



## COLLECTIONS POLICY

WHEREAS, the Board of Directors of Lake Entiat Lodge, Associated (the “*Association*” or “*corporation*”) is charged with the responsibility of collecting dues, fees, and special assessments from its members pursuant to Article IV of the By-Laws of Lake Entiat Lodge, Associated (the “*By-Laws*”); and

WHEREAS, from time to time members become delinquent in their payments of these assessments and fail to respond to the demands from the Board to bring their accounts current; and

WHEREAS, the Board deems it to be in the best interests 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 interests of the Association to refer these accounts promptly to a collection agency for collection so as to minimize the Association’s loss of assessment revenue.

THEREFORE, BE IT RESOLVED AS FOLLOWS:

**1. Collection of Assessments.** The Association shall pursue collection of all delinquent dues, fees, assessments and other charges authorized by the Association’s governing documents (“*Assessments*”) and shall use all reasonable and lawful methods as are deemed prudent to collect such delinquent Assessments.

**2. Interest; Fees.** In accordance with Section 3.A of Article IV of the By-Laws, any Assessment not paid within 30 days of its due date shall accrue interest at 12% per annum or the maximum rate allowed by law, whichever is higher, on the unpaid balance from the due date until paid (prorated, if needed, on a daily basis). Additionally, the Association shall charge the following fees for any unpaid Assessment, as appropriate:

**a. Late Fee:** \$50 will be assessed on the 15th day after the due date; then every month thereafter until paid. For example, an Assessment is due January 1 and if not paid by January 15th, a late fee of \$50 per month will be assessed on the 15<sup>th</sup> day of every month thereafter beginning January 16<sup>th</sup> until the Assessment is paid.

For the avoidance of doubt, if multiple Assessments are due on the same due date, they will be treated as a single Assessment for late fee purposes. Furthermore, interest will not accrue on the late fee imposed.

**b. Release of Lien Fee:** Costs of preparing, recording, and forwarding (if necessary) the Release of Lien.

**3. Collection Agent.** The manager of the Association (“*Manager*”), acting on behalf of the Association and at the direction of the Board, shall employ the services of a collection agent (collectively, the “*Collection Agent*”) and other related professionals, as needed, to carry out this resolution.



**4. First Notice.** The Manager is directed to send to any member who is 15 days delinquent in the payment of any Assessment, a written notice (“*First Notice*”) informing the member (a) of the amount of the delinquent Assessment, (b) imposition and amount of the Late Fee (c) request for immediate payment; (d) that interest will start accruing on the 30<sup>th</sup> day and that if such amount is unpaid more than 30 days after the original due date, the member’s access keycard(s) for the clubhouse will be deactivated and any further privileges of the corporation shall be denied

**5. Second Notice.** The Manager is directed to send to any member who is 60 days delinquent in the payment of any Assessment written notice (“*Second Notice*”) informing the member (a) that if the account is not paid in full within 15 days of the date of the Second Notice, a Notice of Claim of Lien will be recorded on title to the lot of the delinquent member, (b) that the delinquent member will be liable for payment of all fees and costs for preparing, recording and forwarding the Notice of Claim of Lien. (c) Additionally, water service will be denied to the property and a reconnection fee of \$50 will be charged when account is made current. Reconnection of water service will be schedule during regular work hours, (d) that the member has 15 days from date of the Second Notice to request a hearing before the Board.

**6. Hearing.** The Second Notice shall state that any request for a hearing with regard to the delinquent Assessment, including all reasons why the Board should not take collection action, must be submitted in writing to the Board before the Assessment becomes 75 days delinquent. If a request for a hearing is not so submitted, the member’s right to a hearing shall be deemed as waived.

**7. Notice of Claim of Lien.** The Manager is directed to file a Notice of Claim of Lien against the delinquent member’s lot as described in the Second Notice if the member’s assessments remain delinquent for 15 days after the date of the Second Notice.

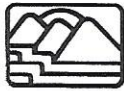
**8. Third Notice.** The Manager is directed to send to any member who is 90 days delinquent in the payment of any Assessment a written notice (“*Third Notice*”) that if the account is not paid in full within 10 days of the date of the Third Notice, it will be turned over to the Collection Agent for collection.

**9. Referral of Accounts.** The Manager is directed to refer any account that remains delinquent for 10 days after the date of the Third Notice to the Collection Agent for collection.

**10. Member Bankruptcy; Foreclosure.** The Manager is directed to consult with the Board to make a determination to take action immediately on 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 against the lot.

**11. Collection Policies.** The following policies shall apply to all delinquent accounts turned over to the Collection Agent for collection:

- a. All contacts with a delinquent member shall be handled through the Collection Agent. Neither the Manager nor any Association officer or director shall discuss the collection of the account directly with a member after it has been turned over to



the Collection Agent unless the Collection Agent is present or has consented to the contact.

- b. The Manager will maintain monthly contact with the Collection Agent and provide information to the Board as deemed appropriate.

12. Actions Timeline

	Days From Payment Due Date					
1 <sup>st</sup> Day	15 <sup>th</sup> Day	30 <sup>th</sup> Day	60 <sup>th</sup> Day	75 <sup>th</sup> Day	90 <sup>th</sup> Day	100 <sup>th</sup> Day
Payment Due Date	1st Notice	Interest Starts	2 <sup>nd</sup> Notice	Lien Filing	3 <sup>rd</sup> Notice	Forward to Collection Agent
	Monthly Late Fees Start	Privileges Suspended		Water Stopped		

13. **Notice to Members.** A copy of this resolution shall be sent to all members at their last known address.

This resolution was adopted by the Board of Directors on March 21, 2015.

  
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 President, Dan Russell

ATTEST:   
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 Treasurer, J. Martin Anderson

Revision: Original

Review: Every two years or as required.

Corrections or Amendments may be submitted to the Association Treasurer.