

SILVER CREEK ASSOCIATION

RESOLUTION

REGARDING A COLLECTION POLICY FOR PAST DUE ASSESSMENTS

WHEREAS, the Silver Creek Association (“Association”) Board of Directors (“Board”) is charged with the responsibility of collecting Assessments from members as provided in the governing documents, RCW 64.38 and/or RCW 64.90, as applicable; and

WHEREAS, from time to time members become delinquent in payment of Assessments and fail to respond to demands to bring their accounts current; and

WHEREAS, the Board deems it to be in the best interest 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 interest of the Association to refer these accounts promptly to an attorney for collection so as to minimize the Association’s loss of revenue; and

WHEREAS, the Board has retained the Association’s attorney for the attorney’s experience in representing 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; wherefore,

BE IT RESOLVED that the Association’s attorney shall pursue all collection and other matters which the Board 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 Board 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, document recording, service of process, messenger service, court reporters, electronic or computer assisted legal search, photocopies, postage, investigator’s service, credit reports and title reports, promptly upon receipt of the attorney’s invoice; and

BE IT FURTHER RESOLVED that, there is hereby levied against any Assessment account which is not paid in full as of the tenth (10th) day of the month, interest at the rate of twelve percent (12%) per annum; and

BE IT FURTHER RESOLVED that, there is hereby levied against any Assessment account which is not paid in full as of the tenth (10th) day of the month, a late charge in the amount of twenty dollars (\$20.00), which the treasurer or manager is authorized and directed to charge to and collect from the delinquent member; and

BE IT FURTHER RESOLVED that the Association's manager is directed to send any member whose account has been delinquent for more than fifteen (15) days in the payment of Assessments a written notice of delinquency requesting immediate payment, which notice shall include a first pre-foreclosure notice as required by law; and

BE IT FURTHER RESOLVED that the Association's manager is directed to send any member whose account has been delinquent for more than ninety (90) days in the payment of Assessments a written notice of delinquency requesting immediate payment; and notice that unless the account is paid in full within ten (10) days it may be turned over to the Association's attorney for collection, including filing a lien, and that the member will be liable for payment of the charges imposed by the Association's attorney to cover fees and costs charged to the Association, which notice shall include a second pre-foreclosure notice; and

BE IT FURTHER RESOLVED that if ten (10) days after this notice the member has not paid the account in full or submitted satisfactory payment arrangements that have been accepted by the Board, the treasurer or manager is directed to refer the account to the Association's attorney for collection; and

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

BE IT FURTHER RESOLVED that it is not the responsibility of the Association or management to provide a billing statement, invoice, or reminder that Assessments are due, or any of the notices provided herein except for statutorily required notices. Notwithstanding the above provisions pertaining to notice, at the Board and/or manager's discretion, in consultation with the Association's attorney, the Board or the manager may refer any delinquent account to the Association's attorney for collection at any time without prior notice; and

BE IT FURTHER RESOLVED that unless determined otherwise by the Board, all sums collected shall be applied to the oldest outstanding balance in the following order: legal fees and costs, fines, late charges, other Assessments; and

BE IT FURTHER RESOLVED that unless specifically acknowledged and accepted by the Association, no restriction on the application of payments made or the settlement or

compromise of a claim for delinquent Assessments shall be enforceable against the Association, including but not limited to restrictions such as “payment in full,” “accord and satisfaction” or other similar language in a check or other correspondence; and

BE IT FURTHER RESOLVED that the Association’s treasurer, manager and/or attorney are granted the discretion to waive interest, and/or late fees, in whole or in part under circumstance that they deem appropriate; 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 member regarding the member’s account shall be handled through the Association’s attorney. Unless otherwise determined by the Board, neither the manager nor any Association officer or director shall have authority to settle the collection of the account directly with a member 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. Unless otherwise specified, once an account has been referred to the Association’s attorney for collection, all sums collected on a delinquent account must be remitted to the Association in care of the Association’s attorney until the account has been brought current.
3. Interest at the rate of twelve percent (12%) per annum may be collected on all delinquent Assessments, including but not limited to late charges and fines.
4. The Association’s attorney’s legal fees and costs shall be assessed against each delinquent account and its member (including repeat collections) at the time the account is turned over to the Association’s attorney for collection. All legal fees, costs and expenses incurred in the collection of a delinquent account shall be assessed against the delinquent Lot and member shall be collectible as an Assessment.
5. The Association’s Board and/or manager may authorize the Association’s attorney to file a suit against a delinquent member for money due.
6. The Association’s Board may authorize the Association’s attorney to institute a judicial action to foreclose the Association’s lien for any unpaid Assessments pursuant to Declaration Section 4.9; and

BE IT FURTHER RESOLVED that the provisions of this resolution shall supersede and replace any prior inconsistent policies, rules or resolutions adopted by the Board; and

BE IT FURTHER RESOLVED that a copy of this resolution shall be provided to all members at their address of record.

Adopted on the 21 day of May, 2026.

SILVER CREEK ASSOCIATION

By: Michael George Morrey
Its President