

**SKYE HILLS COMMUNITY ASSOCIATION
BOARD OF DIRECTORS RESOLUTION
RE: DELINQUENT ASSESSMENT POLICY AND PROCEDURE**

Timely payment of assessments is critical to the Skye Hills Community 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 (“Board”) for the Association hereby adopts the following Delinquent Assessment Policy and Procedure for implementation within the Association, with the capitalized terms having the same meaning as those terms are defined in the Declaration of Covenants, Conditions, and Restrictions and Reservation of Easements for Skye Hills, which was recorded with the Clark County Recorder’s Office on November 5, 2020 in Book No. 20201105, as Instrument No. 0002775 (the “Declaration”):

1. Types of Assessments. Pursuant to the Declaration and applicable Nevada law, the Association has a duty to levy Base Assessments for Common Expenses, Neighborhood Assessments, Special Assessments, Specific Assessments, and Capital Improvement Assessments, as defined in the Declaration, and reserve assessments as set forth in NRS 116 (collectively the “Assessments”), sufficient to perform its obligations under the Declaration, Bylaws, Articles of Incorporation and any rules, regulations and resolutions adopted by the Board, which may be amended from time to time (collectively the “Governing Documents”) and Nevada law. See Declaration, Article VIII, Sections 8.1, 8.3, 8.5, 8.6, and NRS 116.3102(1) (b) and 116.31152(1). Base Assessments in an amount sufficient to pay the Common Expenses pursuant to the Association’s budget, are levied annually and shall be paid in installments at such frequency and in such amounts as established by the Board. See Declaration, Article VIII, Section 8.8.

2. Creation of Lien and Personal Obligation of Owner. Each Assessment or charge is the personal obligation of the Owner at the time the Assessment or other sums are levied. See Declaration, Article VIII, Section 8.8. In addition, the Assessment is also a charge or lien upon the Owner’s Lot. See Declaration, Article VIII, Section 8.8. Recordation of the Declaration constitutes record notice and perfection of the Association’s lien. No further recordation of any claim or lien for any unpaid Assessment is required. See NRS 116.3116(9). However, pursuant to this Policy, the Association may record a notice of the lien for unpaid Assessments and related charges.

3. No Exemption. No Owner may exempt himself or herself from liability for Assessments by non-use of Common Elements or abandonment of his or her Lot. See Declaration, Article VIII, Section 8.8.

4. Notice to Owner of Increase in Assessments. The Association will give the Owners notice of any increase in the Assessments, through the budget process set forth in the Association’s Governing Documents and Nevada law, at least 30 days in advance of each Annual Assessment period. See NRS 116.31151 and Declaration, Article VIII, Sections 8.2 and 8.3. Notice will be sent by first-class mail to the Owners at the addresses on the Membership register as of the date the notice is issued and any other address or means of communication required by NRS 116. See NRS 116.31068 (1). It is the responsibility of each Owner to advise the Association of any changes in their mailing address or electronic mail address in writing. The Board may elect from time to time to provide additional periodic statements of Assessments and charges, but failure to transmit such additional statements does not relieve the Owners of the obligation to pay Assessments.

5. Designation of Collection Agent. The Board may designate an agent to collect Assessment payments and administer this Assessment collection policy. Such designated agent may be a collection company, trustee company, law firm or any other agent properly licensed to provide the service (the “Designated Collection Agent”).

6. Due Date. Unless otherwise specified by the Board, an Assessment is due on or before the first day of the month for which it is due. See Declaration, Article VIII, Section 8.7. At present, the Annual Assessments for Common Expenses are due on the first day of each month. Other Assessments are due on the date established by the Board.

7. 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 per month. See Declaration, Article VIII, Section 8.9 and NRS 116.3102(1) (k).

8. Interest. Subject to any limitations imposed by the Nevada Servicemembers Civil Relief Act, as defined in Paragraph 12, below and the Nevada Civil Relief Act, as defined in Paragraph 13 below, 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 VIII, Section 8.9. See also 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.

9. Costs of Collection. 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 Lot and shall be subject to collection pursuant to this Policy. See Declaration, Article VIII, Section 8.9, NRS 116.310313, and NRS 116.3116(1).

10. Late Notice. If an installment of an Assessment is not received within 15 days after the due date, a late fee notice may be sent to the Owner itemizing the Assessment installment and late fees. The processing cost for mailing this late notice to the Owner shall be charged to the Owner.

11. Application of Payments. 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.

12. 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.

13. Compliance with Nevada Civil Relief Act: Federal Tribal and State Workers/Contractors and Landlords ("NCRA"). In order to comply with 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.

14. Disclosure and Payment Plan. 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 and NCRA, if any installment of an Assessment, or portion thereof, is not received by the Association within 60 days after the obligation becomes past due, then the Association shall transmit a letter to the Owner ("Disclosure and Payment Plan"). The processing cost for preparing and mailing the Disclosure and Payment Plan to the Owner shall be charged to the Owner. 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 7, above. The Disclosure and Payment Plan shall include the following:

- (a) A schedule of the fees that may be charged if the Owner fails to pay the past due obligation;
- (b) A proposed repayment plan;
- (c) Notice of the right to contest the past due obligation at a hearing before the 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 NVSCRA or NCRA, and an invitation to provide the Association with the information necessary to verify whether the person is entitled to protection under the NVSCRA or NCRA.

See NRS 116.31162(4).

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, which is defined in Paragraph 25.

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 is mailed, (ii) be completed in six (6) 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 is mailed, 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.

If the Owner or his or her successor in interest requests a hearing (NOTE 3) or enters into a repayment plan (NOTE 2) within 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 10 days of the payment's due date under the repayment plan, the Association may take any lawful action to enforce its lien. See NRS 116.31162(4)(b).

15. Assignment of Account to Designated Collection Agent. 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 as set forth in NOTE 3 of Paragraph 14, above, or (d) notified the Association that the Owner or a dependent of the Owner is or may be entitled to protection under NVSCRA or NCRA, then the Association may turn the account over to the Association's Designated Collection Agent for collection which may include recording a Notice of Delinquent Assessment Lien and, thereafter, foreclosing on the lien. See 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 of \$150.00 to the Owner's account, the amount of which is consistent with Nevada law.

16. Notice of Intent. The Association's Designated Collection Agent shall transmit a letter to the Owner notifying him or 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, any other address or means of communication required by NRS 116. The Notice of Intent and shall include, at a minimum, the following.

- (a) The fact that the installment is delinquent;
- (b) 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;
- (c) The action that is required to be taken by the Owner to cure the default;
- (d) The date, not less than 30 days from the date the Notice of Intent is mailed to the Owner, by which such default may be cured;

- (e) Notice that the Association's records do not reflect that the person is entitled to the protections of NVSCRA or NCRA and an invitation to provide the Association with the information necessary to verify whether the person is entitled to protection under the NVSCRA or NCRA.

In addition, the Notice of Intent may include the following:

- (f) That the failure to cure the default on or before the date specified in the Notice of Intent may result in acceleration of the balance of the installment of the Assessments for the then current fiscal year; and
- (g) What action the Owner may take to cure the default after acceleration.

17. Acceptance of Payments. The following provisions shall apply to payments made:

- (a) if an Owner physically delivers a payment for delinquent Assessments 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 and makes a notation on the check that it is "payment in full," or some other similar verbiage, but the payment does not constitute full payment of the Assessments then due, the Association, the Manager or its Designated Collection Agent need not accept such payment;
- (c) if the Association has entered into an agreement with a Designated Collection Agent to collect delinquent Assessments, and such agreement provides that the Association, its Manager or its Designated Collection Agent need not accept payments from an Owner after the Owner's account has been referred to collections, the Association, its Manager or its Designated Collection Agent must accept payments received from that Owner notwithstanding the provisions of the agreement with the Designated Collection Agent to the contrary. Upon acceptance of such payment, the Association or its Manager must either forward the check to the Designated Collection Agent or email or fax a copy of the check to the Designated Collection Agent; and
- (d) if the Association has entered into an agreement with a Designated Collection Agent as set forth in subsection (c) and the payment received from the Owner has been noted "payment in full," but does not constitute full payment of the Assessments then due, the Association, its Manager or its Designated Collection Agent need not accept the payment.

18. Payment Plan. At any time after an account has been assigned to the Association's 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 balance of the Assessment account. However, after an account has been assigned to the Association's Designated Collection Agent, the Association has no obligation to enter into such a payment agreement. Notwithstanding the foregoing, if the Board agrees to enter into a payment agreement and to accept a reasonable payment plan with the Owner, then the terms of any payment 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. Neither the Association nor its Manager shall have the authority to waive any amounts incurred for any Collection Costs imposed directly by the Designated Collection Agent. If any Owner wishes to request a waiver of any Collection Costs imposed by any Designated Collection Agent, such Owner shall be responsible for contacting the Designated Collection Agent directly in order to make arrangements.

19. Release of Lien. Subject to Nevada law, a Release of Lien (“Release”) and/or Rescission of Notice of Default (“Rescission”) will not be recorded until the entire balance of the Owner’s Assessment account is paid. See NRS 116.31162 (1). All charges incurred in recording a Release and Rescission, including reasonable attorney’s fees, if any, will be charged to the Owner’s Assessment account.

20. NSF Check. At any time that the Association or its Designated Collection Agent receives a check dishonored by the bank for any reason, a charge of \$20.00 shall be imposed and 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 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 in Paragraphs 7 and 8 above. The Board may immediately proceed with the collection process if the entire past due Assessment balance is not paid within 10 days of the date of the NSF Notice. The Association may also seek any other damages, in accordance with Nevada law.

21. Owner Disputes. 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.

22. 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 and related costs and charges, including, but not limited to, initiating an action through the Nevada Real Estate Division and/or bringing an action in Small Claims, Justice 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.

23. Notice to Association. Owners should respond in writing or make payments to the address as directed by the Designated Collection Agent. If no address is given, responses and petitions should be mailed to the Association at the following address:

Board of Directors
Skye Hills Community Association
c/o Olympia Management Services
11411 Southern Highlands Parkway, Suite 100
Las Vegas, NV 89141

24. Write-offs. In accordance with NRS 116, the Board shall approve all write-offs of debt and the Manager shall provide timely reports to the Board regarding collection matters.

25. Designated Collection Agent Costs of Collection. The Fee Schedule Exhibit, which includes collection fees and costs of the Association or its Designated Collection Agent, is attached hereto as Exhibit "A".

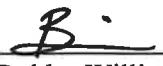
26. Suspension of Privilege. In addition to any other remedies set forth herein, if any installment of Assessment, or any portion thereof, is not received prior to the deadline established in Paragraph 14, above, then the Board may, after notice and hearing, suspend the right of: (a) the Owner to vote 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.

DATED this 10th day of November, 2021.

SKYE HILLS COMMUNITY
ASSOCIATION

By: 
Chris Armstrong

Its: President

By: 
Bobby Williamson
Its: Secretary

By: 
Rick Rexus
Its: Treasurer

EXHIBIT "A"

FEE SCHEDULE

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CLARKSON

McALONIS & O'CONNOR, P.C.

SCHEDULE A

STANDARD ASSESSMENT COLLECTION FLAT FEES

This Schedule sets forth the attorney fee amounts for the collection of delinquent assessments/accounts, which are to be paid to The Clarkson Law Group as agreed in the Contract for Corporate Counsel Services to which this Schedule shall be attached and/or incorporated. The fees set forth herein follow the regulations adopted by the Commission that became effective in 2023. In the event the Commission adopts regulations establishing fees and costs pursuant to NRS 116.310313(1) the fees and costs set forth below shall automatically increase or decrease to the respective limits set by such regulations and no supplement to the Agreement shall be necessary.

<u>SERVICE</u>	<u>FEE</u>
NAC 116.470(2) Fees	
Demand or Intent to Lien	\$240.00
Notice of Delinquent Assessment (Lien)	\$520.00
Intent to Notice of Default	\$145.00
Notice of Default	\$640.00
Intent to Notice of Sale Letter	\$145.00
Notice of Sale	\$440.00
Intent to Conduct Foreclosure Sale	\$40.00
Conduct Foreclosure Sale	\$200.00
Prepare Transfer/Foreclosure Deed	\$200.00
Trustee/Foreclosure Fee	\$240.00
Postponement Fee	\$120.00
Payment Plan Agreement (one time set-up fee)	\$50.00
Payment Plan Breach Letter	\$40.00
Release of Notice of Delinquent Assessment (Lien)	\$50.00
Notice of Rescission Fee	\$50.00
Bankruptcy – Package Preparation & Monitoring Fee	\$160.00
Mailing Fee Per Piece for demand or intent to lien letter, notice of delinquent assessment lien, notice of default, and notice of sale	\$3.20
NSF Fee	\$30.00
Escrow Payoff Demand Fee	\$240.00
Substitution of Agent Document Fee	\$50.00

NAC 116.470(4)(b) Fees	
Statutory Pre-Collection Notice (60 Day Notice)	\$215.00
Regulation F Notice	\$250.00
Bankruptcy – Proof of Claim Fee	\$150.00
Occupancy Notice Letter	\$75.00
Government Security Interest/Tax Lien Letter	\$50.00
Foreclosure Mediation Notice Letter	\$25.00
Lender Foreclosure and Case Status Impact Letter	\$105.00
Prepare Certificate of Sale	\$240.00
Prepare Certificate of Redemption	\$375.00
Demand Expedite Fee (add'l for request for turnaround in less than 3 days)	\$100.00
Super-Priority Demand Fee	\$240.00
Notice of Satisfaction of Portion of Lien Prior to First Security Interest	\$200.00
Notice of Partial Payment by First Security Interest Holder	\$250.00
Response Letter to Debt Challenge (1 st Challenge)	\$305.00
Opening Bid Calculation	\$150.00
Affidavit of Mailing of Notice of Default	\$165.00
Affidavit of Mailing of Notice of Sale	\$165.00
Bankruptcy – Uncontested Motion Lift to Stay in Nevada (hourly rates apply to contested portion of lift of stay)	\$2,500.00
Bankruptcy – Bankruptcy review & LR§4001 letter	\$475.00
Bankruptcy – Notice of Appearance	\$250.00
Bankruptcy – Post-Petition Fee Notice	\$250.00
Bankruptcy – Document Intake Review of Notices filed by Court, Trustee, or Attorneys for Other Parties by Paralegal/Law Clerk/Legal Assistant	\$65.00
Legal compliance accounting review/audit of delinquent account ledger	\$175.00
Legal compliance review/audit of assessment account processing	\$175.00
Legal compliance review/audit of standard violation/fine account processing	\$295.00
Legal compliance review/audit of health, safety, or welfare violation/fine account processing	\$595.00
Hourly rates apply to any services not identified as a flat fee service, which range from \$155-225/hr for non-attorney support staff and from \$285-\$415 for attorneys.	Applicable Hourly Rate