

TIMBERLINE RIDGE HOMEOWNERS' ASSOCIATION BOARD RESOLUTION RE: COLLECTION AND ENFORCEMENT POLICIES

At a meeting of the Board of Directors ("Board") of Timberline Ridge Homeowners Association ("Association"), held on December 9th 2024 at 4pm at Sammamish WA the Board states as follows:

WHEREAS Board members were sent proper notice of the meeting referenced above (or by their attendance waived notice), and a quorum of Board members was present either in person or by telephone conference at that meeting; and

WHEREAS the Association is the nonprofit corporation established to manage and govern the affairs of Timberline Ridge under the Homeowner Association Act at RCW Chapter 64.38 ("HOA Act"); and

WHEREAS the Association is also subject to the Washington Uniform Common Interest Ownership Act at RCW Chapter 64.90 to the extent provided in RCW 64.38.095 and 64.90.080, and the Nonprofit Corporations Act at RCW 24.03A, to the extent not inconsistent with either of the previously mentioned statutes; and

WHEREAS the Association is subject to the "Declaration of Covenants and Restrictions for the Plat of Timberline Ridge Division 2" recorded in the real property records of King County at Recording No. 9806111834 ("Declaration"); and

WHEREAS, timely Owner payment of assessments is crucial for the Association to operate effectively and efficiently, with delinquencies creating cash flow problems that jeopardize the Association's ability to meet the purposes for which it is established, including maintenance and repair of the common areas, as enumerated in the Declaration, the Articles of Incorporation, and the Bylaws (together, the "Governing Documents"); and

WHEREAS, to help ensure timely payment and provide Owners with advance notice of the consequences of delinquency, the Board finds that it is in the best interests of the Association to adopt administrative rules and regulations containing uniform and systematic procedures for the collection of unpaid assessments; and

WHEREAS, the Board has the authority to enforce the provisions of the Governing Documents in a variety of ways, including the issuance of fines after providing statutory notice and an opportunity to be heard, which process is often in the best interests of the Association because it balances the right of Owners to understand the claims against them and possible consequences at minimal cost to the Association;

WHEREAS the Board's and Association's powers to take the actions set out herein are set out in the applicable statutes and Governing Documents, including, *but not limited to*, the sections enumerated below:

1. RCW 64.38.020(1) provides that the Association may adopt and amend bylaws, rules, and regulations.
2. RCW 64.90.405(1)(b) & (c) provide that the Association has the power to adopt budgets in accordance with RCW 64.90.525 and to impose assessments for common expenses and specially allocated expenses.

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3. RCW 64.38.020(11) empowers the Association to impose and collect charges for late payments of Assessments, and, after notice and opportunity to be heard, levy fines for violations of the Governing Documents according to a previously established schedule.
4. RCW 64.38.020(13) & (14) provide that the Association may exercise any other powers that may be exercised by a nonprofit corporation in Washington, and any other powers necessary and proper for the governance and operation of the Association.
5. RCW 64.38.050 states that any violation of the provisions of the HOA Act entitles an aggrieved party to any remedy at law or equity and that a court may award reasonable attorneys' fees to the prevailing party.
6. Article VIII, Section 1 of the Declaration provides that each Lot Owner shall be a member of the Association.
7. Article IX, Section 3(l) of the Declaration empowers the Board to impose annual and special assessments.
8. Article VII, Section 1 of the Declaration provides that annual and special assessments, together with interest thereon and costs of collection thereof, shall constitute a continuing lien upon the Lot.
9. Article VII, Section 9 of the Declaration provides that, in the event of a delinquent assessment, the Association can bring a suit against an Owner or foreclose the lien, and if a judgment is obtained, such judgment shall include interest on the assessment above and a reasonable attorney's fee.
10. Article VII, Section 9 of the Declaration empowers the Association to collect twelve percent (12%) per annum interest on assessments not paid within thirty (30) days after the date of delinquency.
11. Article XI, Sections 1 and 3 of the Declaration empower the Association to enforce the Declaration including and institute lawsuits for damages, injunctive relief, or both.

NOW THEREFORE, the Board, with respect to the powers outlined above and in consideration of the Association's best interests, and after consideration and deliberation regarding the matters set forth herein, resolves as follows:

BE IT RESOLVED that the attached Enforcement Policy with Fine & Fee Schedule is hereby adopted and shall become part of the Association Rules and Regulations effective as of the date stated thereon and shall supersede all previous enforcement policies or procedures and any other rules to the extent that they are inconsistent therewith.

BE IT FURTHER RESOLVED that the attached Collection Policy is hereby adopted, shall become part of the Association Rules and Regulations effective as of the date stated thereon, and shall supersede all previous collection policies or procedures and any other rules to the extent that they are inconsistent herewith.

BE IT FURTHER RESOLVED, that the Enforcement Policy with Fine and Fee Schedule and Collection Policy shall be mailed to all Lot Owners to their lot addresses prior to the effective dates of the policies, unless another address has been provided to the Board in writing, in which case it shall be mailed to the designated address prior to the effective date.

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DATED this 9th day of December 2024.

ATTEST: The above resolution was properly adopted.

Timberline Ridge Homeowners' Association



By:

Steve Sklepowich, President

Timberline Ridge Homeowners' Association



By:

Mark Brown, Secretary

TIMBERLINE RIDGE HOMEOWNERS' ASSOCIATION Enforcement Policy with Fine Schedule

This Section of the Rules is promulgated to satisfy the requirements of the HOA Act for supplemental enforcement procedures regarding violations of the "Declaration of Covenants and Restrictions for the Plat of Timberline Ridge Division 2" ("Declaration"), the Articles of Incorporation, Bylaws and the Rules and Regulations (collectively referred to as the "Governing Documents"). Each member of the Timberline Ridge Homeowners Association ("Association") is subject to the Governing Documents, and each member, their non-owner residents, and guests are required to strictly comply with the Governing Documents as they may be amended from time to time by the Association. Failure to comply may result in the issuance of fines, actions to recover sums due for damages or injunctive relief, or both, maintainable by the Board of Directors ("Board") for the Association or by an aggrieved member against the party failing to comply. Members are responsible for ensuring their non-owner residents and guests comply with the Governing Documents. This section supersedes and replaces all previous enforcement rules.

1.1 Complaint Procedure. Complaints must be in writing and delivered either in person, by mail, or by email. Emailed complaints can be sent to president@timberlineridge.org and mailed complaints can be sent to:

Timberline Ridge Homeowners' Association
704 228th Ave NE, #253
Sammamish, WA 98074

1.2 Fine Schedule. The Board has established reasonable fines to be assessed *per occurrence* for each violation of provisions of the Governing Documents as provided in **Exhibit A** to these Rules. For ongoing violations that remain uncured after providing Notice and Opportunity to be Heard, fines may be imposed each month without further notice until the violation is discontinued or remedied, provided the notice of violation contains a warning that such fines may be imposed on that basis. Fines may be assessed in addition to, not in lieu of, any right of the Association to require Owners to remedy violations of the Governing Documents, to assess Owners for the costs of remedial action taken by the Association, or any other remedy available to the Association by law.

1.3 Notice of Violations. If the Association receives information suggesting that there has been a violation of the Governing Documents, the Association shall, after reasonable inquiry into the circumstances surrounding the allegations and if doing so is in the best interests of the Association, take the following actions:

1.3.1. *Warning Letter*. A violation of the Association's Governing Documents will result in a written warning letter that advises the Owner that future violations or failure to correct the violation will subject the Owner to fines as set forth in the fine schedule and/or other Association remedy. Unless another reasonable time period is stated in the Warning Letter, Owners shall have thirty (30) days from the date of the Warning Letter to correct the violation. This warning will also be sent via email using PayHOA.

1.3.2. *Notice of Violation*. A violation of the same or similar type for which the Owner

has recently received a Warning Letter, or a violation not corrected within the time expressed in the Warning Letter, shall subject the Owner to a fine as provided in the fine schedule in **Exhibit A** and/or other Association remedy. Prior to levying the fine, the Owner shall be sent a notice of violation containing: (a) a short description of the violation, (b) the amount of the proposed fine or other consequence, (c) the procedure for requesting a hearing before the Board regarding the violation; and (d) if the violation is ongoing or requires action on the part of the Owner to cure the violation, the notice of violation shall warn that failure to come into compliance shall result in additional fines every seven (7) days without additional notice.

1.3.3. *Delivery.* All warning letters or violation letters shall be sent by mail to the Lot address unless an alternate address has been given to the Association in writing prior to the date of the notice of violation. Certified mail may be used but is not required. The violation will also be recorded using the PayHOA online violation management system.

1.3.4. *Non-Owner Violations.* If a non-owner resident or guest has violated the Governing Documents, notice will be sent to the relevant Owner as provided in this Section. Owners shall be responsible for paying any fines and taking corrective action on behalf of their occupants and guests.

1.4 Opportunity to be Heard. An Owner who has been sent a Notice of Violation as provided in Section 1.3.2 shall be given an opportunity to be heard before a quorum of the Board. Failure to request or attend the hearing is a waiver of the Owner's right to challenge the violation and imposition of a fine or other proposed remedy. Any requested hearing will be scheduled and held in the following manner:

1.4.1. *Scheduling the Hearing.* The hearing shall be scheduled for not more than thirty (30) days from the receipt of the timely request for a hearing and shall be set between the hours of 8:00 a.m. – 10:00 p.m. unless the Board and the affected Owner otherwise mutually agree upon a date and time for the hearing.

1.4.2. *Notice of Hearing.* Upon receipt of the Owner's request for a hearing, the Association shall provide the Owner with a Notice of Hearing that shall include the date, time, and location of the hearing (whether in person or by video conference), any time limits upon the presentation of evidence or argument, whether the affected Owner may offer a written statement in lieu of appearance, and any other reasonable procedures or conditions.

1.4.3. *Continuance of Hearing.* Once a hearing has been set in accordance with the preceding paragraph, the Board shall exercise reasonable discretion to allow or disallow a continuance of the hearing at the request of the Owner.

1.4.4. *Attorneys.* If the Owner intends to have an attorney present at the hearing, the Owner must notify the Board at least seven (7) days prior to the hearing so that the Association may also have counsel present at the hearing. Failure to provide this required notice may result in cancellation or continuance of the hearing at the discretion of the Board.

1.4.5. *Hearing Procedures.* At the hearing, the Board shall make a short statement of the alleged violation and shall thereafter allow the affected Owner a reasonable amount of time under the circumstances to present evidence and argument to the Board regarding the violation. Additional time may be granted for the presentation of information by other interested parties. Owners and other parties may also submit written materials for the consideration of the Board.

1.4.6. *Multiple Violations in One Hearing.* At the Board's discretion and with reasonable

notice to the Owner, one or more violations of the Governing Documents may be combined and heard in one enforcement hearing. Once a hearing is scheduled, violations occurring subsequent to the initial Notice of Violation but prior to the date of the hearing may also be heard at the scheduled hearing, at the discretion of the Board, and with reasonable notice to the Owner.

1.4.7. *Request for Multiple Hearings for Same Violation.* Requests for additional hearings may be denied if the Board determines that the violation is continuing in nature or of the same or similar type as prior violations and that no evidence that could be presented by the Owner would change the previous decision of the Board. Notice that a request for hearing has been denied may be sent in the same manner as the Notice of Hearing.

1.4.8. *Decision of the Board.* Within a reasonable time after the hearing, the Board shall meet to make its decision on whether a violation has been committed and shall send the Owner its Notice of Decision in writing within ten (10) days of the hearing. Unless otherwise stated in the Notice of Decision, any fines assessed after a hearing shall become due on the first of the month following the Notice of Decision.

1.5 No Waiver / Not Exclusive Remedy. The foregoing procedures shall not be deemed a waiver of the Association's right to enforce or take any other action available under the Governing Documents or at law. The sanctions, fines, fees, interest, and penalties provided for in these Rules are in addition to, and not in lieu of, other remedies or sanctions available to the Association by law or by the Governing Documents.

1.6 Fines are Assessments. Owners are financially responsible for all fines, damages, and other assessed amounts resulting from their actions, and the actions of their Guests. Fines imposed in accordance with the fine schedule in **Exhibit A** constitute assessments under the Governing Documents and may be levied and collected as such, including the imposition of late fees and interest if the fine is not paid when due, as well as all assessment collection remedies provided for in this policy and under the Governing Documents.

1.7 Costs & Attorney Fees for Enforcement. The Board may, at any time, refer an enforcement issue to an attorney for collection of fines or other charges or further enforcement action. If any Owner fails to comply within the timeline given after being given Notice and an Opportunity to be Heard as provided in these Rules, the Owners shall be responsible for all costs incurred by the Association in connection with further enforcement efforts, including reasonable attorneys' fees, if legal action is brought.

Collection Policy

This section of the Rules outlines the procedures to be taken for any delinquency in the payment of assessments, including regular assessments, special assessments, or any other charge assessed to a lot or owner under the Governing Documents and the HOA Act, including fines, costs, and fees. This section supersedes and replaces all previous collection policies or Rules associated with the collection of any assessments.

1.1 Late Fees. Annual assessments are due every year by January 1 and the installment is considered delinquent if not paid on or before January 1. Owners whose annual assessments are not received by this date will be charged a late fee of thirty-five dollars (\$35) and the fee will thereafter be applied on the first (1st) of each month without further notice until the account is brought current.

1.2 Interest. Delinquent assessments shall accrue interest at a rate of twelve percent (12%) per annum. Interest shall begin to accrue from the date the assessment was due and shall continue until the account is brought current.

1.3 Returned Check Charges. Any fees or costs (including administrative fees) incurred by the Association due to a payment being returned by the financial institution for any reason shall be assessed to the Owner's account.

1.4 Delinquency Notices. When an account has been delinquent for at least thirty (30) days, the Association may send notice to the delinquent Owner that 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, and the costs of collecting the delinquent payment, including attorneys' fees, will be added to the debt. Any administrative fees incurred by the Association for the preparation and sending of such notices or other collection activities may be assessed to the Owner's account.

1.5 Lien Recording. When an account has been delinquent for at least sixty (60) days, the Association may record a notice of claim of lien against the Lot reflecting the current amount of the Association's automatically perfecting assessment lien, the costs of which shall be assessed to the delinquent account.

1.6 Referral to Attorney. When an account has been delinquent for at least ninety (90) days, the Association may refer the delinquent account to an attorney or collection agent for collections. The Association may also refer the delinquency for collections when it learns of a potential or actual sale or transfer of the Lot, potential or actual foreclosure or bankruptcy involving the Lot, or where other good cause exists for the delinquency to be turned over to a third party for collections. Any administrative fees incurred by the Association may be assessed to the Owner's account for monitoring and assisting with third-party collections.

1.7 Attorney's Actions Authorized. After the delinquency has been referred to an attorney or collection agent, the delinquent Owner must direct all communication regarding the delinquent Assessments to the attorney or agent and may not reasonably rely upon payoff amounts or other totals provided by anyone other than the attorney or collection agent. The attorney or collection agent may take one or more of the following actions:

1.7.1. *Demand Letter(s)*. The Association's attorney or collection agent may send the delinquent Owner one or more demand letters requesting payment.

1.7.2. *Lien Recording*. The attorney or agent is authorized to record notices of liens against the Lot identifying the amount then delinquent. Delinquent Owners will be assessed the cost of preparing and recording the notice of claim of lien.

1.7.3. *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 twelve (12) months. All payment plans shall be secured by a stipulated judgment or a confession of judgment and will require the delinquent Owner to continue to pay regular assessments as levied.

1.7.4. *Lawsuit for Collection or Foreclosure*. 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 lien for assessments.

1.7.5. *Post-Judgment Remedies*: If the Association obtains a money judgment, the Association may pursue post-judgment remedies, such as garnishments or judgment liens, upon the advice of counsel and in consideration of the Association's best interests.

1.8 Costs and Fees Associated with Collection. All costs of collecting delinquent assessments incurred by the Association, including, but not limited to administrative charges for sending of notices or otherwise tracking delinquencies, the costs of preparing, recording, and updating a claim of lien; and all other costs, including attorneys' fees, shall be assessed to the delinquent Owner and subject to collection as provided in the Declaration.

1.9 No Waiver. Deviations from, or failure to act under these Collections Rules 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.

EXHIBIT A: FINE SCHEDULE

Updated December 2024

Failure to obtain ACC approval for Lot alterations or building inconsistent with ACC approval	\$1000
Lease of a Lot without Board Approval	\$500
First Violation of any other Provision (E.g. Trash cans, lot maintenance, vehicle storage etc.)	Warning
Second Violation of any other Provision	\$50
Subsequent Violation of any other Provision	\$100

** Note: Fines for ongoing violations that remain uncured after the Owner has been given Notice and an Opportunity to be Heard may be imposed monthly until cured, provided that notice of such a continuing fine is included in a Notice of Violation.*