

THE MEADOWS AT WEST HAVEN HOME OWNERS ASSOCIATION, INC.

Resolution of The Board of Trustees

COLLECTION OF UNPAID CHARGES

WHEREAS, "Declaration" is the *Declaration of Covenants, Conditions and Restrictions of The Meadows at West Haven A Planned Residential Unity Development*, "Act" is the *Utah Community Association Act, Utah Code Annotated, Title 57, Chapter 8a* and "Association" is *The Meadows at West Haven Home Owners Association, Inc.*;

WHEREAS, "assessments," as used in this Resolution, includes all amounts validly assessed against a Lot or Unit Owner ("Owner") pursuant to the Declaration, the Association's Bylaws, Rules and Regulations, and any Board of Trustees Resolution, including, but not limited to common expenses, interest, fees, fines, attorney fees and all collection costs;

WHEREAS, Section 4.04 of the Declaration allows the Association to adopt rules and enforce compliance with the Declaration, Bylaws, and administrative rules and regulations;

WHEREAS, Section 4.02 of the Declaration authorizes the Board to enforce provisions of the Declaration, Bylaws and Rules and Regulations, including action to collect unpaid assessments;

WHEREAS, the Act authorizes the Board to establish late charges and fines;

WHEREAS, Sections 5.01, 5.10, and 5.11 of the Declaration and the Act provide that all assessments, together with interest, attorney fees and costs of collection shall be a continuing lien upon the unit against which each such assessment is made;

WHEREAS, Section 5.11 of the Declaration authorizes the Board, on behalf of the Association, to bring suit to foreclose the lien against the unit and/or to bring an action to obtain a money judgment against an Owner for damages and/or for unpaid assessments;

WHEREAS, Sections 5.01 and 5.11 of the Declaration and the Act provide that Owners shall be obligated to pay reasonable fees and costs including, but not limited to, attorney fees incurred in connection with efforts to collect delinquent and unpaid assessments, regardless of whether suit or action is commenced, and/or to enforce the provisions of the Declaration, Bylaws, rules and regulations or the Act;

WHEREAS, assessments are currently due and payable monthly in advance on the first day of the month;

WHEREAS, from time to time Owners become delinquent in the payments of their assessments and fail to respond to the demands from the Board to bring their accounts current, and it is imperative assessment payments are timely received;

WHEREAS, pursuant to Section 5.11 of the Declaration interest at the rate of eighteen percent (18%) per annum on all unpaid charges shall accrue;

WHEREAS, the Board deems it in the Association's best interest to adopt a uniform and systematic procedure for the collection of unpaid assessments in a timely manner, and further believes it to be in the Association's best interest to refer these accounts promptly to an attorney for collection so as to minimize the Association's loss of assessment revenue.

NOW, THEREFORE, IT IS RESOLVED, that pursuant to the authority of the Association as set forth in Section 4.02 of the Declaration, and the Act, there is hereby levied a late fee against any assessment account for any assessment which is not paid in full within fifteen (15) days of the date such assessment is due; and such late fee shall be fifteen dollars (\$15.00) per month until the past due amount is paid in full;

NOW, BE IT FURTHER RESOLVED, that the following steps be adopted to provide for the uniform and systematic procedure for the collection of unpaid assessments:

1. All assessments shall accrue interest at the rate of 18% per annum from the date such assessment is first due, if not paid within thirty (30) days of the due date.
2. If any assessment remains unpaid by an Owner for more than thirty (30) days from the due date for its payment, the Board shall send a notice to the Owner indicating the amount due, including notice of the late fees and interest, and demand for immediate payment thereof. *See Exhibit "A" attached hereto.*
3. If any assessment remains unpaid by the Owner for more than ninety (90) days from the due date for its payment, the Board shall turn over collection to the Association's attorney ("Attorney"), who shall (a) send a written demand for payment and any notice as required by the federal Fair Debt Collection Practices Act, if applicable; (b) prepare and record a lien against the Owner's unit; (c) notify the Owner within twenty (20) days of recording that the lien has been recorded; and (d) may notify any first mortgage or trust deed holder of the Owner's default; if applicable. The lien amount shall include all collection costs to date, including attorney's fees and the cost of preparing and/or recording the lien, any notice of lien required by law, and any notice to a first Mortgage holder, if applicable. The demand for payment shall notify the Owner of the Owner's liability for payment of charges imposed by Attorney to cover fees and costs associated with all collection efforts. The demand for payment shall include all collection costs to date.
4. If any assessment remains unpaid by the Owner twenty (20) days after the date of Attorney's demand, Attorney shall send Owner a ten (10) day demand letter for payment notifying the Owner that if full payment is not received within ten (10) days of the date of the letter the Association intends to file suit to either obtain a money judgment or foreclose on the lien. The demand shall include the updated amount owing, including all collection costs to date.