

# **RESOLUTION OF THE BOARD OF DIRECTORS FOR THE COPPER CREEK HOMEOWNERS ASSOCIATION**

## **COLLECTIONS POLICY**

Pursuant to the Homeowners Association CC&Rs dated October 9, 2003 and recorded in the Office of the County Recorder of the Clark County, Nevada, the following policy will be formed:

**WHEREAS**, the Copper Creek Homeowners Association is a Nevada corporation duly organized and existing under the laws of the State of Nevada;

**WHEREAS**, Article IV Section 4.2 of the Bylaws of the Homeowners Association empowers the Board of Directors to administer the affairs of the Association and enforce the provisions of the Bylaws and the Declaration;

**WHEREAS**, Section VI of the CC&Rs maintains that each owner shall pay to the Association and the Association is hereby obligated to enforce collection of, a monthly assessment, payable in advance on the first day of each calendar month, equal to such Owner's share of the Maintenance Fee;

**NOW, THEREFORE, BE IT RESOLVED THAT** Copper Creek Homeowners Association establishes and adopts the following resolution in regards to establishing a collections policy for the collections of delinquent sums owed to the Association;

1. Assessment Due Dates: Regular monthly assessments (i.e., Common Expense Assessments) are due, in advance, on the first day of each month and are delinquent if not received in full by the Association within 15 days after the due date thereof. Special and Capital Improvement Assessments are due on the date(s) specified upon imposition and each installment thereof shall be delinquent if not received by the Association within 30 days after it is due.
2. Late Charges: When an installment payment of a regular assessment, special assessment or capital improvement assessment becomes delinquent, the unit owner's account shall be charged a late penalty of \$10.00.
3. Interest: If a Common Expense, Special, or Capital Improvement Assessment payment is delinquent for more than 60 days, interest shall be imposed on the delinquent assessments at the legal rate (rate equal to the prime plus 2%; See NRS 116.3115(3)).
4. Collection Costs: As provided by law and the Association's governing documents, the Association is also entitled to recover all reasonable costs incurred in collecting delinquent assessments including, but not limited to, the following: (1) the cost of preparing and mailing notices; (2) recording costs; (3) title company charges; (4) legal expenses; (5) management company fees; and (6) fees charged by the assessment collection agency.
5. Delinquency Notice: If the unit owner's assessment account remains delinquent, in whole or in part, after 60 days, the Association will send a 60 (sixty) Day statement including the following:
  - a) A schedule of fees that may be charged if the unit owner fails to pay the past due obligation;
  - b) A proposed Payment 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. Upon receipt of written

request for a board hearing on delinquent assessments, the association will schedule that hearing notifying the unit owner of the date, time, and place and no collections may take place until hearing is held with hearing result sent to unit owner.

d) A notice that the unit owner may be entitled to protections under the Nevada Servicemembers Civil Relief Act and that if the unit owner is a servicemember or a dependent of a service member and the unit owner has not yet made the Association aware of such status, they must contact the Association immediately and provide requested information for verification efforts in order for the Association to cease collection efforts.

6. Notice of Intent to Lien: If a unit owner's account remains delinquent, in whole or in part, after 30 days of the reminder notice and a repayment plan or hearing is not requested, the Association's management company or designated collection agent will proceed with preparation and recording of a Notice of Intent to Lien. All fees and costs related to the preparation and mailing of said Notice assessed to the unit owner's account shall be collectable as assessments.

If a unit's owner or his or her successor in interest requests a hearing or enters into a repayment plan within 30 days after the date on which the delinquency notice in Section 5 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 lawful action to enforce its lien.

7. Notice of Delinquent Assessment Lien: If all such amounts have not been received, in whole or in part, within 30 days after the date of the Notice of Intent to Lien, a Notice of Delinquent Assessment Lien will be prepared by the Association's management company or designated agent, recorded with the County Recorder, and mailed to the owner(s) with all resulting collection fees and costs added to the total delinquent amount. Acceptance of partial or installment payments will not, under any circumstances, release or diminish the effect of Notice of Delinquent Assessment or other encumbrance the Association may have whether that lien or encumbrance be recorded or not.

8. Notice of Default and Election to Sell and Notice of Sale: Thereafter, if payment for all sums that are delinquent, including the delinquent assessments, interest, costs and reasonable attorney fees have not been made, the Association's designated collection agent may proceed with the statutory foreclosure process, judicial foreclosure and/or supplemental notices.

9. Payment Application: All payments received by the Association, regardless of the amount paid, will be directed to the oldest assessment balance first, until such time all assessment balances are paid, and then to the interest, and costs of collection unless otherwise specified by written agreement. Payments will not be applied to fines unless specified in writing by the unit owner that the payment is for the fine account.

10. Good Faith Agreement: A proposed Payment Plan will be forwarded to the unit owner as provided in Section 5. Failure of an owner to comply with an approved payment plan shall give the Board of Directors and/or its agent the right to immediately continue the collection process without further notice to the owner.

11. Approval of Payment Plan: The Association's management company shall be empowered to enact a Board-approved standard Payment Plan of up to 12 months on behalf of the Association.
12. 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.
13. Collection of Fines: Fines may include amounts assessed in accordance with state law for violation of the Association's governing documents and/or policies and resolutions. Fines may also include any costs incurred by the Association in an attempt to collect a past due fine balance. Past due fines must not bear interest. The Association may place a lien for unpaid fines, however, it may not foreclose unless the violation for which the fine or fines were applied 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 past due or when a fine balance reaches \$500.00. If all such amounts have not been received, in whole or in part, within 30 days after the date of the Notice of Intent to Lien, a Notice of Compliance Lien will be prepared by the Association's management company or designated agent, recorded with the County Recorder, and mailed to the owner(s) with all resulting collection fees and costs added to the total delinquent amount.
14. Returned Checks: The Association shall charge a minimum Returned Check Charge of \$10.00 for any and all checks returned as "Non-Negotiable," "Insufficient Funds," or for any other reason.
15. Mailing Address: All of the above-referenced notices will be mailed to the record unit owner(s) at the last mailing address provided in writing to the Association by said unit owner(s).
16. Other Remedies: The Association reserves the right to avail itself 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.
17. Collections Policy Revisions and Compliance with Law: The Board of Directors of the Association may revise this policy, either generally or on a case-by-case basis, if it finds good cause to do so. This Collections Policy is superseded to the extent necessary to comply with Nevada Revised Statutes Chapter 116 (NRS 116) and any amendments thereto.
18. Nevada Servicemembers Civil Relief Act: If an owner of a unit or his or her successor in interest is a servicemember or a dependent of a servicemember ("Servicemember Owner"), the Association will not initiate the foreclosure of a collections lien by sale during any period that the servicemember at issue is on active duty or deployment for a period of one (1) year immediately following the end of such active duty or deployment. This section does not apply if a court of law with proper jurisdiction determines that the ability of the Servicemember Owner to comply with the terms of the collections lien secured by the Association is not affected by the active duty or deployment of the servicemember at issue.



The Association may take any or all actions warranted related to a Servicemember Owner's unit account that are not considered to initiate the foreclosure of a collections Lien pursuant to NRS Chapter 116 while the servicemember at issue is on active duty or deployment, including:

- a) Sending the schedule of fees that may be charged if the Servicemember Owner fails to pay the past due obligations;
- b) Proposing a payment plan to the Servicemember Owner;
- c) Providing notice of the right to contest the amounts due to the Servicemember Owner;
- d) Providing notice to the Servicemember Owner of his or her rights under NRS Chapter 116; and,
- e) Giving the Servicemember Owner the opportunity to provide any information required to enable the Association to verify whether the servicemember at issue is entitled to the protections afforded servicemembers set forth in NRS Chapter 116, including without limitation, the social security number and date of birth of the servicemember at issue. Upon receipt of any information obtained related to a request for verification made under this section, the Association must verify whether a person is entitled to the protections afforded servicemembers set forth in NRS Chapter 116. If no information has been timely provided to the Association upon a request made for verification under this section, the Association must make a good faith effort to verify whether the person is entitled to the protections afforded servicemembers set forth in NRS Chapter 116.

19. Protections afforded to certain individuals in the event of a government shutdown: If unit's owner or his or her successor in interest is a federal worker or state worker or a household member of a federal worker or state worker, an association shall not initiate the foreclosure of a lien by sale during the period commencing on the date on which a shutdown begins and ending on the date that is 90 days after the date on which the shutdown ends. "Shutdown" means any period in which there is a lapse in appropriations for a federal or state agency that continues through any unpaid payday for a federal worker or state worker employed by that agency. This section does not apply if a court of law with proper jurisdiction determines that the ability of the federal worker, state worker or household member to comply with the terms of obligation secured by the residential mortgage loan is not materially affected by the shutdown.

During or for a period of 90 days following, a government shutdown, the Association may take any or all actions warranted related to a federal worker or state worker or a household member of a federal worker or state worker's unit account that are not considered to initiate the foreclosure of a collections Lien pursuant to NRS Chapter 116 including:

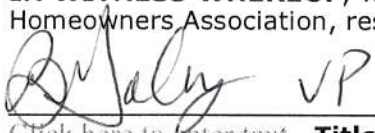
- a) Sending the schedule of fees that may be charged if the affected Owner fails to pay the past due obligations;
- b) Proposing a payment plan to the affected Owner;
- c) Providing notice of the right to contest the amounts due to the affected Owner;
- d) Providing notice to the affected Owner of his or her rights under NRS Chapter 116; and,

Giving the affected Owner the opportunity to provide any information required to enable the Association to verify whether the federal or state worker at issue is entitled to the protections afforded such individuals as set forth in NRS Chapter 116 during or for the period of 90 days following a government shutdown. Upon receipt of any information obtained related to a request for verification made under this section, the Association must verify whether a person is entitled to the protections set forth for federal or state workers. If no information has been timely provided to the Association upon a request made for verification under this section, the Association must make a good faith effort to verify whether the person is entitled to the protections set forth in NRS Chapter 116.

During periods in which a government shutdown is not in effect or after the lapse of 90 days following a government shutdown, federal or state workers are subject to all provisions of state law and this collection policy.

**APPROVED AND ADOPTED** by the Board of Directors on this 19 day of November 2019 and supersedes any previous Collections Policy.

**IN WITNESS WHEREOF**, we, the Board Members, being the duly appointed Officers of the Homeowners Association, respectively, have hereto subscribed our names.

 VP  
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