

SARATOGA SPRINGS OWNERS ASSOCIATION
Resolution of The Board of Directors

WHEREAS, "Declaration" is the *Master Declaration of Covenants, Conditions, and Restrictions and Easements for Saratoga Springs Subdivision No.1*. "Association" is the *Saratoga Springs Owners Association*. "Board" is the Board of Directors of the Association;

WHEREAS, "assessments," as used in this Resolution and in the Declaration, includes any and all payments required of Association members including, interest, late fees, attorney fees and collection costs;

WHEREAS, Article IV of the Declaration states that all of the lots within Saratoga Springs, and each Owner and Occupant thereof, is bound by the terms and conditions of the Declaration, in an attempt to protect and enhance the property and aesthetic values of the lots;

WHEREAS, Article VI, Sections 6.05 and 6.08(f) of the Declaration provides that the Association has the right to adopt rules and regulations with respect to all aspects of the Association's activities, obligations and duties; provided said rules and regulations are reasonable are not inconsistent with the provisions of the Declaration;

WHEREAS, Article VI, Sections 6.07(b), 6.08(h), and Articles VIII and IX of the Declaration authorizes the Board to enforce provisions of the Declaration, including action to collect unpaid assessments;

WHEREAS, Article VIII, Section 8.09 of the Declaration provides for interest on past due assessments at the annual rate of 12% from the due date until paid;

WHEREAS, Article IX, Section 9.02 of the Declaration provides that all assessments, together with interest, attorney fees and costs of collection shall be a continuing lien upon the lot against which each such assessment is made;

WHEREAS, Article XIII, Section 8.01 and Article IX, Sections 9.01, 9.04 and 9.08 authorizes the Association, through its Board of Directors, to bring suit to foreclose the lien against the lot and/or to bring an action to obtain a money judgment against an Owner for damages;

WHEREAS, Article VIII, Section 8.01 and Article IX, Section 9.01 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 in any action against the Owner;

WHEREAS, pursuant to Article VIII, Sections 8.02 and 8.08, regular assessments are to be assessed on a calendar year basis unless otherwise determined by the Board. The due dates for all assessments shall be the first day of the first month of the second calendar quarter, unless some other due date is established by the Board. Each installment of an assessment shall considered delinquent if not paid

within fifteen (15) days after the due date thereof. However, nothing in the Declaration or herein prohibits the Board from requiring that Special or Limited Assessments be paid in a lump sum instead of installments;

WHEREAS, from time to time Owners become delinquent in the payments of their assessments and fail to respond to the demands from the Board of Directors to bring their accounts current;

WHEREAS, it is imperative that assessment payments are timely received in order to maintain and improve the subdivision in a pleasant and desirable condition; to establish and preserve a harmonious design for the community; to protect and promote the value of the subdivision, and to help encourage compliance with the covenants, conditions and rules of the Association;

WHEREAS, the Board deems it in the Association's best interest to adopt a uniform and systematic procedure for the collection of assessments, in a timely manner, and further believes it to be in the Association's best interest to refer these accounts promptly to an attorney for collection so as to minimize the Association's loss of assessment revenue and to promote compliance with the Declaration, Bylaws, Design Guidelines and Rules of the Association;

NOW, BE IT RESOLVED, that the following steps be adopted to provide for the uniform and systematic procedure for the collection of unpaid assessments:

1. Pursuant to Article IX, Section 9.03 of the Declaration, if any assessment remains unpaid by an Owner for more than thirty (30) days from the due date for its payment, the Association, through its Board, shall prepare and send a written "Notice of Assessment" to the Owner indicating: (a) the name of record Owner of the lot; (b) a legal description of the lot; (c) the amount due, including notice of any late fees, and (d) demand immediate payment thereof. Such notice shall be signed by the President and Secretary of the Association, acknowledge by a Notary Public and recorded in the office of the Utah County Recorder. *See* Exhibit "A" attached hereto as an example. The Board may make additional demands for payment prior to turning the matter over to an attorney for collection as it deems necessary.

2. If any assessment remains unpaid by the Owner for more than sixty (60) days from the due date for its payment, the Board shall turn over collection over to the Association's attorney ("Attorney"), who shall:

- (a) send a written demand for payment and any notice as required by the federal Fair Debt Collection Practices Act, if applicable;
- (b) prepare and record an assessment lien against the Owner's lot;
- (c) notify the Owner within twenty (20) days of recording that the lien has been recorded; and
- (d) notify any first mortgage on trust deed holder of the Owner's default; if applicable.

The assessment lien amount shall include all collection costs to date, attorney's fees and the cost of preparing and/or recording the lien, any notice of lien required by law, and any notice to a first Mortgage holder, if applicable. The demand for payment shall notify the Owner of the Owner's liability for payment of charges imposed by Attorney to cover fees and costs associated with all collection efforts. The demand for payment shall include all collection costs to date.

3. If any assessment remains unpaid by the Owner thirty (30) days after the date of Attorney's demand (i.e., 90 days from due date), Attorney shall send Owner a ten (10) day demand letter for payment notifying the Owner that if payment is not received, that the Association intends to file suit to either obtain a money judgment or foreclose on the lien. The demand shall include the updated amount owing, including all collection costs to date.

4. If any assessment remains unpaid by the Owner ten (10) days after the Attorney's ten-day demand letter, the Attorney shall file suit for a money judgment, unless the Board, after recommendation by Attorney, determines that lien foreclosure is advisable under the circumstances. In such cases, the attorney may file suit for a money judgment, for foreclosure, or for both a money judgment and foreclosure, as permitted by applicable law.

5. If the Association is successful in obtaining a money judgment, Attorney shall collect on the judgment in this order:

- (a) file and send a ten (10) day demand to pay judgment;
- (b) garnish accounts, wages and/or rents;
- (c) levy against any personal and real property; and
- (d) levy against the unit.

Additional steps may be necessary to determine the availability and location of the judgment debtor's assets. If the Association is successful in a suit to foreclose on the lien, Attorney shall proceed as necessary to complete the foreclosure unless otherwise directed by the Board.

NOW, BE IT FURTHER RESOLVED, that all legal fees and costs incurred in the collection of a delinquent account shall be assessed against the delinquent Owner and shall be collected as an assessment.

NOW, BE IT FURTHER RESOLVED, that all contacts and/or contracts with the delinquent Owner shall be through Attorney. Neither the Board nor any of its agents shall discuss the collection of the account directly with the Owner after it has been turned over to Attorney, unless one of the attorneys is present or has consented to the contact and/or contract.

NOW, BE IT FURTHER RESOLVED, that Attorney shall have the discretion to enter into an installment payment plan with a delinquent Owner in appropriate circumstances. In all cases, any such plan must be secured by a Stipulated Judgment. Any payment plan providing for a down payment of less than the greater of one-third (1/3) of the delinquent balance or twice the current monthly assessment, or a

duration in excess of twelve (12) months shall require approval of the Board president.

NOW, BE IT FURTHER RESOLVED, that Attorney, in its initial demand notice, shall communicate to Owner that the account has been turned over to it for collection, and that all payments are to be made to Attorney until the account has been brought current. Attorney shall deposit all payments in its trust account. All amounts collected shall be disbursed by Attorney according the provisions of the Association and Attorney representation agreement.

NOW, BE IT FURTHER RESOLVED, that nothing in this Resolution precludes the Board from taking further action in the collection of 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, if applicable, 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.

NOW, BE IT FURTHER RESOLVED, that the Board is directed to consult with Attorney and turn over for collection immediately any outstanding account where the Owner files or is the subject of a petition for relief in bankruptcy or a lender has commenced any action for foreclosure of its lien against the unit.

NOW, BE IT FURTHER RESOLVED, that a copy of this resolution shall be sent to all Owners at their last known address.

ATTEST:

Chairman (President), Board of Directors,

Secretary

Date: _____

EXHIBIT "A"

**SAMPLE DEMAND LETTER TO BE SENT BY BOARD OF DIRECTORS 30 DAYS
BEFORE THE ACCOUNT IS TURNED OVER TO AN ATTORNEY**

[Date]

John Doe
1060 E. 2250 So
SLC, UT 84106

RE: NOTICE OF UNPAID ASSESSMENTS

Dear Mr. Doe:

The records of the Saratoga Springs Owners Association show that your assessment account is now past due. Our records reflect the following:

Principal Assessment Due:	\$ _____
Accrued Late Charges:	\$ _____
Accrued Interest:	\$ _____
Total Due:	\$ _____

Demand is hereby made for immediate payment of the balance in full. If you have any questions, please contact the undersigned.

Your prompt payment of the balance due is appreciated. **If you fail to pay as requested, this matter will be referred to Legal Counsel in thirty days in accordance with the policies of the Association. All attorney's fees incurred in the collection of your balance will be added to your account.**

Sincerely,

President

Secretary

State of Utah)
) ss.
County of)

On, _____, before me _____
personally came _____ to me known, and known to me to be the
individual(s) described in and who executed the foregoing "Notice of Assessment", and duly acknowledged to me that
they executed the same.
