

THE COTTAGES COMMUNITY ASSOCIATION

A UTAH NON-PROFIT CORPORATION

POLICY RESOLUTION NUMBER 1

Collection Policy

WHEREAS, Article 5 of The Cottages at Hobble Creek Declaration of Covenants, Conditions, and Restrictions ("Declaration") requires owners to pay common assessments for the purposes and on the terms set forth in the Declaration;

WHEREAS, the timely receipt by The Cottages Community Association ("Association") of common assessments is critical to the proper functioning of the Association and the receipt of such funds is necessary for the Board of Trustees ("Board") to fulfill its obligations to the community as established in the Declaration;

WHEREAS, Article 5 of the Declaration further provides that the Association may assess a late fee, interest, and record a lien against any Lot for delinquent and/or unpaid assessments and that owners are personally obligated to pay common assessments;

WHEREAS, from time to time owners become delinquent in the payment of their common assessments and fail to respond to the demands of the Board to bring their accounts current;

WHEREAS, the Board deems it in the Association's best interest to adopt a uniform and systematic policy and procedure for the collection of unpaid assessments.

NOW THEREFORE, BE IT RESOLVED THAT the following is the collection policy for The Cottages Community Association duly adopted by the Board on the date set forth below:

- 1) Assessment Fees can be paid annually, bi-annually, quarterly or monthly but all assessments are due in advance of the time frame you are paying.
- 2) All assessments and fines, of whatever nature, shall be considered delinquent if not paid by the 10th of that month ("Delinquency Date").
- 3) Any unpaid balance owing on the "Delinquency Date" will receive a Ten Dollar (\$10.00) late fee for each month. The Board of Trustees shall also have the right to assess a late fee of up to ten percent (10%) of any assessment installment not paid within ten (10) days following the due date thereof.
- 4) When an account is 30 days past due, the management company shall send out a "First Notice of Default" containing the information required in the Community Declaration. The notice shall indicate the amount owed, and make request for payment as outlined therein.
- 5) Thirty (30) days after sending out the First Notice Statement, and no payment or response from the owner has been received, the management company is directed to send to the homeowner a written notice, hereinafter referred to as the "Second Notice of Default". This notice will state that if the account is not paid in full within fourteen (14) days, or contact has not been made to

the management company to schedule payment options, then the account will be turned over to the Association's attorney for collection. The homeowner will be liable for payment of all charges imposed by the attorney for their services.

- 6) Any account sent the Association's attorney shall have a Notice of Claim of Lien recorded with the County on the property and a copy of the Lien will be forwarded to any lender with a mortgage against the Lot. The Association reserves the right to record its lien at any time concurrently or after the sending of the First Notice of Default.
- 7) Should the account remain unpaid after the attorney sends out their 30-day notice, then the account will be brought before the board to decide further action. This action to include but is not limited to commencing a lawsuit or foreclosing its lien.
- 8) If any homeowner has a history of making late payments or has been turned over to collections, the board reserves the right to accelerate the assessments on that lot.
- 9) Homeowner's can request special consideration of hardship circumstances on a delinquent account. Such requests must be submitted in writing along with a written request for a hearing prior to the account being sent to collections.
- 10) Once an account has been sent to the attorney, all payment negotiations are to be made with the attorney.

Duly adopted at a meeting of the Board of Trustees held: 2/17/2017

Motion by: Benjamin Lakay Seconded by: Brady Young

VOTE: YES NO ABSTAIN ABSENT

ATTEST:

[Signature] [Signature] 2/17/2017
Board Member Date

Resolution effective: March 20, 2017.