

**ESTATES AT SEVEN HILLS HOMEOWNERS ASSOCIATION
RESOLUTION TO ADOPT
COLLECTION POLICY AND PROCEDURE**

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WHEREAS Article VII of the Covenants, Conditions and Restrictions of the ESTATES AT SEVEN HILLS Homeowners Association requires all Lot owners to pay Assessments to the Association

WHEREAS Article VII of the Covenants, Conditions and Restrictions of the ESTATES AT SEVEN HILLS Homeowners Association provides authority to the Association to collect Assessments

WHEREAS Article VI of the Covenants, Conditions and Restrictions of the ESTATES AT SEVEN HILLS Homeowners Association establishes time lines for the starting and completing of construction.

WHEREAS Article VI of the Covenants, Conditions and Restrictions of the ESTATES AT SEVEN HILLS Homeowners Association provides authority to the Association to assess penalties for failure to adhere to the construction timelines.

WHEREAS NRS 116 establishes the right of the Association to foreclose on liens for failure to pay assessments and or Construction Penalties.

WHEREAS NRS116 requires the Association to develop a collection policy

WHEREAS there is a need to develop, adopt, and distribute a collection policy to all unit owners

NOW THEREFORE BE IT RESOLVED that the Board of Directors establishes the following collection policy to fulfill the obligation:

IT IS THE RESPONSIBILITY OF THE UNIT'S OWNER TO PAY ALL ASSESSMENTS, FEES, PENALTIES, FINES, AND ASSESSMENT OF COSTS IN A TIMELY MANNER

Coupons or statements will be provided for assessments as a courtesy. The lack of statements or coupons does not relieve the owner of the obligation to pay the assessments, fees, penalties, fines and related charges.

ANNUAL AND SPECIAL ASSESSMENTS:

1. Assessments are collected monthly and due on the first day of each month. They are considered delinquent on the 30th day of the month. The following is the collection procedure:
 - a) A late fee is added to the assessment if payment is received after the 30th of each month. The late fee will be reasonable and in an amount to be determined by the Board of Directors, currently it is **\$25.00**. Interest may be charged on past due accounts if an account is not paid within 60 days of the due date. (Per NRS 116 Interest shall be at the rate of 2% above prime lending rate as determined by the largest bank in the State of Nevada as established on January 1 and July 1 of each year.)
 - b) A charge of **\$20.00** will be assessed to the account for each NSF check.
 - c) A statement showing the delinquent amount owed on the account will be mailed after the account is 30 days delinquent.
 - d) When the assessment is 60 days past due, a Delinquency letter and all of the following will be mailed to the owner to the address of record and the address of the unit. (*Notice is sent to the owner by certified, return receipt and first class mail*).- A statement showing the balanced owed.
 - A schedule of the fees that may be charged if the unit's owner fails to pay.
 - A proposed repayment plan.
 - A notice of the right to contest the past due obligation at a hearing before the Board of Directors.
 - Procedures for requesting the hearing.**There will be a \$10.00 certified mail fee assessed to the account for each certified letter.**

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- e) If a hearing is not requested within 15 days after the mailing date on the notice in 1(d) above and the account is at least 80 days delinquent, an intent to lien letter will be mailed certified return receipt and first class mail to the mailing address of record and the address of the unit. **There will be a \$50.00 intent to lien fee assessed to the account**
- f) If after 30 days from the mailing date of the Intent to Lien letter, and the account is at least 110 days delinquent, and a repayment plan is not implemented within the stated time-frame, the account will be sent to a trustee or attorney to file a lien. Collection costs will be added to the assessment account.
The Commission for Common Interest Communities adopted Regulation LCB File No. R199-09 establishing the maximum amount of collection costs that may be assessed for past due obligations. The maximum costs that may be charged are attached and become part of this collection policy.
- g) If payment in full is not received, foreclosure proceedings may begin at the direction of the Board of Directors and in accordance with state law. See NRS 116.3116
- h) The Executive Board of Directors shall approve all write-offs of debt.
- i) The Construction Penalties will be handled in the same timeframe and manor as stated above for Assessments.

2. ALL COLLECTION EXPENSES AND INTEREST INCURRED SHALL BE THE SOLE RESPONSIBILITY OF THE PROPERTY OWNER.

Good faith agreements to resolve delinquent assessments may be considered by the Board of Directors on an individual basis following the failure of the above process. Initiation and responsibility of such agreement shall rest solely with the Lot owner and shall in no way relieve the owner of any expenses, interest or assessments incurred or accrued.

- 3. All funds of the Association will be maintained in the name of ESTATES AT SEVEN HILLS HOA and the Board of Directors of the association shall have direct access to those funds.
- 4. The management company shall provide timely updates and reports as necessary to enable the Board of Directors to comply with this policy.
- 5. Application of Payments ~ Payments must be accepted from delinquent owners and the payments will be applied as follows in order of application:
 - a) Third party collection costs that are related to assessments if the account is at lien
 - b) Delinquent assessments oldest first, Association costs of collection, late fees, NSF charges, and interest if any.
 - c) Special assessments or Construction Penalties if any.
 - d) Assessments for common area damage, association repairs to individual property, keys and other Common area access charges in accordance with decisions of the Board of Directors.
 - e) Payments will be applied to fines assessed if the owner designates that a portion of the payment is for those charges.
- 6. The Association will notify the collection company or attorney of any payments accepted by the management company.

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PROPOSED REPAYMENT PLANS:

Current assessment(s) must be paid by the due date in addition to repayment of the past due amounts in accordance with the repayment plan outlined below.

~ All repayment plans offered in Section 1 d) of this collection policy will schedule repayment of the past due amounts in full within three (3) months. ***(This is in addition to the payment of the current assessments until the past due amounts are paid in full.)***

FINES FOR VIOLATIONS OF THE GOVERNING DOCUMENTS:

Fines for violations of the governing documents may be assessed in accordance with the fine schedule outlined in the Rules and Regulations as may be amended from time to time following notice and a hearing. Payments for satisfaction of fines will be applied as stated in 5 (e) above.

The Association cannot foreclose a lien based on a fine for violation of the governing documents.

DISPUTE OF AN ASSESSMENT OR FINE:

A dispute of an assessment or fine must be submitted by the owner in writing. The following information must be provided in the written dispute:

- 1) Owner's name, mailing address, and account number.
- 2) The amount that is disputed.
- 3) Reason for the dispute.
- 4) Copies of cancelled checks or other documentation that is referenced in the dispute. The Board of Directors will make the final decision on resolution of the dispute.

DATED this 30 day of October 2013:



ESTATES AT SEVEN HILLS HOA President

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**FEES CHARGED TO OWNERS BY
ASSOCIATION AND THIRD – PARTY**

ASSOCIATION

- Late fee on Assessments - \$25.00 after the 30th of each month.
- Interest on balances past due by 60 days may be charged at the prime rate of the largest bank in Nevada plus 2% adjusted each January 1 and July 1.
- NSF Charge - \$20.00
- Certified mail fee \$10.00
- Intent to Lien - \$50.00
- Transfer Fee - \$25.00
- Violation Fines – As outlined in the Rules and Regulations as they may be amended from time to time.
- Architectural Application Fees / Deposits – As outlined in the Architectural Design Guidelines as they may be amended from time to time.
- Records Inspection - \$10.00 per hour.
- Copies of Records & Minutes - \$0.25 per page for the first 10 pages; \$0.10 per page thereafter.
- Hard Copy of Audio Recording of meetings - \$25.00

MANAGEMENT COMPANY

- Account Set Up Fee - \$250.00
- Demand Statements \$100.00 / 48-hr expedited – additional \$150.00
- Updates after 15 days - \$50.00
- Re-sale packages - \$160.00 / Expedited (Less than 72 hrs.) additional \$125.00

**THIRD PARTY COLLECTION COSTS FOR COLLECTION OF DELINQUENT ASSESSMENTS
CANNOT EXCEED THE RATES ESTABLISHED BY THE REGULATION ADOPTED BY THE
COMMISSION FOR COMMON INTEREST COMMUNITIES AND CONDOMINIUM HOTES,
LCB FILE NO. R199-09 AS NOTED BELOW.**

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| ➤ Demand or intent to lien letter | \$150.00 |
| ➤ Notice of Delinquent Assessment Lien | \$325.00 |
| ➤ Intent to Notice of Default Letter | \$ 90.00 |
| ➤ Notice of Default | \$400.00 |
| ➤ Intent to Notice of Sale Letter | \$ 90.00 |
| ➤ Notice of Sale | \$275.00 |
| ➤ Intent to Conduct Foreclosure Sale | \$ 25.00 |
| ➤ Conduct Foreclosure Sale | \$125.00 |
| ➤ Prepare and Record Transfer Deed | \$125.00 |
| ➤ Payment Plan Agreement – One Time Fee | \$ 30.00 |
| ➤ Payment Plan Breach Letter | \$ 25.00 |
| ➤ Release of Notice of Delinquent Assessment Lien | \$ 30.00 |
| ➤ Notice of Rescission Fee | \$ 30.00 |
| ➤ Bankruptcy Package Preparation and Monitoring | \$100.00 |
| ➤ Mail Fee Per Piece, Subsections (a), (b), (d), (f) hereof only | \$ 2.00 |
| ➤ NSF Fee | \$ 20.00 |
| ➤ Escrow Payoff Demand Fee | \$150.00 |
| ➤ Substitution of Agent Document Fee | \$ 25.00 |
| ➤ Postponement Fee | \$ 75.00 |
| ➤ Foreclosure Fee | \$150.00 |
| ➤ Reasonable Management Company Fees not to exceed: | \$200.00 |