

GREEN MOUNTAIN PHASE 1 HOMEOWNERS ASSOCIATION

**BOARD OF DIRECTORS
COLLECTION RESOLUTION**

RECITALS

A. The Board is charged with the operation and management of Green Mountain Phase 1, located in Clark County, Washington.

B. The Association is governed by the following:

- Declaration of Covenants, Conditions, Restrictions, and Easements for Green Mountain Phase 1 Homeowners Association, recorded as Auditor's File No. 5408166, a First Amendment recorded as Clark County Auditor's File No. 5450371, a Second Amendment recorded as Clark County Auditor's File No. 5615023, a Third Amendment recorded as Clark County Auditor's File No. 5670689, and a Fourth Amendment recorded as Clark County Auditor's File No. 5789114, as may be later amended and supplemented (Declaration).
- Bylaws of the Green Mountain Phase 1 Homeowners Association, Inc. dated August 10, 2021, as may be later amended and supplemented (Bylaws).
- The Association's Plat, Articles of Incorporation, and the Association's Rules and Regulations, and Board Resolutions.

C. The Association is also governed by the Washington Homeowners' Association Act, Chapter 64.38 RCW and the Washington Nonprofit Corporation Act, Chapter 24.03 RCW and Chapter 24.03A (effective January 1, 2022).

D. RCW 64.38.020(2), (11), and (14) state:

"Unless otherwise provided in the governing documents, an association may:

(2) Adopt and amend budgets for revenues, expenditures, and reserves, and impose and collect assessments for common expenses from owners;

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(11) Impose and collect charges for late payments of assessments and, after notice and an opportunity to be heard by the board of directors or by the representative designated by the board of directors and in accordance with the procedures as provided in the bylaws or rules and regulations adopted by the board of directors, levy reasonable fines in accordance with a previously established schedule adopted by the board of directors and furnished to the owners for violation of the bylaws, rules, and regulations of the association;

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(14) Exercise any other powers necessary and proper for the governance and operation of the association."

E. RCW 19.52.020(1) states:

(1) Except as provided in subsection (4) of this section, any rate of interest shall be legal so long as the rate of interest does not exceed the higher of: (a) Twelve percent per annum; or (b) four percentage points above the equivalent coupon issue yield (as published by the Board of Governors of the Federal Reserve System) of the average bill rate for twenty-six week treasury bills as determined at the first bill market auction conducted during the calendar month immediately preceding the later of (i) the establishment of the interest rate by written agreement of the parties to the contract, or (ii) any adjustment in the interest rate in the case of a written agreement permitting an adjustment in the interest rate. No person shall directly or indirectly take or receive in money, goods, or things in action, or in any other way, any greater interest for the loan or forbearance of any money, goods, or things in action."

F. Article 6, Section 6.6 of the Declaration states, in part:

"6.6 Powers and Obligations. The Association shall have, exercise, and perform all of the following powers, duties, and obligations contained tin the Governing Documents. . . . The Board of Directors shall act in all instances on behalf of the Association. . . . In the performance of their duties, the officers and members of the Board of Directors shall exercise the degree of care and loyalty required of an officer or director of a corporation organized under Chapter 24.03 RCW (Nonprofit Corporation Act)."

G. Article 8 of the Declaration states, in part:

"8.1 Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the Owners and occupants of the Property and for the improvement, operation, and maintenance of the Common Areas and Improvements and other areas to be maintained by the Association. The Assessments levied by the Master Association shall be for the improvement, operation, and maintenance of the Regional Facilities, and for the payment of the Common Expenses (as that term is defined in the Master Declaration) . . .

8.2 Apportionment of Assessments. All Lots are subject to Assessment and all Owners shall pay an equal pro rata share of the Assessment commencing upon the date as set forth in Section 8.3 below. Each year thereafter the annual assessment shall be due upon receipt of notice from the Board. An Owner may not claim an offset against an Assessment for failure of the Association to perform its obligations, and no Owner may offset amounts owing, or claimed to be owing, by the Association or Declarant to the Owner.

8.3 Annual Assessments. . . . [T]he Board of Directors of the Association shall prepare an operating budget for the Association, and annually thereafter, taking into account the current costs of maintenance and services and future needs of the Association, any previous over-Assessment, and any funds in an account of the Association. The Board by resolution may increase the annual assessment as a result of the budgeting process. . . .

8.4 Special Assessments. In addition to the general assessments provided in Section 8.3, Special Assessments may be levied against Owners for the purpose of defraying, in whole or in part, the cost of any unanticipated or significant expense of the Association. . .

8.4.1 Master Association Assessments. All Owners shall be responsible for their pro-rata share of the Master Association Assessments as determined by the Master Association. The Association shall be responsible for the collection of Master Association Assessments levied against the Owners and Lots within the Property according to the provisions of the Master Declaration and may take enforcement action under Article 9 to collect Master Association Assessments.

8.5 Creation of Lien and Personal Obligation of Assessments. Declarant, for each Lot owned by it within the Property, does hereby covenant, and each Owner of any Lot by acceptance of a conveyance thereof, whether or not so expressed in any such conveyance, shall be deemed to covenant to pay to the Association all Assessments, including Master Association Assessments, or other charges as may be fixed, established and collected from time to time in the manner provided in the Governing Documents of the Association. Such Assessments and charges, together with any interest, expenses or attorneys' fees imposed, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such Assessment or charge is made at the time each Assessment or charge is made. Such Assessments, charges, and other costs shall also be the personal obligation of the person who was the Owner of such Lot at the time when the Assessment or charge fell due. Such liens and personal obligations shall be enforced in the manner set forth in Article 9 below."

H. Article 9 of the Declaration states, in part:

"9.2 Default in Payment of Assessments: Enforcement of Lien. If an Assessment or other charge levied under this Declaration is not paid within 30 days of its due date, such Assessment or charge shall become delinquent and shall bear interest from the due date at the rate of 12% per annum until paid in full. In such event the Association may exercise any or all of the following remedies:

(a) The Association shall have a lien against each Lot for any Assessment levied against the Lot, which includes any fines, collection cost, attorney's fees or other charges imposed under any Governing Document or by law against the Owner of the Lot at the time of the Assessment or charge.

(b) The Association may bring an action to recover a money judgment for unpaid Assessments, fines, and charges under any Governing Document without foreclosing or waiving the lien described in section (a) above. Recovery on any such action, however, shall operate to satisfy the lien, or the portion thereof, for which recovery is made.

(c) The Association shall have any other remedy available to it by law or in equity.

9.3 Costs and Attorneys' Fees. In the event the Association shall take any action to enforce these covenants, with or without bringing suit, or in the event the Association does bring suit or action to enforce any Governing Document or obligation under the law, or to

collect any money due thereunder or to foreclose a lien, the Owner-defendant shall pay to the Association all costs and expenses incurred by it in connection with such suit or action, including a litigation guaranty report issued by a title company doing business in Clark County Washington, and the prevailing party in such suit or action shall recover such amount as the court may determine to be reasonable as attorneys' fees at trial and upon any appeal or petition for review thereof."

I. 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 also 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 assessment revenue.

RESOLUTION

NOW, THEREFORE, IT IS RESOLVED:

1. **Authority to Contact Attorney or Collection Agency.** The Association (through its Board of Directors or community manager) is authorized to contact the Association's attorneys to pursue collection and request advice for the Association in other matters that may from time to time be requested. The Association is also authorized to contact a collection agency for collection of delinquent accounts.

2. **Payment of Attorneys' Fees and Costs.** The Association is authorized to pay the usual and customary attorneys' fees for time incurred with the representation of the Association, together with all costs incurred including, but not limited to, fees and charges for filing fees and recording fees, service of process, document reproduction, postage, investigator's services, and title reports, promptly upon receipt of the monthly invoice.

3. **Due Date.** The due date for assessments shall be the 1st day of each month ("due date").

4. **Late Charges and Interest.** The Association shall levy against any account where the assessment is not paid in full within 10 days of its due date a late charge of \$25.00 plus interest at 12% per annum on the delinquent sums, which the Association is authorized and directed to charge to and collect from any delinquent owner.

5. **Manager's Charges.** Management Company ("Manager") charges that are incurred in the collection of a delinquent account (including ledger update fees) and the charges that constitute additional charges outside the Association's normal monthly charges with the Manager may be levied as assessments, as defined under Washington law, against that delinquent account.

6. **Application of Payments Received.** The Association will apply any payment received on an account first to the oldest outstanding debt on the account, whether the debt was incurred from monthly assessments or other assessments (including late fees, interest, and attorney's fees and costs). But any payments made on an account that has a judgment

and that does not bring the account current as of the date of the payment, will be applied first to the unsecured debt.

7. **NSF Charges.** There is hereby levied against any account on which a check is returned by the bank for non-sufficient funds or for any other reasons a \$35.00 per check charge, plus any fees charged by the bank and a \$10.00 charge to cover the Association's administrative fees for handling any returned check.

8. **Notice of Unpaid Assessments.** The Association will send to any owner who is 30 days past the due date in the payment of regular assessments, reserve assessments, capital assessments, special assessments, or other charges authorized by the Association's governing documents ("Assessments"), a written statement of the delinquent balance.

9. **Turnover to Attorney or Collection Agency.** The Association is directed to forward any account that is 90 days or more delinquent to the Association's attorney or collection agency for appropriate collection action. The Association's attorney or collection agency will be requested to send out appropriate collection letters demanding payment from the owner. If payment is not received after the demand letter, the Association may record a notice of claim of lien against the delinquent owner's lot and thereafter, with Board approval, may file suit for collection and/or foreclosure of the lien. The Association shall assess all collection expenses, including attorneys' fees, to the delinquent owner's account.

10. **Bankruptcy Notices.** The Association is directed to consult with the Association's attorneys and forward for collection any account where the owner files or is the subject of a petition for relief in bankruptcy or a lender has commenced any action for foreclosure of its lien against the lots.

11. **Policies after Turnover to Attorney or Collection Agency.** The following policies apply to all delinquent accounts forwarded to the Association's attorneys or Collection Agency (as appropriate) for collection:

11.1 **No Contact with Delinquent Owner about Accounts.** After turnover of the account to the Association's attorneys, all contracts and contacts with a delinquent owner must be handled through the Association's attorneys. No Association officer, director, bookkeeper, or manager may discuss the collection of the account directly with a delinquent owner unless one of the Association's attorneys is present or has consented to the contract or contact.

11.2 **Payments.** All sums collected on a delinquent account must be remitted to the Association in care of the Association's attorneys or collection agency (if used) until the account has been brought current. If the Association or Manager receives payment directly, a copy of the payment must be immediately forwarded to the attorney by email.

11.3 **Attorney's Fees and Costs.** All legal fees and costs incurred in the collection of a delinquent account will be assessed against the delinquent lot owner and will be collectable as an Assessment.

11.4 Payment Plans. With Board approval, the Association's attorney may enter into a payment plan agreement on the Association's behalf with the delinquent owner.

11.5 Authorizations. If, at the expiration of the period specified in the Association's attorney's demand letter, an account remains delinquent and without a written payment plan, or in the event of a default under terms of the payment plan, the Association's attorney is authorized to take further action in the best interest of the Association, including but not limited to:

11.5.1 Notice of Claim of Lien. Recording a notice of claim of lien against the delinquent owner's lot.

11.5.2 Proof of Claim and Objection to Chapter 13 Plan. Filing a proof of claim in bankruptcy including associating bankruptcy counsel to assist.

11.5.3 Suit for Money Judgment and Lien Foreclosure. After consultation with the Board, instituting a lawsuit for a money judgment and foreclosure of the Association's lien.

11.5.4 Garnishment. After judgment is obtained, garnishing rent, bank accounts or paychecks.

11.5.5 Investigation. Hiring an investigator to locate any individual or assets.

11.5.5 Foreclosure Guarantee/Title Report. Ordering a Foreclosure Guarantee from a title company.

This Resolution was adopted by the Board of Directors on Apr 30, 2024, 2024, and is effective the day it is posted on the Association's Manager's website or the date of mailing to the Owners. This Resolution replaces and supersedes any previously established collection resolutions or policies of the Board of Directors.

**GREEN MOUNTAIN PHASE 1
HOMEOWNERS ASSOCIATION**

By: Amanda Bell
Amanda Bell (Apr 30, 2024 10:31 PDT)

President

By: Katelyn M. Knoetzel
Katelyn M Knoetzel (May 1, 2024 09:37 PDT)

Secretary