



Eldorado
Neighborhood Second HOA

**ELDORADO NEIGHBORHOOD SECOND HOMEOWNERS ASSOCIATION
ASSESSMENT, ABATEMENT, FINE, & OBLIGATION COLLECTION POLICY
#21-03(CP)**

The collection of assessments is important to the Association because assessments are the source of payment for all Association obligations. Owners who fail to timely pay their assessments cause all other owners to bear the delinquent owner's share of the Association's financial obligations. Therefore, in compliance with Nevada law and the Association's governing documents, the following policies and procedures apply to the collection of delinquent assessments and other obligations at the Association.

1. **Assessment Payment Obligation & Due Dates [NRS 116.3115, 116.3116; CC&Rs §§ 3.1, 3.5]:** Each Owner, by acceptance of a deed or other conveyance thereof, to a Unit, whether or not expressed in such deed, is deemed to covenant and agree to pay Association all assessments against their Unit. All such assessments and fees, together with interest, costs, attorney's fees, and other sums related to collection of such assessments, shall be a charge and lien on the Unit against which such assessment is made and a personal obligation of the Owner. Unless the Board provides otherwise, the regular/common assessment is payable **annually in advance**. **Each annual assessment is due on January 1st** in the amount specified on the annual budget and/or notice of assessment issued for the calendar year. Special or other assessments shall be due and payable on the due date specified by the Board of Directors in the notice imposing the assessment or in the ballot presenting the Special or other assessment to the members for approval. Pursuant to NRS 116.3115(2)(b), reserve assessments do not require membership approval. The Board establishes the Association's fiscal year, January 1 to December 31, as the regular assessment period.
2. **Notice of Address Change [CC&R §§ 4.2, 4.18]:** It is the responsibility of each owner to advise the Association of any mailing address changes in writing. The Association may provide additional periodic statements of assessments and charges, but lack of such statements does not relieve the Owner of the obligation to pay assessments. *Note: Address changes must be submitted on the forms provided by Association management by the person legally authorized to control the Unit; merely sending an e-mail or other communication is not sufficient notice to the Association.*

3. **Late Fees/Charges [NRS 116.3102(1)(k); CC&Rs §§ 3.5, 4.2, 4.18]:** When an installment payment of an assessment is thirty (30) days past due, the owner shall be charged a late fee/charge of ten percent (10%) of the installment or Ten Dollars (\$10.00), whichever is greater for each delinquent payment.
4. **Interest [NRS 116.3115(3); CC&Rs §§ 3.5, 4.2, 4.18]:** Any past due assessment for common expenses or installment thereof that is 60 days or more past due bears interest at the 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%. The rate must be adjusted accordingly on each January 1 and July 1 thereafter until the balance is satisfied.
5. **Fines [NRS 116.31031, 116.3116; CC&R §§ 4.2, 4.18]:** When fines for non-health, safety or welfare violations total \$500.00 or more, and remain delinquent subsequent to the 60 Day Delinquency Notice, procedures for collection of the same shall be done in accordance with the collection procedures set forth herein with respect to imposing a lien. Where fines involve health, safety, or welfare violations then they shall be collected and subject to foreclosure as set forth herein and in NRS 116.31031.
6. **Federal & Nevada Servicemembers Civil Relief Act [50 U.S.C. § 3901 (SCRA); NRS 116.311625]:** Prior to sending the statutory pre-collection (60 day) notice, the Association shall provide notice that if a unit's owner or his or her successor in interest is a servicemember or a dependent of a servicemember the Association shall not initiate a foreclosure of a lien by sale during any period that the servicemember is on active duty or deployment or for a period of one (1) year immediately following the end of such active duty or deployment. Further, the Association shall provide such persons with an opportunity to provide servicemember verification information (name, birthdate, social security number) to the Association to confirm qualifying status under NRS 116.311625 and the Association shall verify the same. *Said notice is hereby given through this policy.* The Association may, but is not obligated to, provide additional/reminder notices of these rights through additional communications, including, but not limited to, including such reminder notices in the statutory pre-collection (60 day) notice, membership mailers, resale packages, annual mailers, individual mailer and/or blanket notices.
7. **Nevada Federal, Tribal, and State Workers Civil Relief Act [NRS 116.311627]:** Prior to sending the statutory pre-collection (60 day) notice, the Association shall provide notice that if a unit's owner or his or her successor in interest is a federal worker, tribal worker, or state worker, or, upon application to the court by the applicable individual, a household member or landlord of a federal worker, tribal worker, or state worker who is determined by the court to be entitled to the same protections, the Association shall not initiate a foreclosure of a lien by sale during any period that the federal worker, tribal worker, or state worker, or applicable individual as entitled by the court, during the period on which a "shutdown" (any period in which there is a lapse in appropriations for a federal or state agency or tribal government that

continues through any unpaid payday for a federal worker, state worker or tribal worker employed by that agency or tribal government) begins and ending on the date that is 90 days after the date on which the shutdown ends. Further, the Association shall inform such persons of their opportunity to provide verification information to the Association to verify entitlement to protections under NRS 116.311627 and Association shall verify the same. ***Said notice is hereby given through this policy.*** Association may, but is not obligated to, provide additional/reminder notices of these rights through additional communications, including, but not limited to, including such reminder notices in the statutory pre-collection (60 day) notice, membership mailers, resale packages, annual mailers, individual mailer and/or blanket notices.

8. **60 Day Delinquency Notice/Statutory Pre-Collection Notice [NRS 116.31162; CC&R §§ 4.2, 4.18]:** Not earlier than sixty (60) days after an assessment, charge, fine, or any portion thereof, or any other obligation has become due, the Association shall mail to the address on file for the unit's Owner: (a) a schedule of 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 Board and the procedures for requesting such a hearing.

9. **Right and Procedure to Contest Past Due Obligation(s) at a Hearing before the Executive Board [NRS 116.31162; CC&R § 4.2, 4.18]:** Unit Owners have the right to contest any past due obligation(s) at a hearing before the executive board by properly submitting a request within thirty (30) days of the date the 60 Day Delinquency Notice/Statutory Pre-Collection Notice is mailed to the Unit Owner. The procedure for requesting a hearing pursuant to the 60 Day Delinquency Notice/Statutory Pre-Collection Notice is as follows: (1) send a written request, (2) sent via certified mail or process server, (3) to Association management (or to the Association's agent that sent the 60 Day Delinquency Notice/Statutory Pre-Collection Notice), (4) with the following statement in **bold underlined 12pt type** as the first line in the writing "**Request for Hearing to Contest Past Due Obligation(s) for Unit [address of your unit here] owned by [your name here]**", (5) followed by a short statement setting forth your basis for contesting the obligation (ex: amount was already paid, etc.), (6) include documents supporting your basis for contesting the obligation (ex: canceled checks deposited by the Association, etc.), and (7) the request must be *delivered* to the Association within thirty (30) days of the date the 60 Day Delinquency Notice/Statutory Pre-Collection Notice was mailed to the Unit Owner. ***ATTENTION: Letters that do not strictly adhere to the requirements for requesting a hearing may not be acknowledged/processed and/or otherwise will not qualify as submission of a contest to a past due obligation.*** Following timely receipt of a compliant letter contesting past due obligation(s), Unit Owner's hearing to contest amounts owed shall occur during the Association's executive session immediately preceding or following (as reflected in the meeting notice) the next regularly scheduled executive board meeting (including meetings scheduled for the next or same day where a contest letter is delivered before a scheduled meeting) *or* at the date, time and location provided to Unit Owner in a separate contest hearing notice sent to Unit Owner by Association. ***In the event Unit owner***

fails to attend hearing a determination may be made in absentia. Following the hearing, a written disposition (hearing determination) of the matter shall be sent to Unit Owner.

10. **Transfer of Account to Attorney or Agent for Collection [NRS 116.3102, 116.31162; CC&Rs §§ 3.1 et.seq. 4.2, 4.18]:** If an owner remains delinquent in the payment of their assessment subsequent to Association's mailing of the Sixty (60) Day Delinquency Notice, the Association may send the Owner's account to the Association's legal counsel or licensed collection agent for the collection of delinquent assessments through: (a) non-judicial foreclosure; (b) judicial foreclosure; (c) alternative dispute resolution; (d) court action; or (e) any other lawful collection method.
11. **Notice of Intent to Lien / Courtesy Notices [CC&R §§ 4.2, 4.18]:** Thirty (30) days after the 60 Day Delinquency Notice, prior to or immediately after transferring a delinquent account to collections, the Association may, but is not obligated to, send a courtesy letter to the Unit owner informing them that their account is about to be sent to (or is in) collections and/or that thirty (30) days have passed since the mailing of the 60 Day Delinquency notice without contest or payment plan request from Unit Owner. Such a letter may be sent by the Association, its management, its attorney, or its collection agent. However, neither Nevada law, nor the Association's governing documents, require such a courtesy notice and such a notice may not be provided prior to the filing of a Notice of Delinquent Assessment Lien.
12. **Assessment Lien & Foreclosure [NRS 116.3116 et seq.; CC&Rs §§ 3.1, 3.6, 3.7]:** The Association's collections service provider (or management) shall mail to Owner and cause to be recorded in the County Recorder's Office a Notice of Delinquent Assessment for all sums that are then delinquent. A recorded Notice of Delinquent Assessment serves as notice of the lien on the delinquent Owner's unit that is subject to foreclosure. The Association has the option of pursuing foreclosure judicially or non-judicially, or seeking other remedies. If payment for all sums that are then delinquent, including the delinquent assessment, late charges, costs, and attorney's fees is not made within thirty (30) days of the mailing of the notice/lien, a Notice of Default and Election to Sell may be recorded against the Owner's unit. Thereafter, the Association may proceed with non-judicial foreclosure upon the delinquent unit pursuant to the procedures set forth in NRS 116.31162 et seq.
13. **Forbearance Agreement (Payment Plan) [NRS 116.31162; CC&R §§ 3.6, 4.2, 4.18]:** Forbearance agreement requests must be submitted in writing for approval. Any agreement entered into with the Owner shall be reasonable, as determined by the Board, and for the purpose of assuring that the best interest of the Association is served. Failure of an Owner to comply with an approved payment schedule shall give the Board and/or its attorney/agent the right to continue the collection process without further notice to the Owner; however, the Association shall not take action until ten (10) days after the due date of the payment owed.

14. **Application of Payment/Partial Payments [NRS 116A.640; CC&Rs §§ 3.1, 3.6]:** Unless otherwise directed by the Payee, assessment payments may be applied to amounts outstanding on the assessment account at the discretion of the Association and/or its agents, but assessment payments shall not be applied to any outstanding violation account. Partial payments may be applied to the amounts due, but may not halt further collection activity.

15. **Maintenance of Separate Assessment and Compliance Accounts [NRS 116.310315; CC&R §§ 3.1, 4.2, 4.18]:** If a unit is subject to a fine, the Association shall establish a compliance account to account for the fine, which will be separate from any account established for assessments.

16. **Obligation to Pay Fees and/or Costs Related to Collecting Delinquent Assessments/Obligations, Recovery of Attorney's Fees and/or All Costs of Collection [NRS 116.3115; NRS 116.3116; NRS 116.310313; CC&Rs §§ 3.1, 3.6]:** If collection services are obtained, a lien filed, non-judicial foreclosure pursued, or a lawsuit or foreclosure proceeding is initiated, by the Association to recover assessments, fines or other obligations, the Association is entitled, by law, to recover not only the amount in default, plus late charges and interest, but also all costs of collection, including, but not limited to, the following: (a) attorney's fees; (b) collection company fees; (c) management costs; (d) mailing costs; (e) recording costs; (f) costs incurred with title companies or foreclosure service providers; (g) filing fees; (h) title and bankruptcy research fees; (i) postage or delivery costs; (j) investigation/audit/monitoring costs/fees; and (k) any other fee or cost incurred in the collection of delinquent assessments/obligations.

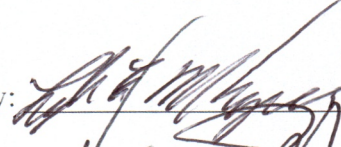
17. **Owner Must Pay Assessments During Foreclosure Mediation With Lender [NRS 116.31162; CC&R §§ 4.2, 4.18]:** If an Owner fails to pay Association assessments that become due during foreclosure mediation with a lender, the Association may foreclose upon the unit despite the pendency of the foreclosure mediation. Further, where the foreclosure trustee records the mediation certificate the Association may foreclose, regardless of whether or not payments were made during pendency of mediation, if any amounts owed remain outstanding.

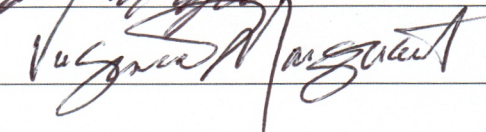
18. **Deadline to Make Payment in Full is Five (5) Days Before the Foreclosure Sale Date [NRS 116.31162]:** Owners have until five (5) days before the date of the foreclosure sale to pay the amounts outstanding against a Unit in order to avoid foreclosure. The Association does not have to accept later payments.

19. **60 Day Right of Redemption from Date of Foreclosure Sale [NRS 116.31166]:** Every Association foreclosure sale shall be subject to a right of redemption at any time within sixty (60) days after the foreclosure sale. An Owner may redeem their foreclosed Unit by paying *the purchaser* (the person/entity that purchased the Unit at the foreclosure sale) the amounts

necessary to redeem the property as set forth in NRS 116.31166. Notice of redemption must be served upon the person who conducted the sale and the person from whom the unit is redeemed in the form and manner set forth in NRS 116.31166. *This policy does not constitute legal advice and Owner/Former Owner should consult with an attorney regarding redemption rights and procedures.*

20. **Incorporation by Reference of Collection and Management Related Fees and Costs [CC&R §§ 4.2, 4.18]:** An Owner shall be responsible for any and all fees and costs incurred or arising due to a delinquency in their account and the related necessity to pursue collection of such delinquencies and such amounts shall be secured against the applicable Unit. The fees and costs the Owner shall be obligated to pay are more specifically set forth in the attorney, collection agent, and management contracts on file in the Association's records (These contracts may, from time to time, be changed when such service providers are changed by the Association). The full and complete terms of such contracts, which are available for review to all Owners, are incorporated herein by reference and such future contracts shall also be deemed incorporated herein by the same reference upon acceptance by the Board. Under no circumstances shall the fees and costs ever exceed any limitation on fees and costs established by the Nevada Commission for Common-Interest Communities & Condominium Hotels pursuant to NRS 116.310313.
21. **Assessment Payments:** Timely Payments: Timely payments should be directed to the Association's management company. Delinquent Payments: Delinquent payments (or requests for payment plans) should be directed to the Association's agent from whom Unit Owner has most recently received correspondence regarding account delinquency.
22. **Miscellaneous [NRS 116A.630(21); NAC 116.470(4)]:** Board must approve all write-offs of debt. Community manager must provide timely updates and reports as necessary.
23. **Effective Date:** This policy was duly adopted by the action of the Board of Directors on January 13, 2022, and shall be effective thirty (30) days after the date of mailing to the Association's membership and shall apply to the 2022 calendar year and each year thereafter until this policy is amended, modified, or a new policy is adopted.

By:  Lyle E. McKenzie
President Association President (or Vice President)

By:  Association Secretary

FEE SCHEDULE – NAC 116.470

<u>SERVICE</u>	<u>FEE</u>
Statutory Pre-Collection Notice (60 Day Notice)	\$150.00
Demand or Intent to Lien	\$150.00
Notice of Delinquent Assessment Lien	\$325.00
Intent to Notice of Default	\$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 Transfer Deed	\$125.00
Trustee/Foreclosure Fee	\$150.00
Postponement Fee	\$75.00
Payment Plan Agreement (one time set-up fee)	\$30.00
Payment Plan Breach Letter	\$25.00
Release of Notice of Delinquent Assessment Lien	\$30.00
Notice of Rescission Fee	\$30.00
Mailing Fee Per Piece	\$2.00
NSF Fee	\$20.00
Escrow Payoff Demand Fee	\$150.00
Substitution of Agent Document Fee	\$25.00
Bankruptcy – Monitoring Fee	\$100.00

Costs: Any costs incurred in the collection process may be imposed against the Unit and/or Unit's Owner. NAC 116.470(3).

Management Fees: In association with collections, an association may charge reasonable management company fees which may not exceed a total of \$200." NAC 116.470(4)(a).

Additional Attorney's Fees: In association with collections, an association may charge reasonable attorney's fees and actual costs, without any increase or markup, incurred by the association for any legal services which do not include an activity described in [the itemization above]. NAC 116.470(4)(b). The Association's attorney's fees that may be imposed against delinquent accounts range from \$245.00 to \$375.00 per hour and flat fees where applicable.

**Notice of Protections Against Foreclosure for Servicemembers and
Servicemember Dependents**

Pursuant to NRS 116.311625, if a unit's owner or his or her successor in interest is a servicemember or a dependent of a servicemember, *an association shall not initiate a foreclosure of a lien by sale during any period that the servicemember is on active duty or deployment or for a period of one (1) year immediately following the end of such active duty or deployment.*

If you are a servicemember or a dependent of a servicemember you may be entitled to the protections of this section.

If you believe you are or may become entitled to the above protections please provide the full name of the servicemember as well as the servicemember's birthdate or social security number. The servicemember's birthdate or social security number is necessary to verify the servicemember's deployment status through the U.S. Department of Defense website.

Please promptly provide the verification information in order to preclude any foreclosure related notices from being sent to your property from your community association.

If foreclosure notices have been sent to your property and you subsequently provide verification information confirming you were entitled to the above protections at the time of such notices then the notices, as well as the fees and costs associated therewith, will be rescinded and waived.

You may provide the verification information by filling out the below information and returning it to Association management.

Unit Address: _____

Mailing Address (if different): _____

Contact Telephone & E-mail: _____

Servicemember Name: _____

Servicemember Birthdate and/or Social Security Number: _____

If you are a unit owner and are a dependent of a servicemember please provide an explanation on a separate document as to why your ability to make required payments to the Association is materially affected by the servicemember's active duty or deployment.

**Notice of Protections Against Foreclosure for Federal, Tribal, and State
Workers During and 90 Days After Government Shutdown**

Pursuant to NRS 116.311627, if a unit's owner or his or her successor in interest is a federal worker, tribal worker, or state worker (or applicable household member or landlord thereof), *an association shall not initiate a foreclosure of a lien by sale* during the period on which a "shutdown" (any period in which there is a lapse in appropriations for a federal or state agency or tribal government that continues through any unpaid payday for a federal worker, state worker or tribal worker employed by that agency or tribal government) begins and ending on the date that is 90 days after the date on which the shutdown ends.

If you are a federal worker, tribal worker, or state worker or a dependent or landlord of such a person you may be entitled to the protections of this section.

Please note, a household member or landlord of a federal worker, tribal worker, or state worker may be entitled to the protections, *upon application to the court*, if the ability of the household member or landlord to make payments required by a lien of a unit-owners' association is materially affected by the shutdown.

If you believe you are or may become entitled to the above protections, please provide the appropriate information necessary to verify entitlement to the same.

Please promptly provide the verification information in order to preclude any foreclosure related notices from being sent to your property from your unit-owners' association.

If foreclosure notices have been sent to your property and you subsequently provide verification information confirming you were entitled to the above protections at the time of such notices then the notices, as well as the fees and costs associated therewith, will be rescinded and waived.

You may provide the verification information by filling out the below information and returning it to Association management.

Unit Address: _____

Mailing Address (if different): _____

Name of Person Entitled to Protection: _____

Contact Telephone & E-mail: _____

Identification of Agency/Department of Employment: _____

Contact Telephone for Human Resources Office to Verify Employment: _____

Additional Documentation: Please provide any additional documentation or contact information you believe may be helpful in verifying your entitlement to the protections above.