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

WHEREAS from time to time homeowners 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;

NOW THEREFORE, BE IT RESOLVED that the Board of Directors of the ___________ HOA (The Association) adopts the following policy and practice effective thirty (30) days after distribution to owners.

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 Nevada Revised Statutes Chapter 116.

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 and are delinquent after 15 days.

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 lot from and after the time the Association causes a Notice of Delinquent Assessment Lien to be recorded with the County Recorder’s Office.

3.0 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 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 coupons or statements of assessments and charges, but lack of such coupons or statements does not relieve the owners of the obligation to pay assessments.

4.0 Designation of Agent. The Board of Directors may designate an agent or agents to collect assessment payments and administer this Collection Policy. Such designated agent may be an officer of the Association, manager, bookkeeper, banking institution, trustee company, law firm, or other appropriate agent.

5.0 Due Date/Delinquency Date of Assessments. Unless otherwise specified by the Board, an assessment is due on the first day of each Month for which it is due. An assessment or any portion thereof, is delinquent if it is not received as directed by the Board or its designated agent 15 DAYS after it is due.

6.0 Charges on Delinquent Amounts. After 15 DAYS past due, an assessment, or any portion thereof, that is delinquent shall incur a late charge of $25.00 per Month, retroactive to the initial delinquent date. Any collection charges, if any, will also be added at that time.

7.0 Interest Charges. The unpaid balance of an assessment account shall bear interest in accordance with NRS 116.3115, Section 3, “Any assessment for common expenses or installment thereof that is 60 days or more past due bears interest at a rate equal to the prime rate at the largest bank in Nevada as ascertained...
by the Commissioner of Financial Institutions on January 1 or July 1, as the case may be, immediately preceding the date the assessment becomes past due, plus 2 percent. The rate must be adjusted accordingly on each January 1 and July 1 thereafter until the balance is satisfied.”

8.0 **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 delinquency notices or referral to 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 pursuant to this Policy.

9.0 **Application of Payments.** Payments shall be applied first to assessments unless instructed otherwise.

10.0 **Delinquency Notices.** Owners delinquent **30 DAYS** will receive a Notice of Delinquent Assessment and intention to send to designated collection agent within ten (10) days.

If the account is not brought current within ten (10) days then it will be turned over to the Association’s contracted designated collection agent for collections according to state and federal fair debt collection laws. These collection procedures will include but not be limited to Notice of Intent to Lien, Lien and Foreclosure proceedings.

The cost of transferring the account from the management company to the collection agent and monitoring collections will be $175.00, which will be levied against the homeowner’s account by designated collections agent upon transfer and become a part of the collectible debt.

All other expenses, interest, fees and charges incurred in the collection of a delinquent assessment shall be the sole responsibility of the property owner and be payable prior to the curing of delinquency status.

Good Faith Agreements to resolve delinquent assessments may be considered by the Board of Directors on an individual basis if a written dispute of collection and request for hearing is submitted to the Board of Directors through its designated collections agent. Any agreement shall in no way relieve the property owner of any expenses/interest incurred or accruing.

11. **Collection of Fines.** When fines reach $400.00 they will be turned over to the Association’s designated collection agent for collection after a 10-day notification of intent to turn over to collections is mailed to the property owner.

12. **Address of the Association and the Board of Directors.** Owners should make payments to the address as directed by the designated agent. If no address is given, payments, request for payment plans, written correspondence including responses and changes to mailing address should be sent to the Association at the following address:

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_______________ HOA
Name
Address
City, State Zip
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13. **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 at the ______________, 20__ Board of Directors meeting.

By:______________________________