

SCATCHET HEAD COMMUNITY CLUB

Assessment Collections Policy

- 1. Assessments Defined.** “Assessments” as used in this Collections Policy include all of the amounts chargeable under the Declaration of Protective Restrictions of The Plat of Scatchet Head, recorded on September 6, 1966 under Island County Auditor's No. 187635, and any amendments thereto (“CC&Rs”), Articles of Incorporation, Bylaws, the Rules and Regulations (including any Fine and Fee schedule), including but not limited to Assessments, fines, costs, interest, late charges and 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. Annual Assessment.** The annual assessment shall be due January 1st of each year. The annual assessment shall be considered delinquent if not paid in full within 30 days of its due date.

 - a. However, an Owner, who is not currently delinquent in paying assessments or other charges to the Association, may elect to submit payment of the annual assessment in four installments: 25% of the annual assessment due on or before January 30th, 25% of the annual assessment due on or before the last day of February, and 25% of the annual assessment due on or before March 31st, 25% of the annual assessment due on or before April 30th.
 - b. Each annual assessment installment payment as detailed in subsection (a) above, shall be considered delinquent if not paid by its due date.
 - c. Owners electing to pay the annual assessments in installments as detailed in subsection (a) above, will not be issued decals until all installment payments are received and the annual assessment is paid in full. Key card access to community facilities will be continued during the installment payment period as long as payments are received on time and according to the approved schedule. Access will be turned off if the annual assessment is not paid in full by April 30.
- 4. Special Assessments.** In the event of a special 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 an Assessment is not paid in full on or before the 30th day following its due date, a late charge of \$10.00 will be assessed. A courtesy delinquency notice may but is not required to be sent to the delinquent owner. Monthly late charges of \$10.00 will continue to accrue on the last day of each month that an account remains delinquent without further notice. An administrative fee in the amount of \$15.00 plus any costs incurred will be assessed to the Owner’s account for each delinquency notice sent to the owner.
- 6. Interest.** The principal amounts of delinquent Assessments shall accrue interest at a rate of 12% per annum. Interest shall begin to accrue from the date the Assessment was due and shall continue until the account is brought current.
- 7. Return Check Charges.** Any check returned by the financial institution for insufficient funds, stop payment or any other reason, shall incur an administrative fee of \$35.00 to be added to the owner’s account. The owner is also liable for any fees charged to the Association due to the returned check.
- 8. 30-Day Delinquency.** When an account has been delinquent for 30 days, the Association may send notice to the delinquent owner which states the amount of the delinquency, including any late fees or charges; demands immediate payment; and warns that if the delinquency is not cured, a lien may be recorded against the lot or the account may be turned over to a collection agency or attorney for collections, wherein the costs of collecting the delinquent payment, including attorneys’ fees will be added to the debt.
- 9. 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 and costs will be charged to the delinquent owner and may be collected as assessments.

10. **Referral to Attorney.** When an account has been delinquent for 60 or more days, 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 or actual foreclosure or bankruptcy involving the lot or lot owners, or where other good cause exists for turnover to counsel.

11. **Attorney's 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 may 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. 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 for payment of the debt in full without prior authority of the Board, provided that the payment plan does not exceed 12 months. All payment plans will be secured by a stipulated judgment and will require the delinquent owner to continue to pay regular assessments as levied.
- d. Lawsuit for Collection of Delinquent Assessments: With the Board's approval, the attorney is authorized to commence a lawsuit against the owners on the personal assessment obligation or for foreclosure of the statutory lien for assessments.
- e. Post-Judgment Remedies: If the Association obtains a money judgment, the Board may pursue post-judgment remedies, such as garnishments 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 Washington Homeowners' Association Act (RCW 64.38 *et seq.*) and the Washington Nonprofit Corporations Act (RCW 24.03 *et seq.*).

13. **Managing Agent.** The Board, in its discretion, may delegate certain administrative functions hereunder to the Association's Managing Agent.

This Collections Policy was adopted by the Board by resolution dated April 5, 2017, and mailed to all owners by April 19, 2017.

Secretary, Scatchet Head Community Club