

Lake Forest Home Association Inc.

Resolution of The Board of Directors

COLLECTION OF UNPAID HOA ASSESSMENTS

RECITALS

A. The Board of Directors of the Association is charged with the responsibility to establish, assess and collect homeowner assessments.

B. The Board deems it in the best interest of the Association and the owners to adopt a uniform and systematic procedure for the collection of unpaid assessments that assures that unpaid assessments are timely and efficiently collected to minimize the loss of assessment revenue.

C. To ensure that unpaid assessments are efficiently and effectively collected, the Board of Directors has entered into an agreement ("CFE Agreement") with Vial Fotheringham LLP ("VF") to undertake collection and enforcement of delinquent assessments on behalf of the Association.

NOW, THEREFORE, IT IS RESOLVED that:

I. The rules governing collection of delinquent assessments set forth below be adopted to provide for the uniform and systematic procedure for the collection of unpaid assessment.

II. A copy of this Resolution be sent to all owners at their address as shown in the records of the Association.

ARTICLE I

AUTHORITY, DUTIES AND OBLIGATIONS
UNDER GOVERNING DOCUMENTS & ACT

1.1 "**Declaration**" is Declaration of Covenants and Restrictions recorded November 9, 1972, as Document No. 878297, Records of Thurston County, Washington, as corrected by Document No. 888905, recorded May 4, 1973, Records of Thurston County, Washington including any amendments thereto; Declaration of Covenants and Restrictions recorded December 12, 1979, as Document No. 1099394, Records of Thurston County, Washington, including any amendments thereto; and Declaration of Covenants and Restrictions recorded August 11, 1987, as Document No. 8700110177, Records of Thurston County, Washington, including any amendments thereto.

1.2 "**Bylaws**" is Bylaws of Lake Forest Home Association Inc.

1.3 "**Act**" is the Washington Homeowner's Association Act, Revised Code of Washington 64.38.

1.4 Specific Authority and Duties.

(a) Article VIII, Section 1 of the Bylaws and RCW 64.38.020(1) allows the Association to adopt rules.

(b) Article IV, Section 1 and Section 7 of the Declaration and Article XII of the Bylaws authorizes the Board to enforce provisions of the Declaration, Bylaws and Rules and Regulations, including action to collect unpaid assessments.

(c) RCW 64.38.020(11) authorizes the Board to establish late charges for delinquent assessments.

(d) Article IV, Section 9 of the Declaration and Article XII of the Bylaws authorizes the Board, on behalf of the Association, to bring suit to foreclose the lien against the lot.

(e) Article IV, Section 9 of the Declaration and Article XII of the Bylaws authorizes the Board to bring an action to obtain a money judgment against an Owner for damages and for unpaid assessments.

(f) Article IV, Section 1 and Section 7 of the Declaration and Article XII of the Bylaws provides that late charges, fines, interest, and attorney fees and costs of collection are enforceable as assessments.

1.5 Obligations.

(a) Under Article IV, Section 1 and Section 7 of the Declaration and Article XII of the Bylaws, owners are obligated to pay assessments.

(b) Article IV, Section 1 and Section 7 of the Declaration and Article XII of the Bylaws specifies that assessments are currently due and payable in advance on the January 1st of each year.

(c) Article IV, Section 9 of the Declaration and Article XII of the Bylaws specifies that an assessment is delinquent if not paid within thirty (30) days of its due date.

(d) Under Article IV, Section 9 of the Declaration and Article XII of the Bylaws all assessments, together with interest, attorney fees and costs of collection are a continuing lien on the lot against which the assessments are imposed.

(e) Under RCW 64.38.020 owners are obligated to pay reasonable fees and costs, including, but not limited to, attorney fees incurred in connection with efforts to collect delinquent and unpaid assessments, regardless of whether a suit or action is commenced.

ARTICLE II
INTEREST LATE FEES AND OTHER COSTS

Pursuant to Section 1.4 above, the following apply to delinquent and unpaid assessments:

2.1 Interest. In accordance with Article IV, Section 9 of the Declaration and Article XII of the Bylaws, interest at a rate of seven and three fourths percent (7 ¾%) per annum shall accrue on all delinquent assessments.

2.2 Late Charge. In accordance with RCW 64.38.020, any assessment that is delinquent as set forth in Section 1.5(c) above will be charged a late charge in the amount of ten percent (10%).

2.3 Other Costs. All costs of collection as set forth in Subsections (a), (b) and (c) of this section are imposed against the owner and are due when incurred in the amounts incurred, regardless of whether suit or action is commenced. Collection costs include, without limitation, the following:

(a) Management Company Charges. Collection charges imposed by the management company, if included in the contract between the Association and the management company, including reasonable mailing costs, recording fees, time spent for account maintenance, and other similar expenses.

(b) Attorney Fees. Any attorney fees for work performed with respect to the assessment account such as file intake; preparing calculations; consultations and telephone calls with the Association, owners, court, witnesses and other individuals involved in the process; legal research; drafting and preparing legal documents; drafting and preparing letters; depositions; trial preparations; travel time; investigations; court appearances; analyzing the account to determine the appropriate action; and preparing and attending post judgment proceedings.

(c) Other Costs. All expenses such as recording fees, postage costs, copy costs, service costs, court costs, filing fees, paralegal fees, private investigator fees, garnishment fees and other similar expenses.

ARTICLE III
PROCEDURE

3.1 Association Lien. When an assessment is levied against a lot and owner, the Association or an agent of the Association may cause a lien to be recorded in the Records of Thurston County, Washington.

3.2 Association Invoice. The Association shall use best efforts to send an invoice for assessments to the most current address provided by the Owner, or to the lot itself, at least 30 days in advance of the due date. A failure to provide thirty (30) days advanced notice of the assessment or the failure of any owner to receive the notice does not affect either the validity of the assessment or the due date.

3.7 Legal Action. If the assessment, including all costs specified in Section 2.3 above, are not paid by the date specified in the VF Final Payment Demand given under Section 3.6 above, or arrangement for payment made in accordance with Section 3.9 below, VF, on behalf of the Association, shall initiate a lawsuit for a personal money judgment against the owner or foreclose the Association lien against the lot.

3.8 Execution/Enforcement of Judgment. After VF obtains a judgment, VF shall begin collection of the judgment by any one or combination of the following:

- (a) Garnishing the owner's bank account.
- (b) Garnishing the owner's wages.
- (c) Executing a writ against the owner's real or personal property.
- (d) Any additional methods authorized by law.

3.9 Payment Plans.

(a) Subject to Subsection (b) of this section, a payment plan proposed after the assessment account is turned over to VF must be:

- (1) Approved by VF and the Board of Directors of the Association;
- and
- (2) Secured by a Confession of Judgment or Stipulated Judgment.

(b) A payment plan approved under Subsection (a) of this section is not effective until a confidential statement of assets form provided by VF is completed and executed by the owner and submitted to VF.

3.10 Payments. After the assessment account has been turned over to VF, all payments must be made to VF.

3.11 Disbursal of Funds. Funds shall be disbursed to the Association in accordance with the VF Agreement that provides as follows:

(a) When payments are received, they are split 50/50 between two expense categories: fifty percent (50%) of the payment is applied to past due assessments and non-attorney related collection charges and fees and fifty percent (50%) is applied to attorney related charges and fees.

(b) Each payment shall be split as provided under Subsection (a) of this section until one of the expense categories is paid in full. After one of the expense categories is paid in full, the all of the remaining payments shall be applied to the remaining balance in the other expense category.

3.12 Owner Responsibility; Other Remedies.

(a) Owner Responsibility For Payment of Assessments. Regardless of any procedure prescribed under this Resolution, it is the responsibility of the owner to ensure that assessments are paid when due.

(b) Owner Responsibility To Update Address. It is the sole responsibility of the owner to notify the Association in writing of any change of owner mailing address.

(c) Other Association Remedies. Nothing in this Resolution prevents the Association from taking any other actions against an owner, including termination of utilities and preventing the owner from access to recreational or service facilities, if provided under the Declaration, Bylaws, Rules and Regulations, or the Act.

CERTIFICATION OF ADOPTION

The undersigned, Secretary of the Association, hereby certifies that the foregoing resolution is a true record of a resolution adopted by the Board of Directors at a meeting of the Board of Directors held in accordance with the Bylaws of the Association on September 16, 2015.

Dated this 16 day of September 2015

Wayne Gray
Paul Schmidt, Secretary
Board of Directors
Lake Forest Home Association Inc.,
A Washington nonprofit corporation

Wayne Gray, President
Paul Schmidt, secretary

Keith Underwood
Michelle Underwood
Jeff Heard

Keith Underwood
Vice President
Michelle Underwood
Treasurer
Jeff Heard
Member at large