

Wheatherstone Condominium Corp Collection Policy

Under Nevada law (NRS 116) and the Association's CC&R's, the Wheatherstone Executive Board of Directors has a duty and the authority to levy and collect Association assessments. The Board also has an obligation to adopt and communicate to Owners a Collection Policy reflecting the Association's collection policies and procedures. Procedures and policies adopted by the Wheatherstone Board related to the collection of Association assessments are summarized below.

1. Association Assessments: Assessments are levied and collected as described in the Association's Declaration. The Declaration provisions are superseded and supplemented by provisions of the Nevada Revised Statutes (NRS 116) and the Nevada Real Estate Division.
2. Assessment Due Dates: Annual assessments based on the Association's annual Operating and Reserve budgets are assessed in twelve equal monthly installments. Monthly assessments are due and payable on the 1st day of each month. Special Assessments and other charges (e.g., parking pass fees, charges for extra keys and gate openers) are usually also assessed on the 1st day of each month. Assessments and other charges not paid within 30 days after they are due are considered past due and delinquent.
3. Owner Statements: The Association provides Owners with a monthly statement detailing the outstanding balance owed by each Unit to the Association. Statements reflecting unpaid assessments as of the statement date and new assessments which will be due on the 1st of the following month are mailed around the 20th day of each month. Non-receipt of a statement does not relieve an Owner of the obligation to pay assessments by the due date.
4. Late Charges: An \$18 Late Charge is assessed on any delinquent balance (any assessment other than fines not paid within 30 days after the assessment becomes due) which is \$100 or more. Late charges are assessed on the last day of the month in which the balance becomes 30 days delinquent and are due when assessed.
5. Delinquent Interest: The Association may assess interest on any unpaid assessment that is 60 days or more past due. The interest rate is defined by Nevada law. The current annual interest rate is a rate equal to the prime rate at the largest Nevada bank as published by the Commissioner of Financial Institutions on January 1 or July 1 immediately preceding the date the assessment becomes past due, plus two percent. The rate is adjusted each January 1 and July 1 until the balance is satisfied. The Association reserves the right to waive interest assessments until an account is referred for collections. The Association does not assess interest on delinquent fines.
6. Collection Fees: The Association, or a person acting on behalf of the Association, may recover reasonable collection costs incurred in the collection of delinquent assessments. Reasonable collection fees and costs are defined under the Nevada Administrative Code (NAC) 116.470. A copy of NAC116.470 is attached. Collection fees are due and payable when incurred, upon demand.
7. Application of Payments: Payments shall be applied first to late fees and/or collection fees, then to interest, and then to principal (assessments). Payments for assessment or other charges may not be applied to fines without the Owner's consent.
8. 60-Day Notice of Delinquent Assessment: If any installment of an Assessment is not received within 60 days after the assessment becomes due, the Association must mail a letter to the mailing address on file for the unit's owner which includes (a) a schedule of the fees that may be charged if the unit's owner fails to pay the past due obligation; (b) A proposed repayment plan which the Owner will have not less than 15 days from the date of the letter to accept in writing; and (c) the action required to cure any delinquency, which includes the right to contest any past due obligations at a hearing before the Board and the procedures for requesting such a hearing.

The 60-Day Notice may not be mailed earlier than 60 days after an assessment becomes past due but must be mailed before the Association or its designated agent issues a Notice of Intent to Lien (NOI – see NOI description below).

A processing fee of \$60 will be assessed to an Owner's account when the Notice of Delinquent Assessment described in this section is mailed.

9. Nevada Legislature Military Personnel & Dependent Foreclosure Protection: Under Nevada law mortgage holders and other potential property lien holders (including homeowners associations) may not initiate foreclosure during any period that a service member is on active duty or deployment or for a period of one year immediately following the end of active duty.

A form ("Military Protection Form") is provided on the Wheatherstone.com website on the Forms and Standard tab which provides more detail about the military foreclosure protections and provides a mechanism for Owners to advise the Association if they are protected under this law.

10. Federal, State and Tribal Worker Foreclosure Protection: Under Federal and State laws, property lien holders (including Associations) may not foreclose on a unit's lien if that unit is owned by a federal worker, tribal worker, state worker or household member of such worker during a government shutdown or a lapse in appropriations. Foreclosure activities may not occur from the date the shutdown begins until 90 days after the end of the shutdown

A form ("Federal, State and Tribal Worker Protection Form") is provided on the Wheatherstone.com website on the Forms and Standard tab which provides more detail about this protection and provides a mechanism for Owners to advise the Association if they are protected under this law.

11. Collection Actions if An Account is Delinquent More than 90 Days:

- a. Referral for Collections: The Association will refer any account to a Designated Collection Agent (usually a collection agency but may refer to law firms, trustees or others, as appropriate) which is delinquent more than 90 days unless an Owner has made arrangements with the Association to pay the delinquent balance (see discussion in Section 10).
- b. Notice of Intent to Record a Lien: The Designated Collection Agent will issue a Notice of Intent to Record a Lien (NOI) which details the delinquent amounts owed, a time period to pay the balance or make arrangements to pay the balance and the actions that will be taken if there is no response to the letter. The Designated Collection Agent will also mail a copy of the NOI to the mortgagee of the Unit.
- c. Recording of Lien: A lien will be recorded if the Owner fails to pay the entire delinquent balance or if a payment arrangement is not made to pay the delinquent balance within the time period outlined in the Notice to Record a Lien letter.
- d. Notice of Default and Election to Sell: A Notice of Default and Election to Sell may be executed and recorded with the County Recorder within 30 days after the lien is recorded if the delinquent assessment remains unpaid. The Notice will describe the payment deficiency and state the name and address of the person authorized to enforce the sale. A copy of the Notice is mailed to the Owner and mortgagee of the Unit.
- e. Notice of Trustee's Sale: The Association or its Designated Collection Agent may execute and record a Notice of Trustee's Sale 90 days after the Notice of Default is recorded and mailed if either the entire balance of the account has not been paid or a payment agreement has not been entered into with the Association. The Notice of Trustee's Sale shall give notice of the time and place of the Trustee's sale. Service of the Notice shall be served in accordance with NRS 116.311635(2) and the property sale is subject to provisions of NRS 116.31164

12. Repayment Agreements Prior to Referral to Designated Collection Agent: An owner may petition the Board in writing for a repayment agreement before an account is referred to Collections. Once an account has been referred to a Collection Agent, any arrangements for a repayment agreement must be made with the Collection Agent and the owner is responsible for repayment agreement set up and monitoring fees charged by the Designated Agent (see Attachment A). If a repayment agreement is made before an account is referred for collections, an Owner may negotiate the terms of the repayment agreement with the Board and there are no fees for setting up and monitoring the agreement. Monthly late charges are assessed until the delinquent balance is paid in full.

The Association has no obligation to enter into such a repayment agreement. Any repayment agreement must be reasonable, as determined by the Board in its sole discretion, and for the sole purpose of assuring that the best interest of the Association are served. The repayment agreement shall be in writing and a provision shall be included that failure to sign, return and meet any term of the agreement shall give the Board the right to immediately continue the collection process without further notice to the owner.

13. Assessment Disputes: If an Owner questions the accuracy of any amount(s) assessed to the Owner's Association account, the Owner must submit a written question or objection within 30 days of the date the Owner received a notice reflecting the charge or balance. No collection action will be pursued related to any disputed amount until an investigation is complete and the Board makes a decision related to the dispute. Owners must provide the following information in writing regarding any dispute:

- Owner's name and property address (and mailing address, if different than property address);
- 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 any error, with sufficient detail to efficiently research the dispute; and
- Copies of checks (front & back), letters or other documents referred to in description of dispute.

14. NSF Checks: If the Association or its Designated Agent receives a check dishonored by the bank for any reason, a fee of \$20 shall be assessed to the Owner's Association account. The Association may also seek damages in accordance with Nevada law.

If a second check is returned by the bank within a 12-month period, the Association may require that all future payments be paid by cashier's check or money order.

15. Other Remedies: The Association reserves the right to avail itself of any other remedy permitted by the law and the Association's governing documents to collect assessments and related costs and charges, including but not limited to bringing an action 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.

16. Sufficiency of Notice: Except for notices that under Nevada law, which must be sent by certified mail, return receipt requested, notice is sufficient if hand delivered or mailed with first class postage to the owner at the mailing address on Association records at the time of the notice.

17. State & Federal Collection Laws / Void Provisions: State and Federal collection laws are periodically changed by legislators. If any provision of this Policy is in conflict with Federal or State law, the State or Federal law shall take precedence over this Policy. If any provision of the Policy is determined to be null and void, all other provisions of the Policy shall remain in full force and effect.

**Attachment A: Schedule of Collection Fees and Costs
NAC (Nevada Administrative Code) 116.470 (1)-(4)**

1. ...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 \$1,950, 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	\$150
(b) Notice of delinquent assessment lien	325
(c) Intent to notice of default letter	90
(d) Notice of default	400
(e) Intent to notice of sale letter	90
(f) Notice of sale	275
(g) Intent to conduct foreclosure sale	25
(h) Conduct foreclosure sale	125
(i) Prepare and record transfer deed	125
(j) Payment plan agreement - One-time set-up fee	30
(k) Payment plan breach letter	25
(l) Release of notice of delinquent assessment lien	30
(m) Notice of rescission fee	30
(n) Bankruptcy package preparation and monitoring	100
(o) Mailing fee per piece for demand or intent to lien letter, notice of delinquent assessment lien, notice of default and notice of sale	2
(p) Insufficient funds fee	20
(q) Escrow payoff demand fee	150
(r) Substitution of agent document fee	25
(s) Postponement fee	75
(t) Foreclosure fee	150

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 which may not exceed a total of \$200; 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.