

POLICY A

Community Association Assessment & Late Fee Policy (Adopted by Resolution of the IHCA BOD January 24, 2018)

This policy incorporates and/or supersedes resolution 09-008 IHCA Late Fee Policy and all prior policies, but in no way negates any specific stipulations in the governing documents.

- a) *LATE FEE/INTEREST:* Late fees shall be applied according to the Late Fee Assessment Schedule (*below*) and in accordance with Section 8.7 of the CC&Rs and/or subsequently implemented Consent to Actions by the Board. Additionally, interest shall accrue at a rate of 12% per annum from the due date of the assessment on all balances over 40 days past due. Interest shall continue to accrue until the account is brought current. All assessments, together with late fees, interest, costs and attorneys' fees are the personal obligation of each owner and constitute a lien upon the unit until paid in full.
- b) *NSF CHECKS/ACH:* Any payment (whether check or an ACH/Direct Debit) returned due to insufficient funds, stop payment, or any other reason will be re-deposited as allowed by bank policies and procedures. A \$50.00 administrative fee will be assessed to the account for each returned payment.
- d) *PAYMENT PLANS:* When the financial situation of a homeowner necessitates an alternate payment plan, a temporary payment schedule may be approved by the Board. Prior to acceptance of an alternative payment plan by Management as authorized by the Board, the homeowner will be required to sign an agreement outlining the temporary payment plan schedule. All applicable late fees and/or interest will continue to accrue and will be included in the payment plan total until such a time that the balance is paid in full.
- e) *LEGAL ACTION:* Assessments and fines, together with late fees and interest, constitute a lien against the property and are the personal debt of the owner(s). The Community Association may, on accounts 40 days or more past due, turn the account over to a collection agency and/or legal counsel for collections. However, the Association may refer the matter to an attorney at any time when it learns of a potential or actual foreclosure or bankruptcy involving the Community Association property or owner(s), or where other good cause exists for turnover to counsel. Any attorneys' fees or costs incurred in collecting the delinquent assessment will be assessed to the owner's account and will be collectible as an assessment.

f) **PROPERTY LIEN:**

While the delinquent amounts constitute an automatic lien from the date the amounts are due per Section 8.8 of the CC&R's, the attorney or Association's agent is authorized to record a notices of lien against the property with King County identifying the amount then delinquent. The delinquent owner(s) will be assessed the attorneys' fees and cost incurred in preparing and recording the notice of lien.

g) **FORECLOSURE:**

Non-payment of an account, which includes but is not limited to assessments, fines, fees, and interest, may result in foreclosure of the Association's automatic lien, as provide by the CC&R's.

***HOMESTEAD PROTECTION:** As required by the State of Washington, homeowners are hereby notified that the Homestead Protection provided by Chapter 6.13, Revised Code of Washington, shall not apply in the event of an execution or forced sale in satisfaction of judgments obtained on debts secured by the Issaquah Highlands Community Association lien.*

Collection Procedure:

Except where necessary, the Executive Director will, without further direction from the Board, implement notice and collection action based on the following Late Fee Schedule:

Delinquency	Monetary
10 Days	Late Fee \$25.00
40 Days	Late Fee \$50.00
Every 30 days following 40 Days	Late Fees \$50.00; maximum total late fee \$575 (within a twelve-month period)
Delinquency	Action
40 Days	<p>The following actions may (but are not required to be) taken when an account is 40 or more days' delinquent:</p> <ul style="list-style-type: none"> • Interest will be assessed at a rate of 12% per annum from the due date of the assessment until the account is brought current. • Record a paper lien against the property with King County. • Send Demand Letter to Owner stating the amount of the delinquency and demand payment. • Refer the delinquent account to an attorney or collection agent for collections. However, the Association may refer the matter to an attorney at any time when it learns of a potential or actual foreclosure or bankruptcy involving the Community Association property or owners, or where other good cause exists for turnover to counsel. <p>*Any attorneys' fees or costs incurred in collecting the delinquent assessment will be assessed to the owner's account and will be collectible as an assessment.</p>
120 Days	<p>The following actions may (but are not required to be) taken when an account is 120 or more days' delinquent:</p> <ul style="list-style-type: none"> • The Association or its attorney may commence a

	<p>lawsuit against the owners on the personal obligation to pay assessments and/or to foreclose the Association's statutory lien for assessments.</p> <ul style="list-style-type: none"> • If the Association obtains a money judgment, the Board may pursue post-judgment remedies, such as garnishments or property liens, upon the advice of counsel and in consideration of the Association's best interests. <p>*Any attorneys' fees or costs incurred in collecting the delinquent assessment will be assessed to the owner's account and will be collectible as an assessment.</p>
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COLLECTION PROCEDURE EXCEPTION: As required by law, upon receipt of Notice of Bankruptcy proceedings, all collection efforts for amounts due up to the date of filing will cease. The Board will investigate and pursue legal collection of past due funds through the bankruptcy process. Current/future assessments will be invoiced and payable as stated above for all amounts unrelated to the bankruptcy proceedings.

Deviations from, or failure to act under this Collections Policy 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.

Approved by affirmative vote of the Board of Directors on January 24, 2018

Walt Bailey
 IHCA Secretary