

SUMMERLIN NORTH COMMUNITY ASSOCIATION RESIDENTIAL BILLING AND COLLECTION POLICY

WHEREAS, Summerlin North Community Association ("Association") is a Nevada non-profit corporation duly organized and existing under the laws of the State of Nevada;

WHEREAS, the Board of Directors ("Board") of the Association is responsible for conducting, managing, and controlling the affairs and business of the Association. In accordance with those responsibilities, the Board may adopt, amend, repeal and enforce reasonable rules and regulations ("Rules") to, among other things, control the affairs of the Association, and govern compliance, non-compliance and violations of the Association's governing documents. The Board has such authority pursuant to, among other things, NRS 116.3102 and 116.3103; Article V, Sections 5.1 and 5.2 and Article VI, Sections 6.9 and 6.14 of the Association's Amended and Restated Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for Summerlin North Community Association and any supplements or addendums thereto ("CC&Rs" or "Declaration"); and Article IV, Sections 4.2 and 4.3 of the Association's Bylaws and any supplements or addendums thereto ("Bylaws"). Any capitalized terms not defined herein are defined in the CC&Rs and/or Bylaws and/or NRS Chapter 116;

WHEREAS, pursuant to NRS and NAC Chapter 116 and the CC&Rs, the Association, by and through its Board, is charged with the responsibility of assessing and enforcing timely payment of all amounts owed by Owners and/or Members (collectively, "Owner(s)"), including pursuant to Article VI of the CC&Rs; Articles III, IV, and VI of the Bylaws; NRS Chapter 116, including NRS 116.3102, 116.3115, 116.3115(4), and 116.3116 through 116.31168; and NAC Chapter 116, including NAC 116.470;

WHEREAS, in accordance with NRS 116.3116, the Association has a lien on a unit for any construction penalty that is imposed against a unit's owner pursuant to NRS 116.310305, any assessment levied against that unit or any fines imposed against the unit's owner from the time the construction penalty, assessment or fine becomes due. If the assessment is paid in installments, the full amount of the assessment is a lien from the time the first installment thereof becomes due;

WHEREAS, timely payment of Owner accounts is critical to the Association, and, from time to time, Owners may become delinquent in payment of their accounts and fail to respond to demands from the Association to bring their accounts current, which causes those Owners who timely pay their accounts to bear a disproportionate share of the Association's financial obligations;

WHEREAS, the Board deems it to be in the best interests of the Association, and in compliance with existing law, to adopt a formal written procedure for handling delinquent accounts in a timely manner, and further believes it to be in the best interests of the Association to refer these accounts promptly for collection so as to minimize the Association's loss of revenue;

WHEREAS, this collection policy supersedes and replaces any prior collection policy followed by the Association; and

NOW THEREFORE, the Board hereby adopts the following collection policy ("Collection Policy" or "Policy") by and on behalf of the Association:

1. **Assessments**. Assessments include all assessments identified in the CC&Rs and Bylaws, including Common Assessments, Special Assessments, Specific Assessments, Capital Improvement Assessments, Neighborhood Assessments, enforcement/violation fines and/or violation sanctions, and any other amounts that may be levied by the Association pursuant to the Association's Governing Documents (the foregoing are collectively referred to herein as "Assessments").

2. **Due Date.** Common Assessments shall be owed in twelve (12) equal installments due on the first (1st) day of each month. Any other Assessments allowed by law and the Association's Governing Documents shall be due and payable on the due date specified by the Board in any notice imposing the assessment. Any assessed amounts shall be deemed late/delinquent if not paid when due.
3. **Late Fees.** If the Assessment is not paid within (30) days after the due date, a late charge as determined by the Board of Directors to compensate the Association for increased bookkeeping, billing, administrative costs and any other appropriate charges (collectively, "Late Charge") may be charged for each month the payment has not been received. See CC&Rs, Section 6.14. Each late/delinquent account for each Owner Unit may be imposed this Late Charge, but the Late Charge against each Owner Unit will not be imposed more than one (1) time each month.
4. **Interest.** Any unpaid amounts bear interest at the maximum rate permitted by the Governing Documents and Nevada law. See CC&Rs Section 6.14 and NRS 116.3115. Interest is assessed when an account is delinquent by more than sixty (60) days, subject to any limitations imposed by the Nevada Servicemembers Civil Relief Act (NVSCRA) and/or the Nevada Civil Relief Act (NRCA), each as defined herein below.
5. **NVSCRA Compliance.** In order to comply with the Nevada Servicemembers Civil Relief Act ("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 the owner's successor-in-interest, that if the person is a servicemember or dependent of a servicemember, s/he 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.
6. **NCRA Compliance.** In order to comply with the Nevada Civil Relief Act: Federal Tribal and State Workers/Contractors and Landlords ("NCRA"), which became law in Nevada on June 8, 2019, 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 federal, tribal or state worker or contractor or a household member or landlord of these persons, he or she may be entitled to certain protections granted by the NCRA; 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 NCRA. If a person, a household member of the person, or the landlord of the person is entitled to the protections of NCRA, 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 a shutdown and up to ninety (90) days after the shutdown has expired. For the purpose of this provision, the term "shutdown" is defined as any period of time during which there is a lapse in appropriation 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.

7. **Creation of Lien and Personal Obligation of Owner.** Any Assessment and related charge is the personal obligation of the Owner. See CC&Rs, Section 6.1. In addition, pursuant to NRS 116.3116(1), any Assessment and related charge is also a charge or lien upon the Owner's Unit from the time the Assessment becomes due. If any Assessment is paid in installments, the full amount of the assessment is a lien from the time the first installment thereof becomes due. Pursuant to NRS 116.3116(9), the recordation of the CC&Rs constitutes record notice and perfection of the Association's lien, and no further recordation of any claim or lien for unpaid Assessments is required.
8. **Notice of Assessments and Increase in Assessments.** The Association will give Owners notice of any increase in the Annual Assessment through the budget process. Notice regarding unpaid Assessments and collections will be sent to the Owner's physical mailing and/or electronic mailing address on file with the Association. ***It is the responsibility of each Owner to advise the Association of any changes in the Owner's mailing address(es).*** The terms "mail" or "mailing" refers to by physical mailing and/or electronic mailing, as allowed and/or required by law and the Association's governing documents for the action at issue. The Board may elect from time to time to provide monthly coupon booklets and/or additional periodic statements of Assessments and charges, but failure to transmit such additional booklets and/or statements does not relieve any Owner of the obligation to pay Assessments. Additionally, any Owners that have signed up for the Association's automatic payment program will not receive a monthly coupon book.
9. **Designation of Collection Agent.** The Board may designate an agent or agents to collect Assessment payments and administer this Policy. Such designated agent may be a collection company, trustee company, law firm or other appropriate agent (the "Agent" or "Designated Collection Agent").
10. **Costs of Collecting.** The Association shall charge an Owner and the Owner's account reasonable fees to cover the costs of collecting any delinquent Assessments in an amount not to exceed the amount established by NRS and NAC Chapters 116, including as identified in NRS 116.310313 and NAC 116.470. Such costs shall include, but shall not be limited to, any fee, charge or costs, by whatever name, including 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; attorneys' fee; 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 and the Owner's Unit, and shall be subject to collection pursuant to this Policy. See CC&Rs Article VI; NRS 116.310313; and NAC 116.470.
11. **Application of Payments.** Unless otherwise specified by an Owner in writing, payments received by the Association shall be applied as mandated by NRS 116, NRS 116A, NAC 116, and the Association's Governing Documents.
12. **Disclosure and Payment Plan Notice.** If an Owner is delinquent on any Assessment, then not earlier than sixty (60) days after the obligation becomes past due, and after the Association has made a good faith effort to verify that the owner is not entitled to the protections of the NVSCRA or NRCA, the Association will mail to the delinquent unit's owner or his/her successor in interest a letter in compliance with NRS 116.31162(4) ("Disclosure and Payment Plan Letter"), which provides:

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- (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;
 - (c) A notice of the right to contest the past due obligation at a hearing before the executive board and the procedures for requesting such a hearing; and
 - (d) Notice that the Association's records do not reflect that the person is entitled to the protections of the NVSCRA or NRCA and an invitation to provide the Association with the information necessary to verify whether the person is entitled to protection under the NVSCRA or NRCA.

See NRS 116.31162(4)(a).

NOTE 1: The schedule of fees referenced in subparagraph (a), above is also available to any Owner upon written request to the Association's managing agent, which fee schedule may be amended from time to time, including to comply with any changes in the law.

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 thirty (30) days of the date of the Disclosure and Payment Plan, (ii) be completed within the time frame established by the Board, and (iii) require the Owner to stay current on future accruing Assessments. See NRS 116.31162(4)(b).

NOTE 3: If an Owner wants to request a hearing to contest the past due obligation, then, within thirty (30) days of the date of the Disclosure and Payment Plan, the Association must receive the Owner's written request for the hearing. The written request must be sent to and received by the Association's community manager ("Manager") within thirty (30) days after the date of the Disclosure and Payment Plan. See NRS 116.31162(4)(b).

NOTE 4: If an Owner requests a hearing or enters into a payment plan within thirty (30) days after the date on which the Disclosure and Payment Plan is mailed, and is unsuccessful at the hearing or fails to make a payment under the repayment plan within ten (10) days after the due date, the Association may take any lawful action pursuant to NRS 116.31162(1) to pursue the delinquency and enforce its lien. See NRS 116.31162(4)(b).

13. **Assignment of Account to Designated Collection Agent.** If the Owner fails or refuses to pay the balance due and owing to the Association as set forth in the Disclosure and Payment Plan, then the Association may turn the account over to the Association's Agent for collection, and the Agent shall take action to attempt to obtain payment of the amounts due to the Association which action may include filing a Notice of Delinquent Assessment and, thereafter, foreclosing on the Association's lien by selling the Owner's Unit to satisfy the obligations owed to the Association. See NRS 116.31162 et. seq. Any account that becomes late/delinquent and is referred to the Agent may be assessed an additional statutory charge by the management company for the Association due to, among other things, the management company's extra administration, time, and cost associated with monitoring the late/delinquent account and exchanging information with the Agent for purposes of obtaining payment on the late/delinquent account. The Agent is authorized to sign on behalf of the Association any statutory or other documents required to proceed on delinquent accounts, including the notice of delinquent assessment lien, notice of default, notice of sale, foreclosure, deed, etc.

14. **General Process of Designated Collection Agent.** The Association's and Agent's actions on a particular late/delinquent account will be determined based on the specific facts and circumstances of that account. The Agent's actions may also be based on any specific direction from the Association's Board, which direction may vary between accounts depending on the actual facts and circumstances of the specific account at issue. However, the Association's and Agent's actions will generally include the following steps:

- (a) **Verification/Payment Request Letter.** The Agent shall send the Owner a debt verification/payment request letter ("Verification Letter") by certified or registered mail, return receipt requested, which includes advising the Owner, and verifying for the Owner, of the amount owed to the Association, including any fees and costs that the Association has incurred in attempting to collect the delinquent Assessment, and requesting a response within a specified time frame of not less than thirty (30) days.
- (b) **Notice of Lien.** If the Owner fails to pay the amount due within the due date provided in the Verification Letter, the Agent shall send the Owner, by certified or registered mail, return receipt requested, a Notice of Delinquent Assessment Lien (the "Lien"), which states the amounts due, a description of the lot against which the lien is imposed, and the name of the record owner of the lot. The Agent shall also record the Lien against the Owner's Unit in the Office of the County Recorder, Clark County, Nevada (the "Recorder's Office"). See NRS 116.31162(1)(a). The Agent, or the Association's President, are authorized to sign the Lien on behalf of the Association. See NRS 116.31162(2).

Notwithstanding this Paragraph 14(a)-(b), at the discretion of the Association's Board and/or Agent, and depending on the facts and circumstances of the account at issue, including the existence of a pending lender foreclosure sale, the Agent may instead first proceed with a Lien without sending a Verification Letter to protect the Association's lien against the Owner's Unit;

- (c) **Notice of Default.** If the Owner fails to pay the amounts stated in the Lien within thirty (30) days after mailing the Lien, then the Agent shall record a Notice of Default and Election to Sell (the "NOD") against the Owner's Unit in the Recorder's Office and provide the NOD to those persons entitled to notice pursuant to NRS 116.31163. See NRS 116.31162(1)(b), NRS 116.31162(5), and NRS 116.31163. The Agent, or the Association's President, are authorized to sign the NOD on behalf of the Association. See NRS 116.31162(2); and
- (d) **Notice of Sale.** If the Owner fails to pay the amounts listed in the NOD within ninety (90) days of either the recordation of the NOD or within ninety (90) days of the date on which a copy of the NOD is mailed to the Owner, whichever date occurs later, then the Agent (or its designee) shall record a notice of sale ("NOS") against the Owner's Unit in the Recorder's Office and provide notice of the time and place of the sale of the owner's lot. See NRS 116.31162(1)(c), (3) and NRS 116.311635. The Agent, or the Association's President, are authorized to sign the NOS on behalf of the Association. See NRS 116.31162(2). The Agent will not pursue a NOS until it is first authorized by the Board to notice a sale of the Owner's Unit. The Agent (or its designee) may then proceed with a non-judicial foreclosure sale of the Owner's Unit in accordance with NRS 116.31164. However, the Agent (or its designee) may not actually conduct the sale and sell the Unit without additional Board approval.

This process does not waive or relinquish any other right the Association may have against the late/delinquent Owner to pursue any Nevada Real Estate Division ("NRED") action, Court action or other action, including a judicial foreclosure and/or personal claim against the Owner, as may be determined by the Board on a case-by-case basis. See CC&Rs, Section 6.18.

The Association may also suspend the Owner's voting rights and/or the use of any common area by any Owner as provided in the Governing Documents and Nevada law. See CC&Rs, Section 3.1(e) and Bylaws, Section 12.1.

The Association may also: (a) accelerate the balance of fiscal year assessments; (b) commence legal action to foreclose the Association's lien; (c) commence legal action to collect the Association's Collection Costs; and/or (d) report the delinquent debt to a credit reporting agency. See CC&Rs Article VI and Bylaws Article VI.

15. **Payment Plan.** At any time after the Owner's account has been sent to the Designated Collection Agent, an Owner may petition the Board in writing for a payment agreement to allow the Owner to make periodic partial payments on the entire unpaid balance of the Assessment account. However, after the account has been sent to the Designated Collection Agent, the Association has no obligation to enter into a payment agreement with the Owner. Notwithstanding the foregoing, if the Board agrees to enter into and accept a reasonable payment plan with the Owner, then the terms of any payment plan agreement shall include, at a minimum:

- (a) the Owner staying current on all future accruing Assessments as they come due; and
- (b) paying off the past due balance, including all Collection Costs and related charges, in installments, over a term acceptable to the Board.

Any payment agreement entered into with the Owner shall be reasonable, as determined in the sole discretion of the Board, and for the sole purpose of assuring that the best interests of the Association are served. The payment agreement shall be in writing and a provision shall be included that failure to meet any terms of the agreement shall give the Board the right to immediately continue the collection/lien/foreclosure process without further notice to the Owner.

16. **Acceptance of Payments.** The following provisions shall apply to payments made by an Owner:


- (a) if an Owner physically delivers a partial or full payment for delinquent Assessments and all related charges and Collection Costs to the Association or the Association's Manager or its Designated Collection Agent, then the Association must accept such payment;
- (b) if an Owner remits a payment to the Association, the Association's Manager or its Designated Collection Agent, and the Owner makes a notation on the check that it is "payment in full," "full accord and satisfaction" or some other similar verbiage, but the payment does not actually constitute full payment of the Owner's obligation then due to the Association, then the Association, the Manager or its Designated Collection Agent need not accept such payment.

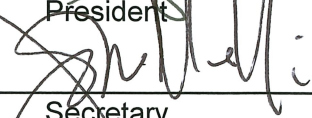
17. **Release of Lien/Rescission of NOD.** A Release of Lien ("Release) and/or Rescission of NOD ("Rescission") will not be recorded until the entire balance of the Owner's account is paid in full, including all Collection Costs. All charges incurred in recording a Release and/or Rescission, including reasonable attorneys' fees, will be charged to the Owner's account and must be paid by the Owner before any Release and/or Rescission will be recorded.
18. **NSF Check.** At any time that the Association or its Designated Collection Agent receives a check dishonored by the Owner bank for any reason, then the "insufficient funds charge" imposed by the bank(s) involved shall be added to the Owner's account. Upon receipt of a returned check, the Association shall notify the Owner of the same in writing (the "NSF Notice"), and the Owner shall be required to resubmit payment for his or her Assessment in the form of a cashier's check or money order only within ten (10) days of the date of the NSF Notice. The Association will not resubmit a previously returned personal or business check for payment. Furthermore, if any Owner is required to resubmit payment due to insufficient funds, the Owner will be subject to the late fee and interest charges as set forth and more fully described above. The Board may immediately proceed with the collection process if the entire past due Assessment balance is not paid within ten (10) days of the date of the NSF Notice. The Association may also seek any other damages or relief, in accordance with Nevada law, including by turning the insufficient funds check over to the District Attorney's Office for prosecution.
19. **Recovery of Attorneys Fees.** If the Association is required to retain an attorney to enforce any provisions of this Policy or to otherwise collect any delinquent Assessments from any Owner, the Association shall be entitled to recover its reasonable attorneys' fees and costs incurred in collecting the delinquent Assessment, whether or not a lawsuit or foreclosure proceeding is initiated.
20. **Owner Disputes.** If the Owner questions the accuracy of the calculation of an account or an amount charged to the Owner's account, an objection to the specific charge(s) must be received by the Board or the Designated Collection Agent within thirty (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 Owner's account must be paid before the delinquency date in order to avoid further Collection Costs. No action will be taken to collect the disputed amounts until completion of the investigation and the Board makes a decision. Together with the Owner's objection, 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 claimed to be 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, including but not limited to sufficient detail such as dates, names, and check numbers, so that the dispute may be investigated efficiently and effectively by the Board.
 - (d) Copies of checks (both front and back), letters or other documents applicable to the account and claimed error must accompany the Owner's written objection.

21. **CC&Rs and Other Remedies.** This Policy does not replace or supersede any provision of the CC&Rs, and any provision contained therein remains in full force and effect. This Policy does not replace or supersede any provision of NRS Chapter 116 or NAC Chapter 116. This Policy is intended to work in conjunction with the CC&Rs, NRS Chapter 116, and NAC Chapter 116. Additionally, the Association reserves the right to avail itself of any other remedy permitted by law and the Association's CC&Rs and other governing documents to collect Assessments and related costs and charges, including but not limited to bringing an action before the NRED or in Small Claims, Justice, 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.
22. **Notice to Association.** Owners should respond in writing or make payments to the address as directed by the Association's designated Manager. If no address is given, any payments or communications should be mailed and/or electronically mailed to the Association at the following address:
- Summerlin North Community Association
Attn: Scott Wingfield
2120 Snow Trail
Las Vegas, NV 89134
- Email to: north.accounting@howardhughes.com
23. **Suspension of Owner Privileges.** In addition to any other remedies set forth herein, if any installment of any Assessment, or any portion thereof, is not received prior to the Association's referral of this account to the Designated Collection Agent, then the Board may suspend the right of: (a) the Owner to vote at meetings of the Association, and (b) the Owner's or Owner's family and tenant or invitees of the Owner or tenant from using the Common Elements or Association Property. The suspensions may be imposed so long as the Owner is delinquent in the payment of Assessments. No suspensions may be imposed until the Owner has been afforded the right to be heard in person, by submission of a written statement or through a representative, at any such hearing.
24. **Void Provisions.** If any provision of this Policy is determined to be null and void for whatever reason, then all other provisions of the Policy shall remain in full force and effect.
25. **2021 Amendments.** This Policy is updated pursuant to the 2021 legislative amendments to NRS Chapter 116 and/or NAC Chapter 116.

APPROVED BY ACTION OF THE BOARD OF DIRECTORS ON MARCH 22, 2023.

**Summerlin North Community Association, a
Nevada nonprofit corporation**

By: 
Its: President

By: 
Its: Secretary