

CALVADA AERO PARK ASSOCIATION

2011 ASSESSMENT AND FINE COLLECTION POLICY

1. Owner shall be responsible to pay all assessments and special assessments. If Owner becomes delinquent with respect to regular assessments or special assessments, then Owner shall be responsible to pay all assessments plus any collection related costs allowed by law. If Owner fails to pay assessments in a timely manner, the Association shall have the right to record a notice of delinquent assessment against the property, record a notice of default against the property, record a notice of sale against the property, and foreclose on the property pursuant to Nevada Revised Statutes Chapter 116, as described in more detail below. In addition, Owner shall be responsible to pay reasonable collection fees related to the collection of delinquent assessments. Attached is an approximate schedule of fees Owner shall be responsible to pay. The attached schedule of collection fees will be superseded by any regulations adopted by the Nevada Real Estate Division on the date such regulations become effective.

2. Owner shall be responsible to pay all fines. A schedule of fines is attached to this Collection Policy. If Owner fails to pay any fine, then Association may lien Owner's property and Association has the right to charge any amount allowed by law to collect unpaid fines from Owner. The Association does not have the right to foreclose on a lien for fines, unless the fines were imposed for a violation that the Board deemed to pose an imminent threat of substantial adverse effect to the health, safety or welfare of the unit owners or residents of the community. Please be aware that fines are treated differently than assessments. Except as otherwise stated in this policy and Nevada law, the Association cannot foreclose on a lien for fines. However, the Association can foreclose on a property if Owner fails to pay for any common expenses in a timely manner.

3. Regular Assessments shall be due on the **1st day of January**.

4. Regular and special assessments shall be delinquent if not paid **within fifteen (15) days** of the due date.

5. There shall be a late charge of eighteen dollars (**\$18.00**) for any assessment that becomes delinquent.

6. The Association may charge interest at the rate allowed by law on any assessments more than sixty days past due. Per NRS 116.31153 "... at a 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."

7. If an annual assessment remains unpaid by May 1, a notice of intent to lien may be sent to that Owner. A notice of intent to lien may be sent to any Owner who becomes delinquent in the payment of any assessment.

8. If an Owner does not pay the delinquent amounts in full by the deadline as provided in the notice of intent to lien, the Association may prepare and serve a notice of delinquent assessments and claim of lien as provided in NRS 116.3116, which shall be recorded with the Nye County Recorder and mailed to the unit Owner.

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9. A Notice of Default and Election to Sell ("Notice of Default") shall be recorded and mailed to an Owner that fails to pay in full all assessments due to the Association within the time required by the notice of lien referred to in paragraph 8 above.

10. If the assessments, or any portion thereof, remains unpaid 90 days or more after the recording of the Notice of default, the Association may record and mail a Notice of Sale setting forth the date for the sale of the unit of any Owner who fails to pay in full all assessments due to the Association within the time required by the Notice of Default.

11. An Owner shall be responsible for all reasonable collection fees, legal fees and costs the Association incurs in attempting to collect any delinquent assessments. The legal fees and collection costs associated with collecting unpaid assessments are significant. The more steps to collect delinquent assessments, the more legal fees and collection costs will be added to the delinquent Owner's account. Thus, the Association strongly advises that all Owners ensure assessments are paid when due.

12. The Association may enter into good faith agreements with Owners to set up a payment plan for delinquent assessments. However, if an Owner refuses to enter into a payment plan acceptable to the Association or if an Owner fails to comply with the terms of a payment plan, the Association shall proceed to collect the delinquent assessments as set forth herein.

13. The Board must approve all write-offs of debt.

14. The community manager shall provide timely updates and reports as necessary.

15. The Association has the right to collect any delinquent assessments in any manner allowed by Nevada law.

16. This Assessment and Fine Collection Policy was adopted by the Board of Directors on April 30, 2011 and supersedes any previous Collection Policy.