

**LA JOLLA CLASSIC HOMEOWNERS ASSOCIATION INC.**

C/O Mesa Management  
9512 W. Flamingo Road, Suite 102  
Las Vegas, NV 89147  
(702) 750-0530 / FAX (750) 750-0532

**NOTICE OF ANNUAL BUDGET RATIFICATION MEETING**

Dear Member:

This is your official notification of the Budget Ratification meeting scheduled as follows:

**Date: Monday, December 30, 2013**  
**Time: 5:30 PM**  
**Place: DESERT SHORES COMMUNITY FACILITY**  
**2500 Regatta Drive**  
**Las Vegas, NV 89128**

Enclosed for your perusal is the 2014 Budget adopted by the Board of Directors. You are encouraged to review the budget and to come prepared to discuss the financial condition of the association. In accordance with the funding plan suggested by the Reserve Study, the Board adopted the fiscal 2014 budget with a slight increase of five percent (5%). This was primarily done to increase the reserves. Accordingly the quarterly assessment will be eighty-six dollars and eighty-two cents (\$86.82) per home as of January 1, 2014. A vote will be taken at the end of the discussion to ratify the budget. In keeping with statute, unless fifty-one per cent (51%) of the full membership vote not to ratify the budget, it will be ratified. Nonetheless, this is an ideal time to review and discuss the financial condition of the association.

The Board of Directors believes the Reserves are adequately funded at this time and no special assessment will be necessary to fund the reserves in fiscal 2014. However, as stated, the Board believes it is important to continue funding the reserves at an appropriate level. This is based upon the Reserve Preparer's recommended funding plan which incorporates a modified cash flow method combined with the pooling technique to determine funding necessary to meet component repairs or replacements. Mari Jo Betterley of Better Reserve Consultants is the Reserve Preparer who prepared the study. She is a specialist who has received permit number 25 from the Nevada Real Estate Division.

Collection Policy: There are a number of changes to statute pertaining to the collection of delinquent assessments. Many of these have gone into effect as of October 1, 2013. The Association has and will continue to pursue delinquent assessments in compliance with Nevada statute. The Board will be considering an updated collection policy at the January 2014 meeting. Once adopted, the new policy will be sent to each owner. In the interim the Association will be pursuing delinquent assessments through the existing collection policy but with compliance with the new statute. The existing policy is included.

In closing, please mark your calendar for December 30<sup>th</sup> and join us for a discussion and ratification of the 2014 budget and the election. Thanks for your cooperation.

Sincerely,

Your Board of Directors

Enclosed: 2014 Budget  
Agenda  
Reserve Funding Study / Modified Cash Flow Analysis  
Component Inventory, Estimated Useful Life & Expense Item Summary  
Collection Policy

LA JOLLA CLASSIC HOA		ADOPTED-	RATIFIED-			
2014 OPERATING BUDGET		BUDGET IS FOR 01/01/2014 THROUGH 12/31/2014				
Acct. No.	Description	2014 Budget	2013 Actual 8/31/2013	2013 Budget	2012 Budget	2012 Actual
<b>INCOME</b>						
6310	Assessment Income	\$45,840.00	\$25,465.44	\$43,655.04	\$41,580.00	\$41,580.00
6315	Operating Interest	\$0.00	\$17.05	\$0.00	\$0.00	\$21.05
6330	Violation Income	\$0.00	\$800.00	\$0.00	\$0.00	\$410.00
6340	Late Fees	\$0.00	\$760.00	\$0.00	\$0.00	\$640.00
6350	Collection Fee Income	\$300.00	\$275.00	\$1,500.00	\$0.00	\$565.00
6390	Misc. Income	\$0.00	\$92.00	\$0.00	\$0.00	\$405.68
6395	Gate Cards/Remotes	\$0.00	\$92.00	\$0.00	\$0.00	\$280.00
	<b>TOTAL INCOME</b>	<b>\$46,140.00</b>	<b>\$27,501.49</b>	<b>\$45,155.04</b>	<b>\$41,580.00</b>	<b>\$43,090.37</b>
<b>OPERATING EXPENSES</b>						
<b>GENERAL &amp; ADMINISTRATIVE</b>						
7000	Bank Charges	\$0.00	\$0.00	\$0.00	\$0.00	\$10.00
7005	Bad Debt Expense	\$500.00	\$0.00	\$7,700.00	\$1,000.00	\$8,724.25
7010	Management Fees	\$13,464.00	\$9,668.50	\$13,464.00	\$11,400.00	\$12,432.00
7015	Collection Fees	\$0.00	\$0.00	\$0.00	\$250.00	\$557.50
7016	Compliance Enforcement	\$0.00	\$0.00	\$0.00	\$1,400.00	\$780.00
7020	Postage	\$0.00	\$0.00	\$0.00	\$1,200.00	\$765.37
7022	Storage	\$0.00	\$0.00	\$0.00	\$400.00	\$138.00
7025	Copies/Printing	\$0.00	\$0.00	\$0.00	\$800.00	\$619.23
7026	Office Supplies	\$0.00	\$0.00	\$0.00	\$750.00	\$654.25
7027	Gate Remotes	\$0.00	\$270.25	\$0.00	\$0.00	\$270.25
7030	Collection Fee Expense	\$300.00	\$525.00	\$1,500.00	\$100.00	\$682.00
7040	Insurance: Liability	\$4,921.50	\$1,837.57	\$4,921.50	\$2,000.00	\$2,801.50
7070	Legal	\$0.00	\$0.00	\$0.00	\$250.00	\$0.00
7100	Filing Fees/State Bus. License	\$225.00	\$25.00	\$225.00	\$225.00	\$285.00
7130	IRS Taxes	\$0.00	\$0.00	\$100.00	\$0.00	\$38.00
7140	Audit & Tax Service	\$125.00	\$1,625.00	\$125.00	\$125.00	\$125.00
7160	Coupon Books	\$0.00	\$0.00	\$0.00	\$0.00	\$119.00
7170	Web-Site	\$0.00	\$0.00	\$0.00	\$0.00	\$48.90
<b>MAINTENANCE</b>						
7410	Gate Repairs	\$1,000.00	\$1,066.74	\$1,250.00	\$1,000.00	\$1,220.11
7450	General Misc. Repairs	\$250.00	\$0.00	\$250.00	\$0.00	\$82.08
<b>CONTRACT SERVICES</b>						
8000	Landscaping: Contract	\$2,400.00	\$1,600.00	\$2,400.00	\$2,400.00	\$2,250.00
8025	Landscape Renovation	\$500.00	\$0.00	\$500.00	\$300.00	\$0.00
8050	Landscaping: Other	\$500.00	\$250.00	\$500.00	\$300.00	\$455.00
8051	Gate Phone	\$0.00	\$0.00	\$0.00	\$0.00	\$291.26
8070	Tree Maintenance	\$500.00	\$0.00	\$750.00	\$600.00	\$495.00
8250	Lighting Other	\$250.00	\$0.00	\$500.00	\$700.00	\$0.00
8500	Street Sweeping	\$1,700.00	\$1,119.36	\$1,700.00	\$1,679.00	\$1,539.88
<b>UTILITIES</b>						
9000	Power	\$1,500.00	\$1,056.41	\$2,500.00	\$2,000.00	\$1,406.19
9100	Water	\$1,560.00	\$1,030.77	\$1,560.00	\$1,200.00	\$1,264.32
9300	Phone	\$375.00	\$334.44	\$505.00	\$500.00	\$309.40
<b>RESERVES</b>						
9500	Transfer To Reserves	\$16,069.50	\$3,136.41	\$4,704.54	\$11,001.00	\$11,001.00
<b>TOTAL OPERATING EXPENSES</b>		<b>\$46,140.00</b>	<b>\$23,545.45</b>	<b>45,155.04</b>	<b>\$41,580.00</b>	<b>\$49,364.49</b>
<b>EXCESS REVENUES OR EXPENSES</b>		<b>\$0.00</b>	<b>\$3,956.04</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>-\$6,274.12</b>

THE LA JOLLA CLASSIC HOA BOARD OF DIRECTORS HAS VOTED TO INCREASE THE ASSESSEMENTS 5% IN FISCAL YEAR 2014 IN KEEPING WITH THE RESERVE STUDY RECOMMENDATIONS THEY DO NOT ANTICIPATE A SPECIAL ASSESSMENT IN 2014

LA JOLLA CLASSIC HOA		ADOPTED-		RATIFIED-	
2014 RESERVE BUDGET		BUDGET IS FOR 01/01/2014 THROUGH 12/31/2014			
Acct. No.	Description	2014 Budget	August Actual	Monthly Actual	2013 Reserve
		2014	2013		
	Reserve Balance 01-01	\$97,211.53	\$150,932.56	\$12,577.71	\$150,932.56
	Reserve Transfer	\$16,069.50	\$3,136.41	\$261.37	\$4,704.54
6650	Interest Earned	\$605.00	\$215.37	\$17.95	\$915.93
9900	Reserve Expenses	\$263.00	\$26,081.00	\$2,173.42	\$59,341.50
<b>TOTAL RESERVE BALANCE 06/30</b>		<b>\$113,623.03</b>	<b>\$128,203.34</b>		<b>\$97,211.53</b>
<b>2014 RESERVE EXPENSE ITEMS</b>					
#1	Reserve Study Update	\$263.00			
#2		\$0.00			
#3		\$0.00			
#4		\$0.00			
#5		\$0.00			
#6		\$0.00			
#7		\$0.00			
#8		\$0.00			
#9		\$0.00			
#10		\$0.00			
<b>2013 RESERVE EXPENSE ITEMS</b>					
#1	Crack Sealing		\$2,694.50	\$224.54	
#2	Slurry Seal Streets		\$37,936.00	\$190.63	
#3	Concrete Curbing/Sidewalks		\$2,563.00	\$12.88	
#4	Street Name Signs		\$3,076.00	\$15.46	
#5	landscape Contingency		\$2,563.00	\$12.88	
#6	Entrance Renovation		\$10,253.00	\$51.52	
#7	Reserve Study Update		\$256.00	\$1.29	
#8			\$0.00	\$0.00	
#9			\$0.00	\$0.00	
#10			\$0.00	\$0.00	
	<b>TOTAL RESERVE EXPENSES</b>	<b>\$263.00</b>	<b>\$59,341.50</b>	<b>\$509.20</b>	
		2014	2013	2013	
<b>OVER/UNDER</b>					
R E S E R V E	RESERVE BAL. EST. 2013	\$128,809.00		<b>PERCENTAGE</b>	
	FULL FUNDING BALANCE 2013	\$130,101.00		99.01%	
	RESERVE BAL. EST. 2014	\$113,623.03		<b>PERCENTAGE</b>	
	FULL FUNDING BALANCE 2014	\$104,830.00		108.39%	
Reserve balance goals are attained by using the Full Funding Method					

**LA JOLLA CLASSICS  
HOMEOWNERS ASSOCIATION**  
C/o Mesa Management  
9512 W. Flamingo Road Suite 201  
Las Vegas, NV 89147

**BUDGET RATIFICATION MEETING**

**MONDAY, DECEMBER 30, 2013 at 5:30 p.m.**

**Desert Shores Community Center  
2500 Regatta Drive  
Las Vegas NV 89128**

**A G E N D A**

- |  |                        |
|--|------------------------|
| <b>I. CALL TO ORDER</b>  | ACTION REQUIRED-MOTION |
| <b>II. MEMBERS' FORUM</b> – Agenda Items Only                    | DISCUSSION ONLY        |
| <b>III. 2014 BUDGET</b><br>A. Discussion<br>B. Ratification Vote | ACTION REQUIRED-MOTION |
| <b>IV. MEMBERS' FORUM</b> – Any Topic                            | DISCUSSION ONLY        |
| <b>V. ADJOURN MEETING</b>  | ACTION REQUIRED-MOTION |

In accordance with any owner is entitled to have a copy of the draft minutes of the meeting 30 days after the meeting date upon request to the Management Company. Copy and mailing fees apply to all requests unless provided in electronic format. Members may address concerns only during the Members Forum portions of the meeting. Thank you for your cooperation.

La Jolla Classic HOA Full Study 2013 Final Draft Funding Study Modified Cash Flow Analysis

Calendar Year	Annual Payment	Annual Interest	Annual Expenses	Annual Income Tax	Net Reserve Funds	% Funded
2013	\$4,582	\$853	\$58,288	\$256	\$115,413	89.6 %
2014	\$12,041	\$605	\$263	\$181	\$127,614	138.8 %
2015	\$13,187	\$668	\$13,203	\$200	\$128,066	113.2 %
2016	\$14,390	\$673	\$3,591	\$202	\$139,336	113.9 %
2017	\$15,653	\$733	\$9,914	\$220	\$145,588	102.8 %
2018	\$16,980	\$767	\$26,544	\$230	\$136,561	88.1 %
2019	\$18,373	\$725	\$14,411	\$217	\$141,030	92.2 %
2020	\$19,836	\$751	\$10,685	\$225	\$150,706	92.2 %
2021	\$21,372	\$803	\$9,703	\$241	\$162,937	91.4 %
2022	\$22,984	\$867	\$9,949	\$260	\$176,579	90.8 %
2023	\$24,677	\$940	\$95,224	\$282	\$106,690	50.7 %
2024	\$26,455	\$594	\$27,326	\$178	\$106,235	73.8 %
2025	\$28,322	\$596	\$30,092	\$179	\$104,882	71.8 %
2026	\$30,282	\$594	\$2,270	\$178	\$133,310	91.2 %
2027	\$32,340	\$741	\$12,726	\$222	\$153,442	88.0 %
2028	\$34,501	\$846	\$23,636	\$254	\$164,900	85.7 %
2029	\$36,771	\$909	\$17,200	\$273	\$185,107	92.4 %
2030	\$39,153	\$1,015	\$13,716	\$305	\$211,255	98.2 %
2031	\$41,655	\$1,152	\$59,065	\$346	\$194,651	83.2 %
2032	\$44,282	\$1,075	\$20,660	\$322	\$219,025	104.6 %
2033	\$47,040	\$1,203	\$129,587	\$361	\$137,320	61.3 %
2034	\$47,040	\$795	\$5,630	\$238	\$179,286	135.3 %
2035	\$47,040	\$1,004	\$15,541	\$301	\$211,489	127.9 %
2036	\$47,040	\$1,165	\$6,829	\$350	\$252,516	133.8 %
2037	\$47,040	\$1,371	\$21,938	\$411	\$278,578	125.9 %
2038	\$47,040	\$1,501	\$24,598	\$450	\$302,070	126.2 %
2039	\$47,040	\$1,618	\$74,090	\$485	\$276,153	108.1 %
2040	\$47,040	\$1,489	\$26,361	\$447	\$297,874	133.0 %
2041	\$47,040	\$1,597	\$61,379	\$479	\$284,653	118.1 %
2042	\$48,236	\$1,534	\$8,102	\$460	\$325,861	144.5 %
2043	\$48,236	\$1,740	\$182,942	\$522	\$192,373	73.2 %
<b>Totals :</b>	<b>\$1,017,668</b>	<b>\$30,924</b>	<b>\$1,015,463</b>	<b>\$9,277</b>		

The cash distribution shown in this table applies to repair and replacement cash reserves only.

Basis of Funding Study - Modified Cash Flow

Cash reserves have been set to a minimum of \$0

Cash Flow has been modified with the forced Fixed Payments.

Months Remaining in Calendar Year 2013: 12      Inflation = 2.50 %      Interest = 0.50 %

Study Life = 30 years      Initial Reserve Funds = \$168,521.00      Final Reserve Value = \$192,372.63

Annual Payments Held Constant for 3 years

La Jolla Classic HOA Full Study 2013 Final Draft Reserve Study Expense Item Summary

Reserve Items	Current Cost When New	Estimated Remaining Life	Expected Life When New	First Replacement Cost	Repeating Item?
<b>Entrances</b>					
Gate Replacement	\$20,000	18 Years	40 Years	\$32,144	Yes
Gate Painting	\$500	2 Years	5 Years	\$539	Yes
Gate Motors/ Operators	\$20,000	11 Years	15 Years	\$26,989	Yes
Inground Loops	\$6,800	5 Years	7 Years	\$7,899	Yes
Loop Detectors	\$3,200	5 Years	7 Years	\$3,717	Yes
Door King Key Pad Entry System	\$3,500	2 Years	7 Years	\$3,772	Yes
AVI Detector	\$1,350	6 Years	7 Years	\$1,608	Yes
Stucco Wall at Entrances Repair or Replacement as Needed	\$22,000	28 Years	50 Years	\$45,390	Yes
Stucco Wall at Entrances Painting	\$1,600	0 Years	5 Years	\$1,640	Yes
Entrance Monuments/ Signage	\$7,500	7 Years	10 Years	\$9,159	Yes
Landscaping Lighting at Entrances Upgraded 2012	\$2,580	29 Years	30 Years	\$5,468	Yes
Pedestrian Gates	\$1,000	18 Years	40 Years	\$1,607	Yes
Pedestrian Gate Locks	\$1,287	19 Years	20 Years	\$2,121	Yes
<b>Asphalt Roads</b>					
Type II Slurry Seal Streets	\$37,000	0 Years	10 Years	\$37,936	Yes
Crack Fill	\$2,500	2 Years	2 Years	\$2,695	Yes
Patching as Needed	\$10,000	5 Years	5 Years	\$11,617	Yes
GE ERS Series LED Cobra Head Street Lighting Fixtures Replacement as Needed	\$1,000	5 Years	5 Years	\$1,162	Yes
Concrete Curbing and Sidewalks Repair or Replacement as Needed - Contingency	\$2,500	0 Years	2 Years	\$2,563	Yes
Street Name Signs	\$3,000	0 Years	20 Years	\$3,076	Yes
Evaluation of Roads by an Asphalt Engineer	\$5,000	10 Years	10 Years	\$6,581	Yes
<b>Landscaping and Irrigation</b>					
Major Landscaping and Irrigation as Needed - Contingency Fund	\$2,500	0 Years	2 Years	\$2,563	Yes
Entrance Renovation One Time Cost	\$10,000	0 Year	1 Years	\$10,253	No

La Jolla Classic HOA Full Study 2013 Final Draft Funding Study Expense Item Summary - Continued

Reserve Items	Current Cost When New	Estimated Remaining Life	Expected Life When New	First Replacement Cost	Repeating Item?
<b>Block Walls and Fencing</b>					
Perimeter and Interior HOA Wall Repair and Replacement as Needed- Contingency	\$3,000	3 Years	3 Years	\$3,315	Yes
Perimeter Wall Painting	\$10,000	10 Years	10 Years	\$13,162	Yes
Wrought Iron Fencing on Top of Block Wall at Entrance Replacement	\$5,000	18 Years	40 Years	\$8,036	Yes
Wrought Iron Fencing on Top of Block Wall at Entrance Painting	\$500	2 Years	5 Years	\$539	Yes
<b>Concrete Drainage</b>					
Concrete Drainage Replacement	\$5,500	30 Years	40 Years	\$11,929	Yes
<b>Reserve Study</b>					
Full Reserve Study	\$1,000	4 Years	5 Years	\$1,133	Yes
Reserve Study Annual Update	\$250	0 Year	1 Years	\$256	Yes

Months Remaining in Calendar Year 2013: 12

Expected annual inflation: 2.50%

Interest earned on reserve funds: 0.50%

Initial Reserve: \$168,521



## La Jolla Classic Homeowners Association Collection of Assessments Policy

WHEREAS, the Declaration of Covenants, Conditions and Restrictions for La Jolla Classic Homeowners Association contains the covenant for assessments,

WHEREAS, there is a need to bring this procedure for the collection of assessments to view by the community in one document for ease of reference, and

WHEREAS, it is the intent of the Board of Directors to comply with and implement the procedures for the collection of assessments,

NOW, THEREFORE BE IT RESOLVED that the Board of Directors has adopted the following policy.

1. Assessments and Due Dates: Regular assessments shall be levied annually in Quarterly installments and are payable on the first day of each month corresponding to the installment period. 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 subject to a late fee if not paid within 30 days after they become due. It is the responsibility of the unit's owner to pay all assessments, fees, or fines in a timely manner. The Association has the right to collect all assessments, fees, or fines and will do so in the manner outlined in this collection policy.
2. Late Fees & Interest: When an installment payment of a regular assessment or a special assessment in whole or in part becomes late, the owner's account with the Association shall be charged with a late fee per month of \$10.00. Any assessment for common expenses or installment thereof that is 60 days or more past due is subject to interest 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.
3. 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 the obligation becomes past due, 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 and the procedures for requesting such a hearing.

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 15 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 all future accruing Assessments.

If an Owner wants to request a hearing to contest the past due obligation, then, within 15 days of the date of the Disclosure and Payment Plan, 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 within the time period provided. Failure to appear at a requested hearing shall give the Association the right to immediately assign the unit owner to Collection.

4. Assignment to Collection/Notice of Intent to Lien: If within 15 days of the date of the Disclosure and Payment Plan, the Owner has not: (a) signed and returned the Disclosure Payment Plan, or

(b) submitted a written request for a hearing as set forth in Paragraph 3, then the Association or its 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, 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;

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

- (e) that, subject to the owner's right to request a hearing, the Owner's and the Owner's family, tenants and guests right to use the recreational facilities, including, but not limited to, the gym, pools and spas is suspended during the time that Owner is delinquent in the payment of assessments;
- (f) that the failure to cure to 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.

If the Owner fails or refuses to pay the balance due and owing to the Association as set forth in the Notice of Intent, then not less than 30 days after the Notice of Intent is mailed to the Owner, then the Association may record a lien against the Unit owned by the Owner (the "Lien"). The Lien must specify:

- (a) the amount of Assessments and other sums due 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;
- (b) a description of the Unit upon which the lien is imposed;
- (c) the name of the record owner of the Unit;
- (d) the fact that the installment is delinquent;
- (e) the action required to cure the default;
- (f) the date, not less than 30 days from the date the notice is mailed to the Owner, by which such default must be cured; and

5. All Recoverable Costs: 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.
6. Foreclosure: The Association has the option to proceed with foreclosure whether judicially or non-judicially. Once the Notice of Delinquent Assessment Lien is recorded and mailed, pursuant to Nevada Revised Statutes, and goes unpaid for no less than 30 days after the mailing of the Lien for Delinquent Assessments.
7. Payment Agreements and Allocations: Initial payment plans will be for a period of 3 months. 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 continue the collection process without further notice to the owner bringing all amounts due and payable.

8. 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, posting and publishing company charges, and legal and attorney's fees in accordance with NAC 116.470.
9. Write-Offs: The Executive Board must approve all write-offs of debt.
10. Updates and Reports: The Association will receive timely updates and reports as necessary.
11. Effective Date of this Policy. This policy was duly adopted by the action of the Board of Directors on \_\_\_\_\_, 20\_\_\_\_, and shall be effective as of the same date.
12. Policy Adoption: This resolution of the Board of Directors for \_\_\_\_\_ has been duly adopted at the \_\_\_\_\_, 20\_\_\_\_ meeting.

By: \_\_\_\_\_  
President - La Jolla Classic Homeowner Association

Attested By: \_\_\_\_\_  
Secretary - La Jolla Classic Homeowner Association