

## **Lake Limerick Country Club, Inc. Collection Policy**

Prompt payment of Assessments by all Owners is critical to the financial health of the Lake Limerick Country Club Association ("Association") and to the preservation and enhancement of the property values of our homes. Your Board of Directors takes its obligations under the Association's governing documents and Washington State law to enforce the members' obligations to pay Assessments very seriously. The policies and practices in this Collection Policy supersede any existing policies and/or resolutions pertaining to collections, and shall remain in effect until the Board adopts an updated Collection Policy. All Association actions referenced in this policy may be taken by a Board member or by the Association's Manager ("Manager"), if authorized by the Board.

**1. Payment of Assessments.** Regular and Special Assessments, late fees, interest charges, and collection costs, including attorneys' fees and management fees, are the personal obligation of the Owner of the Lot at the time the Assessment or other charge is due as provided by law. It is the Owner's responsibility to pay each Assessment in full regardless of whether the Owner receives a payment statement or payment coupon. An Owner may not withhold Assessments owed to the Association on the alleged grounds that the Owner is entitled to recover money or damages from the Association for some other obligation.

**2. Association Lien.** Delinquent amounts automatically create a lien against the Lot even before the Association records a written lien. The Association has the right to record a lien against the Lot whenever the Owner's account is past due as provided by law, and nothing in this Collection Policy shall limit or otherwise affect the Association's right to record a lien against the Lot to protect and provide public notice of the Association's interest in the Lot.

**3. First Late Fee & Delinquency Notice.** Regular Assessments are assessed against each Lot on the third (3rd) of each month, and become due and payable immediately. All other Assessments, including Special Assessments and Utility Assessments, are due on the date specified by the Board. An account becomes delinquent when a monthly Assessment is not paid in full before the last day of the month, and/or when a Special Assessment is not paid by its due date. A delinquent account will incur a late fee of \$50 or 5% of the delinquent amount, whichever is less, on the date the account becomes delinquent.

The Association will send a notice to the Lot Owner within 30 days of the first unpaid assessment, informing the Lot Owner of the status of that Owner's account, the late charge, and the steps the Association will take if the Owner does not immediately pay the full amount due. The notice will also contain the following statement: "Nonpayment of your Assessments may lead to a lawsuit to foreclose on the Association's lien against your Lot. The homestead exemption under Chapter 6.13 of the Revised Code of Washington will not apply in an

action to foreclose on an Association lien." The Association will also include in the first notice of delinquency a pre-foreclosure Notice of Delinquency that complies with the Association's governing statute.

**4. Second Late Fee & Delinquency Notice.** If a Lot Owner remains delinquent, and provided the Association has complied with statutory notice requirements, the Association will charge a \$30 late fee on the 15<sup>th</sup> of the second month. The Association will also send the Lot Owner a second written notice of delinquency reminding the Lot Owner of the status of that Owner's account. The second notice will also inform the Owner that if the account is not paid in full within 90 days of when the delinquency arose, it will be turned over to the Association's Attorney ("Attorney") for collection; a lien will be recorded against the Lot; and the Lot Owner will be liable for all fees and costs associated with collecting on a delinquent account.

**5. Third Late Fee & 90-Day Notice of Delinquency.** If a Lot Owner remains delinquent, and provided the Association has complied with statutory notice requirements, the Association will charge another late fee to the Owner's account. The Association will also mail to the Owner a second pre-foreclosure Notice of Delinquency that complies with the Association's governing statute.

As provided by Article II of the Bylaws, the Board of Directors may deem a Lot Owner as "Member Not In Good Standing" if they are more than 90 days delinquent in their payments or have not agreed and adhered to a repayment agreement.

**6. Ongoing Late Fees, Interest, and Other Charges.** Provided the Association has complied with statutory notice requirements, every account with an outstanding balance shall be subject to a monthly late fee of \$30. Interest at the rate of 12% per annum shall be collected on all outstanding balances, including but not limited to late charges and legal fees. Interest charges will be assessed starting 15 days after the first written notice of delinquency is sent to the Owner and will be assessed each month until the account is brought current.

**Starting 15 days after the first written notice of delinquency required by statute is sent to the Owner, the Association may take one or more of the following steps:**

**7. Referral to Association Attorney.** If an account remains delinquent for 90 days, the Board may refer the account to the Attorney. Additionally, the Board may consult with the Attorney at any time when the Lot Owner has filed for bankruptcy or is the subject of a petition for relief under the bankruptcy code; a lender has started a foreclosure action against the Lot; or any other legal action has commenced against the Lot. Once an account has been referred to the Attorney for collection, the Association will cease sending delinquency notices and account statements to the delinquent Owner, and may instead send any such notices to the Attorney.

- 8. Assessment of Attorneys' Fees and all Collection Costs.** All Attorneys' fees and costs incurred in the collection of past due Assessments shall be assessed against the delinquent Owner's account and shall be collectible as an Assessment. This includes but is not limited to any fees paid to the Association because of the Owner's delinquency.
- 9. Utility Termination.** As provided by Article II of the Bylaws and subject to Washington Law, the Association may terminate utilities provided by the Association to the delinquent owner's property. Ten (10) days' written notice of utility termination will be mailed to the property address and physically posted at the property. All costs associated with utility termination (including costs to reconnect utilities) are the responsibility of the delinquent Lot owner and shall be assessed against the delinquent Lot owner's account.
- 10. Foreclosure.** As provided by Section IX(D) of the Bylaws, if an owner fails to respond to the Attorney, the Board of Directors may decide to foreclose on the Association's lien. The owner could lose ownership of the property if a foreclosure is completed, and will be responsible for significant additional attorneys' fees and costs if a foreclosure is started against the owner's property.
- 11. Appointing a Receiver.** As provided by statute, if a foreclosure lawsuit has been filed, the Association may request that the Court appoint a Receiver to take possession of a property that is not occupied by the Owner. The Receiver has the authority to refurbish and rent out the property on behalf of the Association.
- 12. Right of Access to Certain Common Areas.** As provided by Section II(A) of the Bylaws, the Association may restrict a delinquent Owner's access to parks, clubhouses, lounge, restaurant or any other common areas not necessary for the Owner to access their property.
- 13. Voting Rights.** As provided by Section II(B) of the Bylaws, the Association will restrict a delinquent Owner's right to vote until the Owner's account is paid in full.

### **General Provisions**

- 14. Payment Plans & Communication with Delinquent Owners.** Once an account is placed with the Attorney for collection, all contacts with the delinquent Owner should be handled through the Attorney. If an owner requests an accounting from the Association or its Manager, the Owner should be referred to the Attorney. Should the Association or its Manager provide the Owner with an account ledger or balance due while the Attorney is handling the Owner's account, any such statement shall not bind the Association. The Owner may not rely on a statement of account from any source other than the Attorney so long

as the Attorney is handling the Owner's delinquency.

Any revisions of the amounts demanded of the Lot Owner and/or any payment plans proposed by the delinquent Owner should be handled through or immediately communicated to the Attorney. The Board will consider payment plan requests on a case-by-case basis and with the advice of the Attorney. The Board is under no obligation to grant payment plan requests. Payment plans shall not interfere with the Association's ability to record a lien against the Lot.

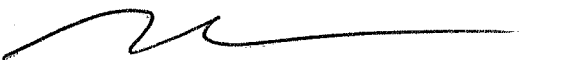
**15. Payments Received from Delinquent Owner.** All payments received will be applied to the oldest amounts due first, as is the Association's standard practice. At the Board's discretion, payments may be applied differently if such application is in the Association's best interest. All payments collected from delinquent Owners during the collection process shall be made out to the Association, but mailed or delivered to the Attorney's office so that the Attorney can keep accurate, up-to-date records of the remaining amounts due. If the Association receives payment from a delinquent Owner after the file has been referred to the Attorney, the Association will provide a copy of the payment to the Attorney before depositing it in the Association's account. Only upon approval from the Attorney should any payment be deposited.

**16. Waiver & Additional Collection Action.** Nothing in this Collection Policy limits or otherwise affects the Association's right to proceed in any lawful manner to collect any delinquent amounts owed to the Association. Specifically, the Association retains the right to refer a delinquent account to the Attorney at any time. The Association's failure (or the failure of any agent of the Association) to comply with any provision of this policy shall not be viewed as a waiver of the Association's right to proceed to collect delinquent assessments in any lawful manner.

**17. Effective Date.** This policy was adopted by resolution of the Board of Directors on August 16, 2025 and has an effective date of October 1, 2025.

**18. Date of Publication.** A copy of this policy was mailed to all Owners via regular US Mail on or before August 16, 2025.

SIGNED this 10 day of September, 2025 by Mike Berni, President of the Board of Directors for Lake Limerick Country Club, INC.



Name: Mike Berni

Title: LLCC Board of Directors, President