

**THE COVE AT HYDE PARK HOMEOWNERS ASSOCIATION, INC.
RESOLUTION OF THE BOARD OF DIRECTORS
COLLECTION POLICY**

March 2021

WHEREAS, “Declaration” is the Declaration of Covenants, Conditions, and Restrictions for The Cove at Hyde Park, a Planned Unit Development in Cache County; and “Association” is The Cove at Hyde Park Homeowners Association, Inc.; and “Board of Directors” is the Board of Directors for the Association; and

WHEREAS, pursuant to Article 5.2 of the Declaration each owner covenants to pay all Assessments, including without limitation, all Annual, Special, and Individual Assessments and other fees, charges, levies, and fines; and

WHEREAS, pursuant to Article 5.1 of the Declaration, the Board is expressly authorized to adopt and amend budgets from time to time; and

WHEREAS, Article 5.14 of the Declaration authorizes the Board to adopt rules setting forth procedures for the billing and collection of assessments; and

WHEREAS, pursuant to Article 5.15 of the Declaration, payments are due in advance on the first day of the month and payments are delinquent if received more than ten (10) days from the date that they became due; and

WHEREAS, pursuant to Article 5.16 of the Declaration states that if any assessment is delinquent, a twenty-five dollar (\$25.00) late fee shall be charged each month until the Owner’s account (including all collection charges, costs, and attorneys’ fees) is paid in full; and

WHEREAS, Article 5.16 of the Declaration establishes that interest shall accrue on all unpaid balances at a rate of eighteen percent (18%) per annum; and

WHEREAS, this resolution shall set forth procedures for the billing and collection of assessments; and

WHEREAS, this resolution shall be in effect until otherwise amended, modified, or rescinded by the Board; and

WHEREAS, it is the intent that this resolution shall be applicable to all owners who are delinquent in paying their assessments; and

NOW, THEREFORE, BE IT RESOLVED that the following is adopted by the Board:

1. Any assessment or common expense that remains unpaid by an owner for more than 10 (ten) days from the due date for its payment shall be considered delinquent and a late fee of \$25.00 will be assessed.
2. Any owner, who has an outstanding balance (including any accrued late-fees, interest or other

fees) on the last day of each calendar month, will be charged interest at a rate of 1.5% per month (18% per annum).

3. Accounts past due for no earlier than 45 days from the original due date for its payment may be sent a late notice/pre-collection notice requesting immediate payment, and a reasonable late notice fee (not to exceed \$50.00) shall be charged to the delinquent account in addition to applicable interest charges.
4. Accounts past due for no earlier than 60 days from the original due date may be sent an Intent to Lien (collection letter), and a reasonable collection fee (not to exceed \$100) shall be charged to the delinquent account in addition to applicable interest charges.
5. If any account is past due for no earlier than 90 days from the original due date, a lien may be placed on the Lot and reasonable fees (minimum of \$250, not to exceed \$500) shall be charged to the delinquent account. The owner shall be given notice of the recorded lien.
6. Prior to transferring the account to a Collection Agency or Attorney, the Board or its agent may elect to use additional collection attempts for up to 60 days. A reasonable fee (not to exceed \$250) shall be charged.
7. If any account is past due for no earlier than 120 days from the original due date, the Board or its agent may turn over collection to a Collection Agency or Attorney for foreclosure. A collections transfer fee shall be charged (not to exceed \$200).
8. Once an owner has been turned over to a Collection Agency or Attorney for collections, the owner shall work directly with Collection Agency or Attorney to resolve the collection and shall not contact the Board of Directors or its agent. Any checks received by the agent of the Association for the delinquent account, after it has been transferred for collection, shall be charged a \$25 check forwarding fee.
9. Any and all expenses incurred by the Association in collecting a delinquent account, including reasonable attorney's fees and costs, shall be paid by the owner.
10. Partial payments will be applied to oldest outstanding principal balance and then interest and fees.
11. The Board of Directors may allow owners to enter into a payment contract to avoid additional collection costs. Payment contracts will require accounts be paid off within 6 months. Interest will continue to accrue on the outstanding balance until account is brought current. If an account owner elects to enter into a payment contract, a per month fee (not to exceed \$25) shall be charged until the account is paid in full. If at any time the payment contract is violated, the collection process will resume.