

RESOLUTION
BOARD OF DIRECTORS
OF
RED MOUNTAIN RV RESORT HOMEOWNERS ASSOCIATION
YEAR 2014

ADOPTING A COLLECTION PROCEDURE

The following resolution has been adopted by the Association pursuant to Law and the Governing Documents, at a regular meeting of the Board of Directors.

RECITALS

- (a) The Association is charged with certain responsibilities regarding the care, maintenance, and service of certain portions of the common area.
- (b) The Association must have the financial ability to discharge its responsibilities.
- (c) The Board of Directors is required to pursue collection of assessments and other charges from all owners.
- (d) The Board of Directors of the Association desires to adopt a uniform and systematic procedures and policies for the collection of assessments and other charges of the Association.

NOW, THEREFORE, BE IT RESOLVED that the ASSOCIATION does hereby adopt the following procedures and policies for the collection of assessments and other charges of the Association:

- 1. Due Dates.** The annual assessment as determined by the Association and as allowed for in the Declaration, Articles of Incorporation, and Bylaws shall be due and payable in monthly installments due on the 1st day of each month. Assessments or other charges not paid to the Association by the 30th day of the beginning month in which they are due shall be considered past due and delinquent.
- 2. Invoices.** The Association may, but shall not be required, to invoice an owner as a condition to an owner's obligation to pay assessments or other charges of the Association. If the Association provides an owner with an invoice for maintenance assessments, although invoices are not required, the invoice should be mailed or sent to the owner between the 20th and 30th day of the month preceding each due date or a coupon book will be mailed in December of the preceding year. Non-receipt of an invoice shall in no way relieve the owner of the obligation to pay the amount due by the due date
- 3. Late Charges and Interest Imposed on Delinquent Installments.** A maintenance assessment shall be past due if not paid by the 30th day to the month in which it is due. The Association shall impose a \$10.00 late charge on the outstanding or past due balance then due the Association. The late charge shall be a "common expense" for each owner

who fails to timely pay their monthly installment of the annual assessment by the 30th day of the beginning month. Also, any outstanding balance delinquent 30 days or more will incur an interest penalty.

The Association may charge interest at the rate allowed by law on any assessments more than sixty days past due. Per NRS 116.31153 “... 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.”

The late charge and interest shall be the personal obligation of the owner(s) of the unit for which such assessment or installment is unpaid. All late charges and interest shall be due and payable immediately, without notice, in the manner provided by the Declaration (and as set forth above) for payment of assessments.

4. Return Check Charges. In addition to any and all charges imposed under the Declaration, Articles of Incorporation and Bylaws, the Rules and Regulations of the Association, or this Resolution, a twenty five dollar (\$25.00) fee or other amount deemed appropriate by the Board of Directors shall be assessed against an Owner in the event any check or other instrument attributable to or payable for the benefit of such Owner is not honored by the bank or is returned by the bank of any reason whatsoever, including but not limited to insufficient funds. This returned check charge shall be a “common expense” for each owner who tenders payment by check or other instrument that is not honored by the bank upon which it is drawn. Such return check charges shall be due and payable immediately, upon demand. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. Returned check charges shall be the obligation of the owner(s) of the unit for which payment was tendered to the Association. Returned check shall become effective on any instrument tendered to the Association for payment of sums due under the Declaration, Articles, Bylaws, Rules and Regulations, or this Resolution after January 1st, 2008. If two or more of a unit owner’s checks are returned unpaid by the bank within any (fiscal) year, the association may require that all of the unit owner’s future payments, for a period of one year, be made by certified check or money order.

5. Attorney’s Fees on Delinquent Accounts. As an additional expense permitted under the Declaration, Articles, and Bylaws, the Association shall be entitled to recover its reasonable attorney’s fees and collection costs incurred in the collection of assessments or other charges due the Association from a delinquent owner. The reasonable attorney’s fees incurred by the Association shall be due and payable immediately when incurred, upon demand. If the account is turned over to collection a two hundred dollar administration fee will be added to the account payable to FCCMI.

6. Application for payments made to the Association. Payments received from an owner will be credited in the following order of priority:

1. Charges for legal fees, court costs and other costs of collection
2. All late charges or interest accrued, as applicable
3. All other charges incurred by the Association as a result of any violation by an owner, his/her family, employees, agents or licensees, of the Declaration, Articles of Incorporation, Bylaws, Rules or Regulations, or Resolutions.

4. The monthly assessment for a unit, including any special assessment due, as applicable: payments shall be applied toward the oldest month(s) then owed.

7. **Collection Letters**

(a) After a maintenance assessment or other charge due the Association becomes 15 days past due, the Association may cause, but shall not be required to send, a “late notice” to be sent to the unit owner who is delinquent in payment.

(b) If payment in full is not received within 75 days, the Association may, but shall not be required to send a “Notice of Intention to Refer Account to the Attorney” to the unit owner. The Association may simultaneously send a copy of the notice to the mortgagee of the unit.

(c) If a “Notice of Intention to Refer Account to the Attorney” is mailed the notice will include an option to repay the outstanding balance over six months, an opportunity to a hearing pursuant to NRS 116.31031, and a schedule of any additional fees that the homeowner may incur if the account is turned over for collections.

8. **Liens.** The Association may file a Notice of Lien against the property of any delinquent owner in accordance with the terms and provisions of the Declaration, Articles of Incorporation, and Bylaws. A copy of the recorded Notice of lien shall be mailed to the Owner and to the Mortgage lender with a request that the lender send a letter to the delinquent owner advising the owner of the lender’s option to accelerate the mortgage debt.

9. **Referral of Delinquent Accounts to Attorneys.** The Association may, but shall not be required to refer delinquent accounts to its attorneys for collection. Upon referral to the attorneys, the attorneys shall take all appropriate action to collect the accounts referred.

10. **Referral of Delinquent Accounts to Collection Agencies.** The Association may, but shall not be required to refer delinquent accounts to one or more collection agencies for collection. Upon referral to a collection agency, the agency shall take all appropriate action to collect the accounts referred.

11. **Collection Procedures and Time Frame.** The following time frame shall be used in the collection of monthly installments of the annual assessment and other charges.

Due date (date payment is due)	1st day of each month
Past due date (date payment is late)	30th day of each month
Late charged imposed	31st day of each month
“Late Notice” mailed imposing late Fees, interest, etc.	31st day of each month
“Notice of Intention to Refer Account to Attorney” mailed	75 days after the due date

Account referred to attorney
For legal action

90 days after the due date

The attorney is to consult with the association at all times to determine if payment has been arranged or which collection procedures are appropriate.

12. The association may grant a waiver of any provision herein upon petition in writing by an owner showing a personal hardship. Such relief granted an owner shall be appropriately documented in the files with the name of the person or persons representing the Association granting the relief and the conditions of the relief. In addition, the Association is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association shall determine appropriate under the circumstances.

13. Notification to Owners. The Association shall cause all owners to be notified of this Resolution and the late charges, returned check charge, and attorney's fees to be imposed after the effective date of those provisions of this Resolution. All other policies and procedures set forth in this Resolution shall be effective immediately.

14. Ongoing Evaluation. Nothing in this Resolution shall require the Association to take specific actions other than to notify homeowners of the adoption of these policies and procedures. The Association has the option and right to continue to evaluate each delinquency on a case by case basis.

SCHEDULE OF COLLECTION RELATED FEES FOR DELINQUENT ASSESSMENTS

1. See (Exhibit A) Collection Fees from Hampton and Hampton
2. See (Exhibit B) Collection Fees from Nevada Association Services

The above fees may vary slightly depending on the company the Association has retained to perform collection services. The Nevada Real Estate Division was instructed by the Nevada legislature to adopt regulations setting forth the fees that may be charged related to the collection process. This schedule of fees will be superseded on the date such regulations adopted by the Nevada Real Estate Division become effective.

With respect to fees related to the collection of fines:

SCHEDULE OF COLLECTION RELATED FEES FOR FINES

1. See (Exhibit A) Collection Fees from Hampton and Hampton.
2. See (Exhibit B) Collection Fees from Nevada Association Services.

**RED MOUNTAIN RV RESORT HOMEOWNERS ASSOCIATION
SCHEDULE OF FINES
YEAR 2014**

NRS 116.31031 POWER OF EXECUTIVE BOARD TO IMPOSE SANCTIONS FOR VIOLATIONS OF GOVERNING DOCUMENTS.

1) If a unit's owner, or a tenant or guest of a unit's owner, does not comply with the provision of the governing documents of an association, the Executive Board of the association may, if the governing documents so provide:

(a) Prohibit, for a reasonable time, the unit's owner, or the tenant or guest of the unit's owner, from:

(i.) Voting on matters related to the common-interest community

(ii.) Using the common elements. The provisions of this paragraph do not prohibit the unit's owner, or tenant or guest of the unit's owner, from using any vehicular or pedestrian ingress or egress to go to or from the unit, including any area used for parking.

(b) Require the unit's owner, or the tenant or guest of the unit's owner, to pay a fine for each failure to comply that does not threaten the health and welfare of the common-interest community, **after being afforded an opportunity to a hearing**. The fine must be commensurate with the severity of the violation, but must not exceed \$100.00 for each violation or a total amount of \$1,000.00.

2) If a fine is imposed pursuant to subsection 1 and the violation is not cured within 14 days or a longer period as may be established by the Executive Board, the violation shall be deemed a continuing violation. Thereafter, the Executive Board may impose an additional fine for the violation for each 7-day period or portion thereof that the violation is not cured. Any additional fine may be imposed without notice and an opportunity to be heard.

3) The imposition of such fine must comply with the requirements of subsection 6 of NRS 116.31065.

FIRST INFRACTION OF THE GOVERNING DOCUMENTS: WARNING

All other fines will be commensurate with each violation infraction.

ANY INFRACTIONS OF THE GOVERNING DOCUMENTS DEEMED TO BE THREATENING TO HEALTH AND WELFARE OF THE COMMON-INTEREST COMMUNITY WILL BE EVALUATED ON A CASE BY CASE BASIS.

This Collection Policy was approved by the Boulder Oak Community Association Board of Directors on October 17, 2013.