

**CANYON CREEK VILLAS HOMEOWNERS ASSOCIATION
ASSESSMENT AND FINE COLLECTION POLICY**

RESOLUTION OF THE BOARD OF DIRECTORS

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

WHEREAS Nevada Revised Statute 116 requires a policy outlining the responsibility of the unit's owner to pay any such fees, fines, assessments or costs in a timely manner and outlining the association's rights concerning the collection of such fees, fines, assessments or costs if the unit's owner fails to pay the fees, fines, assessments or costs in a timely manner,

NOW THEREFORE, BE IT RESOLVED that the Board of Directors of the Canyon Creek Villas Homeowners Association adopts the following policy:

The Board establishes the Association's fiscal year, January 1 to December 31, as the regular assessment period.

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 due in full on the first day of the fiscal year. The association breaks the payments into twelve monthly installments.

2.0 Obligation to Pay Assessments. Each assessment is an obligation of the owner. The association has a lien on a unit for any construction penalty that is imposed against the unit's owner, any assessment levied against that unit or any fines imposed against the unit's owner from the time the construction penalty, assessment or fine becomes due.

3.0 Notice of Assessments. The association shall give the owners notice before any increase in the annual assessment or any special assessment. Notice shall be deemed provided via the budget and any increase in assessments shall be deemed approved upon ratification of the annual budget by the homeowners unless the governing documents require additional approvals. Notice shall be sent via U.S. mail to addresses on the homeowner listing 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 to provide additional periodic statements of assessments and charges, but lack of such statements does not relieve the owners of the obligation to pay assessments.

4.0 Notice of Reserve Assessment. Notwithstanding any provision of the governing documents to the contrary, the executive board may, without seeking or obtaining the approval of the unit owners, impose any necessary and reasonable assessments to establish adequate reserves. The executive board shall, not less than 30 days or more than 60 days before the beginning of the association's fiscal year, prepare and distribute to each unit's owner a statement as to whether the executive board has determined or anticipates that the levy of one or more special assessments will be necessary to repair, replace or restore any major component of the common elements or to provide adequate funding for the reserves designated for that purpose.

5.0 Collection of Fines. Fines may include any costs incurred by the association during a civil action to enforce the payment of the past due fine. Any past due fine must **not** bear interest. The association shall account for the fine(s) separately from any assessment, fee or other charge. The association shall not apply, in whole or in part, any payment made by the unit's owner for any assessment, fee or other charge toward the payment of the outstanding balance of the fine or any costs of collecting the fine, unless the unit's owner provides written authorization which directs the association to apply the payment made by the unit's owner in such a manner. The association may place a lien for unpaid fines, however, may not foreclose unless the violation threatens the health, safety, or welfare of the homeowners or residents, or the penalty is imposed for failure to adhere to a construction schedule. A fine is due within 30 days of the date it is imposed. If an owner fails to pay the fine(s), the association shall cause an intent to lien notice to be sent when the fine becomes 60 days delinquent or when a fine balance reaches \$300. The association's agent shall notify the owner, via certified mail to the address of record, that a compliance lien will be recorded against the owner's lot unless the entire balance of the account is paid within 10 days of the date of the notice and shall provide an itemized statement of the charges owed. The compliance (fine) account shall be transferred to a collections agency/ law firm and a compliance lien shall be recorded if, within the time period allowed to the owner, the owner fails to pay the entire balance of the account or fails to petition the Board of Directors in writing for a payment agreement pursuant to paragraph 19.0 of this policy. If requested by a person upon whom a fine was imposed, not later than 60 days after receiving any payment of a fine, the association shall provide a statement of the remaining balance owed.

6.0 Construction Penalties. Construction penalties are not fines. Construction penalties are deemed assessments and providing they are imposed in compliance with NRS 116.310305 and the association's governing documents, construction penalties will be collected in the same manner outlined in this policy as assessments.

7.0 Maintenance and Abatement Lien. The Association may, without liability for trespass, enter on the grounds of a unit that is vacant or in the foreclosure process as defined by NRS116.310312, to maintain the exterior of the unit or abate a public nuisance, on the exterior of the unit if, after notice and a hearing, the unit's owner fails to do so. Any amount of the costs for such maintenance or abatement which are not paid by the unit's owner will be a lien against the unit. The association may charge a unit's owner for the maintenance services and abatement services, inspection fees, notification fees and collection costs and interest. If the unit owner fails to pay the assessment in full within 60 days of the due date, the account will be turned over to collections for processing of abatement lien.

8.0 Designation of Agent. The Board of Directors designates the management company as agent to collect assessment payments. The Board of Directors designates a licensed collections company as agent to collect assessments on all accounts transferred by the management company pursuant to section 15.0 of this policy. The community manager shall be responsible for providing timely updates as reports as necessary to the Executive Board of Directors.

9.0 Due Date/ Delinquency Date of Assessments. Unless otherwise specified by the Board, an assessment is due on the first day of the 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.

10.0 Charges on Delinquent Assessment 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.

11.0 Interest Charges. 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%.

12.0 Charges and Costs Any costs and fees incurred in collecting delinquent amounts, including, without limitation, late charges and interest charges, intent to lien fees, charges for preparation of delinquency notices or collection monitoring fees, payment plan fees, breach of payment plan fees, recording fees 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 action pursuant to this policy. All fees shall be in compliance with regulation R199-09 of the commission for common interest communities adopted on May 5, 2011. For a schedule of fees you may reference **www.nrs116.com**

13.0 Application of Payment. Payments shall be applied first to principle (assessments); then interest, late fees and collection/attorney fees. Payments may not be applied to fines unless the homeowner specifies, in writing, the payment is to be applied to fines.

14.0 Delinquency Notices. Once an assessment, or any portion thereof, has become 60 days delinquent, the owner shall receive an initial delinquency notice stating:

- a. a schedule of fees that may be charged if the unit owner fails to pay the past due obligation;
- b. a proposed repayment plan;
- c. a notice of the right to contest the past due assessment at a hearing before the executive board and the procedure to request a hearing.

15.0 Notice of Intent to Send an Account to Collections. If an assessment account becomes 90 days delinquent, the Association through its designated agent will issue an intent-to-lien letter to the owner at his mailing address, if known, and the property address of the unit. The agent shall notify the owner by certified mail that a notice of delinquent assessment will be recorded against the owner's lot 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 intent notice.

16.0 Delinquent Accounts and Nevada Servicemembers (Military Members). Pursuant to NRS 116.3116 as amended by Senate Bill 33 which became effective May 29, 2017 and known as the Nevada Servicemembers Civil Relief Act, if a unit's owner or his or her successor in interest is a servicemember or, in accordance with subsection 3, a dependent of a servicemember, an association shall not initiate the foreclosure of a lien by sale during any period that the servicemember is on active duty or deployment or for a period of 1 year immediately following the end of such active duty or deployment. In accordance with this Act, an Association shall: (a) Inform each unit's owner or his or her successor in interest that if the person is a servicemember or a dependent of a servicemember, he or she may be entitled to certain protections pursuant to this section; and (b) 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 this section, including, without limitation, the social security number and date of birth of the person.

Before an association takes any action pursuant to paragraph (a) of subsection 4 of NRS 116.31162 (which is both sending the intent to lien and sending and recording the notice of delinquent assessment lien) , if information required to verify whether a unit's owner or his or her successor in interest is covered by the Act, including dependent of active duty

military: (a) has been provided to the Association pursuant to subsection 4, then the Association must verify whether the person is entitled to the protections set forth in this section.; or (b) Has not been provided to the Association pursuant to subsection 4, the Association must make a good faith effort to verify whether the person is entitled to the protection or not including whether or not the person is a dependent of an active duty or deployed military member.

“Good faith effort” means that an association acts honestly and fairly when trying to verify whether a unit’s owner or his or her successor in interest is entitled to the protections set forth in this section, as evidenced by the following actions (1) The Association informs the unit’s owner or his or her successor in interest of the information required to verify whether or not they are active duty military; (2) the Association makes reasonable efforts to give the unit’s owner or his or her successor in interest the opportunity to provide any information required to enable the Association to verify whether the person is entitled to the protections of the Act; and (3) The Association makes 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, including, without limitation, the Internet website maintained by the United States Department of Defense.

The requirements set forth above must be met regarding ALL homeowners before moving on to the intent to lien and/or lien stage of the process. Once the obligations set forth above have been satisfied and the Association determines that the unit’s owner is NOT entitled to protection by the Act, then it may proceed with the collection process.

16.01 Timeframe for Which Protection Under Nevada Servicemember Civil Relief Act Applies – if the Association determines that the unit owner or his or her successor in interest is on active duty or deployment or is the dependent of someone who is on active duty or deployment, the Association MUST put the account on hold for the entire time the soldier is on active duty or deployment PLUS an additional 12 months after the conclusion of the active duty or deployment.

16.02 Recording of Delinquent Assessment. After satisfying the requirements of the Nevada Servicemembers Civil Relief Act set forth above, the file shall be transferred to the designated collections company and a notice of delinquent assessment shall be recorded if, within the time period allowed to the owner, the owner fails to pay the entire balance of the account or to petition the Board of Directors in writing for a payment plan pursuant to paragraph 19.0 of this policy.

17.0 Notice of Default. Not less than 30 days after mailing the notice of delinquent assessment, the association or other person conducting the sale may cause to be recorded a notice of default and election to sell the unit to satisfy the lien. The notice of default and election to sell must contain the same information as the notice of delinquent assessment and must also comply with the NRS 116.31162.

18.0 Foreclosure of liens: Providing notice of time and place of sale. Notice of time and place of sale may commence 90 days after a 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 90 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 or his successor in interest at his address if known, and to the address of the unit.

19.0 Payment Agreement. The Association and/or its designated agent must send A proposed repayment plan for the assessment account. The Board must allow a payment agreement that will 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. 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 interests 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.

20.0 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 will be charged to the account.

21.0 Dishonored Checks. At any time that the Association or its designated agent receives a check dishonored by the bank for any reason, a charge to the maximum allowed by State Statutes 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.

22.0 Dispute of Charges. If the owner questions the accuracy of the balance, an objection to the specific charges must be received by the Board within 30 days of the date of the notice sent to 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. The owner must provide the following information in writing regarding any dispute:

1. The owner’s name, mailing address, and account number.
2. The exact dollar amount in dispute or in error.
3. 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.
4. Copies of checks (both front and back) along with letters or other documents referred to or claimed must accompany the written objection.

23.0 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. Commencement of one remedy shall not prevent the Association from electing at a later date to pursue another remedy.

24.0 Address of the Association and the Board of Directors. Owners should respond in writing or make payments to the address as directed by the designated agent. If no address is given, responses and petitions should be mailed to the Association at the following address:

Canyon Creek Villas HOA Board of Directors
C/O The Management Trust
8485 W. Sunset Rd., Ste 100
Las Vegas, NV 89113


25.0 Assignments of Rents: In an action by an association to collect assessments or to foreclose a lien created under this section, the court may appoint a receiver to collect all rents or other income from the unit alleged owed the unit's owner before commencement or during pendency of the action. The receivership is governed by NRS 32. The court may order the receiver to pay any sums held by the receiver to the association during pendency of the action to the extent of the association's common expense assessments based on a periodic budget adopted by the association per NRS 116.3115.

26.0 Write off debt: The executive board shall approve all write-offs of debt, including assessments per NRS 116.3116, which exceed the 9 month super-priority period subsequent to a bank foreclosure. A schedule of any such fees shall be provided to the executive board via the monthly financial statement and/or the monthly delinquency reports.

27.0 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 address on the membership registry at the time of notice.

28.0 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 adopted at the October 26, 2017 Board of Directors meeting and shall commence thirty (30) days following this date.

By: 

President

Attested By: 

Secretary