



HAWTHORNE STATION
HOMEOWNER'S
ASSOCIATION

ASSESSMENTS PAYMENT
AND COLLECTION POLICY

Hawthorne Station Homeowners Association

The Association's economic well-being relies on the timely payment of assessments and other allowable charges. As it is the Board's responsibility, as defined in the By-Laws of the Association and the Declarations, as defined in the Resolution to use its best efforts to collect funds owed to the Association, the following policies and procedures have been adopted by the Board of Directors of the Hawthorne Station Homeowners' Association.

TABLE OF CONTENTS

1. General (Annual) Assessments	3
2. Implementation and Administration	3
3. Amounts Payable to the Association	3
4. Payment Schedule	4
5. Payment Installment Plans	4
6. Late Fees	5
7. Lien Filing	5
8. Collection Letters and Services.	5
9. Other Costs of Collection	6
10. Ongoing Evaluation	6
11. Special Assessments	7
12. Legal action	7
13. Lien	7
14. Foreclosure	7
15. Homestead Protection	8
16. Collection Procedure, Time Frame, and Implementation	8
17. Assessment Schedule of Fees	10

1. GENERAL (ANNUAL) ASSESSMENTS

Amount of general assessments: As of July 1st, 2021, the amount of general (annual) assessments to be paid annually by each homeowner is \$350.00. The assessment amount may be changed by the board of directors under the authority of, and as permitted by the Hawthorne Station HOA governing documents, without update to this document.

Payment of general assessments: General (annual) assessments are to be paid in advance once a year on or before July 1st. A statement of general (annual) assessments owing will be mailed to each homeowner no less than 25 days prior to the first day of the prior month.

2. IMPLEMENTATION AND ADMINISTRATION

The Board of Directors will implement this Collection Policy and administer its requirements with consistency and fairness.

3. AMOUNTS PAYABLE TO THE ASSOCIATION

Amounts payable to the Association from homeowners within the Development pursuant to the terms of the Declarations include, but are not limited to, the amounts set forth in the Declaration for such Development, and include but are not limited to the annual lot assessment, special assessments, rules enforcement fees, architectural control fees, repairs to the common area that are an owner's responsibility, legal fees and other costs (all collectively referred to as Assessments) associated with collection of the Assessments on behalf of the Association.

4. PAYMENT SCHEDULE

- a. Annual Lot Assessments are due on or before July 1st each year.
- b. Annual Lot Assessments not paid on or before July 31st are deemed delinquent
- c. All other assessments and fees are due 30 days from the date of the notice.
- d. Payments received are applied to the oldest charge first.

5. PAYMENT INSTALLMENT PLANS

- a. Homeowners may choose to pay their dues on a 3-month installment plan.
- b. Agreement forms are available from the Treasurer and must be approved by the Treasurer and one other member of the Board of Directors without prejudice and according to the qualifications for approval.
- c. 1/3 of the assessment amount must be received by July 31st, August 31st, and September 30th.
- d. Failure to pay an installment by the scheduled due date nullifies the agreement and the remaining balance is due immediately.
- e. Homeowners on installment plans will receive no invoices after the first assessment notice (unless their account becomes in default).
- f. To qualify for a payment installment plan, homeowners must be in current good standing with the Association, no outstanding balance due, no late payments fees assessed for the previous twelve months, and no liens (released or currently active due to the Association or any other entity as recorded with Snohomish County) for the past twenty-four months as of the assessment due date.
- g. The Board of Directors reserves the right to waive qualifications due to hardship or when it is determined by the Board of Directors to be the most appropriate course of action to collect assessments in a timely manner.

6. LATE FEES

- a. If an Assessment or any portion thereof is not paid within (30) days of its due date, the balance owing will then start to accrue fees.
- b. A \$30.00 returned check fee will be applied to the homeowner's account for any check returned by the bank.
- c. Late charges, costs of collection, including attorney's fees and returned check fees shall be the personal obligation of the delinquent owner and shall also be secured by an assessment lien against the Lot of the delinquent Owner.
- d. All late charges, costs of collection, and other fees are due and payable immediately, without notice.

7. LIEN FILING

- a. If the Association records a lien against the lot of a delinquent Owner(s) with the Snohomish County Recorder's office, all costs and attorney's fees the Association incurs for preparation, recording and satisfying the lien(s) shall be the personal obligation of the delinquent Owner(s) and shall also be secured by the assessment lien against the Lot of the delinquent Owner(s).
- b. The Board of Directors of the Association shall determine the charge associated with preparation of and recordation of the lien.

8. COLLECTION LETTERS AND SERVICES

- a. The Association may cause, but shall not be required, to send a "late notice" to the delinquent Owner(s).
- b. The Association may simultaneously send a copy of the notice to the mortgage lender of the property or to the contracted real estate agent or broker if the home is for sale.
- c. If the Association refers a delinquent account to an attorney or collection agency for collection of assessments from a delinquent Owner(s), the

attorneys' fees and/or costs of collection incurred will be the personal obligation of the delinquent Owner(s) and will be secured by the assessment lien against the Lot of the delinquent Owner.

- d. Upon referral to an attorney or collection agency, the attorney or agency shall take all appropriate action, including foreclosure, to collect the accounts referred.

9. OTHER COSTS OF COLLECTION

Should the Association incur charges for the following; the charges may become the personal obligation and/or be secured by an assessment lien against the Lot of an owner:

- a. Fees charged by an agent or representative of the Association to collect funds payable to the Association
- b. Owner bankruptcy
- c. Foreclosure action or deed in lieu of foreclosure
- d. Notification, filing and satisfying liens
- e. Enforcement of the Association's Rules, Bylaws, Declaration or Policies
- f. Litigation
- g. Coordinating repairs to the Association's common areas that result from the acts of owners, their tenants or guests

10. ONGOING EVALUATION

Nothing in this Resolution shall require the Association to take specific actions other than to notify homeowners of the adoption of these policies and procedures. The Association has the option and right to continue to evaluate each delinquency on a case-by-case basis.

11. SPECIAL ASSESSMENTS

When levying any special assessment in accordance with Article 7, Section 4 of the CC&Rs, the Board will establish installment amounts and payment due dates. Pro-ration of prepayments and transfer of accounts will be handled as stated in the preceding sections. Special assessments will be reflected on the statement mailed to homeowners.

12. LEGAL ACTION

Assessments constitute a personal debt, and the Association may, on an account delinquent 60 days or more turn the account over to an attorney or to a collection agency who may pursue any and all remedies authorized under the Hawthorne Station governing documents and applicable Washington law in recovering the delinquent assessments, plus late charges, attorney's fees, and costs.

13. LIEN

As specified in the CC&Rs, payment of assessments is secured by an automatic lien against title to the owner's property. The Association may record a Notice of Delinquent Assessment against title to the Lot or Living Unit owned by the owner whose assessment account is delinquent.

14. FORECLOSURE

Non-payment of assessments, which include but are not limited to general and special assessments, may result in the foreclosure of the Association's automatic lien which may further result in a Sheriff's or Trustee's sale of the Lot or Living Unit owned by the owner whose assessment account is delinquent.

15. HOMESTEAD PROTECTION

Owners 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 Hawthorne Station Homeowners' Association's lien.

16. COLLECTION PROCEDURE, TIME FRAME, AND IMPLEMENTATION

1. The Board of Directors or its agent shall mail a dues notice to all known homeowners of record by June 1st.
 - a. The Board of Directors or its agent shall address all assessment notices to known named homeowner or "current owner" and endorse the letter as "DO NOT FORWARD" so that former homeowners will not receive notices and the Board of Directors may identify the new homeowner.
 - b. While every attempt will be made to maintain current membership rolls, failure of homeowners and their respective escrow agents to report a sale may prevent invoicing to the current homeowner.
 - c. The legal homeowner as of July 1st is responsible for all assessments whether an assessment notice is received or not.
 - d. The Board of Directors or its agent shall address all assessment notices to known named homeowner or "current owner" and endorse the letter as "DO NOT FORWARD" so that former homeowners will not receive notices and the Board of Directors may identify the new homeowner.
2. Owners shall pay to the Association the Annual Lot Assessment on or before July 1st of every year.

3. An Assessment shall be deemed delinquent and a late charge will be imposed if the entire Assessment is not paid within thirty (30) days of its due date. Upon becoming delinquent:
 - a. A late fee shall be assessed as per terms of this policy.
 - b. A demand for payment may be sent to the delinquent Owner(s).
4. August 1st, first late notice sent to delinquent Owners including first late fee on outstanding balance as of July 31st.
5. September 1st, second late notice with **NOTICE OF INTENT TO LIEN** will be sent to the delinquent Owner by regular mail including second late fee on outstanding balance as of August 31st stating:

Statement of intent: "if payment is not received within 30 days, a Lien shall be recorded with the Snohomish County Recorder. The homeowner will be responsible for all fees, which may include, but are not limited to recordation and release of lien."
6. October 1st, if full payment has not been received the Association will record a Lien against the Lot of the delinquent Owner(s) with the Snohomish County Recorder.
 - a. Upon recordation with the Snohomish County Recorder, the Association shall, by regular and certified mail, send a copy of the Notice and Claim of Lien to the delinquent Owner(s) at the Owner(s) address on record with the Association.
 - b. A copy of the Notice of Lien may be mailed to the Mortgage lender with a request that the lender send a letter to the delinquent owner advising the owner of the lender's option to accelerate the mortgage debt.
7. The Association may institute an action for a personal judgment against a delinquent Owner(s) for unpaid Assessments, late charges, costs of collection, attorney's fees and other unpaid charge at any time after an

Assessment becomes delinquent. The Association may institute an action to foreclose the Assessment lien any time after the Association records a Notice and Claim of Lien against the Lot of the delinquent Owner(s).

17. ASSESSMENT SCHEDULE OF FEES

Except where noted, the HOA will implement collection action based generally on the following time-line.

Rebiling administrative fee (per late notice, maximum of one per month)	\$10.00
Late fee #1, applied August 1st	\$25.00
Late fee #2, applied September 1 st	\$50.00
Returned check fee	\$30.00
Lien administration and accounting fee (based on attorney's fees)	TBD
Lien legal fees (based on attorney and county fees and other necessary costs)	TBD