fees, interest, collection costs, transfer fees, assessments and any other charge to an owner's account. Partial payments will be applied to the amounts due but will not cease collection activity.
8. 60-Days or Past Due Notification. In accordance with NRS 116.31162(4), if any installment of an Assessment is not received by the Association within sixty (60) days after the Assessment obligation becomes past due or, the Association must transmit by mail, a letter which shall include, at a minimum, the following:
 - a. A schedule of the fees that may be charged if the Owner fails to pay any past due obligation, and any charges associated with the delinquency, including but not limited to: interest, late fees, attorneys' fees or other costs of collection;
 - b. A proposed repayment plan, which the Owner may accept in writing;
 - c. The action that is required to be taken by the Owner to cure any delinquency, which includes the right to contest any past due obligation at a hearing before the executive board and the procedures for requesting such a hearing;

In addition, the Association may take action allowed by the Governing Documents to suspend the membership privileges of the Owner until the overdue Assessment(s) and all cost of

collections are paid in full. This action requires the Board of Directors to send a hearing notice to the Owner's mailing address, setting a date for the Owner to appear before the Board at least ten (10) days after the mailing of the notice to discuss this matter or as otherwise stated in the CC&Rs, whichever is longer.

9. 30-Day Action Period and Intent to Lien. Notwithstanding anything herein to the contrary, the owner shall have 30 days after the date of the mailing of the 60-Day Past Due Notification referenced above to take any of the following actions: (1) pay the account delinquency in full; (2) enter into the proposed payment plan; or (2) request a hearing in front of the Board to dispute any of the amounts alleged to be owed. During this 30 day period, no action to collect or foreclose can be taken by the Association.

If 30 days after the mailing of the 60-Day Past Due Notification referenced above, none of the actions described in this paragraph above have been taken by the owner, the Association may send a letter or notice of its intent to record a Notice of Delinquent Assessment Lien to the owner informing them that payment must be made in full within 30 days from the date of that letter or notice of intent to lien. The letter or notice of intent to lien letter may be sent by the Association or its collection agent.

10. Notice of Delinquent Assessment Lien. If an assessment or any portion thereof remains unpaid for thirty (30) days after the date upon which the letter or notice of intent to lien is sent to the Owner, the Association or its designated Agent(s) will mail a Notice of Delinquent Assessment Lien by certified mail to the address of the Unit and to the Unit Owner's address listed on the Association's membership register as of the date of the Notice of Delinquent Assessment Lien, if different from the Unit address in accordance with NRS 116.31162. The Notice of Delinquent Assessment Lien gives notice to the delinquent Owner of the Association's statutory lien under NRS 116.3116 and shall provide an itemized statement of the charges owed as of the date of the Notice of Delinquent Assessment Lien, including all collection costs and other charges, a description of the property against which the Notice of Delinquent Assessment Lien is recorded, the name of the owner of record, and a demand for payment in full within thirty (30) days. The Association's Agent for the collection may require that payment be made with certified funds.
11. Notice of Default and Election to Sell. Not less than thirty (30) days after the recording of the Notice of Delinquent Assessment Lien, the Association or its Agent(s) will mail, by certified or registered mail, return receipt requested, a Notice of Default and Election to Sell to the Owner, if the assessment account remains unpaid. The Notice of Default and Election to Sell will also be recorded against the Owner's property at the County Recorder's Office. Service of the Notice of Default and Election to Sell must be made on the Owner, by certified or registered mail, return receipt requested, to the Unit address and the Unit Owner's mailing address of record, if different from the Unit address. The Notice of Default and Election to Sell will describe the deficiency in payment and state the name and address of the person authorized to enforce the sale.
12. Notice of Trustee's Sale. If, after the expiration of ninety (90) days from the date of the recording of the Notice of Default and Election to Sell or the date on which a copy of the Notice of Default and Election to Sell is mailed certified or registered mail, return receipt requested, whichever is later, the Association or its Agent(s) shall give notice of the time and place of the Trustee's sale for a time not less than the time required by law. Service of the Notice of Trustee's Sale must be

made on the Owner, by certified or registered mail, return receipt requested, on or before the first publication or posting of the sale to the Unit address and the Unit Owner's mailing address of record, if different from the Unit address. Also, service of the Notice of Trustee's Sale shall be served in accordance NRS 116.311635(2). The sale shall be subject to the provisions set forth in NRS 116.31164.

13. Unpaid Fines. Any Fine imposed as permitted by Nevada law and the Governing Documents, pursuant to the Association's adopted enforcement policy, is also subject to this collection policy. Fines are not subject to interest charges. Owners are responsible for and subject to liens for accumulated fines and the cost of their collection including, without limitation, any collection fee, filing fee, recording fee, referral fee, postage or delivery fee, and any other fee or cost that an Association may reasonably charge to the Owner for the collection of a past due fine. This does not include any costs incurred during a civil action to enforce the payment of a past due fine. The remedies and penalties set forth herein are cumulative in nature and do not prevent the Association from taking all necessary legal action to enforce any violations of the Association's governing documents in any manner, including but not limited to seeking declaratory or injunctive relief.
14. Payment Agreement. The Board of Directors will provide an Owner with a proposed payment agreement, which allows the Owner to make periodic partial payments on the entire balance of the Assessment and/or Fine account. The Owner has no duty to enter into a payment plan; however, if the Owner agrees to enter into a reasonable payment plan with the Association, then the Designated Agent may charge fees and costs for setting up and monitoring this agreement (See "Schedule of Collection Fees and Costs"), subject to the established payment terms which shall include, at a minimum:
 - a. The Owner staying current on all future accruing Assessments as they come due;
 - b. Paying off the past due balance in installments over a term generally not to exceed six (6) months; and,
 - c. The Owner is responsible for any and all fees charged by the Designated Agent for administration of such Payment Plan.

Any agreement entered into with the Owner shall be reasonable, as determined in the sole discretion of the Board, and for the sole purpose of assuring that the best interest of the Association is served. The payment agreement shall be in writing and a provision shall be included that failure to meet any terms of the agreement shall give the Board the right to immediately continue the collection/lien/foreclosure process without further notice to the Owner. However, other than the payment plan offered to the owner as discussed in Paragraph 8 above, the Association is not obligated to agree to any other payment agreements with any owner.

15. Recording of Release of Lien. A release of any notice of delinquency or other encumbrance recorded in connection with the collection of delinquent assessments will not be recorded until the entire outstanding balance of the Owner's assessment account is paid.

16. Dishonored Check. At any time that the Association or its designated Agent(s) receives a check dishonored by a bank for any reason, a Dishonored Check charge will be imposed in the amount of \$20.00. The Board may immediately proceed with the collection process if the Owner's assessments are not paid within ten (10) days after Notice of the Dishonored Check is mailed to the Owner by first-class mail. The Association may also seek damages in accordance with Nevada Revised Statutes Chapter 116.

17. Dispute of a Charge to an Assessment Account. If the Owner questions the accuracy of the calculation of an account or the amount charged to the Assessment account, an objection to the specific charges must be received by the Board of Directors within 30 days of the date notice was received by the Owner of the charge or balance. The disputed amount may remain unpaid during the investigation, but undisputed portions of the account must be paid before the delinquency date in order to avoid collection charges. No action will be taken to collect the disputed amounts until completion of the investigation and the Board of Directors makes a decision. The Owner must provide the following information in writing regarding any dispute:
 - a. The Owner's name, mailing address, and account number;
 - b. The exact dollar amount in dispute or in error;
 - c. For each charge in dispute, an explanation of the reasons the Owner believes there is an error, with sufficient detail such as dates, names, and check numbers, so that the dispute may be investigated efficiently and effectively, must be provided; and, Copies of checks (both front and back), letters or other documents applicable to the account and claimed error must accompany the written objection.

18. Other Remedies. The Association reserves the right to avail itself of any other remedy permitted by Nevada law and the Association's governing documents to collect assessments and related costs and charges, including, but not limited to, bringing an action against the Owner in Small Claims, Municipal or District Court. Such remedies may be taken in addition to or in lieu of any collection action already taken, and commencement of one remedy shall not prevent the Association from electing at a later date to pursue another remedy.

19. Address of the Association and the Board. The Owner shall respond in writing or make payments to the address as directed by the designated Agent(s). If no address is given by the Agent(s), the Owner should mail all responses and petitions to the Association at the following address:

The Villas at South Pointe Homeowners Association
c/o CDM Management
3650 South Pointe Circle, Suite 117
Laughlin, NV 89029

20. Sufficiency of Notice. Except for notice that, under Nevada law, must be sent by certified mail, notice is sufficient if either hand-delivered or mailed first-class postage prepaid to the Owner at the mailing address on the Association's membership register at the time of notice.

21. Active Military Service. Nevada Senate Bill 33 became law on May 29, 2017; it provides certain protections from third-parties initiating foreclosure sales against any member of the military who is on active duty or deployment and for one year immediately following the end of such active duty or deployment. It also provides the same protections for some of the dependents of such servicemen if they apply to court and the dependent's ability to make payments required by a lien of a unit's association is materially affected by the serviceman's active duty or deployment. The Association shall endeavor regularly to notify the owners of the terms of SB 33. The Association shall notify the owners at least four (4) times a year that if they are members of the United States Armed Services, on deployment or active duty, or they are a dependent of a service member who is on active duty or deployment, then the Association is precluded from initiating or directing anyone or authorizing any person to initiate a foreclosure sale on a residential property during any period that such servicemen is on active duty or deployment and for one year thereafter. The notice to the owners will request the owners to advise the Association if they fall into any of the categories set forth above, which must be afforded the protections of SB 33. The members will be asked to advise the Association immediately so the Association may comply with the terms of SB 33.

Before the Association takes action pursuant to paragraph (a) of subsection 4 of NRS 116.31162, if information required to verify whether a unit's owner or his successor is entitled to the protections afforded by Section 5.3 of SB 33, which became law on May 29, 2017, has been provided to the Association pursuant to the terms of SB 33, then the Association shall make a good faith effort to verify whether the person is entitled to the protections of SB 33.

If a member of the Association is not covered by SB 33 or such member of the Association fails to notify the Association that such member is covered by the protections of SB 33, then the Association will continue to proceed with its normal foreclosure process until it is advised otherwise. Any notification to the Association from an owner with the purpose of notifying the Association that the owner is afforded the protections set forth in SB 33 should be sent to the Association's manager.

22. Void Provisions. If any provision of this Assessment Collection Policy is determined to be null and void, all other provisions of the Assessment Collection Policy shall remain in full force and effect.

IN WITNESS WHEREOF, this Collection Policy have been executed by the Association as of this 4 day of October, 2017. The undersigned hereby certify that this policy has been adopted and approved in accordance with the NRS 116 and the Association's Governing Documents.

THE VILLAS AT SOUTH POINTE HOMEOWNERS ASSOCIATION, a Nevada non-profit corporation

By: 
Its: Secretary
Print Name:

By: 
Its: President
Print Name:

**SCHEDULE OF COLLECTION FEES AND COSTS
(NAC 116.470(1)-(6))**

1. Except as otherwise provided in subsection 5, to cover the costs of collecting any past due obligation of a unit's owner, an association or a person acting on behalf of an association to collect a past due obligation of a unit's owner may not charge the unit's owner fees in connection with a notice of delinquent assessment pursuant to paragraph (a) of subsection 1 of NRS 116.31162, which exceed a total of \$1,950, plus the costs and fees described in subsections 3 and 4.

2. An association or a person acting on behalf of an association to collect a past due obligation of a unit's owner may not charge the unit's owner fees in connection with a notice of delinquent assessment pursuant to paragraph (a) of subsection 1 of NRS 116.31162 which exceed the following amounts:

(a)	Demand or intent to lien letter	\$150
(b)	Notice of delinquent assessment lien	\$325
(c)	Intent to notice of default letter.....	\$90
(d)	Notice of default	\$400
(e)	Intent to notice of sale letter	\$90
(f)	Notice of sale	\$275
(g)	Intent to conduct foreclosure sale	\$25
(h)	Conduct foreclosure sale	\$125
(i)	Prepare and record transfer deed	\$125
(j)	Payment plan agreement - One-time set-up fee.....	\$30
(k)	Payment plan breach letter	\$25
(l)	Release of notice of delinquent assessment lien.....	\$30
(m)	Notice of rescission fee	\$30
(n)	Bankruptcy package preparation and monitoring	\$100
(o)	Mailing fee per piece for demand or intent to lien letter, notice of delinquent assessment lien,	\$2
(p)	Insufficient funds fee.....	\$20
(q)	Escrow payoff demand fee	\$150
(r)	Substitution of agent document fee.....	\$25
(s)	Postponement fee	\$75
(t)	Foreclosure fee	\$150

3. If, in connection with an activity described in subsection 2, any costs are charged to an association or a person acting on behalf of an association to collect a past due obligation by a person who is not an officer, director, agent or affiliate of the community manager of the

association or of an agent of the association, including, without limitation, the cost of a trustee's sale guarantee and other title costs, recording costs, posting and publishing costs, sale costs, mailing costs, express delivery costs and skip trace fees, the association or person acting on behalf of an association may recover from the unit's owner the actual costs incurred without any increase or markup.

4. If an association or a person acting on behalf of an association is attempting to collect a past due obligation from a unit's owner, the association or person acting on behalf of an association may recover from the unit's owner:
 - (a) Reasonable management company fees which may not exceed a total of \$200; and
 - (b) Reasonable attorney's fees and actual costs, without any increase or markup, incurred by the association for any legal services which do not include an activity described in subsection 2.
5. If an association or a person acting on behalf of an association to collect a past due obligation of a unit's owner is engaging in the activities set forth in NRS 116.31162 to 116.31168, inclusive, with respect to more than 25 units owned by the same unit's owner, the association or person acting on behalf of an association may not charge the unit's owner fees to cover the costs of collecting a past due obligation which exceed a total of \$1,950 multiplied by the number of units for which such activities are occurring, as reduced by an amount set forth in a resolution adopted by the executive board, plus the costs and fees described in subsections 3 and 4.
6. For a one-time period of 15 business days immediately following a request for a payoff amount from the unit's owner or his or her agent, no fee to cover the cost of collecting a past due obligation may be charged to the unit's owner, except for the fee described in paragraph (q) of subsection 2 and any other fee to cover any cost of collecting a past due obligation which is imposed because of an action required by statute to be taken within that 15-day period.