

**SOUTH SHORES COMMUNITY ASSOCIATION  
ASSESSMENT, ABATEMENT & FINE COLLECTION POLICY**

**RESOLUTION OF THE BOARD OF DIRECTORS**

WHEREAS the Board of Directors ("Board") of the SOUTH SHORES COMMUNITY ASSOCIATION ("Association") is charged with the responsibility of collecting assessments, abatement expenses, and fines; and

WHEREAS from time to time Owners become delinquent in their payments of assessments, abatement expenses, and fines and fail to respond to the demands from the Board to bring their accounts current; 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 revenue;

NOW THEREFORE, BE IT RESOLVED that the Board of the Association adopts the following policy and practice effective thirty days after distribution to Owners.

This document sets forth the Association's policy regarding the collection of assessments, abatement expenses, and fines pursuant to the Association's Declaration, Bylaws, Articles, and Rules and Regulations, and any regulations and resolutions adopted by the Board, which may be amended from time to time (the "Governing Documents"), and Nevada Revised Statutes ("NRS") Chapter 116. Unless otherwise specified herein, the capitalized terms have the same meaning as defined in the Master Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for South Shores recorded with the Clark County Recorder's Office on April 3, 1989, in Book No. 890403, as Instrument No. 00262 (the "Declaration").

The Board establishes the Association's fiscal year, January 1 to December 31, as the regular assessment period.

**1.0 Assessments in General.** The Association has a duty to levy Common (including Supplemental Common), Special, Capital Improvement and Reconstruction Assessments, as defined in the Declaration, and reserve assessments as set forth in NRS 116 (collectively "Assessments"), sufficient to perform its obligations under the Governing Documents and Nevada law. See Declaration, Article I, Sections 1.06-1.09, inclusive, and Article VI, Section 6.05, 6.07 (c) and 6.08, and NRS 116.3102(1) (b) and NRS 116.31152(1). The Common Assessment in an amount sufficient to pay Common Expenses is payable quarterly. See Declaration, Article VI, Section 6.06. Each installment is due on the first day of the month for which it is due as specified in the annual budget and/or notice of Assessment issued for the calendar year. See Declaration, Article VI, Section 6.06. Special or other Assessments shall be due and payable on the due date specified by the Board in the notice imposing the Assessment or in the ballot presenting the Special or other Assessment to the Members for approval. See Declaration, Article VI, Section 6.08. Reserve assessments do not require membership approval. See NRS 116.3115(2)(b).

**2.0 Obligation to Pay.** The Association has a lien on a Lot for: (a) any Assessment levied against that Lot, (b) any fines imposed against the Owner for violating the Association's Governing Documents, and (c) any abatement expenses imposed pursuant to NRS 116.310312. Further, Owners have a personal obligation to pay each Assessment, abatement expenses, or fine. See Declaration, Article VI, Section 6.01 and NRS 116.310312(6) and NRS 116.3116(1).

**3.0 Notice of Address Change.** It is the responsibility of each Owner to advise the Association of any mailing address changes. The Board may elect from time to time to provide additional periodic statements of Assessments and charges, but lack of such statements does not relieve the Owners of the obligation to pay Assessments.

**4.0 Designation of Agent.** The Board designates Terra West Management Services as its managing agent to process non-delinquent assessments, abatement expenses and fines prior to sending a delinquent account to collections. The Board may designate a third party entity ("Designated Collection Agent") to collect assessments, abatement expenses, and fines on all accounts transferred to said Designated Collection Agent.

**5.0 Late Fees.** Any installment of an Assessment, or portion thereof, that is not received by the Association within 30 days after the due date, shall be deemed to be past due and result in a late fee being imposed in the amount of \$10.00 or ten percent (10%) of the delinquent Assessment, whichever is greater. See Declaration, Article VI, Section 6.10 and NRS 116.3102(1) (k).

6.0 Interest Charges. Any installment of an Assessment, or portion thereof, which is not received by the Association within 60 days after the due date, shall bear interest at the rate of prime plus two percent (2%) per annum. See Declaration, Article VI, Section 6.10, and NRS 116.3115(3). The prime rate shall be determined by 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 due. Notwithstanding the foregoing, the rate shall not exceed 12% per year and any Special Assessment for past due fines must not bear interest.

7.0 Costs of Collection. Any costs and fees incurred in processing and collecting delinquent amounts, including, without limitation, late fees and interest charges, charges for preparation of delinquency notices or referral for collection, postage, and copies, and attorney's fees and costs, shall become an additional assessment against the owner and the owner's lot and shall be subject to collection action pursuant to this policy. The Association shall charge an Owner reasonable fees to cover the costs of collecting any delinquent Assessments in an amount not to exceed the amount established by the Commission for Common-Interest Communities and Condominium Hotels. Such costs shall include, but shall not be limited to, any fee, charge or costs, by whatever name, any collection fee; filing fee; recording fee; fee related to the preparation, recording or delivery of a lien or lien rescission; title search lien fee; bankruptcy search fee; referral fee; fee for postage or delivery; and any other fee or cost that the Association may charge an Owner for the investigation, enforcement or collection of a delinquent Assessment (collectively, the "Collection Costs"). Such Collection Costs shall become additional charges against the Owner's Residential Lot and shall be subject to collection pursuant to this Policy. See Declaration, Article VI, Sections 6.01 and 6.11, and NRS 116.310313.

8.0 Late Notice. If an installment of an Assessment is not received within 30 days after the due date, then the subsequently issued account statements will reflect the imposition of the late fees, set forth in Paragraph 5, above.

9.0 Application of Payment. Unless otherwise specified by an Owner, payments received by the Association shall be applied as mandated by NRS 116, NRS 116A and NAC 116. The Association may not apply any Assessment, fee or other charge that is paid by an Owner toward a fine or monetary penalty imposed by the Association against the Owner, without the Owner's consent. See NRS 116.310315.

10.0 Disclosure and Payment Plan. In addition to all other remedies available to the Association, if:

(a) the principal balance of the past due Assessment is a minimum of \$500.00, and

(b) any portion of the Assessment account balance is 60 days past due,

then the Association shall transmit a letter to the Owner ("Disclosure and Payment Plan").

For the purposes of this Resolution, an obligation shall be deemed to be "past due" on the date that a late fee may be imposed pursuant to Paragraph 5, above. The Disclosure and Payment Plan shall include the following:

- (i) A schedule of the fees that may be charged if the Owner fails to pay the past due obligation;
- (ii) A proposed repayment plan; and
- (iii) 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.

See NRS 116.31162(4) as amended by SB 280 (2013).

NOTE 1: The schedule of fees referenced in subparagraph (a), above, is included as an attachment to this Board Resolution. The Association may satisfy subparagraph (a), above, by re-sending to the Owner a copy of the Fee Schedule Exhibit, as may be amended.

NOTE 2: Unless otherwise determined by the Board after the hearing referenced in subparagraph (c), above, all repayment plans shall be: (i) signed by the Owner and returned to the Association within 30 days of the date of the Disclosure and Payment Plan, (ii) be completed in 3 months, and (iii) require the Owner to stay current on future accruing Assessments.

NOTE 3: If an Owner wants to request a hearing to contest the past due obligation, then, within 30 days of the date of the Disclosure and Payment Plan, the Association must receive a written request for the hearing. The written request must be sent to and received by the Association's community manager ("Manager") within the time period provided.

**11.0 Final Pre-Collection Notice.** If within 30 days of the date of the Disclosure and Payment Plan, the Owner has not: (a) signed and returned the Disclosure and Payment Plan, or (b) submitted a written request for a hearing as set forth in NOTE 3 of Paragraph 10, above, then the Association shall transmit a letter to the Owner notifying the Owner of the delinquency and providing the Owner with one (1) final opportunity to bring the account current or enter into a payment agreement prior to the account being delivered to the Association's Designated Collection Agent. This final pre-collection notice shall be mailed by certified mail, return receipt requested to the address of the Lot and, if different, to a mailing address specified by the Owner, and shall inform the Owner that if the Owner fails to bring the account current or enter into a payment agreement within thirty (30) days of the date of the letter, then the Owner will be subject to and responsible for Collection Costs imposed by the Association and its Designated Collection Agent.

**12.0 Assignment of Account to Designated Collection Agent.** If the Owner fails or refuses to bring the account current or enter into a payment agreement within thirty (30) days of the final pre-collection letter, then the Association may turn the account over to the Association's Designated Collection Agent for collection which may include mailing a notice of intent to lien ("Notice of Intent"), filing a Notice of Delinquent Assessment ("Lien") and, thereafter, foreclosing on the Lien. See Declaration, Article IV, Sections 4.8 and 4.9, and NRS 116.31162 et seq. At the time that an account is delivered to the Association's Designated Collection Agent, the Association shall add an account audit fee to the Owner's account, the amount of which is consistent with Nevada law.

**13.0 Fines.** When fines for violations accumulate to \$1,500.00 or more, and remain delinquent for 60 days, the Board shall implement the collection procedures set forth herein with respect to recording a lien. However, fines for violations that do not pose an immediate threat of causing substantial adverse effect on the health, safety or welfare of the Owners or residents cannot be foreclosed upon. See NRS 116.31162(4)(a). Fines imposed for violations that pose an immediate threat of causing a substantial adverse effect on the health, safety or welfare of the Owners and residents are subject to foreclosure as set forth herein and NRS 116.31162, et seq.

**14.0 Forbearance Agreement (Payment Plan Agreement).** 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 or its Designated Collection Agent the right to immediately continue with the collection process without further notice to the Owner. Subject to Paragraph 10, above, the Association may, but is not obligated to, enter into a Forbearance Agreement.

The Association and/or its managing agent may accept partial payments on an assessment account as long as the same is provided without stipulation(s), i.e., "payment in full," that may not be acceptable by the Board.

**14.1 Approval of Forbearance Agreements (Payment Plan Agreements).** Prior to a delinquent account being sent to a third party for collections, the Association's managing agent may approve a payment plan that includes current payments and satisfies the entire account within six (6) months. After the delinquent account is sent to a third party for collection, the Association's collection agent or attorney may approve a payment plan (or the Association's managing agent may approve a payment plan submitted by the third party collections agent for approval), which includes current payments and satisfies the entire account within twelve (12) months. Payment plans in excess of twelve (12) months shall require Board approval.

**15.0 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, including reasonable collection agent or attorney's fees, will be charged to the account. See Declaration, Article VI, Section 6.13.

**16.0 Dishonored Checks.** At any time that the Association or its designated agent receives a check dishonored by the bank for any reason, a charge of \$20.00 shall be imposed by the Association as well as a Returned Check Fee by the managing agent. The Association may also seek damages in accordance with Nevada Revised Statutes.

**16.1 Dishonored Checks By Previous Owners.** Any time that an Owner presents a check to the Association prior to, or immediately following, their transfer of ownership, and the Association cannot enforce this collection policy as outlined herein, the Association, through its managing agent or collections agent, shall forward all necessary documentation to the appropriate law enforcement division for assistance in collecting the sums included in the dishonored check, plus attorney's fees, if applicable.

17.0 Dispute of Charges. If the Owner disputes the accuracy of the calculation of an account or the amount charged to the Owner's Assessment account, an objection to the specific charges must be received by the Board within 30 days of the date notice was received by the Owner of the charge or balance. The disputed amount may remain unpaid during the investigation, but undisputed portions of the account must be paid before the delinquency date in order to avoid Collection Costs. No action will be taken to collect the disputed amounts until the investigation is complete and the Board makes a decision. The Owner must provide the following information in writing regarding any dispute:

- (a) The Owner's name, mailing address, and account number;
- (b) The exact dollar amount in dispute or in error.
- (c) For each charge in dispute, an explanation of the reasons the Owner believes there is an error, including evidence that may assist the Board in resolving the issue, i.e., dates, names, and check numbers, so that the dispute may be investigated efficiently and effectively.
- (d) Copies of checks (both front and back), letters or other documents applicable to the account and claimed error must accompany the written objection.

17.1 Reversal of Additional Charges: The Association's managing agent is permitted to perform additional charge reversals from time to time and as needed to assist the Owner with account reconciliation, provided that the unit owner is not delinquent on their Common Assessments or other principal amounts. Anything outside of these terms must be submitted to the Board for their review and approval as described above. Additional charges include, but are not limited to, late fees, interest, delinquency notice fees, and intent to lien fees.

18.0 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 Assessments, abatement charges, fines and related costs and charges, including but not limited to restricting access to or use of certain Common Areas, revoking voting privileges, bringing an action in Small Claims, Municipal, District Court, or any other legal action available. 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. See Declaration, Article VI, Section 6.14.

19.0 Common Assessment Write Offs: Terra West Management Services, along with other third party agents, including the Designated Collection Agent, do not have the authority to write off any Assessments, abatement expenses or fines imposed by and due to the Association. The Board is required to make these decisions during the executive session of a Board Meeting. The Manager must provide timely updates and reports as necessary to the Association's Board regarding Association's Assessments and related financials.

20.0 Incorporation by Reference of Collection and Management Related Fees and Costs. 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. 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 change when such 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 are deemed incorporated herein by the same reference upon acceptance by the Board. Finally, under no circumstances shall the fees and costs ever exceed any limitations on fees and costs established by the Nevada Commission for Common Interest Communities & Condominium Hotels pursuant to NRS 116.310313.

#### 21.0 Payments and/or Correspondence to the Association.

21.1 Timely Payments: Timely payments (or request for payment plans) should be directed to the Association's management company at South Shores Community Association, c/o Terra West Management Services, 6655 Cimarron Road, Ste 200, Las Vegas, NV 89113.

21.2 Delinquent Payments: Delinquent payments (or requests for payment plans) should be directed to the attorney or collection agent from whom the Owner has received correspondence regarding account delinquency at the address noted in such correspondence.

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.

23.0 Effective Date. This policy was duly adopted by the action of the Board of Directors on ~~February~~ <sup>March</sup> 10, 2015, and shall be effective thirty (30) days after the date of mailing to the Association's Membership and shall apply to the 2015 calendar year and each year thereafter until this policy is amended, modified, or a new policy is adopted.

By: Scott May, President

Attested By: Kevin D., Secretary



**Terra West Amended Schedule of Fees  
(Terra West Only)  
Effective January 21, 2014**

**NOTICE OF REVISED FEES**

Please be advised should your assessment account remain unpaid, additional fees\* could be charged in accordance with NAC 116.470 as noted below:

<b>Management Company Fees (reimbursable association expense charged to unit owner)</b>	
<b>(a) Audit for Collections</b>	
• 60-Day Courtesy Notice Only Required	\$145
• 60- and 90-Day Courtesy Notices Required	\$200
<b>(b) Payment Plan Monitoring Fee (3 Month Plan)</b>	<b>\$30</b>

<b>Management Company Fees (billed directly to the association)</b>	
<b>(c) Payment Plan Monitoring Fee (6-Month Plan)</b>	<b>\$30</b>
<b>(d) Payment Plan Monitoring Fee (9-Month Plan)</b>	<b>\$60</b>
<b>(e) Payment Plan Monitoring Fee (12-Month Plan)</b>	<b>\$90</b>
<b>(f) Expedited Notice or Audit Services (per transaction referenced above)</b>	<b>\$5</b>
<b>(g) Non-Standard Mailing of Reminders and/or Statements</b>	<b>Per Contract</b>
<b>(h) Assessment Acceleration (Modification of Account Ledger)</b>	<b>\$45</b>
<b>(i) Letter Templates (per Template Setup, approximately 4-5 hours required)</b>	<b>\$95/Hour</b>

Please refer to your association's collection policy for additional information.

*\*Additional fees charged directly to the attorney or to the collection agency as a hard cost may also be incurred by the homeowner in accordance with the above referenced statute.*

**ATTACHMENT "A"**  
**ASSESSMENT MANAGEMENT SERVICES FEE SCHEDULE**  
**January 2014**

Set Up Fee	No Charge
Intent to Lien Fee	\$95.00
Assessment Lien	\$325.00
Violation Lien	\$325.00
Amended Lien	\$200.00
Intent to Notice of Default	\$90.00
Notice of Default & Election to Sell	\$395.00
Intent to Notice of Sale	\$90.00
Notice of Sale	\$275.00
Intent to Conduct Foreclosure Sale	\$25.00
Conduct Foreclosure Sale	\$125.00
Payment Plan – One-Time Set Up Fee	\$30.00
Payment Plan Breach Letter	\$25.00
Bankruptcy Package Preparation and Monitoring Fee	\$100.00
Escrow/Legal Demand Fee	\$150.00
Release of Notice of Delinquent Assessment Fee	\$30.00
Notice of Rescission Fee	\$30.00
Demand Fee	\$150.00
Certified Mailing Fee	\$2.00 per piece, plus postage cost
Regular Mailing Fee	\$2.00 per piece, plus postage cost
Substitution of Agent Document Fee	\$25.00
Insufficient Funds Fee	\$20.00
Postponement Fee	\$75.00
Foreclosure Fee	\$150.00
TSG Policy Cost	\$290.00
Bankruptcy Package with Attorney Review Cost	\$250.00
Recording Costs	As set by County Recorder's Office
Publication Costs	As set by Publishing Company
Posting & Auction Costs	As set by Posting & Auction Company
Rescission of NOD and/or Release of Lien	As set by County Recorder's Office
Certified Postage Cost	As set by the United States Postal Service
Regular Mailings Cost	As set by the United States Postal Service
Attorney Fees	As set by Attorney

*Fees and costs may change with 30-day written notice. Schedule of fees may not be all-inclusive.*