

TERRAINE MASTER OWNERS ASSOCIATION, INC.

COLLECTION POLICY

Adopted: 5/1/25

1. PAYMENT OF ASSESSMENTS

- 1.1. This Collection Policy is adopted by the Board of Trustees of the Terraine Master Owners Association, Inc. (the "Association") as a resolution of the Association to govern the collection of assessments. All amounts due from an Owner, including annual assessments, special assessments, and any other fees, fines, or charges assessed by the Board, shall be an assessment ("Assessment").
- 1.2. Annual Assessments are payable by annual installments or in such other installment periods as may be determined and approved by the Board, in its discretion. All installment payments are due on the first (1st) day of the fiscal or calendar year in which they are due, as determined by the Board. Payments after thirty (30) days from the date the Assessment is due are late.
- 1.3. All fines, late fees, legal fees, collection costs, interest, and any charges other than annual Assessments are due on the first (1st) day of the month following the month in which they are assessed. These same amounts are late if they are received after thirty (30) days from the date the amounts are due.
- 1.4. A late fee of ten percent (10%) of the Assessment amount or \$50.00, whichever is greater, shall be added to any Assessment not paid in full within thirty (30) days from the date the Assessment is due and may be added each month until the Assessment is paid in full.
- 1.5. Any Assessment amounts that remain unpaid for more than thirty (30) days after the due date shall bear interest at a rate one and a half (1.5%) per month.
- 1.6. The greater of the amount charged to the Association by any Manager or twenty dollars (\$20.00), in addition to any fee from the Association's financial institution, will be assessed for any dishonored checks or payments. A late fee will be applied if any dishonored check or payment results in the late payment of any Assessment.
- 1.7. Payments received shall be applied to the oldest assessed amount first.
- 1.8. If any annual Assessment installments and charges thereon are not paid in full in a timely manner, the Board may, in its sole discretion, declare the entire annual Assessment to be immediately due and payable upon at least ten (10) days' written notice to the Owner, and may enforce the collection of the accelerated annual Assessment and all charges thereon to the fullest extent authorized by law and the Governing Documents. If, after such acceleration, the Owner subsequently files for bankruptcy or the Board otherwise determines that acceleration is not in the best interests of the Association, the Board, at its option and in its sole discretion, may elect to decelerate the obligation.

2. COLLECTIONS

- 2.1. Collections. Assessments not paid within the time required shall be delinquent. Whenever an Assessment is delinquent, the Board may, at its option, invoke any or all of the remedies granted herein.
- 2.2. Delinquent accounts may be turned over by the Association to attorneys or a collection company and additional collection charges and attorneys' fees and costs may be added to the amounts owed.
- 2.3. The Owner and any future Owners of a Lot are jointly and severally liable for all Assessments accruing related to that Lot prior to and during the time that an Owner is an Owner. An Owner is not liable for any Assessments accruing after he/she has lawfully transferred the Lot to another Owner. The recording of a deed to a Person that has not agreed to take ownership of the Lot shall not be considered a legal conveyance of title. The obligation in this Section 2.3 is separate and distinct from any lien rights associated with the Lot.
- 2.4. The Association has a lien on each Lot for all Assessments, which include, but are not limited to, interest, collection charges, late fees, attorneys' fees, court costs, and other costs of collection (which shall include all costs and not be limited by those costs that may be awarded under the Utah Rules of Civil Procedure), and all fines, pursuant to and in accordance with § 57-8a-301 of the Utah Community Association Act (the "Act").
- 2.5. The Association may bring an action to recover a delinquent Assessment either personally against the Owner obligated to pay the same or by foreclosure of the Assessment lien. In addition, the Association's choice of one remedy shall not prejudice or constitute a waiver of the Association's right to exercise any other remedy. Any attorneys' fees and costs incurred in this effort shall be assessed against the delinquent Owner and the Owner's Lot, and reasonable attorneys' fees and court costs will thereafter be added to the amount in delinquency (plus interest and collection charges, if appropriate). Each Owner vests in the Association, or its assigns, the right and power to bring actions at law or lien foreclosures against such Owner or Owners for the collection of delinquent Assessments.
- 2.6. The Association shall have all rights of foreclosure granted by the Act, both judicially and non-judicially.
- 2.7. The Association shall have all rights provided for in the Act to (i) terminate a delinquent Owner's right to vote, and (ii) terminate or restrict an Owner's right to use the Common Area facilities; provided, however that before the termination of such rights the delinquent Owner be provided at least thirty (30) days' prior notice, in accordance with the notice requirements herein, of:

- (a) the impending termination of rights if payment is not received;
- (b) the amount(s) past due, including any interest and late charges; and
- (c) the right to request a hearing before the Board.

2.8. Pursuant to and in accordance with the requirements set forth in § 57-8a-310 of the Act, the Association shall have the right to demand and collect rent from any tenant in a Lot for which an Assessment is more than sixty (60) days late.

3. NOTICE

3.1. Any notice required or permitted to be given to an Owner under the provisions of the Governing Documents shall be in writing and shall be delivered either personally, by mail, or by email to the address registered with the Association or the address used by the Owner to communicate with the Association.