

**CLARIDGE POINTE HOMEOWNERS ASSOCIATION
COLLECTION POLICY AND FINE POLICY**

Adopted November 9, 2015

RECITALS

1. Timely payment of regular, reserve, individual and special assessments is of critical importance to the Association.
2. The failure of any owner to pay assessments when due creates a cash-flow problem for the Association and causes those owners who make timely payment of their assessments to bear a disproportionate share of the Association's financial obligations.
3. Owners who have violated the governing documents should pay fines pursuant to the Association's Declaration of Covenants, Conditions and Restrictions, its By-Laws and Nevada Revised Statutes 116, Sections 116.3115 through 116.3118 inclusive and 116.3118.
4. Upon its effective date, this Policy replaces all previously adopted collection and fine policies and procedures.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors of Claridge Pointe Homeowners Association adopts the following Collection Policy and Fine Policy ("Policy") as of November 9, 2015. The policies and procedures set forth herein and the charges set forth on the Schedule of Collection Fees and Costs attached shall become effective thirty (30) days after the date this Policy is first mailed to the Members. It shall remain in effect unless it is modified.

The Board establishes the Association's fiscal year, January 1 through December 31, as the Regular Assessment period. Monthly payments of regular assessments are due on the first day of each month.

1. **Assessment due dates.** The regular or annual assessment is due and payable in twelve (12) equal installments on the first day of each month. Special, reserve or individual assessments shall be due and payable on the due date specified by the Board of Directors in the notice imposing the assessment. Assessments shall be delinquent if not paid within thirty (30) days after they become due.

The Association will give the owners notice of the annual assessment each year. Notice will be sent by first-class mail to addresses on the membership register as of the date of notice or by electronic mail if written instruction has been given by the owner. It is the responsibility of each owner to advise the Association of any address changes in writing. The Board of Directors may elect to provide additional periodic statements of account, but lack of such statements does not relieve the owners of the obligation to pay assessments. If payment is not received when due, the assessment includes any late charges, interest, collection fees, collection costs, attorney's fees and costs.

2. **Late Fees and Interest.** When an installment payment of any assessment becomes delinquent, the owner's account shall be assessed a late fee of \$1.00 per day on each delinquent assessment until all charges, penalties and assessments are no longer delinquent. Such fee(s) shall be part of the assessment and lien. If an assessment payment becomes delinquent, interest may be assessed on the delinquent assessment at the legal rate allowed, such interest to be part of the assessment and the lien.

3. **Dishonored Checks.** At any time that the Association or its designated agent receives a check dishonored by the bank for any reason, an administrative charge of \$20.00 shall be imposed. The owner shall be responsible for any other charges imposed by the bank or financial institution. The Board may immediately proceed with the collection process if the amount of the dishonored check is not paid within 10 days after notice of dishonored check is sent to the owner. The Association may also seek damages in accordance with the Nevada Revised Statutes.

4. **Dispute of Charges.** If the owner questions the accuracy of the calculation of an account or the amount charged to the account, a written objection to the specific charges must be made (received) to the Board within 30 days of the date notice of the charge or balance is sent. A telephone call will not reserve any rights. The disputed amount may remain unpaid during the investigation, but the undisputed portion of the account must be paid before the delinquency date in order to avoid collection charges. No action will be taken to collect the disputed amounts until completion of the investigation and the decision is provided to the owner. The owner must provide the following information in writing regarding any dispute.

The owner's name, mailing address, and account number.

The exact dollar amount in dispute or in error.

For each charge or payment in dispute, 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. If an owner does not know how the error was made, that statement may be made.

Copies of checks (both front and back), letters and other documents referred to or claimed must accompany the written objection.

5. **Delinquency Notice.** Sixty (60) days after an assessment, or any portion thereof, becomes past due, the Association shall mail a delinquency notice stating all amounts past due as of the date of the notice. The notice shall enclose: (1) a copy of this Collection Policy which shall constitute notice of the fees that may be assessed if the delinquency is not paid; (2) a proposed repayment plan that the owner may pay the delinquency in equal monthly payments that will bring the account paid in full within a reasonable period of time, plus any current assessments made; and (3) notice that the owner may request a hearing with the Board to contest the past due obligation. If no hearing is requested and no repayment plan executed and commenced within thirty (30) days of the date of this notice, the account may be referred to legal counsel or a collection agent for collections.

6. **Collection Costs Are Recoverable and Are Part of the Assessment and Lien.** The Association is entitled to recover all reasonable costs incurred in collecting delinquent assessments including, but not limited to, the following: (i) reasonable charges imposed to defray the cost of preparing and mailing demand letters or notices; (ii) legal expenses incurred; (iii) costs of collection; (iv) recording costs; (v) costs incurred with title companies or foreclosure service providers; (vi) management company fees; and (vii) any other costs of collection identified in NRS 116.310313. All such costs shall be part of the assessment and lien. Examples of such costs that may be incurred are set forth on the Schedule of Collection Costs attached hereto. Collection costs are recoverable as part of the super-priority lien as provided in NRS 116.3116.

7. **Notice of Delinquent Assessment and Claim of Lien.** The Association has a lien for any unpaid assessment, abatement assessments, late fee, fine, construction penalty, collection fee, collection cost, attorney's fee or cost that is imposed against a homeowner. The recording of the CC&Rs constitutes record notice and perfection of the Association's lien that shall include any and all sums due including but not limited to any unpaid assessment, abatement assessments, late fee, fine, construction penalty, collection fee, attorney's fee or cost. No further recordation of any claim of lien is required. If payment for all sums that are then delinquent is not made, the Association, or its agent, may record a Notice of Delinquent Assessment and Claim of Lien. This step in the non-judicial foreclosure process shall not be commenced before the expiration of four (4) months from the date of unpaid assessment unless action must be taken sooner to protect the Association.

8. **Non-Judicial or Judicial Foreclosure.** If the account remains delinquent, any action may be taken to proceed with or complete a non-judicial or judicial foreclosure as provided by Nevada law. A lien for unpaid assessments is extinguished unless a notice of default and election to sell is recorded as required by NRS 116.31162(1)(b) or judicial proceedings are instituted within three (3) years after the assessment became due.

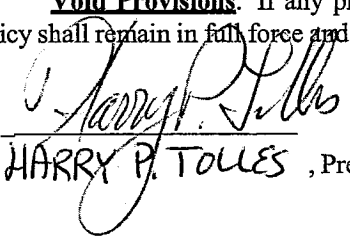
9. **Application of Payments and Partial Payments.** Payments shall be applied to the oldest balance owing unless otherwise specified in writing by the owner. Payments for assessments may not be applied to fines unless authorized by the owner. Partial payments will be accepted and applied. However, absent a written and approved payment plan, there is no obligation to stop any collection or foreclosure if a partial payment is tendered.

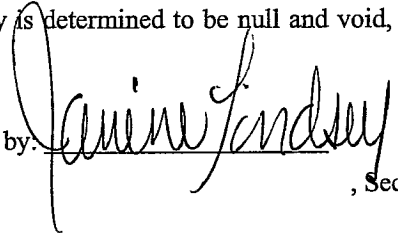
10. **Payment of Fines for Non-Compliance.** Owners shall be responsible to pay all fines, as the same may be levied from time to time by the Board, pursuant to the powers of the Board granted in the governing documents and subject to the provisions of NRS Chapter 116. Fines may vary depending upon the infraction and fines shall be determined on the basis of the severity of the violation. The owner shall be provided with notice of the fine to be imposed prior to any hearing or the levying of any fine. If owner fails to pay a fine, the Association may record a notice of violation and claim of lien against the owner's property and the Association has the right to charge any amount allowed by law to collect unpaid fines from the owner. There is no cumulative limit to the amount of a continuing violation fine. The Association does not have the right to foreclose on a lien for fines, unless such fines were for a health, safety, or welfare violation or for a construction penalty. The Association may avail itself of other remedies allowed by law to collect the assessment made for a fine. This includes but is not limited to commencement of an action pursuant to Chapter 38 of the Nevada Revised Statutes.

11. **Bad Debt.** The Board must approve the write-off of bad debt.

12. **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 any past due obligation and related costs and charges, including but not limited to bringing an action under Chapter 38, in Small Claims, Municipal or District Court. Such remedies may be taken in addition to or in lieu of any action already taken, and commencement of one remedy shall not prevent the Association from electing at a later date to pursue another remedy as allowed by law.

13. **Void Provisions.** If any provision of this Policy is determined to be null and void, all other provisions of this Policy shall remain in full force and effect.

By: 
HARRY P. TOLLES, President

Attested by: 
 , Secretary

SCHEDULE OF COLLECTION RELATED FEES AND COSTS

a)	Demand Letter	\$150.00
b)	Notice of Delinquent Assessment and Claim of Lien	\$325.00
c)	Notice of Intent to take next action (follow up letter)	\$90.00
d)	Notice of Default	\$400.00
e)	Intent to Notice Sale Letter	\$90.00
f)	Notice of Sale	\$275.00
g)	Intent to Conduct Foreclosure Sale	\$25.00
h)	Conduct Foreclosure Sale	\$125.00
i)	Prepare and Record Transfer Deed	\$125.00
j)	Payment Plan Agreement	\$30.00
k)	Payment Plan Breach Letter	\$25.00
l)	Release of Notice of Delinquent Assessment and Claim of Lien	\$30.00
m)	Notice of Rescission Fee	\$30.00
n)	Bankruptcy Package Preparation and Monitoring	\$100.00
o)	Mailing Fee Per Piece	\$2.00
p)	NSF Fee	\$20.00
q)	Escrow Payoff Demand Fee	\$150.00
r)	Substitution of Agent Document Fee	\$25.00
s)	Sale Postponement Fee	\$75.00
t)	Foreclosure Fee	\$150.00
u)	Reasonable Management Company Fees	\$200.00
v)	Reasonable attorney's fees and actual costs	hourly rate

By way of example only: advice to client, bankruptcy pleadings (Proof of Claim, Notice of Perfection of Claim of Lien, Objection to Plan, Motion for Relief of Stay), forbearance agreements, evaluations of accounts, evictions, release of the super priority portion, certificate of sale, notice of redemption, etc.

w) 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 skip trace fees, Pacer searches, court filing fees, etc. which may be charged at the actual cost incurred.