

TEHALEH OWNERS ASSOCIATION**BOARD RESOLUTION****COLLECTIONS POLICY**

The successful operation of the Tehaleh Owners Association for the benefit of all homeowners requires timely payment of assessments. The Board of Directors (Board) is charged with the responsibility of collecting assessments from homeowners. The Board deems it to be in the best interests of the Association to adopt a policy regarding payment of assessments and dealing with delinquent accounts. Therefore, the Board, by this Resolution dated February 23, 2023, adopts the following policy regarding assessments payment and collection. This policy replaces and supersedes all prior assessments payment and collection policies. However, this policy does not limit or abridge any right or remedy of the Association provided by law or the governing documents; all of the Association's rights and remedies are cumulative.

1.1 General Assessments

Amount of general assessments: The amount of general assessments to be paid annually by each homeowner will be computed as provided in Article 6 of the Tehaleh Owners Association CC&Rs.

Payment of general assessments: General assessments are to be paid in advance, monthly on or before the first of the month. Payments are considered late if not received on or before the 10th of each month. A statement of general assessments owing will be provided to any homeowner upon request from the homeowner to the Managing Agent.

Commencement of assessments: The obligation to pay assessments shall commence as to each Unit on the first day of the calendar month following the close of the sale, per Article 6.6 of the CC&Rs. If the amount collected at Closing is in error or is otherwise not paid to the Association, the new owner remains liable for any shortage, except as provided in Article 6.8 of the CC&Rs.

Pro-ration of prepaid assessments: When a Lot or Living Unit is resold, pro-ration of assessments already paid to the Association must be accomplished between buyer and seller at the Closing of the sale (typically via escrow settlement.)

Transfer of account: When a Lot or Living Unit is resold, the Association requests the seller or his/her agent notify the Association in writing of the date of Closing and the name(s) of the buyer(s) within 7 calendar days after Closing. The assessment account will be transferred to the new owner when documentation is received from title. Pursuant to Article 6.6 of the CC&Rs, the selling or transferring homeowner shall remain personally responsible for payment of all assessments, whether or not the Lot or Living Unit is occupied, until title is transferred to a new owner.

Board Resolution – 2023 - 001

1.2 Special Assessments:

When levying any special assessment in accordance with Article 6 of the CC&Rs, the Board will establish installment amounts and payment due dates. Pro-ration of prepayments and transfer of accounts will be handled as stated in the preceding sections. Special assessments will be reflected on the statement mailed to homeowners.

1.3 Responsibility for Implementation and Collection:

By contract with the Managing Agent selected by the Board, the Board has assigned responsibility for billing, collection, and record keeping to the Managing Agent. The Managing Agent will report to the Board each month regarding the status of accounts.

1.4 Remedies for Non-Payment and/or Late Payment of Assessments:

Interest: Interest of 12% per annum may be added on any unpaid assessment on the 15th day following the payment due date and each month thereafter until the assessment is paid in full. Payment of interest is secured by an automatic lien against title to the Owner's property and is a personal debt obligation of the Owner and is collectible in the same manner as assessments, per the CC&Rs.

Delinquent balance charges:

1. A Late Charge of \$25.00 per billing period will be added to any assessment account that is delinquent as of the 15th day following the payment due date. Payment of delinquent balance fees is secured by an automatic lien against title to the Owner's property and is a personal debt obligation of the Owner and is collectible in the same manner as assessments, per the CC&Rs.
2. An Administrative Notice charge of \$20 per billing period (in addition to a Late Charge) will be added to any assessment account that receives a written notification of delinquency. Payment of administrative notice charge is secured by an automatic lien against title to the Owner's property and is a personal debt obligation of the Owner and is collectible in the same manner as assessments, per the CC&Rs.

Returned payments: When a payment is returned by the Owner's bank, the item may be re-deposited. However, a \$35.00 administrative fee will be assessed to the account. Payment of administrative fees is secured by an automatic lien against title to the Owner's property and is a personal debt obligation and is collectible in the same manner as assessments, per the CC&Rs.

Board Resolution – 2023 - 001

Alternate payment plan: When the financial situation of a homeowner necessitates an alternate payment plan, a temporary monthly payment schedule may be approved by the Board in its discretion. ***Homeowners are encouraged to contact the Association prior to becoming delinquent.*** The amount of monthly payments in an Alternate Payment Plan may be established and approved by the Board. The Owner will be required to sign an agreement to make alternate payments as scheduled. Interest, late charges and administrative notice fees will continue to accrue until the account is current, and additional fees may be charged for administration of the Alternate Payment Plan. When alternate payments are made as scheduled, the interest, late charges and/or administrative notice fees may be waived at the end of the plan with the approval of the Board.

Legal action: On any account that is delinquent 90 days or more, the Association may turn the account over to an attorney or to a collection agency, which may pursue any and all remedies authorized under the Tehaleh Community Association governing documents and applicable law to recover the delinquent assessments, plus interest, late charges, administrative notice fees, attorney's fees, lien recording fees, and any other related collection costs.

Lien: As specified in the CC&Rs, payment of assessments is secured by an automatic lien against title to the owner's property. The Association may record a Notice of Delinquent Assessment against title to the Lot or Living Unit owned by the owner whose assessment account is delinquent.

Foreclosure: Non-payment of assessments, which include but are not limited to general, special, and specific assessments, may result in the foreclosure of the Association's automatic lien which may further result in a Sheriff's or Trustee's sale of the Lot or Living Unit owned by the owner whose assessment account is delinquent.

Homestead protection: Owners are hereby notified that the Homestead Protection provided by Chapter 6.13, Revised Code of Washington, shall not apply in the event of an execution or forced sale in satisfaction of judgments obtained on debts secured by the Tehaleh Owners Association's lien.

1.5 Collection Procedures – Past Due Accounts:

The Managing Agent will, without further direction from the Board, implement the following collection actions in the event of a delinquency; the fees shown below shall be the obligation of the delinquent unit owner and shall be collectible against the Lot or Living Unit in the same manner as an assessment:

Board Resolution – 2023 - 001

<u>Delinquency</u>	<u>Action</u>	<u>Fee</u>
30 Days	Past-Due Reminder Notice	\$20.00
60 Days	Delinquency Notice	\$20.00
90 Days	Pre-Lien Notice *	\$30.00
120 Days	Attorney/Collection Turnover	\$300.00
120 Days	Lien Filing Recording Service	\$300.00

* If payment arrangements are not made, account is sent to Collection Agency or Attorney for collection of delinquent account balance.

1.6 Effective Date:

This collection policy shall be distributed by email to all owners of record and posted to the Association’s website. This policy shall be effective as of the date signed below.

Resolution Approved.

Date: January 23, 2023



Marita Benedict, President



Tammy Braun, Vice President