

FOXBORO COVENTRY TOWNS HOMEOWNERS ASSOCIATION, INC.

COLLECTIONS POLICY FOR COLLECTION OF ASSESSMENTS

BACKGROUND

- A. Pursuant to the Utah Condominium Ownership Act (the “Act”) and the Declaration of Condominium for Foxboro Coventry Towns (the “Declaration”), the Foxboro Coventry Towns Homeowners Association, Inc. (the “Association”) is authorized to levy and collect Assessments (including regular Assessments for Common Expenses, Special Assessments, Benefit Assessments, and Individual Assessments) to fund Common Expenses of the Association, and for such other purposes as are set forth in the Declaration.
- B. Capitalized terms used and not otherwise defined in this policy shall have the meanings given them in the Declaration.
- C. The regular collection of Assessments is vital to the operation of the Association and the Project. This policy has been adopted by the Association’s Management Committee to set forth procedures for the consistent collections of Assessments.

POLICY

1. Regular Delinquency Review. The Management Committee shall, not less than once each month, obtain from the Manager and review a current delinquency report, showing each Owner who is delinquent in the payment of Assessments, the amount owed by each delinquent Owner, and the due date of all delinquent amounts.
2. Thirty Day Delinquency. If all or any portion of any Assessment remains unpaid for thirty (30) days past the date on which such Assessment is due, the Association shall cause the Manager to send a written demand to the Owner owing such Assessment, showing the delinquent amount, together with any late fees and interest assessed in accordance with Section 22.b of the Declaration, and demanding payment of the total amount owed within five (5) business days of the date of the demand.
3. Sixty Day Delinquency. If all or any portion of any Assessment or any late fees or interest on such Assessment remains unpaid for sixty (60) days past the date on which such Assessment is due, a notice of lien and default (a “Notice of Lien”) shall be recorded in the real estate records of Davis County against the Unit to which the delinquent Assessment pertains. The Notice of Lien shall show the total amount of Assessments, late fees, and interest owed by the delinquent Owner up to the date of the Notice of Lien, together with costs, including but not limited to attorneys’ fees, incurred in collection attempts up to the date of the Notice of Lien. A copy of the Notice of Lien shall be mailed to the delinquent Owner. The Management Committee may engage an attorney to prepare and record the Notice of Lien.
4. Ninety Day Delinquency. If all or any portion of any Assessment or any late fees or interest on such Assessment remains unpaid for ninety (90) days past the date on which such

Assessment is due, the Association shall either (a) institute a lawsuit against the delinquent Owner seeking all amounts owed, together with all costs of collection, including but not limited to filing fees and attorneys' fees; or (b) institute judicial or non-judicial foreclosure of the lien of the delinquent Assessments against the Unit to which the delinquent Assessments pertain. The decision as to whether to file a lawsuit against the Owner or to foreclose the Assessment lien against the Unit shall be made by the Management Committee in its reasonable judgment, taking into consideration relevant factors such as the amount of equity in the Unit, the likelihood of collecting a judgment by garnishment or writ of execution, the comparative costs of the two options, etc. The Management Committee may engage an attorney to determine which option would be preferable under the circumstances and to represent the Association in a lawsuit, foreclosure, or other collection action.

5. Lawsuit against Owner. If the Association institutes a lawsuit and obtains a judgment against the delinquent Owner, the Association shall work with an attorney selected by the Management Committee to determine and execute an appropriate method of collecting the judgment, whether by garnishment of the Owner's bank account or wages, writ of execution, or otherwise.

6. Foreclosure of Assessment Lien. If the Association proceeds with a foreclosure, the Association shall work with an attorney selected by the Management Committee to determine whether such foreclosure should be judicial or non-judicial and to complete such foreclosure.

7. Suspension of Voting Rights and Rights to Use Project Amenities. In addition to the exercise of any other remedies, in the event that an Owner should fail to pay any Assessment within sixty (60) days after the date on which such Assessment is due:

(i) the Owner's voting rights shall be suspended pursuant to Article II Section 4 the Bylaws until the payment in full of all past due Assessments, including interest and late charges, and

(ii) the Association shall provide to the delinquent Owner a notice of the Association's intent to suspend the Owner's right to use any of the amenities of the Project, including but not limited to the swimming pool, the clubhouse, and, if practical, access to cable television services. Such notice shall include a time and date, not less than fifteen (15) days after the date of the notice, when the Owner shall have an opportunity to be heard by the Management Committee. The decision of the Management Committee after such hearing shall be final. After such hearing, the Management Committee may suspend the Owner's right to use any amenity of the Association, which suspension shall continue until the payment in full of all past due Assessments, including all interest and late charges.

8. Notices. All demands or notices to be sent to an Owner pursuant to this Policy shall be mailed, hand-delivered, or sent by commercially recognized courier, and a copy of each such notice or demand shall be kept in the file pertaining to the delinquent Owner.

9. Management Committee Discretion. Notwithstanding anything to the contrary in this Policy, if the Management Committee determines, in its reasonable discretion, that extenuating

circumstances exist which would justify such accommodations, the Management Committee may agree to a payment plan for a delinquent Owner, allow a delinquent Owner additional time for payment before taking legal action against the Owner or the Unit, or make other payment arrangements with a delinquent Owner which include temporary forbearance of legal action, foreclosure, or suspension of the Owner's right to use Project amenities, so long as such accommodations will not, in the reasonable judgment of the Management Committee, impair the likelihood of collection of the delinquent amounts within a reasonable amount of time. Any payment plan, forbearance, or other agreement with an Owner for the payment of delinquent Assessments shall be in writing executed by the Owner and the Association.

10. Attorneys' Fees and Costs of Collection. All costs of collection, including all attorneys' fees incurred by the Association in determining the best method of collection and in carrying out the method selected, shall be assessed to the delinquent Owner as an Individual Assessment and shall be collected in connection with the collection of the delinquent Assessments.