

SUN RANCH OWNERS' ASSOCIATION
Resolution of the Board of Directors — Dues Collection Policy and Procedure
RESOLUTION NO. 2026-08
Adopted: _____, 2026

WHEREAS, the Sun Ranch Owners' Association ("Association") is authorized under Article VIII of its By-Laws and Section VII(d) of the CC&Rs to levy annual assessments against each lot and to record a lien against any lot for unpaid assessments; and

WHEREAS, the Association's current annual assessment is \$137.00 per lot; and

WHEREAS, a number of lot owners have failed to pay assessments when due, and the Board wishes to adopt a clear, consistent, and fairly-applied procedure for pursuing collection; and

WHEREAS, RCW 64.38.100 requires the Association to mail a statutory notice of delinquency containing specific mandated language no later than 30 days after an assessment becomes past due, and prohibits the Association from taking any other collection action, including recording a lien, until 15 days after that notice is mailed; and

WHEREAS, the Board recognizes that the statutory lien-foreclosure threshold under RCW 64.38.100 (the greater of three months of assessments or \$2,000.00, exclusive of fines, interest, or costs) would, at the current annual assessment rate, take a delinquent owner over a decade to reach, making foreclosure impractical as a near-term collection tool; and

WHEREAS, the Board has identified Washington's Small Claims Court as a faster, lower-cost intermediate collection tool available to the Association well before the statutory foreclosure threshold is met;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Sun Ranch Owners' Association hereby adopts the following:

1. The Dues Collection Policy and Procedure is adopted and incorporated by reference.
2. The collection steps set forth in the Dues Collection Policy and Procedure — a statutory notice of delinquency, followed by lien recording, third-party collections agency referral, and/or small claims action as the Board determines for each account under the criteria in the Policy, and statutory lien foreclosure where available — are the Association's standard practice for delinquent assessments, to be applied consistently to all lot owners. Recording a lien is at the Board's discretion and is not required before a collections agency referral or a small claims action.
3. The letter templates are adopted as the Association's standard-form correspondence for each step of this Policy and are to be used, with lot-specific details filled in, for all delinquency communications.
4. The Treasurer, or another Board member designated by the President, is authorized to appear on behalf of the Association in Small Claims Court proceedings, consistent with RCW 12.40.080, which generally excludes attorneys from appearing in small claims hearings absent the presiding judge's express consent.
5. The collection-related fees and costs referenced in the Dues Collection Policy and Procedure (the notice of delinquency administrative fee, interest, lien recording costs, small claims filing fees, and collection costs) are incorporated by reference into the Association's master Fee and Fine Schedule (Resolution No. 2026-18) and are not restated here as a separate fee table.

6. This Resolution and the Dues Collection Policy and Procedure along with the letter templates are adopted, effective immediately.

7. This Resolution supersedes any prior informal or inconsistent collection practice of the Association.

ADOPTED by the Board of Directors of Sun Ranch Owners' Association on the date first written above.

President, Sun Ranch Owners' Association — Date: _____

Secretary, Sun Ranch Owners' Association (Attest) — Date: _____