

Manhattan Homeowners Association Rules and Regulations Revised June 2011

1. PREAMBLE

The purpose of the rules and regulations set forth in this document (the "Rules and Regulations") is to establish basic standards of conduct required of all Members, residents and Guests of Manhattan Homeowners' Association (the "Association"), a Nevada non-profit corporation established pursuant to Nevada's Uniform Common Interest Ownership Act, Nevada Revised Statutes Chapter 116 (the "Act"). The Rules and Regulations are intended to help ensure that every Member may more fully enjoy his, her, or its Membership rights and privileges and ownership, possession, and use of his, her, or its Unit. Accordingly, the Rules and Regulations are hereby implemented for the development known as Manhattan Condominiums (the "Project") to supplement the restrictions set forth in the Declaration of Covenants, Conditions and Restrictions and Grant and Reservation of Easements for Manhattan Luxury Urban Condos (the "CC&R's").

All capitalized terms not otherwise defined in these Rules and Regulations shall have the meanings ascribed to them in the CC&R's.

These Rules and Regulations, and any amendment thereof or replacement thereto, shall govern the conduct of and be binding upon all Owners, each Owner's Family, household members, Guests, employees, invitees, lessees, agents, and others. Every Owner shall be responsible for any violations of the Governing Documents and these Rules and Regulations occurring by the Owner, its Family, Guests, employees, invitees, lessees, and agents. Notwithstanding the foregoing, these Rules and Regulations shall not apply to Declarant, its agents, employees, Guests, invitees, and contractors, or any Units owned by Declarant.

All subsequent use of the word "Owner" in this document shall mean "Owner or a Tenant in good standing, defined as a Tenant whose lease is on file with the HOA and is in compliance with all CC&R's and Bylaws.

2. REPORTING OF VIOLATIONS

An Owner may report a violation of these Rules and Regulations or the Governing Documents to the Board, the Association's community manager, if any, or such person or committee that may be designated by the Board, and shall set forth in writing: (a) the alleged violation; (b) the name of the individual which allegedly committed the violation and/or the address or other location of the violation; (c) the name of the Owner responsible for the violation; and (d) the name and telephone number of the person making the complaint. The Board reserves the right to investigate any and all facts to its satisfaction. The Board also reserves the right to determine in its reasonable discretion when and if to either initiate or terminate an investigation.

3. COMMON ELEMENTS AND AMENITIES

- 3.1 Declarant without warranty or representation whatsoever that such will be accomplished, or when, Declarant anticipates constructing at some time in the future and the Association will be required to maintain, common use recreational amenities comprising a part of the Common Elements or Limited Common Elements, including but not necessarily limited to a pool and spa, pool decking and amenities, landscaped areas, exercise facilities, tennis courts, sports courts, and similar improvements (the "Recreational Amenities"). Usage of such Recreational Amenities shall be on a first come first served basis unless otherwise and specifically set forth herein for certain amenities.
- 3.2 No activity is permitted within or upon the Recreational Amenities, which causes damage to or defaces any structure or improvements thereon. Individuals responsible for any such damage (and in the case of any Guest, Family member, employee, agent, or invitee of any Owner, the applicable Owner) will be required to reimburse the Association for all expenses incurred in the replacement or restoration of any damaged items.
- 3.3 No planting may be done in the Common Elements or Limited Common Elements by any Owner, except upon the approval of ARC.
- 3.4 Declarant will provide no more than two (2) sets of keys or other access devices required for access to any Recreational Amenity per Unit to the Residential Owner at the time of the original purchase. The Association shall provide any replacement or additional keys or devices at a charge determined by Association.
- 3.5 The Recreational Amenities shall constitute Limited Common Elements in favor of the Owners, their Guests and Families. Without limiting the foregoing, the Occupants and their invitees, licensees, agents, employees, and Guests shall not be entitled to any use thereof, unless as a Guest of a Residential Owner and accompanied, in each instance, by the Owner.
- 3.6 Without warranty or representation whatsoever that such will be accomplished, or when, Declarant anticipates constructing at some time in the future, and the Association will maintain certain non-recreational Common Elements including but not necessarily limited to the building structures excluding the interior boundaries of the individual Units, but including the lobbies, elevators, common terraces/balconies, stairs, Parking Areas, entry gates, and other Common Elements not intended for recreational use (the "Non-Recreational Common Elements").
- 3.7 All Non-Recreational Common Elements are for access to the Units, to contain the Units themselves and contain necessary utilities and appurtenances with respect to the Units (with respect to the building structures), or for common interest and convenience. Unless as a Guest of another Owner having right to enter thereupon, no person shall have the right to enter upon or access any

- portion of the non-recreational common-use amenities where access is secured and limited and where a device or code is required for entry into that area, or any Limited Common Element exclusively serving a particular Unit.
- 3.8 No Owner shall have the authority to use or impede the use of any Common Element that is not reasonably necessary in conjunction with the use and access of their Unit or visitation of another Owner.
- 3.9 Common Elements are to be used solely for their intended purpose. No Owner shall alter or damage any wall, floor or other surface so as to affect the livability of adjacent Units by compromising the privacy, sound attenuation, moisture control, or air infiltration properties that were provided with original construction of the Units.
- 3.10 The Declarant will provide the first two access devices required for access through entranceways into the Building to the Unit Owner at the time of the original purchase. The Association shall provide any replacement or additional keys or devices at a cost determined by Association.
- 3.11 There shall be no disturbing noises in or about the Common Elements which would interfere with the use or enjoyment of any Owner or person with respect to the Common Elements or a Unit. Without limiting the foregoing, there shall be no instruments or audio or visual equipment used in or around the Common Elements in such a manner as to disturb other Owners or persons.
- 3.12 No disturbing odors shall be permitted or caused to exist on or about the Common Elements.
- 3.13 Except as permitted by the Declarant pursuant to the CC&R's, no signs, posters, notices, or advertisements of any nature shall be permitted in or affixed to any part of the Common Elements.
- 3.14 All sidewalks, entranceways, elevators, lobbies, passages, hallways, entrance areas, and other areas of the Common Elements shall be used solely for purposes of pedestrian ingress and egress. Without limiting the foregoing, no storage of any personal property shall be permitted in any such Common Elements.
- 3.15 Business materials, cards, brochures, and pamphlets shall not be permitted in any of the lobby ways or hallways comprising the Common Elements.
- 3.16 No professional photography, video, or moviemaking shall be permitted in any Common Elements without the prior consent of the Board.
- 3.17 No linens, clothing, bathing suits or swimwear, curtains, rugs, mops or laundry of any kind or other articles, shall be shaken or hung from any of the windows, doors, terraces or balconies or other portions of the Building.

- 3.18 Elevators shall not be held or delayed for any reason, except as reasonably required for orderly entrance into the elevator or exit there from.
- 3.19 When moving into or out of a Unit, Owners shall give priority to others who are using the elevator(s) for normal access.
- 3.20 No items are to be taken into the elevator(s) that would result in a noxious smell or create any debris or spillage. Without limiting the foregoing, no open food or drink containers shall be permitted on the elevator(s), and no smoking shall be permitted in the elevator(s).

4. RECREATIONAL AMENITY USAGE

- 4.1 The Recreational Amenities are intended for and reserved for the recreation and enjoyment of the Owners and their Families and Guests.
- 4.2 The exercise room and locker room facilities are for use on a first come first served basis. Usage of the media room and the business center shall be on an appointment basis, and anyone using these two rooms must perform "checkout" with the Club manager on duty. The spa treatment areas are to be used on an appointment basis.
- 4.3 The hours of access to the exercise room facilities have been initially established by the Declarant as 24-hrs a day, although this may be modified by the Board in the future.
- 4.4 Common courtesy shall be required of all Members and Guest using the fitness equipment and Recreational Amenities. No offensive or aggressive behavior or acts shall be tolerated.
- 4.5 Proper fitness attire including shoes, shirt, and shorts or pants shall be worn when using exercise room facilities.
- 4.6 No food is allowed in any of the fitness or locker room areas with the exception of "powerbar"-type food bars. No open drink containers are allowed in any of the fitness or locker room areas.
- 4.7 Weights shall be put back onto weight storage racks immediately upon the completion of their use.
- 4.8 Towels (if available) shall be signed out and a replacement fee billed to the owner or resident if not returned.
- 4.9 Use of cardio equipment shall be limited to 30 minutes when others are waiting.
- 4.10 Towels for wiping down equipment after each use are required.

- 4.11 Lockers are limited to use during each visit and contents and locks left on overnight shall be removed and disposed of or stored at the owner's expense.
- Each Residential Owner shall be limited to a maximum of four (4) Guests to 4.12 accompany the Residential Owner while using the pool(s), spa(s), or any common lobby or terrace area(s). If any event is held whereby Owner would have in excess of eight (8) Guests to his Unit at any one time this will require that prior arrangements for parking and access first be made with the Manager or other designee of the Association. A limited number of parking spaces in the Parking Areas may from time to time (but need not) be designated for Guest usage. Parking in Underground or Covered Parking Areas are restricted for residents only. Guests' cars not parked in designated Guest parking spaces shall be subject to towing, at the automobile owner's expense. Access to the Parking Areas to Guests may be restricted after designated and posted hours (before 6:30 a.m. and after 11:00 p.m.), and for any reason that the Board determines this to be in the best interests of the Project. Without limitation, the Board may limit access to any Parking Area for new Guests on the basis that no additional Guest parking is available. Each Residential Owner may only be accompanied by two (2) Guests at a time to the exercise room or locker room facilities.
- 4.13 No solicitation shall be permitted in any Common Elements without approval of the Board
- 4.14 Proper attire shall be required for sports and tennis courts. No black soled shoes shall be permitted. Shirts and shoes shall be required.
- 4.15 Use of the sports and tennis courts and exercise equipment shall be limited to ½ hour rotating use if others are waiting. The sports and tennis courts will be available for first-come first served use, but will also be booked by appointment by the Manager, and appointments shall have priority.
- 4.16 Hours of operation and use of the sports and tennis courts shall be limited to 7 a.m. through 10 p.m. It is anticipated that the sports courts lights will be on automatic timers

5. POOL & SPA USE

- 5.1 All pool and spa use shall be in accordance with Clark County and City of Las Vegas Municipal Code Provisions and Nevada law, including without limitation pertinent Nevada Administrative Code Sections.
- 5.2 The swimming pool/spa area(s) is/are for the use and enjoyment of all Owners and their Guests. Owners are responsible for any damage or misconduct attributed to their tenants and/or Guests.
- 5.3 Owners may bring a maximum of four (4) Guests per Unit to the pool/spa area(s). Additional guests must be authorized in advance by the Manager.

- 5.4 The pool/spa area(s) is/are open 24 hours per day. Loud noise is prohibited between the hours of 10:00 p.m. and 8:00 a.m. Radios and stereos shall not be operated at a sound level to be heard outside of the pool/spa area.
- 5.5 Unruly behavior, unsafe or offensive conduct, rowdiness, unnecessary noise, or interference with other persons in the pool/spa area(s) is prohibited. No running or pushing is allowed in the pool/spa area(s). DIVING INTO ANY SPA, or into the portions of the pool that are less than 5 feet deep, IS PROHIBITED.
- 5.6 The Association does not provide lifeguards. All persons using the pools or spas do so at their own risk. The Association does not assume any liability in this regard. Any life saving equipment and first aid supplies are for emergency use only.
- 5.7 Glass bottles, containers or other breakable items are prohibited in pool/spa area(s). Eating or smoking, in the pool is prohibited. Eating is permitted only in lounging areas.
- 5.8 For health and safety reasons, persons under the age of twelve (12) are not allowed in the pool/spa area(s) unless under the direct supervision of a parent or adult guardian at all times.
- 5.9 Rafts or inflatable devices will be restricted during heavy use periods. Bringing or throwing into any pool or onto any deck any objects that may in any way carry contamination, endanger the health or safety of bathers or produce unsightliness is prohibited.
- 5.10 All persons must shower before entering any pool or spa. All persons using any pool or spa must wear appropriate swimming attire; street clothes are prohibited.
- 5.11 The pool and spa area(s) is/are subject to routine cleaning and maintenance, and the Board and Manager reserve the right to restrict or prohibit pool and spa usage to the extent that this is required for purposes of cleaning and maintenance or for persons' safety (e.g., but without limitation, for pool cleaning, maintenance, and repair of pumps, or for adding chemicals, for testing water quality, and during times of adverse or inclimate weather).
- 5.12 Persons suffering from a cold, fever, cough, skin disease, sores, inflamed eyes, nasal or ear discharges, or any communicable diseases are prohibited from using the pool or spa or entering the pool/spa area(s).
- 5.13 Gates to the pool/spa area(s) must remain closed and locked at all times. Interfering with any automatic gate closures and/or climbing over any pool/spa area fence are prohibited.
- 5.14 Adjustment of any control or equipment regulating the pool(s)/spa(s) or lights or other common area services is prohibited.

- 5.15 Animals are prohibited from entering the pool(s)/spa(s).
- 5.16 Towels or garments may not be hung on any pool/spa area fence(s). When leaving the pool/spa area(s), all trash and personal items must be removed.
- 5.17 The patio furniture may not be placed in the pool(s)/spa(s) and may not be removed from the pool/spa area(s).
- 5.18 Pool/spa use is strictly governed by state, county, and city statutes, ordinances and rules (see, e.g., NAC Chapter 444). In the event of conflict between such laws and these rules, the provisions of the law shall prevail.
- 5.19 There shall be no boisterous or rough play permitted in the pool(s), spa(s) or pool/spa area(s). There shall be no running around the pool deck. There shall be no bicycles, skateboards, or skates permitted in the pool/spa area(s). Surfboards shall not be permitted in any pool or spa.

6. PARKING AND VEHICULAR RESTRICTIONS

- 6.1 Persons should not use parking spaces assigned to other specific Units. Guest parking spaces, if any, shall be used by Guests only.
- Owners and Guests shall respect the rights of use of others by avoiding double parking, curb-side parking, or any manner of parking that would impede the ability of others to access their parking area or individual spaces. Vehicles parked in violation of the foregoing shall be subject to towing at the owner's expense.
- 6.3 Assigned parking spaces are provided for the sole use of the assigned Owner. Any other vehicle found parked in an assigned space shall be subject to immediate towing at its owner's expense.
- 6.4 Guest parking is limited to 24-hours usage maximum.
- 6.5 "Spare" auto parking may be accommodated at the Project, on a first come first served space rental basis.
- 6.6 The following vehicles are not permitted to be parked within the Project including, but not limited to a mobile home, truck over one ton, commercial vans, vehicles with commercial writing or identification marks that are not used as personal vehicles, recreational vehicles, boats, trailers, campers, motor homes or other reasonably similar vehicles.
- 6.7 Temporary parking for deliveries, loading and unloading, repairs, maintenance and other purposes is permitted only if in designated areas and in compliance with applicable law.

- 6.8 Inoperable, disabled, non-registered or unlicensed vehicles are not permitted to park anywhere on the property, and will be towed within twenty-four (24) hours of a notice posted thereupon.
- 6.9 Commercial vehicles, including but not limited to dump trucks, trailer trucks, construction equipment, and similar items shall not be permitted to enter or park within the Parking Areas. No vehicle exceeding the height and length requirements shall be allowed to enter or park within any Parking Area.
- 6.10 Licensed motorcycles or other motorized vehicles anywhere in the Parking Areas shall be operated at low RPM engine speed to minimize noise pollution. Motorcycles must have standard mufflers and not be modified to produce loud noise.
- 6.11 Doors to the Enclosed Parking Areas are to be kept closed except for ingress and egress.
- 6.12 Only minor automotive repairs shall be allowed in the Parking Areas and only if all elements of the repair effort including parts and tools are kept completely inside of an owner-assigned parking space.

7. PARK AND BARBEQUE PAVILION

- 7.1 The Park is defined as all grass-covered areas on the property, as well as those paths and planter beds that are adjacent to them.
- 7.2 The Barbeque Pavilion is defined as the concrete area immediately surrounding the barbeque grills and the gas fire pit.
- 7.3 Owners may bring a maximum of four (4) guests per Unit to the park and pavilion areas. Additional guests must be authorized in advance by the HOA management. The Owner must accompany Guests at all times and is responsible for their behavior and any damage they cause.
- 7.4 The park/pavilion area(s) are open twenty-four (24) hours per day. Noise above the level of normal conversation is prohibited between the hours of 10pm and 8am. The Pavilion music system shall not be operated at a loud sound level. Personal systems can be used only when they do not interfere with the enjoyment of other users of the facilities.
- 7.5 Unless arrangements have been made in advance with the Club Manager to reserve the entire Park and/or entire Pavilion, Owners must make use of the facilities in a manner so as to enable other Owners to share the facility.

7.6 The fire pit activation key can be obtained from Club Manager or Security Office. Users must complete a training session and sign a waiver provided by HOA management.

8. **AMENITY RESERVATIONS**

The Clubhouse is available to community members for private social functions. Reservations only need to be made if more than eight (8) guests will be in attendance. Contact the Concierge Desk to reserve the Clubhouse.

8.1 RESERVING AMENTIES

- 8.1.1 Reservations may not be made more than twelve (12) months in advance or less than one (1) day in advance. The Association Member or Renter reserving the Clubhouse is required to be current on all assessments.
- 8.1.2 A "Clubhouse Rental Agreement" must be completed, signed, and returend to the Concierge Desk within one (1) day of the event.
- 8.1.3 A check for the refundable security deposit and usage fee is to be remitted with the "Clubhouse Rental Agreement". The check is to be made out to Manhattan Homeowners Association.
- 8.1.4 If a reservation is being made by a renter, a copy of the lease is required.

 Notification will be sent to the Homeowner advising them of their renter's reservation.

8.2 PROCEDURES DURING THE EVENT

- 8.2.1 Events shall not begin before 9:00 AM, except by prior consent of the Board of Directors or Community Manager. The premises are to be vacated by non-residential guests by 2:30 AM.
- 8.2.2 The Association Member or Renter reserving the Clubhouse must be in attendance at all times during the event. He/She is responsible for the conduct of all guests.
- 8.2.3 All vehicles must be parked in the lots provided. Improperly parked vehicles may be towed at the owner's expense.
- 8.2.4 Alcoholic beverages may be served, however the Association Member or Renter is responsible for preventing the serving of such to minors. The Association Member or Renter shall hold Manhattan Homeowners Association harmless from any and all liability or damage resulting from the actions of an intoxicated guest.
- 8.2.5 Smoking is not permitted in the Clubhouse.

8.3 PRCEDURES FOLLOWING THE EVENT

- 8.3.1 Cleaning the Clubhouse is the responsibility of the Association Member or Renter and shall be completed no later than 9:00 AM on the day following the event. A Homeowners Association Representative will inspect the premises for damage and cleanliness.
- 8.3.2 The Association Member or Renter reserving the Clubhouse is responsible for payment or replacement cost for all items damaged or lost as a result of, or occasioned by the member's or renter's use of the property. This may result in forfeiting of the security deposit. If the cost for repair or replacement is greater than \$500.00 the remaining amount owed will be assessed to the Homeowners account.
- 8.3.3 The security deposit is to be refunded after the event, providing there is no damage or lost items.

8.4 COST

\$500.00 Deposit

\$100.00 Fee for Lounge/Kitchen

\$100.00 Fee for Media Room

\$400.00 for Central Park

No Charge for Business Center

No Charae for Conference Room

STORAGE RENTALS

- 9.1 Pricing of each unit will be determined by the Board of Directors.
- 9.2 Payment for storage rental will be required each month and will be assessed to the Homeowner's account.
- 9.3 The contract period will run on a month-to-month basis until the Renter notifies the Association in writing, with at least 30-days notice, of termination of storage rental. The Association has the right to bill the Renter monthly until such notice is received.
- 9.4 The storage unit must be returned to the Association in the condition in which it was received. Any damage made to the storage unit will be repaired by the Association and billed to the Homeowner's account.

10. REFUSE DISPOSAL RULES

- 10.1 All refuse should be bagged securely before placing down the trash chute.
- 10.2 No large boxes or cartons are to be thrown down trash chute, including pizza boxes. Large items stick in the chute, impeding other matter from dropping to the dumpster below.
- 10.3 Boxes are to be broken down and neatly placed in the dumpster.
- 10.4 No large bundles of newspapers, fluorescent bulbs, loose vacuum cleaner dirt, loose kitty, hot liquids, or cooking oil are to be thrown down the trash chute.
- 10.5 Residents shall not leave remodeling debris, old furniture, carpet remnants, appliances or large packing boxes in the parking garage or trash room.

 Residents are responsible for the removal of such items. The trash company will not pickup anything outside the dumpsters, and the items cause an obstruction therein.
- 10.6 No trash may be left outside the dumpsters under any circumstances.

11. OBSTRUCTED PARKING SPACES

- 11.1 An Obstructed Parking Space is any space that is partially obstructed by a permanent object such as a stanchion so as to reduce the available parking area of the space. Any Homeowner whose parking space is an Obstructed Parking Space may request and receive from the Homeowners Association the exclusive use of a different parking space in the same garage (provided such a space is available), and may use this space as long as the following conditions maintain:
 - a. The Homeowner continues to own the unit in question
 - b. The Homeowner is current on their assessments to the Homeowners Association
 - c. The Homeowner provides to the Homeowners Association, for exclusive use by the Homeowners Association, the Obstructed Parking Space
 - d. The Homeowner follows all rules and regulations governing use of parking spaces

12. PET MANAGEMENT

- a. Manhattan has a gated dog park that is located on the east side of the community.
- b. "Central Park" is another area where dogs can be walked with leashes at all times.
- c. Doggie stations are located throughout the community and in the dog park.
- d. All pets must be leashed at all times.
- e. Pets are limited to 80 lbs and no more than 2 per unit.
- f. Pitbulls, Pitbull mixes, Doberman Pinschers, Presa Canarios, American Terriers, Rottweiler, Wolves and Wolf Hybrids are NOT allowed on Manhattan Property at any time.
- g. Failure to clean up after your pet, is subject to a \$100 fine per violation.

13. WINDOW TREATMENTS

- 13.1 Acceptable window coverings are vertical blinds, mini blinds, draperies, curtains, and shutters.
- 13.2 Aluminum foil, newspaper, sheets, cardboard, reflective tint, paint, etc. are not permitted to be used as window coverings.

14. MOVING-IN/MOVING-OUT/DELIVERIES

- 14.1 Inform the HOA Office, 48 hours in advance during regular business hours, for a time to schedule for move-in/move-out or for delivery of items. A \$300.00 refundable deposit in the form of check or money order payable to Manhattan HOA is due 48 hours prior to move in, move out and deliveries. It is refunded in full if no damage occurs to the common areas.
- 14.2 Moving is ONLY permitted Monday Saturday, 8:00 AM 5:00 PM. Visit the HOA office Monday Friday 8:00am 5:00pm to schedule your date and time.
- 14.3 Upon arrival, the moving or delivery company must obtain a visitor pass from security. The visitor pass must be left on the interior dashboard of the vehicle, which will identify the location of the vehicle's driver or owner. The vehicle must park in the designated parking areas. Care must be taken to allow room for other vehicle to enter and exit the parking areas. It is the obligation of the moving party to maintain the security of the building during this process.
- 14.4 Each Resident is responsible for their movers. The Homeowner will be responsible for any damage done to the common areas (i.e. elevator ceiling, hallway light fixtures). Any damage that occurs that the cost of replacement or repair is greater than the deposit will be charged to the Homeowner's account.

14.5 After moving, all empty, flattened moving boxes must be placed in a dumpster. Furniture and other items that are too large to fit in a dumpster will be the responsibility of the resident to remove from the community.

15. PENALTY POLICIES AND PROCEDURES

These Rules and Regulations shall be enforced by the Board or a committee designated by the Board in accordance with the notice and hearing provisions set forth in the Bylaws and in accordance with the requirements of the Act. In the event a person subject to these Rules and Regulations does not comply with these Rules and Regulations, the Board by take any or all of the following actions: (a) levy a Special Assessment; (b) suspend an Owner's voting privileges; (c) enter upon a Unit to make any necessary repairs or to perform maintenance which, according to the CC&R's, is the responsibility of the Owner; (d) charge fines for non compliance; (e) suspend or condition the right of said person to use any Recreational Facilities; and (f) charge the Owner for any work performed with respect to the Owner's Unit.

Any fine imposed by the Board, after notice and a hearing, shall be commensurate with the severity of the violation, but must not exceed \$100 per violation. If a fine is imposed and the violation is not cured within fourteen (14) days, the violation shall be deemed a continuing violation. Thereafter, the Board may impose an additional fine for the violation for each 7-day period or portion thereof that the violation is not cured. Any additional fine may be imposed without notice and an opportunity to be heard. NRS 116.31031(2) and (5).

If any fine is not paid within thirty (30) days after notice thereof, then the Association may record a lien against the Owner's property. If the violation giving rise to the fine, in the sole discretion of the Board of Directors, threatens the health, safety or welfare of the residents, then the lien for the fine may be foreclosed upon pursuant to Nevada law NRS 11631162(4).

16. COLLECTION POLICY

- 1. <u>Assessments and Due Dates:</u> Regular assessments shall be levied annually in Monthly installments and are payable 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 in whole or in part shall be delinquent if not paid within 15 days after they become due.
- 2. <u>Late Fees & Interest:</u> When an installment payment of a regular assessment or a special assessment in whole or in part becomes delinquent, the owner's account with the Association shall be charged with a late payment of 10% of assessment per month and is subject to interest at the rate of 18% per annum.

- 3. <u>Assignment of Account for Collections:</u> If the owner's assessment account remains delinquent for more than 60 days in whole or in part of, the Association shall assign the account to a Collection Agency for further action. The Association may pursue one or more of these alternatives: (1) non-judicial foreclosure proceedings, (2) court action, or (3) judicial foreclosure. In addition, key fob access to the Association Clubhouse will be shut off until the delinquency is corrected.
- 4. <u>All Recoverable Costs:</u> As provided by law, any costs and fees incurred in processing and collecting delinquent amounts, including, without limitation, late and interest charges, management or collection company administrative costs, charges of preparing and mailing notice, intent and/or demand letters, recording costs, legal expenses, costs associated with small claims court actions and the like shall be an additional charge against the owner and the owner's lot and shall be subject to collection action pursuant to this Policy.
- 5. Notice of Intent to Lien: If an account remains unpaid for 60 days after it becomes delinquent, whole or in part of, the Collection Agency shall send an "Intent to Lien Letter" to the unit's owner(s) in accordance with Nevada Revised Statues. The Collection Agency shall notify the unit's owner(s) by certified and first class mail that a lien will be recorded against the unit's owner(s) lot unless the entire balance of the account is paid within 10 days from the date of the letter. The Collection Agency may require that the payment be made in certified funds.
- 6. Recording of the Lien: A Lien for Delinquent Assessments shall be recorded in the County Recorder's Office if within the given timeframe, the owner fails to pay the entire balance of the account, which may include but not limited to, the following: delinquent assessments, interest, late fees, management administrative fees, attorney's fees and collection fees and costs.
- 7. <u>Foreclosure:</u> The Association has the option to proceed with foreclosure whether judicially or non-judicially. Once the Lien for Delinquent Assessments is recorded and mailed, pursuant to Nevada Revised Statues, and goes unpaid for no less than 30 day after the mailing of the Lien for Delinquent Assessments.
- 8. Payment Agreement: Requests for Payment Agreements must be submitted by the unit's owner(s) in writing. Payment Agreement requests must be submitted to the Board for approval. 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 prior to the execution of the agreement. The Agreement allows the owner to make scheduled partial payments on the entire balance owing, in addition to the current assessments. Failure to meet any terms of the written agreement shall give the Association and/or its Collection Agency the right to immediately

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continue the collection process without further notice to the owner bringing all amounts due and payable.

9. Recovery of Legal and Collection Fees and Costs: If a lawsuit or a foreclosure proceeding is initialized by the Association to recover assessments, the Association is entitled, by law, to not only recovery of the amounts in default, late charges and interest, but additionally all collection fees and costs including title company and posting and publishing company charges and legal and attorney's fees.

18. GENERAL

These Rules and Regulations are subject to changes, additions, and/or amendments by the Board of Directors and to the extent there is a conflict between any of the provisions of these Rules and Regulations and the CC&R's, the CC&R's shall control.

The Board of Directors shall have the right, but not the obligation, to grant relief in particular circumstances from the provisions of these Rules and Regulations.