

# LAKELAND HILLS HOMEOWNERS ASSOCIATION

## DUES, FEES, FINES AND SPECIAL ASSESSMENT DELINQUENCY POLICY

The Board of Directors of the Lakeland Hills Homeowners' Association has adopted the following policy related to payment of dues, fees, fines and other assessments, delinquency of amounts owed, and schedules of current fees and fines, as allowed for in the Declaration of Covenants, and Restrictions of Lakeland Hills and RCW 64-38-020.

### **Purpose:**

The Board of Directors recognizes the importance of collecting annual Association dues and other assessments in order to promote the financial health, safety and welfare of the members.

The purpose of this policy is to ensure that Association dues and other assessments are collected in a timely and consistent manner. This ensures a uniform and systematic procedure for collecting assessments and other charges of the Association, thus ensuring the financial well-being of the Association.

### **Policy**

1. Assessments shall be defined as any and all dues and special assessments, late charges, collection costs, (including but not limited to any attorney's fees) and any other fees as set forth in the below section titled "Association Assessment Fee Schedule". All such assessments shall be the personal obligations of the property owner at the time the assessment or other sums are levied.
2. **DUES and ASSESSMENTS:** Regular assessments are due and payable on the first day of each year (Jan1st). Courtesy billing statements will be mailed to the last registered mailing address on record with the Association prior to the due date. However, it is the owner of record's responsibility to pay each assessment by Jan 1st, regardless of whether a statement is received. All other assessments, including special assessments, are due and payable on the date specified by the Notice of Assessment, or other such titled invoice or document, and shall not be less than thirty (30) days after the date of notice.
3. Any payments made shall be first applied to assessments owed, and only after the assessments owed are paid in full, shall such payments be applied to late charges, and collection expenses, including attorneys' fees, unless the owner and the Association enter an agreement providing for payments to be applied in a different manner.

4. **LATE FEES:** Assessments, Dues, Fines, or other amounts due and not received within fifteen (15) days of the stated due date are delinquent and shall be subject to a late charge of fifteen dollars (\$15.00) for each delinquent assessment. An additional fifteen dollar (\$15.00) charge will be made against the member's account; for each month the due, assessment, and other such fee shall remain unpaid.
5. If a special assessment is payable in installments and an installment payment of that special assessment is delinquent for more than thirty (30) days, all installments will be accelerated and entire unpaid balance of the special assessment shall become immediately due and payable. The remaining balance shall be subject to a late charge.
6. If an owner fails to pay the full amounts within ninety (90) days of the original due date, the Association may, at its discretion, authorize and turn over to its retained independent third party collection agent to collect all amounts owed and due from the delinquent member. Such amounts shall include, but not be limited to, dues, special assessments, late charges, interest, and any collection costs which may be levied by either Association and/or the collection agency. The Association shall empower and authorize the collection agent to take all reasonable attempts to enforce such collection action against the delinquent member's account as allowed and permitted under applicable state and federal law. The action shall not limit, in any way, the Association's rights as set forth in the provisions of the CC&R's, Article VI-Section 9, to record a lien for the amount of any delinquent assessments, late charges costs of collection, including attorney's fees, against the owner's property.
7. **ARCHITECTURE CONTROLS VIOLATIONS:** Architecture controls, as established by Amended Declaration of Covenants and Restrictions sets forth and authorizes the Board of Directors to establish policies and procedures. Such authorization shall including enforcement of such regulations, identification of violations, and assessment of fees when necessary. Under this framework the Board of Directors or its agent will generally attempt to contact the owner by phone, or personal visit to notify them of any violations of the covenants, and seek prompt voluntary compliance, unless in the Board's or its Agent's judgment prompt voluntary compliance is unlikely. The Board or its Agent's will not be expected to make repeated attempts to contact the Owner. If voluntary compliance is not otherwise obtained then the following procedures shall apply to such architectural control violations.
  - a) The Association will provide a written Deficiency Checklist by hand or by first class mail to the last known address of the owner, stating the nature of the violation(s). This notice shall establish the required date of compliance, not to exceed forty five (45) days, and shall state failure to so comply will result in assessment of fines and/or other enforcement action.
  - b) The Deficiency Checklist will identify both deficient items which will require action within the forty five (45) day stipulated period, and

Remediation Plan items that require an immediate response and associated plan within the forty five day (45) days of receipt of the Checklist.

- c) In addition to any enforcement action the Association may take, if the owner fails to cure the violation by the date set forth or extended by the Board of Director's or its agent at a special hearing shall, at the end of the forty five (45) day period initiate a fine of ten (\$10.00) dollars per day which will be assessed the responsible Homeowner account.
  - d) After a period not to exceed sixty (60) days is reached a lien will be processed by the Associations Attorney. If and when the delinquent account is turned over to the Association's Attorney the Owner will be notified in writing. Attorney's fees, court costs and monthly collection service fees will also be assessed.
  - e) If the delinquent account is turned over to the Association's Attorney the delinquent owner shall communicate with the Association's Attorney directly, and shall make all payments, including attorney's fees to the Association's attorney until the delinquent owner brings their account current. The Board of Director's will also decide, in consultation with the Association's Attorney, what further steps, if any, the Association needs to take to protect the community's best interests.
  - f) Once the account is paid in full and current (including pre-payment of the Lien Release Fee) the lien will be released within five (5) business days.
8. **NSF/RETURN CHECK FEE:** Any owner whose check is dishonored or otherwise returned by the bank will incur a thirty five (\$35.00) dollar check charge.
9. **TITLE TRANSER FEE:** Transfer of Title Fees shall be assessed to all new property owners at the time escrow closes on the transfer of ownership or when such ownership change, as established by King County property tax records. The amount of such fee shall be a two-hundred (\$200.00) dollars.
10. If an owner fails to pay the full amounts within one-hundred-eighty days (180) days of the original due date, the Association, at its discretion, may authorize the Associations Attorney to record a lien for the amount of any delinquent assessments, late charges costs of collection, including attorney's fees, against the owner's property. The owner will be charged for the fees and costs of preparing and recording the lien. Thirty (30) days following recordation of the lien, the lien may be enforced in any manner permitted by law, including, without limitation, judicial or non-judicial foreclosure.
11. If an owner, within thirty (30) days from the date of recordation of the lien, pays to the Association, under protest, all amounts required (the amount of

assessments, late charges, all fees and costs to date of preparing and filing the lien, including attorney's fees, not to exceed the statutory allowance), the owner may request resolution of the assessment disputes by Association Due Process Resolution, by civil action, or by other procedures available through the Association.

12. An owner is entitled to inspect the Association's accounting books and records to verify the amounts owed. Notice of intent must be received 72 hours in advance by the Association Board of Directors.
13. In the event it is determined that the owner has paid the assessments on time, the owner will not be liable to pay the charges, and costs of collection associated with the collection of those assessments.
14. Any owner who is unable to pay assessments will be entitled to make a written request for a payment plan to be considered by the Board of Directors. An owner may also request to meet with the Board of Directors in executive session to discuss a payment plan. The Board of Directors will consider payment plan requests on a case-by-case basis and is under no obligation to grant payment plan requests.
15. Nothing herein limits or otherwise affects the association's right to proceed in any lawful manner to collect any delinquent sums owed to the Association.
16. Prior to the release of any lien, or dismissal of any legal action, all assessments, late charges, and costs of collection, including attorney's fees, must be paid in full to the Association.
17. All charges listed herein are subject to change upon thirty (30) days prior written notice.
18. The mailing address for overnight payment of assessments is:  
Lakeland Hills Homeowner's Association  
PMB #260  
1402 Lake Tapps Parkway SE- Suite F104  
Auburn, WA, 98092-8157

**19. Association Assessment Fee Schedule:**

- Annual Homeowner Dues: \$50.00 per year
- Special Assessments: Currently None
- Late Charges(see note): \$15.00 per month
- Architectural Out of Compliance Fee: \$10.00 per day
- Transfer of Title Fee: \$200.00
- Non-Sufficient Funds/Returned Checks Fee: \$35.00

**Note:** Late charges apply to any and all outstanding fees for which a homeowner owes the Association including but not limited to Annual Dues, Title Fee's, NSF/Return Check Fee, Architectural Compliance Fee.