

HARRISBURG ESTATES OWNERS ASSOCIATION
ASSOCIATION ASSESSMENT/RENT COLLECTION
POLICY RESOLUTION #17

WHEREAS Article V, Section 4, of the Bylaws of the Association, and Article II, Section 1-B, of the CC&R'S, grants the Board of Directors the power to conduct Association business; and Article VII, Section 8 of the CC&R'S and Article XI-Section 3 of the Bylaws grants the authority to levy assessments against owners; and because the Association's economic well-being relies on the timely payment of assessments and other allowable charges; and because it is the Board's duty to use its best efforts to collect funds owed to the Association.

WHEREAS, a quorum of the Board was present at the meeting; and

WHEREAS, the issue of unpaid assessments was discussed; and

WHEREAS, the Association is governed by the following current and enforceable documents related to assessments levied by the Association (hereafter the Governing Documents, as the same may be amended from time to time):

1. Articles of Incorporation;
2. Bylaws;
3. Declaration of restrictive covenants ("Declaration"); and
4. This Resolution of the Board related to assessments and the collection of lease payments therefore ("Association Assessment/Rent Collection" Policy Resolution #17); and

WHEREAS, for the purposes of this Resolution, assessments shall include assessments for the common expenses of the Association, special assessments and such other assessments as are provided for in the Declaration (collectively Assessment Claims); and

WHEREAS, the Association desires to receive lease payments from Owners who are not current on their Assessment Claims pursuant to Utah Code § 57-8a-310.

NOW, THEREFORE, the following resolutions were made, seconded and adopted:

BE IT HEREBY RESOLVED THAT:

1. Future Lease Payments. The Board may require a tenant under a lease with an Owner to pay the Association all future lease payments due to the Owner if: (i) the Owner fails to pay an assessment for a period of more than ninety (90) days after the assessment is due and payable; (ii) authorized in the Declaration, Bylaws, or Rules; beginning with the next monthly or periodic payment due from the tenant; and until the Association is paid the amount owing. The Association's Manager or Board shall give the Owner notice in accordance with the Declaration, Bylaws, or Association Rules. The notice shall state: (i) the amount of the assessment due, including any interest, late fee, collection cost, and attorney fees; (ii) that any costs of collection, including attorney fees, and other assessments that become due may be added to the total amount due and be paid through the collection of lease payments; and (iii) that the Association intends to demand payment of future lease payments from the Owner's tenant if the Owner does not pay the amount owing within fifteen (15) days.

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If the Owner fails to pay the amount owing within fifteen (15) days after the Association's Manager or Board gives the Owner notice, the Association's Manager or Board may exercise the Association's rights by delivering a written notice to the tenant. The notice provided to the tenant shall state that: (i) due to the Owners failure to pay the assessments within the required time, the Owner has been notified of the intent of the Board to collect all lease payments until the amount owing is paid; (ii) the law requires the tenant to make all future lease payments, beginning with the next monthly or other periodic payment, to the Association, until the amount owing is paid; and (iii) the tenant's payment of lease payments to the Association does not constitute a default under the terms of the lease with the Owner. The Manager or Board shall mail a copy of the notice to the Owner. A tenant to whom notice is given shall pay to the Association all future lease payments as they become due and owing to the Owner (i) beginning with the next monthly or other periodic payment after the notice is delivered to the tenant; and (ii) until the Association notifies the tenant that the amount owing is paid.

An Owner shall credit each payment that the tenant makes to the Association against any obligation that the tenant owes to the Owner as though the tenant made the payment to the Owner; and Owner may not initiate a suit or other action against the tenant for failure to make a lease payment that the tenant pays to the Association as required by this Resolution.

Within five (5) business days after the amount owing is paid, the Association's Manager or Board shall notify the tenant in writing that the tenant is no longer required to pay future lease payments to the Association. The Manager or Board shall mail a copy of the notification to the Owner. The Association shall deposit money paid to the Association in a separate account and disburse that money to the Association until the amount owing is paid; and any cost of administration, not to exceed Twenty-Five Dollars (\$25.00), is paid. The Association shall, within five (5) business days after the amount owing is paid, pay to the Owner any remaining balance.

2. Statement of Account. The Board or the Manager shall issue a written statement indicating any unpaid assessment with respect to a Lot/Unit covered by the request, upon the written request of any Owner, and payment of Ten Dollars (\$10.00). The written statement shall be binding in favor of any person who relies in good faith on the written statement upon the (i) remaining Owners; (ii) Manager; and (iii) Board. Unless the Board or the Manager complies with such request within ten (10) days, any unpaid assessment that became due prior to the date the request was made is subordinate to a lien held by the person requesting the statement.

3. Payment by Encumbrancer. An encumbrancer holding a lien on a Lot/Unit may pay any unpaid assessment due with respect to the Lot/Unit. Upon such payment, the encumbrancer has a lien on the Lot/Unit for the amounts paid.

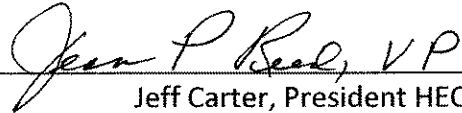
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4. Cumulative Remedies. The right to lien for assessments and the rights to foreclosure and sale thereunder shall be in addition to and not in substitution for all other rights and remedies which the Association and its assigns may have hereunder and by law, including a suit to recover a money judgment for unpaid assessments.

5. Rent After Foreclosure. In the event the Association takes title to a Lot/Unit through foreclosure, the Board may elect to rent the Lot/Unit.

IN WITNESS WHEREOF, the undersigned President of the Board witnesses that the foregoing resolution was passed at a meeting of the Board on the 17th day of September, 2016, and that this Association Assessment/Rent Collection Resolution was sent to the members of the Association on the 29th day of September, 2016, via:

_____ mail
_____ email
_____ hand-delivery



Jeff Carter, President HEOA