

TAYLOR'S RIDGE HOMEOWNERS' ASSOCIATION
COLLECTIONS POLICY

(Effective 4/18, 2013)

1. **Assessments Defined.** "Assessments" as used in this Collections Policy include all of the amounts chargeable under this policy and under the Declaration of Covenants, Conditions & Restrictions of Taylor's Ridge, Division I & II as amended to include Divisions III through V ("Declaration"), including, but not limited to, annual and special assessments, fines, costs, interest, late charges, attorneys' fees and any costs or fees incurred in collecting delinquent assessments.
2. **Ledger.** The Board shall keep a ledger for each Lot that accounts for all Assessments and any credits and payments.
3. **Assessments Due Annually ("Annual Dues").** The board of directors shall fix the amount of the annual assessment for the following year prior to the end of the year, which shall be mailed on December 31. These assessments are due on January 31 of the following year.
4. **Special or Other Assessments.** In the event of a special assessment or other assessment, payments shall be due as specified in the notices thereof sent to Lot Owners, and are delinquent if not paid by the due date.
5. **Late Charges.** If the annual assessment is not paid in full by January 31 or any special assessment is not paid within 30 days of the due date, a late charge of \$20 will be applied and will continue to accrue on the 1st day of each month that an account remains delinquent.

Publication of this policy constitutes notice of the imposition of this late charge. No further specific notice of the continuing late charges is required.
6. **Interest.** The principal amounts of delinquent Assessments shall accrue interest at a rate of 12% per annum. Interest shall be charged monthly and shall begin to accrue as to the annual assessment after January 31 and as to special assessments, 30 days after the due date specified in the notice of assessment.
7. **30-Day Delinquency.** When an account is has been delinquent for 30 days, the Association shall send notice to the delinquent owner that states the amount of the delinquency, including any late fees or charges; demands payment within 30 days; and warns that if the delinquency is not cured, the matter may be turned over to an attorney for collections, wherein the costs of collecting the delinquent payment, including

attorneys' fees will be added to the debt. The notice shall also contain a warning that if the delinquency exceeds 60 days, the Owner's right to vote will be suspended.

8. **90-day Delinquency.** When an account has been delinquent for 90 or more days, the Association may record a lien against the Lot in the amount then owed, including all assessments, late fees and costs of collection, including the cost of preparing and recording the lien.

9. **120-day Delinquency - Referral to Attorney.** When the annual assessment has not been paid by May 31, the Association shall cause a statement to be mailed to the delinquent owner stating that if the assessment payment and accrued late charges are not paid by June 15, the Association may record a lien for the total amount of assessments and accrued charges. When an annual assessment remains unpaid after this time or a special assessment has been delinquent for 120 days or more, the Association may refer the delinquent account to an attorney or collection agent for collections. However, the Association may refer the matter to an attorney at any time when it learns of a potential sale or transfer of any sort, or potential foreclosure or bankruptcy involving the Lot or Lot Owners.

10. **Costs and Fees Associated with Collection.** All costs of collecting the delinquent assessments, whether incurred by the Association or its representatives, including lien charges and attorneys' fees will be charged to the delinquent owner and shall constitute assessments.

11. **Attorneys Actions Authorized.** After the delinquency has been referred to an attorney or collection agent, all communication regarding the delinquent assessments must be with the attorney. The attorney or collection agent is authorized to take one or more of the following actions:
 - a. Demand Letter(s): The Association's attorney or collection agent may send the delinquent owner one or more demand letters requesting payment.

 - b. Lien Recording: While the delinquent amounts constitute statutory liens from the date the amounts are due, the attorney or agent is authorized to record notices of liens against the property identifying the amount then delinquent so long as at least some of the delinquency is at least 120 days past due. Delinquent Owners will be assessed the cost of preparing and recording the notice of lien.

 - c. Payment Plans: The Association's attorney or collection agent is authorized to settle delinquencies with Owners through payment plans that are not to exceed 12 months without approval of the Board. All payment plan settlements will require the delinquent owner to continue to pay regular assessments as levied and must be secured by a stipulated or confessed judgment.

- d. Lawsuit for Collection or Foreclosure: With the board's approval, the attorney is authorized to commence a lawsuit against the Owners on the personal obligation or for foreclosure of the Association's statutory lien.

- e. Post Judgment Remedies: If the Association obtains a money judgment, the Board may pursue additional remedies, such as garnishments, debtor's exams or property liens, upon the advice of counsel and in consideration of the Association's best interests.

12. **No Waiver.** Deviations from, or failure to act under this Collections Policy shall in no way constitute a waiver by the Association of any right to impose and collect Assessments or exercise any other right or remedy under the Governing Documents or at law. The Association reserves all legal rights under the Governing Documents and at law, including but not limited to the Homeowner Association Act (RCW 64.38 *et seq.*) and the Washington Nonprofit Corporations Act (RCW 24.03 *et seq.*).

This collections policy was adopted by the Board of Directors by resolution dated 4/18/2013, 2013, and mailed to all Lot Owners on 4/29, 2013.



Name:

Secretary, Taylor's Ridge Homeowners' Association