GLENBROOK HOMEOWNERS' ASSOCIATION

ASSESSMENT, FEE & FINE COLLECTION POLICY

1. Levying of Assessments. The association levies regular assessments, special assessments, and special individual assessments sufficient to perform its obligations under the governing documents and Nevada law. Regular assessments are levied annually, and payable in quarterly installments.

2. Obligation to Pay Assessments. Each assessment is an obligation of the owner. The association has a lien on a lot for any assessment.

3. Notice of Assessments. The association shall give the owners notice before any increase in the regular assessment or any special assessment. Notice shall be deemed provided via the budget and any increase in assessments shall be deemed approved upon ratification of the annual budget by the owners.

4. Assessments for Adequate Reserves. Notwithstanding any provision of the governing documents to the contrary, the board may, without seeking or obtaining the approval of the owners, impose any necessary and reasonable assessments to establish adequate reserves.

5. Collection of Fines. Fines may include any costs incurred by the association to enforce the payment of the past due fine. Any past due fine must **not** bear interest. The association shall account for the fine(s) separately from any assessment, fee or other charge. The association shall not apply, in whole or in part, any payment made by the owner for any assessment, fee or other charge toward the payment of the outstanding balance of the fine or any costs of collecting the fine, unless the unit's owner provides written authorization which directs the association to apply the payment made by the unit's owner in such a manner. The association may place a lien for unpaid fines, however, may not foreclose unless the violation threatens the health, safety, or welfare of the homeowners or residents, or the penalty is imposed for failure to adhere to a construction schedule. A fine is due within 30 days of the date it is imposed. If an owner fails to pay the fine, the association may cause an intent to lien notice to be sent when the fine becomes 90 days delinquent. The association's agent shall notify the owner, via certified mail to the address of record, that a compliance lien will be recorded against the owner's lot unless the entire balance of the account is paid within 15 days of the date of the notice and shall provide an itemized statement of the charges owed.

6. Fees. Fees charged by the Association, including, but not limit to, for amenity use, such as buoys, will be collected pursuant to State law.

7. Construction Penalties. Construction penalties are not fines. Construction penalties are deemed assessments and providing they are imposed in compliance with NRS 116.310305 and the association's governing documents, construction penalties will be collected in the same manner outlined in this policy as assessments.

8. Payment Location. Overnight payments may be sent to the Association at PO Box 447, Glenbrook, NV 89413 or 238 Old Highway 50, Glenbrook, NV 89413. Correspondence and/or payments may also be made in person, Monday through Friday, from 8:00 a.m. to 4:00 p.m. at or 238 Old Highway 50, Glenbrook, NV 89413.

9. Due Date/ Delinquency Date. Unless otherwise specified by the board, regular assessment quarterly installments are due on the first day of each calendar quarter. An assessment or any portion thereof, is delinquent if it is not received as directed by the Board or its designated agent 30 days after it is due.

10. Late Fees. A late fee of $50 will be charged on any account when a regular or special assessment first becomes delinquent. An additional late fee of $100 will be charged on the delinquency date for each subsequent quarter (February 1, May 1, August 1, and November 1).

An owner who has incurred two $100 late fees for quarterly installments of regular assessments during any consecutive 20-quarter period may have the fiscal years' outstanding regular assessments accelerated so that the entire regular assessment for the fiscal year is immediately due and payable. However, from the time the first quarterly installment becomes due, the full amount of the entire regular assessment for the fiscal year is a lien.

An owner who has incurred a late fee may petition the board for relief from the accrued interest charges and late fees upon good cause shown. Any owner who meets the following criteria will receive a refund of paid late fees and interest charges:

(a) The owner has been in good standing for the previous eight quarters.

(b) The owner has not been in a delinquent status for the previous eight quarters.

(c) At the time of the application, no amounts are owing to the association.

(d) For the quarter in which the assessments were delinquent, all such assessments, late fees and interest charges were paid in full within fifteen days of the mailing of the notice of delinquency.

(e) The owner applies in writing to the association for refund of the paid late fees and interest.

11. Interest Charges. Interest will be charged on the first of each calendar month on quarterly assessment installments which are delinquent 60 or more days pursuant to Nevada law, which is the rate equal to 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 past due, plus 2 percent. The rate must be adjusted accordingly on each January 1 and July 1 thereafter until the balance is satisfied**.** Interest will not be charged on late fees nor will interest be compounded.

12. Charges and Costs Any costs and fees incurred in collecting delinquent amounts, including, without limitation, late charges and interest charges, intent to lien fees, charges for preparation of delinquency notices or collection monitoring fees, payment plan fees, breach of payment plan fees, recording fees postage, and copies, and attorney's fees and costs, shall become an additional charge against the owner and the owner's lot and shall be subject to collection action pursuant to this policy. All fees shall be in compliance with NRS 116.3116(5).

13. Application of Payment. Payments shall be applied first to assessments, and then interest, late fees and collection/attorney fees. Payments may not be applied to fines unless the homeowner specifies, in writing, the payment is to be applied to fines.

13.A. Compliance with Nevada Servicemembers Civil Relief Act. If an owner or his or her successor in interest is a servicemember (or a dependent of a servicemember as allowed by a court) the Association will not initiate the foreclosure of a lien by sale during any period that the servicemember is on active duty or deployment for a period of one (1) year immediately

following the end of such active duty or deployment. This paragraph does not apply if a court determines that the ability of the servicemember or dependent of the servicemember to comply with the terms of the obligation secured by the lien is not materially affected by the servicemember's active duty or deployment.

(1) The Association shall do as follows.

(A) Inform the owner or his or her successor in interest that if they are a servicemember or a dependent of a servicemember, they may be entitled to certain protections pursuant to the Nevada Servicemembers Civil Relief Act (NSCRA).

(B) Give the owner the opportunity to provide any information required to enable the Association to verify whether he or she is entitled to the protections set forth in the NSCRA including, without limitation, the social security number and date of birth of the owner.

(2) Before the Association takes any action pursuant to Paragraph 14 below (NRS 116.31162(4)(a)), if information required to verify whether the owner or his or her successor in interest is entitled to the protections set forth in the NSCRA:

(A) Has been provided to the Association pursuant to Paragraph 13A(1) above, the Association must verify whether the person is entitled to the protections of the NSCRA.

(B) Has not been provided to the Association pursuant to Paragraph 13A(1) above, the Association must make a good faith effort to verify whether the owner is entitled to the protections set forth in the NSCRA.

(3) As used in this rule:

(A) "Active duty" means full-time duty status in the active uniformed service of the United States, including members of the National Guard and Reserve on active duty orders pursuant to 10 U.S.C. §§ 1209 and 1211.

(B) "Dependent" has the meaning ascribed to it in 50 U.S.C. §3911.

(C) "Deployment" means the movement or mobilization of a servicemember from his or her home station to another location for more than 90 days pursuant to military orders.

(D) "Good faith effort" means that the Association acts honestly and fairly when trying to verify whether an owner or his or her successor in interest is entitled to the protections set forth in the NSCRA, as evidenced by the following actions:

(i) The Association informs the owner or his or her successor in interest of the information required pursuant to Paragraph 14A(1)(A) above;

(ii) The Association makes reasonable efforts to give the owner or his or her successor in interest the opportunity to provide any information required to enable the Association to verify whether the person is entitled to the protections set forth in the NSCRA pursuant to Paragraph (14)A(1)(B); and

(iii) The Association makes reasonable efforts to utilize all resources available to the Association to verify whether the owner or his or her successor in interest is a servicemember, including, without limitation, the Internet website maintained by the United

States Department of Defense.

(iv) "Initiate the foreclosure of a lien by sale" means to take any action in furtherance of foreclosure of a lien by sale after taking the actions set forth in Paragraph 14 below. (NRS 116.31162(4)(a))

(v) "Military" means the Armed Forces of the United States, a reserve component thereof or the National Guard.

(vi) "Servicemember" means a member of the military.

13.B. Initiation of foreclosure of lien by sale proceeding against owners who are federal, state or tribal workers. The Association must comply with NRS 116.311627 when initiating foreclosure of a lien against owners who are federal, state or tribal workers, as follows.

(1) Notwithstanding any other provision of law and except as otherwise provided in subsection 2 or ordered by a court of competent jurisdiction, if a unit's owner or his or her successor in interest is a federal worker, tribal worker or state worker or, in accordance with subsection 3, a household member or landlord of a federal worker, tribal worker or state worker, an association shall not initiate the foreclosure of a lien by sale during the period commencing on the date on which a shutdown begins and ending on the date that is 90 days after the date on which the shutdown ends.

(2) The provisions of subsection 1 do not apply if a court determines that the ability of the federal worker, tribal worker, state worker, household member or landlord to comply with the terms of the obligation secured by the residential mortgage loan is not materially affected by the shutdown.

(3) Upon application to the court, a household member or landlord of a federal worker, tribal worker or state worker is entitled to the protections provided to a federal worker, tribal worker or state worker pursuant to this section if the ability of the household member or landlord to make payments required by a lien of a unit-owners' association is materially affected by the shutdown.

(4) The Association shall:

(A) Inform each unit's owner or his or her successor in interest that if the person is a federal worker, tribal worker, state worker, household member or landlord of such a worker, he or she may be entitled to certain protections pursuant to this section; and

(B) Give the person the opportunity to provide any information required to enable the association to verify whether he or she is entitled to the protections set forth in this section.

(5) Before the Association takes any action pursuant to (NRS 116.31162(a)(4); see Section 6(D)) if information required to verify whether a unit's owner or his or her successor in interest is entitled to the protections set forth in this section:

(A) Has been provided to the Association pursuant to subsection 4, the Association must verify whether the person is entitled to the protections set forth in this section.

(B) Has not been provided to the Association pursuant to subsection 4, the Association must make a good faith effort to verify whether the person is entitled to the protections set forth in this section.

(6) As used in this section:

(A) "Federal worker" means an employee of a federal agency or an employee of a contractor who has entered into a contract with a federal agency.

(B) "Good faith effort" means the Association acts honestly and fairly when trying to verify whether a unit's owner or his or her successor in interest is entitled to the protections set forth in this section, as evidenced by the following actions:

(1) The Association informs the unit's owner or his or her successor in interest of the information required pursuant to paragraph (A) of subsection 4;

(2) The Association makes reasonable efforts to give the unit's owner or his or her successor in interest the opportunity to provide any information required to enable the association to verify whether the person is entitled to the protections set forth in this section pursuant to paragraph (B) of subsection 4; and

(3) The Association makes reasonable efforts to utilize all resources available to the Association to verify whether the unit's owner or his or her successor in interest is a federal worker, tribal worker, state worker or household member or landlord of such a worker.

(C) "Household member" means any person who is related by blood, marriage, adoption or other legal process and is currently residing with a federal worker, tribal worker or state worker affected by a shutdown.

(D) "Initiate the foreclosure of a lien by sale" means to take any action in furtherance of foreclosure of a lien by sale after the Association mails to the address on file for the unit's owner or, if authorized by the parties, delivers by electronic transmission:

(1) A schedule of the fees that may be charged if the unit's owner fails to pay the past due obligation;

(2) A proposed repayment plan; and

(3) 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. (NRS 116.31162(a)(4))

(E) "Shutdown" means any period in which there is a lapse in appropriations 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.

(F) "State worker" means an employee of a state agency or an employee of a contractor who has entered into a contract with a state agency.

(G) "Tribal worker" means an employee of a qualified Indian tribe or an employee of a contractor who has entered into a contract with a qualified Indian tribe.

14. Disclosure and Payment Plan. In addition to all other remedies available to the association, if any installment of an assessment, or portion thereof, is not received by the association within 60 days after its due date, then the association shall transmit a letter to the owner ("Disclosure and Payment Plan") that includes:

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; and

c. A notice of the right to contest the past due obligation at a hearing before the board at its next scheduled board meeting, and the procedures for confirming and attending such a hearing.

The schedule of fees referenced in subparagraph (a), above, is as follows. (The Association may satisfy subparagraph (a), above, by re-sending to the Owner a copy of the fee, as may be amended.)

SCHEDULE OF COLLECTION RELATED FEES
FOR COLLECTION OF DELINQUENT ASSESSMENTS

a) Demand or Intent to Lien Letter	$150.00
b) Notice of Delinquent Assessment Lien	$325.00
c) Intent to Notice of Default Letter	$90.00
d) Notice of Default	$400.00
e) Intent to Notice of Sale Letter	$90.00
f) Notice of Sale	$275.00
g) Intent to Conduct Foreclosure Sale	$25.00
h) Conduct Foreclosure Sale	$125.00
i) Prepare and Record Transfer Deed	$125.00
j) Payment Plan Agreement - One Time Fee	$30.00
k) Payment Plan Breach Letter	$25.00
l) Release of Notice of Delinquent Assessment Lien	$30.00
m) Notice of Rescission Fee	$30.00
n) Bankruptcy Package Preparation and Monitoring	$100.00
o) Mailing Fee Per Piece, Subsections (a), (b), (d), (f) hereof only	$2.00
p) NSF Fee	$20.00
q) Escrow Payoff Demand Fee	$150.00
r) Substitution of Agent Document Fee	$25.00
s) Postponement Fee	$75.00
t) Foreclosure Fee	$150.00
u) Reasonable Management Company Fees not to exceed:	$200.00
v) Reasonable attorney's fees and actual costs	
w) Additional costs include, but are not limited to, the cost of a trustee's sale guarantee, recording costs, posting and publishing costs, sale costs, mailing costs, express delivery costs and skip trace fees, which may be charged at the actual cost incurred.	
x) Any other fees or costs allowed by law.	

SCHEDULE OF COLLECTION RELATED FEES
FOR COLLECTION OF UNPAID FINES

In circumstances where the Association can foreclose on a lien for unpaid fines, the same fee schedule for unpaid assessments set forth above shall apply, except that paragraph (b) shall be a fee of $325.00 for the lien for unpaid fines.

a) Violation Letter	$25.00
b) Demand or Intent to Lien Letter	$150.00
c) Lien for Unpaid Fines	$325.00
d) Actual costs incurred by Association or any person acting on behalf of the Association	

e) Reasonable Attorney's Fees and Actual Costs to the extent allowed by law.
f) Any other fees or costs allowed by law.

Unless otherwise determined by the board, 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, (ii) be completed in 3 months, and (iii) require the owner to stay current on future accruing assessments. If any payment made pursuant to such a payment plan is not received within 15 days of the due date, the owner shall be automatically deemed to be in material breach of said plan. The plan shall be deemed terminated upon such material beach and collection activities may be re-initiated in order to enforce the Association's assessment lien.

If an owner wants a hearing to contest the past due obligation, then, within 30 days of the date of the Disclosure and Payment Plan, the association must receive a written confirmation of intent to attend the hearing. The written request must be sent to and received by the Association. Once this request is received, all collection activity will be stayed pending the outcome of the hearing. If the hearing does not result in the elimination of the past due obligation, collection activities will resume once notice of the hearing result is provided to the owner.

15. Notice of Intent to Send an Account to Collections. If a delinquent assessment account becomes is not resolved within 30 days after the Owner is sent the Disclosure and Payment Plan or after conclusion of any board dispute hearing, whichever is later, the Association through its designated agent will issue an intent-to-lien letter to the owner at his mailing address, if known, and the property address of the lot. The agent shall notify the owner by certified mail that a notice of delinquent assessment will be recorded against the owner's lot unless the entire balance of the account is paid within 15 days and shall provide an itemized statement of the charges owed as of the date of the notice, including the costs of the intent notice.

16. Recording of Delinquent Assessment. A notice of delinquent assessment shall be recorded if, within the time period allowed to the owner, the owner fails to pay the entire balance of the account or to enter into a payment plan pursuant to paragraph 18 of this policy.

17. Notice of Default. Not less than 30 days after mailing the notice of delinquent assessment, the association or other person conducting the sale may cause to be recorded a notice of default and election to sell the unit to satisfy the lien. The notice of default and election to sell must contain the same information as the notice of delinquent assessment and must also comply with the provisions of NRS 116.31162.

18. Foreclosure of liens: Providing notice of time and place of sale. Notice of time and place of sale may commence 90 days after a notice of default is recorded on the property if either the entire balance of the account has not been paid or a payment agreement has not been entered into with the association. The 90-day period begins on the later of the day the notice of default is recorded or on the day on which a copy of the notice of default is mailed by certified mail, return receipt requested, to the lot's owner or his successor in interest at his address if known, and to the address of the lot.

19. Payment Agreement. The association and/or its designated agent must accept partial payment on an assessment account. 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, in addition to the ongoing assessment payments, in amounts and on a payment schedule agreed to by the board. The association has no obligation to enter into such a payment agreement. Any agreement entered into with the owner shall be

reasonable, as determined by the board in its sole discretion, 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 term of the agreement shall give the board the right to immediately continue the collection process without further notice to the owner.

20. Recording of Release of Lien. A release of lien will not be recorded until the entire balance of the owner's account is paid. All charges incurred in recording a release of lien will be charged to the account.

21. Dishonored Checks. At any time that the Association or its designated agent receives a check dishonored by the bank for any reason, a charge of $20.00 shall be imposed. The board may immediately proceed with the collection process if the assessments are not paid within 10 days after notice of the dishonored check is sent to the owner. The Association may also seek damages in accordance with law.

22. Dispute of Charges. If the owner questions the accuracy of the balance, an objection to the specific charges must be received by the board within 30 days of the date of the notice sent to the owner of the 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 charges. 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. An explanation of the reasons the owner believes there is an error, with sufficient detail such as dates, names, and check numbers, so that the dispute may be investigated efficiently and effectively.

Copies of checks (both front and back) along with letters or other documents referred to or claimed must accompany the written objection.

23. 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. Commencement of one remedy shall not prevent the Association from electing at a later date to pursue another remedy.

24. Address of the Association and the Board of Directors. Owners should respond in writing or make payments to the address as directed by the designated agent. If no address is given, responses and petitions should be mailed to the Association at the following address: PO Box 447, Glenbrook, NV 89413 or 238 Old Highway 50, Glenbrook, NV 89413.

25. Assignments of Rents: In an action by an association to collect assessments or to foreclose a lien created under this section, the court may appoint a receiver to collect all rents or other income from the lot alleged owed the owner before commencement or during pendency of the action. The receivership is governed by NRS 32. The court may order the receiver to pay any sums held by the receiver to the association during pendency of the action to the extent of the association's common expense assessments based on a periodic budget adopted by the association per NRS 116.3115.

26. Write off debt: The board shall approve all write-offs of debt, including assessments per NRS116.3116, which exceed the 9-month super-priority period subsequent to a bank foreclosure.

27. Sufficiency of Notice. Except for notice that under Nevada law must be sent by certified mail, notice is sufficient if either hand delivered or mailed first class, postage prepaid, to the owner at the address on the membership registry at the time of notice.

28. Void Provisions. If any provision of this policy is determined to be null and void, all other provisions of the Policy shall remain in full force and effect.