

THE SPRINGS PROPERTY OWNERS ASSOCIATION ASSESSMENT COLLECTION POLICY

NOW THEREFORE, BE IT RESOLVED that the Board of Directors of The Springs Property Owners Association. Adopts the following policy and practice effective thirty (30) days after the date of this Resolution.

This document sets forth The Springs Property Owners Association's policy regarding the collection of assessments pursuant to the Association's Declaration of Covenants, Conditions and Restrictions, its by-laws, and Nevada Revised Statutes 116, Sections 116.3115 through 116.31168 inclusive and 116.3118.

The Board establishes the Association's fiscal year, January 1 to December 31, as the regular assessment period. Monthly payments are due on the first day of each month beginning on January 1, 2006.

- 1.0 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.
- 2.0 Obligation to Pay Assessments. Each assessment or charge is an obligation of the owner at the time the assessment or other sums are levied. Each assessment or charge is also a lien on the owner's unit from and after the time the Association causes a Notice of Delinquent Assessment to be recorded with the County Recorder's office. The Manager shall provide the Board with timely updates & reports, as necessary, on collections.
- 3.0 Notice of Assessments. The Association will give the owners notice before any increase in the annual assessments or any special assessment. Notice will be sent by first-class 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.
- 4.0 Designation of Agent. The Board of Directors may designate an agent or agents to collect assessment payments and administer this Assessments Collection Policy. Such designated agent may be an officer of the Association, manager, bookkeeper, banking institution, law firm or other appropriate agent.
- 5.0 Due Date/Delinquency Date of Assessment. Unless otherwise specified by the Board, assessments are due on the first day of each month. An assessment or any portion thereof, is delinquent if it is not received as directed by the Board or its designated agent fifteen (15) days after it is due.
- 6.0 Charges on Delinquent Amounts. Assessments, or any portion thereof, are considered delinquent if not received (postmarked) by the 15th of the month at which time a late charge of \$25.00 and interest at the rate of 18% per annum will be levied for each installment or portion thereof missed.
- 7.0 Interest and Collection Charges. Any costs and fees incurred in processing and collecting delinquent amounts, including, without limitation, late and interest charges, charges for preparation of delinquent 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 unit and shall be subject to collection action pursuant to this policy.
- 8.0 Application of Payments. Payments shall be applied to the oldest balance owing (assessments, late charges and or interest and collection charges).
- 9.0 ONE MONTH - Delinquency Notices. Once an assessment, or any portion thereof, has become delinquent, the owner shall receive an initial delinquency notice stating all amounts past due and any known collection charges imposed as of the date of the notice, which may be in the form of a letter, statement, past due notice or any other form of writing or notice from the Association or its designated agent. If an assessment account remains unpaid 31 days after it is due, the Association's designated agent may, but is not required to, send the owner a further notice, by certified mail and at a charge to the owner of \$10.00, that the account remains delinquent and must be paid in full within 20 days.
- 10.0 TWO MONTHS - Notice of Intent to Record a Lien. If an assessment account remains unpaid for 61 days (Two months) after it is due, the Association or its designated agent will issue an intent to lien letter to the owner to his address, if known, & at the address of the unit in accordance with NRS 116.3116,2. The Association's agent for collection shall notify the owner by certified mail that a lien will be recorded against the owner's unit unless the entire balance of the account is paid within 10 days and shall provide an itemized statement of the charges owed as of the date of the notice, including the costs of the notice of intent at a charge to the owner of \$25.00. The agent for collection may require that the payment be made in certified funds.
- 11.0 THREE MONTHS - Recording of Lien. A lien shall be recorded if the account remains unpaid for 91 days (three months), the owner fails to pay the entire balance of the account or to petition the Board of Directors in writing for a payment agreement pursuant to paragraph 14.0 of this Policy.
- 12.0 FOUR MONTHS - Notice of Default. A notice of Default and Election to Sell shall be executed and recorded with the County Recorder which will contain the same information as the Notice of Delinquent Assessment, but will also describe the Deficiency of Payment and the name and address of the person authorized by the Association to enforce the Lien by Sale.
- 13.0 SIX MONTHS - Foreclosure. Foreclosure proceedings may commence 60 days after Notice of Default is recorded on the property if either the entire balance of the account has not been paid or a payment agreement has not been entered into with the Association. The 60 day period begins on the later of the day the Notice of Default is recorded or on the day on which a copy of the Notice of Default is mailed by certified mail, return receipt requested, to the unit's owner and his successor in interest at his address if known, otherwise to the address of the unit.
- 14.0 Payment Agreement. Neither the Association nor its designated agent has any obligation to accept partial payments on any 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 interest 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.
- 15.0 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 fee will be charged to account.
- 16.0 Dishonored Checks. At any time that the Association or its designated agent receives a check dishonored by the bank for any reason, a charge of \$15.00 shall be imposed. The Board of Directors may immediately proceed with the collection process if the assessments are not paid within 10 days after notice of the dishonored check is sent to the owner. The Association may also seek damages in accordance with Nevada Revised Statutes 40, 116 and 597.
- 17.0 Dispute of Charges. If the owner questions the accuracy of the calculation of an account or the amount of charges to the assessment account, a written objection to the specific charges must be made to the Board of Directors within 30 days of the date notice is sent to the owner of the charge or balance. A telephone call will not reserve any rights. 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 a decision is made by the Board of Directors. The owner must provide the following information in writing regarding any dispute:
- 17.1 The Owner's Name, Mailing Address and Account Number.
- 17.2 The Exact Dollar Amount in Dispute or Error.
- 17.3 Explanation of the reason the owner believes there is an error. If the owner does not know how the error was made, that statement may be made, but the dates and check numbers, etc., must be given.
- 17.4 Copies of checks (both front & back), letters or other documents referred to or claimed must accompany the written objection.
- 18.0 Write-offs: The Executive Board shall approve all write-offs of debt.
- 19.0 Other Remedies. The Association reserves the right to avail itself of any other remedy permitted by law and the Association's governing documents to collect assessments and related costs and charges, including but not limited to bringing an action in Small Claims, Municipal or Superior Court. Such remedies may be taken in addition to or in lieu of any action already taken, and commencement of one remedy shall not prevent the Association from electing at a later date to pursue another remedy.
- 20.0 Sufficiency of Notice. Except for notice that under Nevada law which must be sent by certified mail, notice is sufficient if either hand delivered or mailed first class, postage prepaid, to the owner at the address on the membership register at the time of notice.
- 21.0 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 has been duly adopted by the Board of Directors on
August 30, 2006.