

Dave's View at Martins Bluff HOA Collection Policy

January 17, 2018

HOA assessments and fees are the major source of income for the Dave's View at Martins Bluff Homeowners Association (HOA), so it is critical to pay on time. For that reason the HOA board of directors (BoD) adopted a strict, but reasonable, Collection Policy which includes these provisions:

1. AMOUNTS PAYABLE TO THE HOA: These include, but are not limited to, HOA annual assessments, special assessments, maintenance charges, new building application fees, property transfer fees, CC&R rules enforcement fees, fees for the reimbursements for repairs to homeowner property adjacent to HOA property, fees for limited-common areas that are the homeowner's responsibility, legal fees, and other costs associated with collection of funds on behalf of the HOA.

2. PAYMENT SCHEDULE: Lot/homeowner annual and special assessments are payable annually on January 1st of each calendar year, or quarterly on the first day of each calendar quarter: Jan 1st, Apr 1st, Jul 1st and Oct 1st. Maintenance charges will be billed on the first day of the month after the work is completed, if not covered in the annual assessment. Funds not received or postmarked by the fifth of the month will be considered past due. Late fees are assessed after 15 days.

3. LATE FEE, ISF, & INTEREST CHARGES: • A late fee of \$25 shall be charged for any month payment was delinquent.

- A \$25 ISF (Insufficient Funds) charge will apply to any returned check.
- Any balance older than 30 days will incur an interest charge of 1% per month until paid.
- An interest charge of 1% per month will apply to the balance of assessments paid on a quarterly basis.

4. ORDER OF CREDITING PAYMENTS: Payments received shall be first applied to assessments owed, then to late charges, then interest, then collection expenses. All payments will be applied to the oldest balance first. *Reducing the oldest balance first cuts down on the interest accruing on the older balance.*

5. PROCESS FOR DELINQUENCY NOTIFICATION: For all balances exceeding \$50 that are fifteen (15) days past due, the following notification process to owners applies:

- FIRST NOTICE. *First Notice of Past Due Charges* when a balance is fifteen (15) days past due, and includes a detail of assessments, late fees, ISF charges, interest, postage and other charges that apply. Notice will be by First Class Mail, or by email when the owner has consented, in writing, to receiving electronically transmitted (email) notices as provided in Washington Chapter 64.38.035 RCW.
- SECOND NOTICE. *Second Notice of Past Due Charges* when a balance is forty-five (45) days past due, and includes a detail of assessments, late fees, ISF charges, interest, postage and other charges that apply. Notice will be sent by First Class Mail, or by email when owner consented to receiving notices electronically.
- 15-DAY DEMAND. *15-Day Demand* when a balance is seventy-five (75) days past due, and includes a detail of assessments, late fees, ISF charges, interest, postage and other charges that apply. Notice will be sent by First Class Mail, or by email when owner consented to receiving notices electronically. This notice will recite intent to turn the matter over to an attorney for collection enforcement if the full balance is not paid within 15 days. Attorney actions include, but are not limited to, filing a lien against the owner's property, or a personal judgment against owner.

6. LEGAL SERVICES. If a delinquent account is referred to an attorney for collection, the owner shall be charged the HOA's reasonable attorney fees and related costs.

7. OTHER CHARGES. The HOA may charge the owner for:

- Fees charged by Property Manager to collect funds payable to the HOA
- Owner bankruptcy
- Foreclosure action or deed in lieu of foreclosure
- Notification, filing and satisfying liens
- Enforcement of the HOA's rules, bylaws, declaration or policies
- Costs of litigation
- Repairs to the HOA's common areas that result from the acts of the owners, their tenants, or guests

8. FINES. Fines for any enforcement of HOA CC&Rs, bylaws, rules, declaration or policies will be assessed after 15 days of notice at \$100 for the infraction and \$10/day until compliance.