

GARDEN PARK VILLAGE ASSOCIATION, INC

Assessment Collection and Enforcement Policy

WHEREAS, The Garden Park Village Association and the Daybreak Community Association have been established and are administered pursuant to various documents, described in Chapter 1 of the Community Charter for Daybreak, and in the Declaration of Covenant, Conditions and Restrictions in Salt Lake County, Utah, (the "Garden Park Village Association Declaration") and all of these documents have a legal and binding effect on all owners, which include the resolutions the Boards of both Associations (Daybreak Community Association and Garden Park Village Association) adopt.

WHEREAS, Daybreak Community Association has adopted its own Assessment and Collection Policy to which Owners of the Garden Park Village Association are subject with respect to that Association's Assessments.

WHEREAS, The Board of Directors of the Garden Park Village Association finds there is a need to adopt an Assessment Collection and Enforcement Policy pursuant to Article 10, Assessments, of the Garden Park Village Association Declaration.

NOW THEREFORE, IT IS RESOLVED that the following Garden Park Village Association Assessment Collection and Enforcement Policy be adopted.

Garden Park Village Association Assessment Collection and Enforcement Policy

1. **POLICY OBJECTIVE.** The collection of Assessments pursuant to the Garden Park Village Association Declaration, and this Assessment Collection and Enforcement Policy will be governed by the following objective:

a. The Association will pursue collection of all Assessments according to the steps described. Should the recovery of amounts owing by a particular Property and the Owner thereof require commencement of legal proceedings, those proceedings will be initiated for which the unpaid annual Assessments are due, and the Association will seek to recover all amounts due through the completion of any proceeding which may be filed, including, where appropriate and allowed, acceleration of the unpaid indebtedness for the entire year in the name of the Owner of the Property.

b. At each step within the collection process, the Board will analyze the facts and circumstances then known concerning a given delinquency to direct collection efforts toward the most expedient course of action for curing the delinquency, including the filing of a lawsuit if such is deemed reasonable and necessary.

c. All Units within the Garden Park Village Association will also be subject to Assessments from the Daybreak Community Association, in addition to the Assessments due and owing to the Garden Park Village Association Association. The Daybreak Community Association has its own Collection and Enforcement Policy; all Associations within the

Daybreak Community Association may, at their own election, pursue their own collections or work with other Associations. In any event, delinquent Owners are responsible for all costs of collection incurred by all Associations.

2. OWNERSHIP INTERESTS. Pursuant to Declaration Section 6.1, Creation of Lien and Personal Obligation for Assessment, the person who is the Owner of a Property as of the date an Assessment becomes due is personally liable for the payment of the Assessment. The personal obligation for Delinquent Assessments in the Garden Park Village Association will also become the joint and several obligation of the successors in title of the Owner, subject to the right of the purchaser to recover from the seller of a lot. As used herein, the term "Delinquent Owner" refers to that person who held title to a Property on the date an Assessment became due. As used herein, the term "Current Owner" refers to that person who holds title to a Property on the date relevant to the reference herein to such person. Unless expressly denoted otherwise, the "Owner" of a Property refers to the Delinquent Owner or the Current Owner or both, as may be appropriate under the circumstances at hand.

3. DUE DATES. Pursuant to Declaration Section 6.3 and 7.1, the due date for regular Assessments is the first day of each month. Currently, Assessments are billed quarterly, in advance, and are due on January 1, April 1, July 1 and October 1; these dates are referred to in this Assessment Collection and Enforcement Policy as the "Due Date". Due dates for Capital Improvement Assessments and Special Assessments shall be established by the Board when such Assessments are established. This Assessment Collection and Enforcement Policy affixes a delinquency date of the 15th day of the month, beyond the above stated "Due Dates" as being delinquent if not paid in full, and is referred to in this Assessment Collection and Enforcement Policy as the "Delinquency Date".

4. LATE PAYMENT FEE ESTABLISHED. A late fee is established pursuant to Section 10.1 as a cost of collection in an amount approved by the Board of Directors by Resolution along with interest to be accrued at a rate of 10% per annum on the unpaid balance. These late fees shall accrue and accumulate upon the Assessment Due Dates, for such time as the Assessments are delinquent. Interest shall accrue on past due balances, and shall be collectible by the Association, whether or not the interest is reflected upon invoices that may be prepared and sent to Owners.

5. HANDLING CHARGES AND RETURNED CHECK FEE. In order to recoup for costs incurred because of the additional administrative expenses associated with collecting delinquent Assessments, the following fees and charges shall be assessed and are part of the Collection Policy:

a. Any handling charges, administrative fees, postage or other expenses incurred the Association in connection with the collection of any Assessment or related amount owing beyond the Delinquency Date for such Assessment will become due and owing by the Owner responsible for the unpaid Assessments which are the focus of the collection action.

b. A reasonable charge will become due and payable for any check tendered to the Garden Park Village Association which is dishonored by the drawee bank of such check, the charge being in addition to any other fee or charge Garden Park Village Association is

entitled to recover from an Owner in connection with collection of Assessments owing respect to such Owner's Property.

c. Any fee or charge becoming due and payable pursuant to this paragraph will be added to the amount outstanding and is collectible to the same extent and in the same manner as the delinquent Assessment.

d. The fees and charges arising from the necessity of notices, letters, liens and related collection proceedings will be determined by the Board of Directors by Resolution.

e. All fees and costs imposed in connection with collection proceedings are subject to change, with or without notice. Fees and costs will accumulate as collection proceedings continue.

6. OWNER PRIVILEGES. Pursuant to Section 10.5 of the Garden Park Village Association Declaration, If an Owner fails or refuses to pay any assessment when due, the Board may: (b) temporarily terminate the Owner's right of access and use of recreational facilities within the Project after giving notice and an opportunity to be heard.

7. BILLING. Currently both Daybreak Community Association and Garden Park Village Association assessment billings are mailed to residents on one statement as a courtesy to those residents. This billing method can be stopped by either Association, at any time. At that time, each Association will then be responsible for all billings and collections of assessments due.

8. APPLICATION OF FUNDS RECEIVED. All moneys received by the Garden Park Village Association will be applied to amounts outstanding to the extent of and in the following order:

- a. First to the unpaid Assessment amount;
- b. Next, to interest accrued;
- c. Last to late fees, collection costs and attorney's fees incurred by or on behalf of the Association.

9. OWNERSHIP RECORDS. All collection notices and communications will be directed to those persons shown by the records of the Association as being the Owner of the Property for which Assessments are due and will be sent to the most recent address of such Owner solely as reflected by the records of the Association. Any notice or communication directed to a person at an address, in both cases reflected by the records of the Association as being the Owner and address for a given property, will be valid and effective for all purposes pursuant to the Community Declaration and this Assessment Collection and Enforcement Policy until such time as there is actual receipt by the Association of written notification of any change in the identity or status of such Owner or its address or both.

10. NOTIFICATION OF OWNER'S REPRESENTATIVE. Where the interest of an Owner in a Property has been handled by a representative or agent of such Owner or where an Owner has otherwise acted so as to put the Association on notice that its interest in a Property has been and are being handled by a representative or agent, any notice or communication from

the Association pursuant to this Assessment Collection and Enforcement Policy will be deemed full and effective for all purposes if given to such representative or agent.

11. NOTIFICATION TO OWNER.

a. LATE LETTER. No sooner than Forty-five (45) days after the due date, the Association will send a letter (referred to as the "Initial Late Letter") to the Owner setting forth the amount of the delinquent Assessment owing. The Initial Late Letter will be sent via regular first-class mail. All fees and costs associated with this letter will be charged to the Owner's account or billed directly to the Owner by the Association's legal counsel

b. DEMAND-LIEN LETTER. No sooner than Sixty (60) days beyond the due date, the Association will send a demand letter (referred to as the "Demand-Lien Letter") to the Owner making formal demand for immediate payment for all outstanding amounts. The Demand-Lien Letter will be sent via regular and certified mail, return receipt requested. All fees and costs associated with this letter will be charged to the Owner's account or billed directly to the Owner by the Association's legal counsel

c. REFERRAL TO COUNSEL. Ninety (90) days after the due date, if an Owner fails to pay in full the entire amount covered by a Demand-Lien Letter by the date specified, the collection of the Assessment will be referred to counsel. The Association's counsel will send a Demand Letter and file a lien against the Property, and will commence additional legal proceedings as necessary. All communications respecting the deficiency must thereafter be communicated through counsel. All fees and costs incurred thereafter, including attorney's fees, will be charged to the Owner's account or billed directly to the Owner by the Association's legal counsel

d. COURT ACTION. One hundred and twenty-five (125) days after the Assessment due date, a Court Action will be filed in the appropriate Court. All fees associated with preparation and filing of this Court Action will be charged to the Owner's account including, but not limited to, filing fees, process service fees, and additional court costs.

e. PERSONAL JUDGMENT SUIT. Where the Board has directed that the collection action to be taken is a suit for personal judgment against the Owner, upon the expiration of the time period given in the most recent demand for payment, the continued delinquency of unpaid Assessments owing will be reported to the Board, together with all pertinent facts concerning the delinquency. Any further action will be taken at the discretion of the Board.

f. DEMAND FOR RENTS. When a Unit in default is being Leased, the Association shall have the right, when it is determined to be appropriate and reasonable, to demand the payment of rents, by a tenant in the premises, in accordance with the provisions of Utah Code Ann. Section 57-8-20(6) and/or Utah Code Ann. Section 57-8a-205.

12. PAYMENT AGREEMENT. Neither the Association nor its designated agents have any obligation to accept partial payments on an Assessment account. An owner may petition the Board of Directors in writing for a payment agreement to allow the owner to make periodic partial payments on the entire balance of the Assessment account, in addition to the ongoing Assessment payments, in amounts and on a payment schedule agreed to by the Board of

Directors. Any agreement entered into with the owner shall be reasonable, as determined by the Board in its sole discretion, and for the sole purpose of assuring that the best interest of the Association is served. The payment agreement shall be in writing and a provision shall be included that failure to meet any term of the agreement shall give the Board the right to immediately continue the collection process without further notice to the owner. Any request for a payment agreement following the filing of a lawsuit must be directed to the Association through its counsel, and will require, as a condition thereof, for the confession and/or entry of judgment in the event of nonpayment. In the event assessments for both Daybreak Community Association and Garden Park Village Association are being collected jointly, partial payments of Assessments and related fees shall be split between Daybreak Community Association and Garden Park Village Association in proportion to the amount owing each Association.

13. FORECLOSURE SUIT. The Board may, at its election, seek to pursue collection of proceedings via a foreclosure, either judicially or non-judicially. When allowed by law, such foreclosure may be in addition to, or in lieu of a personal collection action.

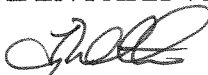
14 ALTERNATIVE COLLECTION PROCEDURES. At each step in the collection process the Board, acting with input and recommendation from management and counsel, may evaluate which course of legal action appears to be in the best interest of the Association for recovery of unpaid Assessments. Where foreclosure of the Assessment lien in favor of the Association against a Property, together with pursuit of personal judgment against the Owner, is determined to be advisable, the Board will direct counsel to proceed accordingly.

15. VERIFICATION OF INDEBTEDNESS. Where an Owner requests verification of the indebtedness, Management will, upon notification of the Owner's request, supply such verification within fifteen (15) business days before any further collection action is taken with respect to such Owner. The exercise of the collection rights of the Association regarding Assessments will in all ways comply with the Fair Debt Collection Practices Act and Utah law, as may be applicable.

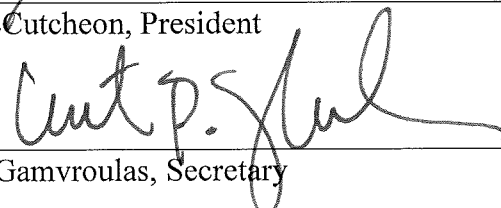
IT IS FURTHER RESOLVED THAT this Assessment Collection and Enforcement Policy is effective upon adoption hereof, to remain in force and effect until revoked, modified, or amended.

IN WITNESS WHEREOF, the said Board of Directors has caused this Resolution and Policy to be signed by its President and Secretary, this 22nd day of May, 2012.

GARDEN PARK VILLAGE ASSOCIATION, INC

By: 

Ty McCutcheon, President

By: 

Chris Gamvroulas, Secretary