

**SUNLIGHT WATERS COUNTRY CLUB, INC.**  
**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 supersede any prior collection policies and practices and shall remain in effect until the Board adopts an updated Collection Policy.

**1. Payment of Assessments.** Annual assessments (HOA dues) 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 Lot 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. An Owner may not withhold assessments owed to the Association or claim offset on the alleged grounds that the Owner is entitled to recover money or damages from the Association for some other obligation. The Association, its management company, and its attorneys are authorized to charge an owner a convenience fee as part of an option for owners to pay assessments by credit card, electronically, telephonically, or by some other method where a third-party payment processor charges to the payor or payee a cost for using said service; provided that owners have at least one option to pay by some other method that does not involve a convenience fee. Any such convenience fee shall be reasonably related to the cost charged by the third-party payment processor.

**2. Association Lien.** Delinquent amounts automatically create a lien against the Lot even before a written lien is recorded. The Association has the right to record a lien against the Lot 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 Lot to protect and provide public notice of the Association's interest in the Lot.

**3. First Delinquency and Preforeclosure Notice.** Annual assessments (dues) are assessed against each Lot on the first (1<sup>st</sup>) of each January and are payable by the thirty-first (31<sup>st</sup>) of March that same year. All other assessments, including special assessments, are due on the date specified by the Board. An account becomes delinquent on the day following the date an assessment becomes due and payable and remains delinquent until all assessments, late fees, interest, attorneys' fees, and other amounts lawfully assessed are paid. A delinquent account will incur a late fee in the amount of \$50.00 on the 30<sup>th</sup> of April in a year in which an unpaid balance remains.

The President, Treasurer, or Manager is further directed to send a notice to the owner via First Class U.S. Mail to the Lot address and to any other address that the Owner has provided to the association, once the account becomes delinquent,

informing the Owner of the status of that Owner's account and the amount needed to bring the account current. To the extent reasonably possible, the notice shall include a detailed statement of the account balance. To the extent required under Washington law, the notice shall also include the following language (with phone numbers and website links to be updated from time to time):

**THIS IS A NOTICE OF DELINQUENCY FOR PAST DUE ASSESSMENTS FROM THE UNIT OWNERS' ASSOCIATION TO WHICH YOUR HOME BELONGS.**

**THIS NOTICE IS ONE STEP IN A PROCESS THAT COULD RESULT IN YOUR LOSING YOUR HOME.**

**CONTACT A HOUSING COUNSELOR OR AN ATTORNEY LICENSED IN WASHINGTON NOW**

to assess your situation and refer you to mediation if you might benefit.

**DO NOT DELAY.**

**BE CAREFUL** of people who claim they can help you. There are many individuals and businesses that prey upon borrowers in distress.

**REFER TO THE CONTACTS BELOW** for sources of assistance.

**SEEKING ASSISTANCE**

Housing counselors and legal assistance may be available at little or no cost to you. If you would like assistance in determining your rights and opportunities to keep your house, you may contact the following:

The statewide foreclosure hotline for assistance and referral to housing counselors recommended by the Housing Finance Commission

Telephone: 1-877-894-4663 Website:

<http://www.wshfc.org/buyers/counseling.htm>

The United States Department of Housing and Urban Development

Telephone: 1-800-569-4287 Website:

<http://www.hud.gov/offices/hsg/sfh/hcc/fc/index.cfm?webListAction=search&searchstate>

=WA&filterSvc=dfc

The statewide civil legal aid hotline for assistance and referrals to other housing

counselors and attorneys

Telephone: 1-800-606-4819 Website: <http://nwjustice.org/what-clear>

**4. Second Delinquency Notice.** If an Owner remains delinquent for at least 30 days, the President, Treasurer, or Manager is directed to send the Lot Owner a second written notice of delinquency. To the extent reasonably possible, the notice shall include a detailed statement of the account balance.

**5. Third Delinquency and Preforeclosure Notice.** If an Owner remains delinquent for at least 90 days and at least 60 days have passed from when the first delinquency notice was mailed, the President, Treasurer, or Manager is directed to send a third notice by first-class mail, to the Owner, at the Lot address and to any other address which the Owner has provided to the association advising the Lot Owner that: if the account is not paid in full in ten (10) days, it will be turned over to the Association's attorney for collection; a lien will be recorded against the Lot; and the Owner will be liable for all fees and costs associated with collecting on a delinquent account. To the extent required under Washington law, the notice shall also include the following language (with phone numbers and website links to be updated from time to time):

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=WA&filterSvc=dfc

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counselors and attorneys

Telephone: 1-800-606-4819 Website: <http://nwjustice.org/what-clear>

**6. Ongoing Late Fees, Interest, and Other Charges.** Every account with an outstanding balance shall be subject to an annual late fee of \$50.00. Interest at the rate of twelve percent (12%) per annum shall be collected on all outstanding

balances, including but not limited to late charges and legal fees. Interest shall not be compounded. Interest charges will be assessed from the original due date after the outstanding balance becomes due and will be assessed each month until the account is brought current. Non-sufficient fund (NSF) payments will incur a fee of \$30.00 or the actual amount incurred by the Association's bank and management company. The Association may also assess any fees associated with the collection of the delinquent account charged by its management company.

**7. Referral to Association Attorney.** If an account remains delinquent for ten (10) days after the third written notice, the Board may refer the account to the Association's attorney. Additionally, the Board may consult with the Association's attorney at any time when: the Lot Owner has filed for bankruptcy or is the subject of a petition for relief under the bankruptcy code; a lender has started a foreclosure action against the Lot; the Lot Owner has engaged in misconduct or other action that has caused monetary harm to the Association that has been or could be specially assessed to the Lot; or any other legal action has commenced against the Lot. Once an account has been referred to the Association's attorney for collection, the President, Treasurer, or Manager is directed to cease sending delinquency notices and account statements to the delinquent Owner and is directed to send any such notices to the Association's attorney. The Association and Manager are further directed to terminate the Owner's access to any online or other system that might allow the Owner to retrieve account balances or pay their assessments except through the Association's attorney.

**8. Assessment of Attorneys' Fees and Collection Costs.** All attorneys' fees and costs incurred in the collection of past due assessments shall be assessed against the delinquent Owner's account and shall be collectible as an assessment, including but not limited to any fees paid to the Association's Manager as a result of the Owner's delinquency. Furthermore, the Association's attorney may charge to a delinquent account other amounts permitted under the Declaration or this Collection Policy such as interest and security deposit even if said amounts were not previously calculated by the Association or its managing agent. This policy shall serve as notice to all owners that the Association intends to reinstate any amount to which it is lawfully entitled to collect once an account is referred to the Association's attorney, even if the Association may have previously waived such rights.

**9. Payment Plans & Communication with Delinquent Owners.** Once an account is placed with the Association's attorney for collection, all contacts with the delinquent Owner should be handled through the attorney. If an Owner requests an accounting from the Association or its manager, the Owner should be referred to the Association's attorney. Should the Association or its manager provide the Owner with an account ledger or balance due while the Owner's account is being handled by the Association's attorney, the Association shall not be bound by any such statement. The Owner may not rely on a statement of account from any source other than the Association's attorney so long as the attorney is handling the Owner's delinquency.

Any revisions of the amounts demanded of the Lot Owner and/or any payment plans proposed by the delinquent Owner should be handled through or immediately communicated to the attorney. The Board will consider payment plan requests on a case-by-case basis and with the advice of the Association's attorney. The Board is under no obligation to grant payment plan requests. Payment plans shall not interfere with the Association's ability to record a lien against the Lot.


**10. Foreclosure.** As provided by Article IV, Section 3 of the Declaration, if an Owner fails to respond to the Association's attorney's attempts to collect from the Owner, the Board of Directors may decide to foreclose on the Association's lien. The Owner could lose ownership of the property if a foreclosure is completed, and will be responsible for significant additional attorneys' fees and costs if a foreclosure is started against the Owner's property.

**11. Payments Received from Delinquent Owner.** All payments received may be applied to the oldest amounts due first, as is the Association's standard practice. At the Board's discretion, payments may be applied differently if such application is in the Association's best interest. Owners shall not have the ability to direct the Association how to apply payments; any payments with such restrictions may be returned to the Owner at the discretion of the Board, Association's Manager or the Association's attorney. All payments collected from delinquent Owners during the collection process shall be made out to the Association, but mailed or delivered to the attorney's office so that the attorney can keep accurate, up-to-date records of the remaining amounts due. If the President, Treasurer, or Manager receives payment from a delinquent Owner after the file has been referred to the Association's attorney, the President, Treasurer, or Manager is directed to provide a copy of the payment to the attorney before depositing it in the Association's bank account. Payments should only be deposited after the Association's attorney has approved it. The President, Treasurer, or Manager is directed to send an updated account ledger for the accounts in collection to the Association's attorney once a month for the duration of the collection action.

**12. Waiver & 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. Specifically, the Association retains the right to refer a delinquent account to the Association's attorney at any time. The Association's failure (or the failure of any agent of the Association) to comply with any provision of this policy shall not be viewed as a waiver of the Association's right to proceed to collect delinquent assessments in any lawful manner.

**13. Effective Date.** This policy was adopted by resolution of the Board of Directors on September 18th, 2023 and has an effective date of September 18th, 2023.

**14. Date of Publication.** A copy of this policy was mailed to all Owners via regular US Mail on September 29th, 2023.

By:  *Dave Korpi* 09/26/23  
Name: Dave Korpi  
Title: President of the Board of Directors