

Wyngate Town Homes Owners Association
Collection Policy Resolution
Number WR-012015
Effective Date March 21, 2015

Whereas, “Declaration” is the Declaration of Easements, Covenants, Conditions and Restrictions of Wyngate Town Homes, A Planned Unit Development (Expandable), South Jordan, Salt Lake County, Utah;

Whereas, Article XIII of the Declaration states that each Owner, agrees to pay to the Association (1) annual Assessments; (2) special Assessments; (3) Reimbursement Assessments; and (4) individual Assessments as lawfully established by the Board of Directors;

Whereas, Article XIII of the Declaration also states that such Assessments together with the interest thereon and costs of collection shall be a charge on the land and shall be a continuing lien upon the lot against which each Assessment is made;

Whereas, Article XIII of the Declaration further states that each Assessment together with interest, costs and reasonable attorney's fees, may also be the personal obligation of the person who was the owner of the property at the time when the assessment fell due;

Whereas, Article XIII of the Declaration specifies the following remedies for non-payment of Assessments: (1) late fees and interest; (2) referral to the HOA attorney for collection, (3) imposition of property liens, (4) acceleration of the entire annual assessment so as to be due and payable immediately, (5) demand that tenants pay to the Association all future lease payments until the amount due to the Association is paid, and (6) pursue foreclosure through judicial or non-judicial means;

Whereas, Article 4.03 of the Articles of Incorporation states that voting rights in the Association may be terminated for non-payment of Assessments; and

Whereas, Article 13.20 of the Declaration grants the Association the right to terminate any services and benefits paid for out of Assessments for any violation of the Governing Documents, which includes non-payment of Assessments.

Now therefore be it resolved that the conditions, requirements, and procedures set forth below be adopted

Yearly Assessments. Notice will be given to homeowners that the Assessment is a yearly assessment which is due on January 1st of each year. The Association will allow monthly installments to be made as long as payments are made in a timely manner. Otherwise, at management’s discretion, the full yearly amount will become due.

Delinquent Accounts. Monthly installments, if established between Association and homeowner, shall be due on first day of each month. Accounts shall be delinquent any time that the yearly Assessment, or a monthly installment payment as may be applicable,

is not received by the 10th day of the month.

1. **Fines.** When a unit's account becomes delinquent, the office will impose a \$35 late fee. Another \$35 late fee will be charged on the 15th day of every additional month an account is delinquent in any amount. Delinquent accounts will also accrue interest at a 15% rate per annum.
2. **First Notice.** When a unit's account becomes delinquent, the office will send a written notice to the owner on or about the next business day, unless the delinquency has been remedied. This written notice will include a reminder that a \$35.00 late fee is automatically charged on the 15th of the month and that failure to bring all fees, assessments, penalties, fines, late fees and/or other charges current may result in common area use restrictions, turning off of common benefits such as cable as well as other possible actions (noted below) if the situation is not remedied.
3. **Second Notice.** If a delinquency becomes 30 days past due the office will send a written notice on or about that time to the unit owner (and tenant if applicable) by regular mail that the cable and internet may be turned off in 15 days. An envelope with a copy of this notice may be posted (taped) on the door of the unit. The unit owner then has 14 days after the receipt of the notice to request a hearing before the board regarding the utility shut-off. If a hearing is requested, cable and internet service will not be terminated until after the hearing and final decision.
4. **Third Notice.** At 60 days past due and or \$500.00, the office will send a written notice to the unit owner (and tenant if applicable) notifying that the use of all common facilities, including but not limited to permit parking and pool, cable and internet service will be terminated unless corrected within 14 days. The owner has 14 days to request in writing a hearing before the board after receiving the notice. If a hearing is requested, the use of amenities will not be terminated until after the hearing and final decision. The third notice will also notify the unit owner that their account is being turned over to an attorney for further legal action as described below.

Attorney Collection Procedures. At anytime after an account is over 60 days past due, the account may be turned over to the Association's attorney (herein "Attorney") for collection. In the event an account is turned over for collection, a \$100 fine will be assessed. Attorney will send out a collection letter and notice of lien. The amount payable to bring an account current includes the delinquent balance, late fees, interest, fines, attorney's fees and cost of collections. If the account has been referred to the attorney for collection, the unit owner must then pay directly to the attorney's office and only to the attorney's office to bring the account current. The Board, working with the attorney, may exercise its option to bring the following actions.

1. **Collection of Rents/Tenants.** Once an account is turned over to collection, and in the event that the property is leased out, then Attorney will send a demand letter to the tenants demanding that they pay rents directly to Attorney on HOA's

behalf.

2. **File Lien on Property.** Attorney will file a lien upon the property and the property will be subject to an additional charge of \$500.00 plus filing fees.
3. **Lawsuit.** Attorney may file suit to collect on the debt. The account will be charged an hourly fee for all work performed by Attorney in bringing suit, plus any court costs and service fees.
4. **Foreclosure.** Attorney will send unit owner a notice of intent to foreclose. The Association will execute and file a Substitution of Trustee naming Attorney as Trustee for purposes of foreclosure. Attorney will record a Notice of Default with the County Recorder's Office. The Owner will incur an additional attorney's fee of \$800.00 for foreclosure proceedings.

Other Actions. At 61 days past due (40 days past delinquent date), the unit owner's voting privileges will be suspended.

Settlement. Management will have authority to settle any past due account as they deem appropriate. Management shall also have complete discretion to enforce these rules or choose to postpone action for any reason it deems appropriate.

Order of Payment. All monies collected from past due accounts shall be applied in the following order: (1) Attorney's Fees; (2) Costs of Court and Service Fees; (3) Late Fees; Past Due Association Fees; (4) Other.

Bankruptcy. If unit owner has filed bankruptcy, the Association cannot exercise the above interventions until bankruptcy is resolved. Bankruptcy does not excuse a unit owner from responsibility for assessments levied after the bankruptcy petition is filed.