

**Resolution of
Sage Canyon Homeowners Association
Board of Directors
Collection Policy for Assessments and Fines**

AUTHORITY AND PURPOSE FOR THE RESOLUTION:

WHEREAS, Sage Canyon Homeowners Association (the "Association") is a non-profit Corporation duly organized and existing under the laws of the State of Nevada; and

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

WHEREAS, the Association is responsible for the collection of Annual Assessments, Special Assessments, Reserve Assessments and late fees as set forth in the Declaration of Covenants, Conditions, and Restrictions per Article 4, Sections 4.1-4.8 and Fines per Article V, Section 5.1 (G), the **Collection Policy for Assessments and Fines is herein outlined.**

WHEREAS, the Board of Directors wish to be in compliance with all applicable Nevada laws and regulations of this State.

NOW THEREFORE, BE IT RESOLVED:

The Board of Directors of the HOA adopts the following policy and practice effective thirty (30) days after distribution to owners.

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 thirty (30) 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. 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.

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 due. An assessment or any portion thereof is delinquent if it is not received as directed by the Board or its designated agent **thirty (30) days** after it is due.
- 6.0 Charges on Delinquent Amounts.** After **thirty (30) days** past due, an assessment, or any portion thereof, that is delinquent shall incur a late charge of **\$10.00 per month**, retroactive to the initial delinquent date. Any collection charges, if any, will also be added at that time.
- 7.0 Interest Charges.** Subject to any limitations imposed by the Nevada Servicemembers Civil relief Act, any 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 sixty (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 two (2) percent. The rate must be adjusted accordingly on each January 1 and July 1 thereafter until the balance is satisfied."
- 8.0 Late 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 and then to the oldest balance unless instructed otherwise.
- 10.0 Delinquency Notices.** 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 pursuant to subsection 2.0, mail the 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 sixty (60) days after the obligation becomes past due, the association mails to the address on file for the unit's owner:(a) A schedule of the fees that may be charged if the unit's owner fails to pay the past due obligation; (b) A proposed repayment plan; and (c) 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.
- 11.0 Ten (10) Day Notice** A Ten (10) Day Notice 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 section 10.0, above.
- 12.0 Notice of Intent to 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 section 10.0 and 11.0, above.
- 13.0 Notice of Delinquent Assessment** 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 thirty (30) days of the date of the Notice of Intent to Lien or as otherwise allowed by Nevada law.
- 14.0 Notice of Default & Election to Sell** 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 (30) days of the date of the lien (Notice of Delinquent Assessment) or as otherwise allowed by Nevada law.
- 15.0 Notice of Sale** 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 (90) days of the date of the Notice of Default & Election to Sell or as otherwise allowed by Nevada law.

16.0 Right to Foreclose The Association may foreclose non-judicially or judicially in accordance with Nevada law in the event the Owner continues to fail to pay the past due obligation.

17.0 Good Faith Agreement The Association may 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.

18.0 Obligation to Pay Fines Owner shall be responsible to pay all fines. A possible schedule of fines may be attached to this Collection Policy. When the total unpaid fines reach the amount of **\$500.00**, it may be sent to the designated Collection Agency for the Association. If Owner fails to pay any fine, 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.

19.0 Right to Collect The Association has the right to collect any delinquent assessments and unpaid fines in any manner allowed by Nevada law.

20.0 Compliance with Nevada Servicemembers Civil Relief Act ("NVSCRA"). In order to comply with NVSCRA, which became law May 29, 2017, before the Association takes any action to pursue collection efforts, the Association shall: (a) Inform each Owner, or his or her successor-in-interest, that if the person is a servicemember or dependent of a servicemember, he or she may be entitled to certain protections granted by the NVSCRA; and (b) give the person the opportunity to provide the information necessary for the Association to verify whether the person is entitled to the protections set forth in the NVSCRA including, but not limited to, the social security number and date of birth of the person.

If a person or dependent of that person is entitled to the protections of the NVSCRA, then in the absence of a court order to the contrary, the Association shall not commence collection of any past due assessments and related charges, during the person's term of active duty or deployment and up to one(1) year after the active duty of deployment ends.

21.0 Address of the Association and the Board of Directors. Owners should make payments to the address as directed by the designated collection 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 Management Company for the Association.

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

This resolution of the Board of Directors has been duly adopted at the June 28, 2022 Board of Directors meeting.

By:  _____ President

By:  _____ Secretary/Treasurer