

**RESOLUTION OF THE BOARD OF DIRECTORS COLLECTION POLICY FOR
DELINQUENT ASSESSMENTS**

Sauk Mountain View Estates South Association Collection Policy

Prompt payment of assessments by all owners is critical to the financial health of the Association and to the preservation and enhancement of the property values of our homes. Your Board of Directors takes very seriously its obligations under the Association's governing documents and Washington State law to enforce the members' obligations to pay assessments. The policies and practices in this Collection Policy shall remain in effect until the Board adopts an updated Collection Policy. These policies are adopted pursuant to Article VIII Section 8.1 of CC&R.

1. Payment of Assessments

Yearly and special assessments, late fees, interest charges, and collection costs, including attorneys' fees and management fees, are the personal obligation of the owner of the property at the time the assessment or other charge is due. It is the owner's responsibility to pay each assessment in full regardless of whether a payment statement or payment coupon is received. There is no right of offset; an owner may not withhold assessments owed to the Association on the alleged grounds that the owner is entitled to recover money or damages from the Association for some other obligation.

2. Association Lien

Delinquent amounts automatically create a lien against the property even before a written lien is recorded. The Association has the right to record a lien against the property whenever the owner's account is past due, and nothing in this Collection Policy shall limit or otherwise affect the Association's right to record a lien against the property to protect and provide public notice of the Association's interest in the property.

3. First Late Fee & Delinquent Letter

An account becomes delinquent when an assessment is not paid in full by the 30th of the month. **A 5% late fee will be added to any assessment, dues or other fee which is more than 15 days past due. In addition, assessments, dues or other fees which are more than 30 days past due shall bear simple interest from the date due at the rate of 1% per month or the highest interest rate allowed by law, whichever is lower, on the unpaid principal balance."**

The Treasurer or Manager is further directed to send a delinquency letter via First Class U.S. Mail once the account becomes delinquent, informing the property owner of the status of their account and the late charge.

If account is not paid within 30 days, a lien will be recorded against the property; and the property owner will be liable for all fees and costs associated with collecting on a delinquent account. The Association may choose to refer the delinquent account to the Association's attorney at any time, and failure to do so immediately does not prevent the Association from referring the delinquent account to the Association's attorney at a later date.

4. Payment of Attorneys' Fees

The Treasurer or Manager is directed to pay the Association's attorney the attorney's usual and customary charges for time incurred in connection with the attorney's representation of the Association, together with all costs incurred by the attorney, including but not limited to: fees and charges for filing, service of process, messenger service, court reporters, electronic or computer assisted legal research, photocopies, postage, long distance calls, investigator's services, and credit and title reports. Payment is due promptly upon receipt of the attorney's monthly invoice.

5. Assessment of Attorneys' Fees and Collection Costs

The Association's attorney's minimum legal fee shall be assessed against each delinquent property owner's account (including repeat collections) when the account is turned over to the Association's attorney for collection. All legal fees and costs, including amounts beyond the minimum legal fee, incurred in the collection of past due Assessments shall be assessed against the delinquent property owner's account and shall be collectible as an Assessment, including but not limited to any fees paid to the Association's management company as a result of the owner's delinquency.

6. Payments Received from Delinquent Owner

All payments received may be applied to the oldest amounts due first, whether assessments, interest, fees, or other costs

7. Additional Collection Action

Nothing in this Collection Policy limits or otherwise affects the Association's right to proceed in any lawful manner to collect any delinquent amounts owed to the Association.

8. Effective Date

This policy was adopted by resolution of the Board of Directors on...