

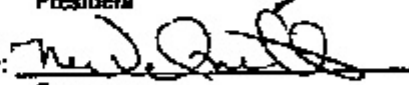
Sunset Greens Homeowners Association
Association Delinquent Assessment
Collection Policy #2
provided by Nevada Association Services, Inc.

Timely payment of regular and special assessments is of critical importance to the Association. The failure of any owner to pay monthly assessments when due may create 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. Therefore, the Board of Directors has enacted the following policies and procedures concerning collection of delinquent assessment accounts.

1. Assessment due dates: The regular assessment is payable in 12 equal installments on the first day of each calendar month. Special 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 assessment to the members for approval. Regular and special assessments shall be delinquent if not paid within 15 days after they become due.
2. Late Charges: When an installment payment of a regular assessment or a special assessment becomes delinquent, the owner's account with the association shall be charged with a late payment equal to the greater of \$10.00 or 10 percent of the delinquent amount, whichever is greater.
3. Collection Costs Are Also Recoverable: As provided by law and the Association's governing documents, the Association is also 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; (ii) legal expenses incurred; (iii) recording costs; and (iv) costs incurred with title companies or foreclosure service providers.
4. Interest: If an assessment payment is delinquent for more than 30 days, interest shall be imposed on all delinquent assessments, late charges, and reasonable costs of collection at the annual percentage rate of 10% or \$10 whichever is greater.
5. Assignment of Account for Collections: If the owner's assessment account remains delinquent for more than 45 days the Association shall assign the account to Nevada Association Services, Inc. for further action. The Association may pursue one of these alternatives: (1) non-judicial foreclosure proceedings, (2) court action, or (3) judicial foreclosure.
6. Demand Followed by Foreclosure Proceedings: If an assessment payment is delinquent for more than 45 days, NAS shall cause a demand letter to be sent to the delinquent homeowner advising the owner what will happen with continued failure to pay.

7. Assessment Lien: If payment for all sums that are then delinquent, including the delinquent assessment, late charges, costs, and reasonable attorney fees is not made within seven (7) days from the mailing of the demand letter as outlined in section 6, NAS shall be entitled to cause to be recorded in the County Recorder's Office a Notice of Delinquent Assessment and Claim of Lien for all sums that are then delinquent. A recorded Notice of Delinquent Assessment creates a lien on the delinquent owner's unit that is subject to foreclosure. The Association has the option of pursuing foreclosure judicially or non-judicially.
8. Payment Agreement: Neither the Association nor its designated agent has any obligation to accept partial payments on an account. Payment plan 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 agent the right to immediately continue the collection process without further notice to the owner.
9. Application of Payments: Payments may be first applied to collection costs, late fees, interest and principal.
10. Recovery of Attorney Fees and all Reasonable Costs of Collection: If a lawsuit or foreclosure proceeding is initiated by the Association to recover assessments, the Association is entitled, by law to recover not only the amount in default, plus late charges and interest, but also all reasonable costs of collection, including title company charges and attorney fees.
11. Effective Date of this Policy: January 1, 2003.

By: 
President

Attested By: 
Secretary

