

THE VISTAS HOMEOWNERS ASSOCIATION
COLLECTION POLICY
Adopted September 28, 2017

RECITALS

1. Timely payment of regular, reserve, individual and special assessments is of critical importance to the Association.
2. The failure of any owner to pay assessments when due creates a cash-flow problem for the Association and causes those owners who make timely payment of their assessments to bear a disproportionate share of the Association's financial obligations.
3. Owners who have violated the governing documents should pay fines 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.
4. Upon its effective date, this Policy replaces all previously adopted collection policies and procedures.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors of The Vistas Homeowners Association adopts the following Collection Policy ("Policy") as of September 28, 2017. The policies and procedures set forth herein and the charges set forth on the Schedule of Collection Fees and Costs attached shall become effective thirty (30) days after the date this Policy is first mailed to the Members. It shall remain in effect unless it is modified.

The Board establishes the Association's fiscal year, January 1 through December 31, as the Regular Assessment period. Quarterly payments of regular assessments are due on the first day of January, April, July and October.

1. Assessment due dates. The regular or annual assessment is due and payable in four (4) equal quarterly instalments due on the first day of January, April, July and October. Special, reserve or individual assessments shall be due and payable on the due date specified by the Board of Directors in the notice imposing the assessment. Assessments shall be delinquent if not paid within ten (10) days after they become due.

The Association will give the owners notice of the annual assessment each year. Notice will be sent by first-class mail to addresses on the membership register as of the date of notice or by electronic mail if written instruction has been given by the owner. It is the responsibility of each owner to advise the Association of any address changes in writing. The Board of Directors may elect to provide additional periodic statements of account, but lack of such statements does not relieve the owners of the obligation to pay assessments. If payment is not received when due, the assessment includes any late charges, interest, collection fees, collection costs, attorney's fees and costs.

2. Late Charges and Interest. When an installment payment of any assessment becomes delinquent, the owner's account shall be assessed a late charge of \$10.00, and such charge(s) shall be part of the assessment and lien. Any assessment payment that is sixty (60) days or more past due may bear interest at the legal rate allowed, such interest to be part of the assessment and the lien.

3. Dishonored Checks. At any time that the Association or its designated agent receives a check dishonored by the bank for any reason, an administrative charge of \$20.00 shall be imposed. The owner shall be responsible for any other charges imposed by the bank or financial institution. The Board may immediately proceed with the collection process if the amount of the dishonored check is not paid within ten (10) days after notice of dishonored check is sent to the owner. The Association may also seek damages in accordance with the Nevada Revised Statutes.

4. Dispute of Charges. If the owner questions the accuracy of the calculation of an account or the amount charged to the account, a written objection to the specific charges must be received by the Board within thirty (30) days of the date notice of the charge or balance is sent. A telephone call will not reserve any rights. The disputed amount may remain unpaid during the investigation, but the undisputed portion 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 decision is provided to the owner. The owner must provide the following information in writing regarding any dispute.

The owner's name, mailing address, and account number.

The exact dollar amount in dispute or in error.

For each charge or payment 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. If an owner does not know how the error was made, that statement may be made.

Copies of checks (both front and back), letters and other documents referred to or claimed must accompany the written objection.

5. Servicemember or Dependent of a Servicemember. If a unit's owner or his or her successor in interest is a servicemember or, as provided herein, a dependent of a servicemember, the Association shall not initiate the foreclosure of a lien by sale during any period that the servicemember is on active duty or deployment for a period of one (1) year immediately following the end of such active duty or deployment, unless a court determines that the ability of the servicemember or dependent of the servicemember to comply with the terms of the obligation secured by the Association's lien is not materially affected by the servicemember's active duty or deployment. Upon application to the court, a dependent of a servicemember is entitled to the protections provided to a servicemember if the ability of the dependent to make payments required by a lien of the Association is materially affected by the servicemember's active duty or deployment. The Association shall provide a Military Status Verification Form to each unit's owner or his or her successor in interest, which informs them that if the person is a servicemember or dependent of a servicemember, he or she may be entitled to the protections of Nevada Senate Bill 33 (SB 33), as codified in Chapter 116 of the Nevada Revised Statutes. The Association shall give the person the opportunity to provide any information required to enable the Association to verify whether he or she is entitled to the protections set forth in SB 33 before the Association takes any action pursuant to NRS 116.31162(4)(a) as detailed in Section 6 below. If information required to verify whether a unit's owner or his or her successor in interest is entitled to the protections of SB 33 has been provided to the Association, the Association shall verify whether the person is entitled to the protections set forth in SB 33. If information required to verify whether a unit's owner or his or her successor in interest is entitled to the protections of SB 33 has not been provided to the Association, the Association shall make a good faith effort to verify whether the person is entitled to the protections set forth in SB 33. The Association shall act honestly and fairly when trying to verify whether a unit's owner or his or her successor in interest is entitled to the protections of SB 33, as evidenced by (1) providing the unit's owner or his or her successor in interest a Military Status Verification Form; (2) making reasonable efforts to give the unit's owner or his or her successor in interest an opportunity to provide any information required to enable the Association to verify whether the person is entitled to the protections of SB 33; and (3) making reasonable efforts to utilize all resources available to the Association to verify whether the unit's owner or his or her successor in interest is a servicemember. The Association shall use the search features provided on https://scra.dmdc.osd.mil/single_record.xhtml, if the information required is available to the Association, and/or www.servicememberscivilreliefact.com, and/or any other website available, to comply with this provision after an account is 60 days past due. The amount of \$36.40 shall be assessed to the unit owner's account for the cost of the search. Such cost is the current actual cost charged to the Association, without mark-up and will change when/if the cost of the search feature changes. Servicemember means a member of the military and dependent has the meaning ascribed to it in 50 U.S.C. Section 3911.

6. **Delinquency Notice.** Sixty (60) days after an assessment, or any portion thereof, becomes past due, the Association shall mail a delinquency notice stating all amounts past due as of the date of the notice. The notice shall enclose: (1) a copy of this Collection Policy which shall constitute notice of the fees that may be assessed if the delinquency is not paid; (2) a Military Status Verification Form; (3) a proposed repayment plan that the owner may pay the delinquency in equal monthly payments that will bring the account paid in full within a reasonable period of time, plus any current assessments made; and (4) notice that the owner may request a hearing with the Board to contest the past due obligation. If no hearing is requested and no repayment plan executed and commenced within thirty (30) days of the date of this notice, the account may be referred to legal counsel or a collection agent for collections. If the owner requests a hearing or enters into a repayment plan within thirty (30) days of the date of this notice and is unsuccessful at the hearing or fails to make a payment under the repayment plan within ten (10) days after the due date, the Association may take any lawful action pursuant to NRS 116.31162(1) to enforce its lien.

7. **Collection Costs Are Recoverable and Are Part of the Assessment and Lien.** The Association is entitled to recover all reasonable costs incurred in collecting delinquent assessments including, but not limited to, the following: (i) reasonable charges imposed to defray the cost of preparing and mailing demand letters or notices; (ii) legal expenses incurred; (iii) costs of collection; (iv) recording costs; (v) costs incurred with title companies or foreclosure service providers; (vi) management company fees; (vii) costs to perform a search to verify whether the unit's owner is entitled to the protections of SB 33; and (viii) any other costs of collection identified in NRS 116.310313. All such costs shall be part of the assessment and lien. Examples of such costs that may be incurred are set forth on the Schedule of Collection Costs attached hereto. Collection costs are recoverable as part of the super-priority lien as provided in NRS 116.3116.

8. **Notice of Delinquent Assessment and Claim of Lien.** The Association has a lien for any unpaid assessment, abatement assessments, late fee, fine, construction penalty, collection fee, collection cost, attorney's fee or cost that is imposed against a homeowner. The recording of the CC&Rs constitutes record notice and perfection of the Association's lien that shall include any and all sums due including but not limited to any unpaid assessment, abatement assessments, late fee, fine, construction penalty, collection fee, attorney's fee or cost. No further recordation of any claim of lien is required. If payment for all sums that are then delinquent is not made, the Association, or its agent, may record a Notice of Delinquent Assessment and Claim of Lien. This step in the non-judicial foreclosure process shall not be commenced before the expiration of time periods set forth in NRS 116.31162(4).

9. **Non-Judicial or Judicial Foreclosure.** If the account remains delinquent, any action may be taken to proceed with or complete a non-judicial or judicial foreclosure as provided by Nevada law. A lien for unpaid assessments is extinguished unless a notice of default and election to sell is recorded as required by NRS 116.31162(1)(b) or judicial proceedings are instituted within three (3) years after the assessment became due.

10. **Application of Payments and Partial Payments.** Payments shall be applied to the oldest balance owing unless otherwise specified in writing by the owner. Payments for assessments may not be applied to fines unless authorized by the owner. Partial payments will be accepted and applied. However, absent a written and approved payment plan, there is no obligation to stop any collection or foreclosure if a partial payment is tendered.

11. **Payment of Fines for Non-Compliance.** Owners shall be responsible to pay all fines, as the same may be levied from time to time by the Board, pursuant to the powers of the Board granted in the governing documents and subject to the provisions of NRS Chapter 116. Fines may vary depending upon the infraction and fines shall be determined on the basis of the severity of the violation. The owner shall be provided with notice of the fine to be imposed prior to any hearing or the levying of any fine. If the owner fails to pay a fine, the Association may record a notice of violation and claim of lien against the owner's property and the Association has the right

to charge any amount allowed by law to collect unpaid fines from the owner. There is no cumulative limit to the amount of a continuing violation fine. Notwithstanding anything herein to the contrary, there shall be no dollar limit on the amount of any initial fine for each and every separate violation of any provision of the governing documents which poses an imminent threat of causing a substantial adverse effect on the health, safety or welfare of the unit's owners or residents of the Association. Any initial health, safety, welfare fine amount will be determined commensurate with the severity of the violation, in the Board's discretion. The Association does not have the right to foreclose on a lien for fines, unless such fines were for a health, safety, or welfare violation or for a construction penalty. The Association may avail itself of other remedies allowed by law to collect the assessment made for a fine. This includes but is not limited to commencement of an action pursuant to Chapter 38 of the Nevada Revised Statutes.

12. **Bad Debt.** The Board must approve the write-off of bad debt.

13. **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 any past due obligation and related costs and charges, including but not limited to bringing an action under Chapter 38, in Small Claims, Municipal or District 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 as allowed by law.

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

By: _____ Attested by: _____
Briana Foroszowsky, President Margaret Powell, Secretary

SCHEDULE OF COLLECTION RELATED FEES AND COSTS

a) Demand Letter by HOA	\$75.00
b) Demand Letter by Attorney	\$150.00
c) Notice of Delinquent Assessment and Claim of Lien by HOA	\$265.00
d) Notice of Delinquent Assessment and Claim of Lien by Attorney	\$325.00
e) Notice of Intent to take next action (follow up letter)	\$90.00
f) Notice of Default	\$400.00
g) Intent to Notice Sale Letter	\$90.00
h) Notice of Sale	\$275.00
i) Intent to Conduct Foreclosure Sale	\$25.00
j) Conduct Foreclosure Sale	\$125.00
k) Prepare and Record Transfer Deed	\$125.00
l) Payment Plan Agreement	\$30.00
m) Payment Plan Breach Letter	\$25.00
n) Release of Notice of Delinquent Assessment and Claim of Lien	\$30.00
o) Notice of Rescission Fee	\$30.00
p) Bankruptcy Package Preparation and Monitoring	\$100.00
q) Mailing Fee Per Piece	\$2.00
r) NSF Fee	\$20.00
s) Escrow Payoff Demand Fee	\$150.00
t) Substitution of Agent Document Fee	\$25.00
u) Sale Postponement Fee	\$75.00
v) Foreclosure Fee	\$150.00
w) Reasonable Management Company/Bookkeeper Fees	\$200.00
x) Trustee's Sale Guaranty	\$400.00
y) Servicemember Search Fee [actual cost]	\$36.40
z) Reasonable attorney's fees and actual costs hourly rate	

By way of example only: advice to client, bankruptcy pleadings (Proof of Claim, Notice of Perfection of Claim of Lien, Objection to Plan, Motion for Relief of Stay), forbearance agreements, evaluations of accounts, evictions, release of super priority portion, certificate of sale, notice of redemption, etc.

- aa) Additional costs include, but are not limited to, the cost of a trustee's sale guarantee, recording costs, posting and publishing costs, sale costs, mailing costs, express delivery costs skip trace fees, Pacer searches, court filing fees, etc. which may be charged at the actual cost incurred.