

**RESOLUTION OF THE BOARD OF DIRECTORS OF
SUMMERHILL VILLAGE ASSOCIATION
REGARDING A COLLECTION POLICY FOR DELINQUENT ASSESSMENTS**

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WHEREAS, the Board of Directors of Summerhill Village Association is charged with the responsibility of collecting assessments for common expenses from unit owners pursuant to the Association Declaration and/or Bylaws; and

WHEREAS from time to time unit owners become delinquent in payment of those assessments and fail to respond to the demands from the Board to bring their accounts current; and

WHEREAS, the Board deems it to be in the best interests of the Association to adopt a uniform and systematic procedure for dealing with delinquent accounts in a timely manner, and further believes it to be in the best interests of the Association to refer these accounts promptly to an attorney for collection so as to minimize the Associations loss of assessment revenue; and

WHEREAS the Board has retained the Association's attorney for the attorney's experience in representing condominium and homeowner associations in collections and in other matters; and

WHEREAS the Board has directed the Association's attorney to represent the Association on the terms outlined in this resolution; NOW, THEREFORE,

BE IT RESOLVED that the Association's attorney shall pursue all collection and other matters which the Board, acting through the Treasurer or manager, may from time to time refer to the attorney and shall provide any advice and counsel which the Board may from time to time require; and

BE IT FURTHER RESOLVED that the Treasurer or manager, acting on behalf of the Association, shall 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, credit reports and title reports, promptly upon receipt of the attorney's monthly invoice; and

BE IT FURTHER RESOLVED that pursuant to the Declaration and/or Bylaws and RCW 64.34.364(13) there is hereby levied against any assessment account which is not paid in full as of the 15 day of the month a

late fee in the amount of \$25.00 which the Treasurer or manager is authorized and directed to charge to and collect from any delinquent unit owner; and

BE IT FURTHER RESOLVED that the Treasurer or manager is directed to send to any unit owner who is more than thirty (30) days delinquent in the payment of regular or special assessments or other charges authorized by the Association's governing documents (hereinafter referred to as "Assessments") , a written notice that if the account is not paid in full within ten (10) days it will be turned over to the Association's attorney for collection, including filing a lien against the delinquent unit, and that the unit owner will be liable for payment of the minimum charge imposed by the Association's attorney to cover fees and costs charged to the Association; and

BE IT FURTHER RESOLVED that the Treasurer or manager is directed to refer any account which remains delinquent for ten (10) days or more after the written notice to the Association's attorney for collection; and

BE IT FURTHER RESOLVED that the Treasurer or manager is directed to consult with the Association's attorney and turn over for collection immediately any account where the unit owner files or is the subject of a petition for relief in bankruptcy or a lender has commenced any action for foreclosure of its lien against the unit; and

BE IT FURTHER RESOLVED that the following policies shall apply to all delinquent accounts turned over to the Association's attorney for collection:

1. All contacts with a delinquent unit owner shall be handled through the Association's attorney. Neither the Treasurer or manager nor any Association officer or director shall have authority to settle the collection of the account directly with a Unit owner after it has been turned over to the Association's attorney unless the Association's attorney is present or has consented to the contact.

2. All sums collected on a delinquent account shall be remitted to the Association in care of the Association's attorney until the account has been brought current.

3. To the extent provided by the Declaration and/or Bylaws all of the estimated Assessments due for up to the next succeeding twelve (12) months shall be accelerated and become immediately due and owing upon any required notice to the unit owner. However, the Associations Treasurer or manager and attorney are granted the discretion to waive this acceleration in whole or in part under circumstances which they deem to be appropriate.

4. To the extent provided by the Declaration and/or Bylaws, a delinquent Assessment deposit of up to three (3) months estimated

Assessments shall be assessed on the unit owner's assessment account. However, the Association's Treasurer or manager and attorney are granted the discretion to waive this

Assessment deposit in whole or in part under circumstances which they deem to be appropriate.

5. To the extent provided by the Declaration and/or Bylaws and to the extent that a delinquent unit is rented by its owner, the Association's attorney is authorized to demand and collect the rent from the tenant in the unit, and in the event that the tenant agrees to make, and does make, the required payments, no utility service to the unit shall be disconnected.

6. Interest at the rate provided by the Declaration and/or Bylaws or otherwise at the legal rate shall be collected on all delinquent Assessment amounts, including but not limited to late charges and legal charges. However, the Association's Treasurer or manager and attorney are granted the discretion to waive this requirement in whole or in part under circumstances which they deem to be appropriate.

7. The Association's attorney's minimum legal fee shall be assessed against each delinquent unit and its owner (including repeat collections) when the account is turned over to the Association's attorney for collection. All legal fees and costs incurred in the collection of a delinquent account shall be assessed against the delinquent unit and owner and shall be collectible as an Assessment as provided in Declaration and/or Bylaws and RCW 64.34.364 (14)