

NORTHERN TERRACE HOMEOWNERS ASSOCIATION

COLLECTION POLICY

Timely payment of Annual, Capital and Special Assessments ("Assessments") is critical to NORTHERN TERRACE HOMEOWNERS ASSOCIATION ("Association"). The failure of any Owner to pay Assessments when due creates a cash flow shortage for the Association and causes those Owners who timely pay their assessments to bear a disproportionate share of the Association's financial obligations. Therefore, the Board of Directors has adopted the following policies and procedures concerning the collection of delinquent Assessments ("Collection Policy"). The capitalized terms in this Collection Policy have the same meaning as defined in the Declaration of Covenants, Conditions and Restrictions and Reservation of Easements NORTHERN TERRACE HOMEOWNERS ASSOCIATION ("Declaration"), Article 6 of the Declaration address the Association's authority to levy and collect Assessments.

1. *Personal Obligation / No Exemption.* Assessments are the personal obligation of the Owner at the time the Association levies the Assessment and are also a lien against the Unit. An Owner cannot exempt himself from liability for Assessments by abandoning their Unit or choosing not to use the Common Elements.
2. *Assessment Due Dates.* Annual Assessments are payable in monthly installments and are due on the first day of each month. Special or Capital Assessments, as defined in the Declaration, and reserve assessments as set forth in NRS 116.31152
(1) are due and payable on the date specified by the Board of Directors ("Board") in the notice imposing the Assessment or in the ballot presenting the Special or Capital Assessment to the Members for approval.
3. *Late Charges.* All Assessments, or any portion thereof, are to be paid on the due date. A \$10.00 late fee will be added to the Owner's account for each past due installment that is at least sixty (60) days past due.
4. *Interest.* Subject to any limitations imposed by the Nevada Servicemembers Civil Relief Act, any Assessment, or any portion thereof, that remains unpaid for more than sixty (60) days after the due date shall bear interest at a rate equal to the prime rate at the largest bank in Nevada, plus two percent (2%), adjusted twice yearly on January 1 and July 1.
5. *Collection Costs.*
 - (a) Any costs and fees incurred in processing and collecting delinquent assessment amounts, including, without limitation, interest charges, charges for preparation of delinquency notices, recorder costs, postage, copies, and attorney's fees and costs shall become an additional charge against the Owner and the Owner's property and shall be subject to collection action pursuant to this Policy. Attached hereto is a Schedule of Collection Fees and Costs that may be charged with the collection of past due assessments or fines.
6. *Application of Payments.* The Association will apply payments first to any delinquent Assessments and then to late fees, interest and Collection Costs. Payments will not be applied to pay fines or penalty unless the Owner designates the payment as such.
7. *Compliance With Nevada Servicemembers Civil Relief Act ("NVSCRA").* In order to comply with NVSCRA, which became law in Nevada on May 29, 2017, before the Association takes any action to pursue collection of past due obligations, 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 a 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 or deployment ends.

8. 60-Days or Past Due Notification: In addition to all other remedies available to the Association, and after the Association has made a good faith effort to verify that the Owner is not entitled to the protections of NVSCRA, pursuant to NRS 116.31162(4):

(a) Not earlier than sixty (60) days after an assessment is past the due date, the Association must mail to the address on file for the Unit's Owner:

- i. A schedule of the fees that may be charged if the Owner fails to pay the past due obligation;
- ii. A proposed prepayment 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.
- iv. Notice that the Association's records do not reflect that the person is entitled to the protections of NVSCRA and an invitation to provide the Association with the information necessary to verify whether the person is entitled to protection under the NVSCRA.

(b) If within thirty (30) days after the date on which the information described in paragraph (a), above, is mailed, the past due obligation has not been paid in full, or the Unit's Owner, or his or her successor-in-interest, has not entered into a payment plan, all payments agreed to pursuant to such a plan have not been paid in a timely manner, or a hearing before the Board has not been requested in a writing addressed to the Community Manager, the Association shall cause a letter to be sent to the Owner notifying him/her of the delinquency and requesting payment thereof (the "Notice of Intent"). The Notice of Intent 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 include, at a minimum, the following information:

- i. the fact that the installment is delinquent;
- ii. the amount of the delinquency, including any charges associated with the delinquency including, but not limited to, interest, late fees, attorneys' fees or other Collection Costs;
- iii. the action that is request to be taken by the Owner to cure the default;

and

In addition, the Notice of Intent may include that, subject to the owner's right to a hearing in front of the Board of Directors, the Owner's and the Owner's family, tenants and guests rights to use the recreational facilities, including, but not limited to, the gym, pools and spas are suspended during the time that Owner is delinquent in the payment of assessments;

(a)

If the Owner fails or refuses to pay the balance due and owing to the Association as set forth in the Notice of Intent, the Association may foreclose upon its lien by sale after all of the following, and other conditions are satisfied:

- (a) The Association or its agent has mailed by certified or registered mail, return receipt requested, to the Unit's Owner, or his or her successor-in-interest, at his or her address, if known, and at the address of the Unit, a notice of delinquent assessment which states the amount of the assessment and other sums which are due in accordance with subsection (1) of NRS 116.3116, and description of the Unit against which the lien is imposed and the name of the record Owner of the Unit.
- (b) Not less than thirty (30) after mailing the notice of delinquent assessment, the Association, or person conducting the sale, has executed and caused to be recorded, with the County Recorder a notice of default and election to sell the Unit to satisfy the lien which must contain the same information as the notice of delinquent assessment and which must also comply with the following:
 - i. Describe the deficiency in payment;
 - ii. State the total amount that the deficiency in payment, with a separate statement of: (1) the amount of the Association's lien that is prior to the first security interest on the Unit pursuant to subsection 3 of NRS 116.3116 as of the date of the notice; (2) the amount of the lien described in subparagraph (1) that is attributable to assessments based on the periodic budget adopted by the Association pursuant to NRS 116.3115 as of the date of the notice; (3) the amount of the lien that is attributable to amounts described in NRS 116.310312 as of the date of the notice; and (4) the amount of the lien that is attributable to the cost of enforcing the Association's lien as of the date of the Notice.
- (c) The Association or its Agent must mail a copy of the notice of default and election to sell and a copy of the Notice of Sale to each holder of a security interest on the unit in the manner and subject to the requirements of Nevada law.
- (d) The unit's owner, or his or her successor-in-interest, has failed to pay the amount of the lien, including costs, fees and expenses incident to its enforcement, for ninety (90) days following the recording of a notice of default and election to sell.

- (e) The unit's owner of his or her successor-in-interest, or the holder of the recorded security interest on the unit, has, for a period in which commences in the manner and subject to the requirements described in subsection (3) of NRS 116.3116, and which expires five (5) days before the date of sale, failed to pay the assessments and other sums that are due to the Association in accordance with subsection (1) of NRS 116.3116.
- 9. *Transfer of Account to Collections.* If within 30 days after the Disclosure and Payment Plan is mailed, the Owner has not: (a) paid the past due obligation in full, (b) signed and returned the Disclosure and Payment Plan, (c) submitted a written request for a hearing, or (d) notified the Association that the Owner or a dependent of the Owner is or may be entitled to protection under NVSCRA, and the Owner's account remains past due, then the Association will refer the account to a collection agency ("Collection Agency") for further action, as outlined below.
- 10. *Assessment Lien.* If the Owner fails to pay all sums that are past due, including Assessments, late charges, interest, Collection Costs, and reasonable attorney fees, the Collection Agency may record a Notice of Delinquent Assessment (the "Lien") for all sums that are delinquent. A recorded Lien is the initial document in the foreclosure process. The Association has the option of pursuing judicial or non-judicial foreclosure.
- 11. *Foreclosure:*
 - (a) Pursuant to the Nevada Revised Statutes, the Association may proceed with foreclosure, whether judicially or non-judicially, once the notice of delinquent assessment lien is recorded and mailed and remains unpaid for thirty (30) days after its mailing. A foreclosed unit may be redeemed within sixty (60) days of the sale.
 - (b) The Association or other person conducting the sale shall, after expiration of the ninety (90) day period described in paragraph (c) of subsection (1) of NRS 116.31162 and before selling the Unit, give notice of the time and place of the sale, by recording the Notice of Sale and by:
 - i. Posting a notice particularly describing the unit for twenty (20) days in a public place in Clark County;
 - ii. Publishing a copy of the notice three (3) times, once each week for three (3) consecutive weeks, in a newspaper in general circulation in Clark County;
 - iii. Notifying the unit's owner or his or her successor-in-interest as follows:
 - (1) A copy of the notice to sale must be mailed, on or before, the date of first publication or posting, by certified or registered mail, return receipt requested, to unit's owner or his or her successor-in-interest at his or her address, if known, and to the address of the unit; and

- (2) A copy of the notice to sale must be served, on or before the date of first publication or posting.
 - iv. Mailing, on or before the date of first publication or posting, a copy of the notice by certified mail to:
 - (1) Each person entitled to receive a copy of the notice of default and election to sell notice under subsection (1) of NRS 116.31163;
 - (2) The holder of a security interest recorded before mailing of the notice of sale at the address of the holder that is provided on the internet website maintained by the Division of Financial Institutions of the Department of Business and Industry; and
 - (3) The Ombudsman.
 - (c) In addition to the requirements set forth in subsection (1) NRS 116.311635, a copy of the notice of sale must be served:
 - i. By a person who is 18 years of age or older and who is not a party to or interested in the sale, by personally delivering a copy of the notice of sale to an occupant of the unit who is of suitable age; or
 - ii. By posting a copy of the notice of sale in a conspicuous place on the unit. A copy of the notice of sale required to be served pursuant to Nevada law must include all requirements which are described in subsection (3) of NRS 116.311635.
12. *Payment Agreements and Allocations:* Initial payment plans will be for a period of six (6) months. The Board may, from time to time, allow the Collection Agency to enter into Payment Agreements of limited term and conditions on behalf of the Association. The Board will determine acceptable terms and conditions and notify the Collection Agency in writing. Any requests for terms other than those pre-approved by the Board require the approval of the Board. The payment agreements allow the owner to make scheduled partial payments on the entire balance owing, in addition to his/her making payment of current assessments. A payment will be considered late and payment plan breached if not received within ten (10) days of its due date. Failure to meet any terms of the written agreement shall give the Association and/or its Collection Agency the right to immediately continue the collection process without further notice to the Owner bringing all amounts due and payable.
13. *NSF Checks.* If the Association or its Collection Agency receives a check that is dishonored by the bank for any reason, a \$30.00 charge (plus any applicable bank fee) shall be added to the Owner's account. The Association will not resubmit a previously returned check for payment and may seek other damages in accordance with Nevada law.

14. *Disputes.* If an Owner disputes the accuracy of his account balance, the Owner must submit their dispute in writing to the Board at the address provided in paragraph 15 and provide their (a) name, mailing address and account number, (b) the exact dollar amount in dispute; (c) an explanation of why the Owner believes there is an error and (d) copies of checks (both front and back) or other documents to substantiate the Owner's claim of error. The Owner should pay any undisputed amounts before the delinquency date in order to avoid late fees, interest or Collection Costs.
15. *Notice to Association.* Owners should remit payments as directed on the Assessment coupon or account statements; or if the account has been transferred to a Collection Agency, as directed by the Collection Agent. Notices to the Association should be mailed to: NORTHERN TERRACE HOMEOWNERS ASSOCIATION, c/o CAMCO, PO BOX 400518, Las Vegas, NV 89140.
16. *Government Shutdown period.* In accordance with Nevada law, if you are an employee of a Federal or State agency, or an employee of a contractor who has entered into a contract with a Federal or State agency, or an employee of a Qualified Indian Tribe or an employee of a contractor who has entered into a contract with a Qualified Indian Tribe, you may be entitled to certain protections from foreclosure during the period commencing on the date on which a government or Tribal shutdown begins and ending on the date that is ninety (90) days after the shutdown ends. These protections may apply to members of your household as well including persons who are related by blood, marriage, adoption or other legal process if such person applies to the Court and the ability of such household member or landlord to make payments required by an association is materially affected by the shutdown.

Attached to this Fine and Collection Policy is a form entitled Notification of Status as a Federal Employee, State Employee, Tribal Employee or a Contractor Thereof which you should fill out and return if you believe that this new law applies to you.

17. *Effective Date of this Policy.* The Board adopted this Collection Policy at a meeting held on June 14, 2023, and it is effective as of August 1, 2023.

NORTHERN TERRACE HOMEOWNERS
ASSOCIATION

By:



(signature)

BEN PEPA

(print name)

Its:

President

By:



(signature)

Beverly Partin-Gillett

(print name)

Its:

Secretary

SCHEDULE OF COLLECTION FEES AND COSTS
(NAC 116.470(1)-(6))

1. Except as otherwise provided in subsection 5, to cover the costs of collecting any past due obligation of a unit's owner, an association or a person acting on behalf of an association to collect a past due obligation of a unit's owner may not charge the unit's owner fees in connection with a notice of delinquent assessment pursuant to paragraph (a) of subsection 1 of NRS 116.31162, which exceed a total of \$2,925, plus the costs and fees described in subsections 3 and 4.
2. An association or a person acting on behalf of an association to collect a past due obligation of a unit's owner may not charge the unit's owner fees in connection with a notice of delinquent assessment pursuant to paragraph (a) of subsection 1 of NRS 116.31162 which exceed the following amounts:

(a) Demand or intent to lien letter	\$240
(b) Notice of delinquent assessment lien	
.....	\$520
(c) Intent to notice of default letter	\$145
(d) Notice of default	\$640
(e) Intent to notice of sale letter	\$145
(f) Notice of sale	\$440
(g) Intent to conduct foreclosure sale	\$40
(h) Conduct foreclosure sale	\$200
(i) Prepare and record transfer deed	\$200
(j) Payment plan agreement - One-time set-up fee	\$50
(k) Payment plan breach letter	\$40
(l) Release of notice of delinquent assessment lien	\$50
(m) Notice of rescission fee	\$50
(n) Bankruptcy package preparation and monitoring	\$160
(o) Mailing fee per piece for demand or intent to lien letter, notice of delinquent assessment lien,	\$3.20
(p) Insufficient funds fee	\$30
(q) Escrow payoff demand fee	\$240
(r) Substitution of agent document fee	\$50
(s) Postponement fee	\$120
(t) Foreclosure fee	\$240
3. If, in connection with an activity described in subsection 2, any costs are charged to an association or a person acting on behalf of an association to collect a past due obligation by a person who is not an officer, director, agent or affiliate of the community manager of the association or of an agent of the association, including, without limitation, the cost of a trustee's sale guarantee and other title costs, recording costs, posting and publishing costs, sale costs,

mailing costs, express delivery costs and skip trace fees, the association or person acting on behalf of an association may recover from the unit's owner the actual costs incurred without any increase or markup.

4. If an association or a person acting on behalf of an association is attempting to collect a past due obligation from a unit's owner, the association or person acting on behalf of an association may recover from the unit's owner:
 - (a) Reasonable management company fees for services, including, without limitation, mailing or delivering by electronic transmission a notice or informing each unit's owner or his or her successor in interest that he or she may be entitled to certain protections if the person is a servicemember or a dependent of a servicemember in accordance with NRS 116.311625, which may not exceed a total of \$325; and
 - (b) 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 subsection 2.
5. If an association or a person acting on behalf of an association to collect a past due obligation of a unit's owner is engaging in the activities set forth in NRS 116.31162 to 116.31168, inclusive, with respect to more than 25 units owned by the same unit's owner, the association or person acting on behalf of an association may not charge the unit's owner fees to cover the costs of collecting a past due obligation which exceed a total of \$2,925 multiplied by the number of units for which such activities are occurring, as reduced by an amount set forth in a resolution adopted by the executive board, plus the costs and fees described in subsections 3 and 4.
6. For a one-time period of 15 business days immediately following a request for a payoff amount from the unit's owner or his or her agent, no fee to cover the cost of collecting a past due obligation may be charged to the unit's owner, except for the fee described in paragraph (q) of subsection 2 and any other fee to cover any cost of collecting a past due obligation which is imposed because of an action required by statute to be taken within that 15-day period.

NOTIFICATION OF STATUS AS A FEDERAL, STATE OR TRIBAL EMPLOYEE OR CONTRACTOR THEREOF

I, _____, am the Owner/Resident (*please circle the appropriate designation*) of the residence which is located at _____ and situated within the _____ Association.

I understand that as an employee of the Federal Government, State Government, or A Qualified Indian Tribe, or a contractor thereof, I may be entitled to certain protections from foreclosure by the association. If my employment status changes whereby, I am no longer employed by the Federal Government, State Government, or a Qualified Indian Tribe, or a contractor thereof, I will immediately notify the Association, in writing, of this change.

I declare under penalty of perjury that I am, as of the date of signing this Notification, employed by the Federal Government, the State Government, Qualified Indian Tribe, or a contractor who is currently under contract with such a Federal or State government or Indian Tribe (*please circle the appropriate response*).

Dated: _____

Employee (Owner / Tenant)

By: _____

(Signature)

(Print Name)

Employer Name:

(Print Name)

Qualified Household Members:

Dated: _____

Employee (Owner / Tenant)

By: _____

(Signature)

(Print Name)

Employer Name:

(Print)

Dated: _____

Employee (Owner / Tenant)

By: _____

(Signature)

(Print Name)

Employer Name:

(Print)