

The Cottages Homeowners Association

Assessment and Fine Collection Policy

Adopted July 29, 2021

1. Owner shall be responsible to pay all assessments and special assessments levied against a unit, including any collection related fees and costs set forth in NAC 116.470. Attached is a schedule of fees the Association shall charge to Owners (a third party acting on behalf of the Association may charge these same fees on behalf of the Association). All collection related fees and costs shall be assessed against the Owner's unit pursuant to NRS 116.3115(6), any other applicable provision of NRS Chapter 116, any other applicable provision of NAC Chapter 116, and as otherwise allowed by Nevada law, provided, however, that the fees and costs assessed against the Owner's unit shall not exceed the schedule set forth in NAC 116.470.

2. If Owner fails to pay assessments in a timely manner, the Association shall have the right to record a Notice of Delinquent Assessment against the property, record a Notice of Default & Election to Sell against the property, record a Notice of Sale against the property and foreclose on the property pursuant to Nevada Revised Statutes Chapter 116, as described in more detail below.

3. Owner shall be responsible to pay all outstanding assessments, including all collection related fees and costs, assessed against a unit or property prior to the date Owner took title to the extent allowed by NRS Chapter 116 or as otherwise allowed by Nevada law.

4. Owner shall be responsible to pay all fines. A schedule of fines is attached to this Collection Policy. If Owner fails to pay any fine in excess of \$300.00, then Association may lien Owner's property and Association has the right to charge any amount allowed by law to collect unpaid fines from Owner. Please be aware that fines are treated differently than assessments. The Association cannot foreclose on a lien for fines, unless (a) the violation poses an imminent threat of causing a substantial adverse effect on the health, safety or welfare of the units' owners or residents of the common-interest community; or (b) the penalty is imposed for failure to adhere to a schedule required pursuant to NRS 116.310305. The Association can foreclose on a property if Owner fails to pay regular or special assessments in a timely manner. The following shall apply:

- Regular Assessments shall be due on the first day of the month.
- Regular and special assessments shall be delinquent if not paid within thirty (30) days of the due date.
- There shall be a monthly late charge of \$20.00 for any assessment that becomes delinquent.
- The Association may charge interest at the rate allowed by law on any assessments more than sixty days past due.
- An association may not mail to a unit's owner or his or her successor in interest a letter of its intent to mail a notice of delinquent assessment or take any other action to collect a past due obligation from a unit's owner or his or her successor in interest unless, not earlier than 60 days after the obligation becomes past due, the association mails to the address on file for the unit's owner the following
 - A schedule of the fees that may be charged if the unit's owner fails to pay the past due obligation
 - A proposed repayment plan; and
 - A notice of the right to contest the past due obligation at a hearing before the executive board and the procedures for requesting such a hearing.

5. If within 30 days after the date on which the Notice of Delinquent Assessment "Collection Notice is mailed, the past due obligation has not been paid in full, or the Owner or his or her successor in interest has not entered into a repayment plan, or requested a hearing before the Board of Directors, the Association may take any and all lawful action to enforce its lien. If the Owner or his or her successor in interest requests a hearing or enters into a repayment plan within 30 days after the date when the Collection Notice was mailed and is unsuccessful at the hearing or fails to make a payment under the repayment plan within 10 days after the due date, the Association may take any and all lawful action to enforce its lien.

- A Notice of Intent to Lien may be sent to any Owner who is delinquent in the payment of any assessment owed with respect to Owner's unit if the Association has complied with the paragraph above.
- A lien (Notice of Delinquent Assessment) shall be recorded with the County Recorder and mailed to the unit Owner if an Owner fails to pay in full all assessments due to the Association within the thirty days of the date of the Notice of Intent to Lien or as otherwise allowed by Nevada law.
- A Notice of Default & Election to Sell shall be recorded and mailed to an Owner that fails to pay in full all assessments due to the Association within thirty days of the date of the lien (Notice of Delinquent Assessment) or as otherwise allowed by Nevada law.
- The Association shall record and mail a Notice of Sale setting forth the date for the sale of the unit of any Owner who fails to pay in full all assessments due to the Association within ninety days of the date of the Notice of Default & Election to Sell or as otherwise allowed by Nevada law.
- An Owner shall be responsible for all reasonable collection fees, legal fees and costs the Association (or a third party acting on behalf of the Association) charged in attempting to collect any delinquent assessments.
- The Association will enter into a good faith agreement with an Owner to set up a payment plan for delinquent assessments. However, if an Owner refuses to enter into a payment plan or if an Owner fails to comply with the terms of a payment plan, the Association shall proceed to collect the delinquent assessments as set forth herein.
- The Association has the right to collect any delinquent assessments and unpaid fines in any manner allowed by Nevada law.
- The Association authorizes any person acting on behalf of the Association to charge on the Association's behalf the fees and costs described on the attached Schedule of Collection Related Fees and to perform any other actions necessary to collect unpaid assessments or fines, including, but not limited to signing any and all documents related to the actions set forth in this Collection Policy.

6. Nevada Servicemembers Civil Relief Act ("NVSCRA"). The NVSCRA generally prohibits the Association from initiating the foreclosure of its lien by sale during any period a servicemember is on active duty or deployment or for a period of 1 year immediately following the end of such active duty or deployment. The Association shall: (1) 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 the NVSCRA; and (2) give the person the opportunity to provide any information required to enable the Association to verify whether the person is entitled to the protections set forth in the NVSCRA. Prior to the Association taking certain action relating to the foreclosure of a lien by sale, the Association shall, if such information is provided, verify whether a unit's owner or his or her successor in interest is entitled to the protections set forth in the NVSCRA or, if such information is not provided, make a good faith effort to verify whether a unit's owner or his or her successor in interest is entitled to such protections.

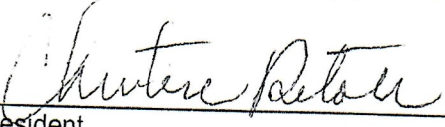
7. Government Employee Relief Act (NECRA). The NECRA generally prohibits the Association from initiating the foreclosure of its lien by sale during the period of a government shutdown or during any Federal Employee Civil Relief Act passed by the US Congress. As such, unless permitted by a court order, if a unit's owner or his or her successor in interest is a federal worker, tribal worker or state worker or a household member of landlord of such a worker, an Association shall not initiate the foreclosure of a lien by sale during the period commencing on the date on which an applicable shutdown begins and ending on the date that is 90 days after the date on which the shutdown ends. Furthermore, prior to taking any collection action, including sending out the 60-day letter described in paragraph 4 above, the Association shall do the following:

- Inform each unit's owner or successor in interest that if the person is a federal worker, tribal member, state worker, household member or landlord of such a worker, he or she may be entitled to certain protections under the NECRA,
- Give the person an opportunity to provide any information required to enable the Association to verify whether the person is entitled to protections under the NECRA and,

- Verify using the information provided, or, if no information is provided, make a Good Faith effort (as defined in the NECRA) to verify, whether the person is entitled to protections of the NECRA.

8. This Collection Policy is superseded to the extent necessary to comply with NRS Chapter 116 and any amendments thereto.

9. This Assessment and Fine Collection Policy was approved by the Board and was adopted on this 29th day of July, 2021 and supersedes any previous Collection Policy.



 President



 Secretary

**SCHEDULE OF COLLECTION RELATED FEES
 FOR COLLECTION OF DELINQUENT ASSESSMENTS
 (As adopted by the Nevada Commission for Common-Interest Communities)**

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
Mailing 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
Reasonable attorney's fees and actual costs	

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 and skip trace fees, which may be charged at the actual cost incurred.

**SCHEDULE OF COLLECTION RELATED FEES
FOR COLLECTION OF UNPAID FINES
(As adopted by the Nevada Commission for Common-Interest Communities)**

In circumstances where the Association can foreclose on a lien for unpaid fines, the same fee schedule for unpaid assessments set forth above shall apply, except that paragraph (b) shall be a fee of \$325.00 for the lien for unpaid fines.

1. Violation Letter	\$25.00
2. Demand or Intent to Lien Letter	\$150.00
3. Lien for Unpaid Fines	\$325.00
4. Actual costs incurred by Association or any person acting on behalf of the Association.	
5. Reasonable Attorney's Fees and Actual Costs	

SCHEDULE OF FINES

The fees below will not be imposed until a hearing has been conducted, and will be imposed on a weekly basis until the Association Board is satisfied with the corrective action. Minor violations fines will increase to \$100 if not corrected after 90 days from the hearing date. Pursuant to the governing documents of Association, and NRS 116.3108(5), the Board of Directors of the Association ("Board") has adopted the following Schedule of Fines. The term "governing documents" has the meaning ascribed to it in NRS 116.049.

1. The initial fine imposed pursuant to NRS 116.31031(1)(b) for violations of the Governing Documents shall be as described below for each and every violation. If a violation is not cured within fourteen (14) days, the violation may be deemed a continuing violation, in which case an additional fine may be imposed for each seven (7) day period the violation is not cured.
 - Minor Violations - \$50.00 per month: Including, but not limited to trashcans, debris and other minor violations.
2. 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. Such initial fine amount will be determined commensurate with the severity of the violation, in the Board's discretion.
3. The Association may foreclose on any property with unpaid liens for HWS violations.