

**Collection Procedure & Policy**  
**The Meadows East, a Planned Unit Development**  
**("Collection Policy")**

Adopted 2-16-17

**Reason for Policy:**

A uniform and systematic procedure for the collection of unpaid Assessments and charges in a timely manner is in the best interests of all Members of the Meadows East Owners Association, INC. ("Association"). The Board of Trustees/Management Committee ("Board") has concluded that the Association's interests are best served by establishing a relationship with a collections attorney to minimize the Association's loss of Assessment revenue and provide for uniform enforcement.

**Applicable Definitions:**

1. "Declaration" is the *Restated and Amended Declaration of Covenants, Conditions and Restrictions of Easements for The Meadows East, a Planned Unit Development*, recorded July 29, 2015, as Entry No. 2748145 in the Weber County Recorder's Office, state of Utah.
2. "Bylaws" is *Bylaws as incorporated in Article I, Section 1.05 of the Declaration*.
3. "Assessments," as used in this Collection Policy, includes all amounts validly assessed against a Lot or Unit Owner ("Owner") pursuant to the Declaration, Bylaws, Rules and Regulations, including, but not limited to, common expenses, interest, fees, special assessments including all attorney fees and all collection costs; and
4. "Attorney" refers to Burt R. Willie, the law firm of Vial Fotheringham LLP, or such other legal counsel as retained by the Board from time to time.

**Authority:**

In addition to authority provided in the Utah Community Association Act, multiple provisions in the Declaration allow the Board to adopt policies and otherwise engage in the collection of all amounts due and owing including, but not limited to: Article II, Section 2.01 of the Declaration allows the Association to adopt rules and enforce compliance with the Declaration, Bylaws, and administrative rules and regulations; Article VII, Section 7.01 of the Declaration authorizes the Board to enforce provisions of the Declaration, Bylaws and Rules and Regulations, including action to collect unpaid Assessments; Article VII, Section 7.01 of the Declaration authorizes the Board to establish late charges; Article VII, Section 7.02 of the Declaration provides 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; Article VII, Section 7.03 in the Declaration authorizes the Board, on behalf of the Association, to bring suit to foreclose the lien against the unit, and Article VII, Section 7.05 of the Declaration authorizes the Board to bring an action to obtain a money judgment against an Owner for damages and for unpaid Assessments; and Article VII, Section 7.02 of the Declaration provides 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 to enforce the provisions of the Declaration, Bylaws and rules and regulations.

This Collection Policy hereby supersedes and replaces all prior rules, policies and/or resolutions related to the collection of Assessments.

**Standard Collection Process:**

1. The Board or its agents may engage in informal reminders and communications regarding Assessments prior to referral to Attorney.
2. All late Assessments shall accrue interest at the rate of eighteen percent (18%) per annum pursuant to Article VII, Section 7.01 of the Declaration.
3. Regular monthly Assessments shall be due and payable on the first of the month and late if not received by the 15<sup>th</sup> of that same month.
4. A \$50.00 late fee will be assessed after the 15<sup>th</sup> day of the month.
5. If an Assessment remains unpaid after the 15<sup>th</sup> day of each month, the Board or its agent shall provide a written warning to an Owner regarding the late Assessment, including notice of the late fees and interest.
6. If an Assessment remains unpaid for 45 days from its due date, the Board or its agent shall provide a second written warning to the Owner, including notice of the late fees and interest.
7. If an Assessment remains unpaid for 60 days, the Board or its agent shall turn over collection of those Assessments to the Attorney.
8. Once collections have been turned over to the Attorney, the Attorney may immediately record a lien against the delinquent property and pursue any and all collection methods, including the potential foreclosure of the property.
9. Each Assessment, cost and fee, all legal fees and costs incurred in the collection of a delinquent account shall be assessed against the delinquent Owner.
10. Once an account has been referred to the Attorney, there shall be no direct communication between Association and the delinquent Owner regarding Assessments. Any payments made directly to Association or its management company will be forwarded to Attorney.
11. Association or its agent will inform Attorneys of newly accrued Assessments or special or limited assessments.

12. Any settlement offers or proposed payment plans will be discussed and rejected or approved by the Attorney and Board.

13. Following resolution of the collection matter, either through payment in full, legal enforcement, foreclosure, settlement, exhaustion of all legal remedies or Attorney's determination that an account is uncollectible, Attorneys shall return accounts to Association's control through written notice.

**Limited Power of Attorney:** The Association hereby grants to Attorney its limited power of attorney to endorse for deposit checks made payable to the Association (or its agent management company, if any) in satisfaction of accounts sent to Attorney for collection. Attorney shall deposit all payments in its trust account. All amounts collected shall be disbursed by Attorney according to the provisions of the Association and Attorney representation agreement.

**No Waiver:** Nothing in this Policy precludes the Board from taking any action related to unpaid Assessments permitted by the Association's Governing Documents or applicable law, including, but not limited to, adopting or enforcing rules regarding the termination of utility services paid for out of Assessments of the Association and access to and use of recreational and service facilities available to Owners and, after giving notice and an opportunity to be heard, terminate the rights of any Owners to receive such benefits or services until the correction of any violation covered by such rule has occurred.

**Publication:** A copy of this resolution shall be sent to all Owners at their last known address, and maintained with the other Association policy documents.

ATTEST: This 16 day of February, 2017.

MEADOWS EAST OWNERS ASSOCIATION

BY:

  
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Its: President  
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