

SUN RANCH OWNERS' ASSOCIATION

Resolution of the Board of Directors — Late Payment Fee and Monthly Escalation Fee

RESOLUTION NO. 2026-15

Adopted: _____, 2026

WHEREAS, the Association is a nonprofit corporation organized under the laws of the State of Washington, governed by its 1997 Bylaws and by the 1970 Restatement of Declaration of Covenants, Conditions, and Restrictions (the “CCRs”) applicable to the Sun Ranch subdivision, Okanogan County, Washington;

WHEREAS, Bylaws Article VIII, Section 3 establishes June 15 as the date on which the annual assessment becomes due and payable, and Section 3a directs the Treasurer to refer to the Board for lien action any assessment that remains unpaid as of October 15;

WHEREAS, the Board has observed that members have, in practice, treated the October 15 lien-referral date as the effective deadline for payment of the annual assessment, rather than the actual June 15 due date, resulting in a pattern of late payment that this Resolution is intended to correct;

WHEREAS, RCW 64.38.100(1)(b)(ii)(C) limits the collection costs, including any late fee, that the Association may charge during the period beginning when the annual assessment becomes past due and ending fifteen (15) days after the Association mails the statutory Notice of Delinquency required by RCW 64.38.100(1)(a)(iii), and further limits any such late fee during that period to no more than \$50.00 or 5% of the unpaid assessment, whichever is less — which, at the Association's current annual assessment of \$137.00, limits any fee charged during that period to \$6.85;

WHEREAS, the Board has determined that a Late Payment Fee and Monthly Escalation Fee triggered on and after July 2, and in no event before the statutory notice period described above has closed for the lot in question, are consistent with RCW 64.38.100(1)(b)(ii)(C), and has designed the fee structure below accordingly;

WHEREAS, Bylaws Article VI, Section 1(b) authorizes the Board of Directors to conduct, manage, and control the affairs of the Association and to make such rules and regulations as it deems best, not inconsistent with law, the articles of incorporation, or the Bylaws, and Bylaws Article VIII, Section 4 and CCR Section VII(d) authorize the Association to charge interest, collection costs, and fees on delinquent accounts as a lien against the property;

WHEREAS, the Board has separately adopted a Dues Collection Policy and Procedure and a Fee and Fine Schedule, and wishes to incorporate the fees established by this Resolution into both documents by reference;

WHEREAS, the Board wishes to give the membership advance notice of this change before it takes effect;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Sun Ranch Owners' Association hereby resolves as follows:

1. Purpose. This Resolution establishes a Late Payment Fee and a Monthly Escalation Fee to encourage payment of the annual assessment at or near its actual June 15 due date, rather than at the October 15 lien-referral date.

2. Late Payment Fee. Effective beginning with the 2027 assessment year, a Late Payment Fee of \$25.00 is assessed against any lot for which the annual assessment remains unpaid as of the later of July 2 or the

sixteenth (16th) day after the statutory Notice of Delinquency for that lot is mailed. A lot whose notice is mailed by June 16 is assessed the fee on July 2; a lot whose notice is mailed later is assessed the fee on the sixteenth day after mailing.

3. Monthly Escalation Fee. Effective beginning with the 2027 assessment year, a Monthly Escalation Fee of \$10.00 is assessed against any lot for which the annual assessment remains unpaid as of August 2, September 2, and October 2, respectively, for each such date on which a balance remains outstanding.

4. Maximum Combined Fee. The Late Payment Fee and Monthly Escalation Fee established by this Resolution shall not together exceed \$55.00 per lot per assessment year.

5. Relationship to Statutory Notice Period. Nothing in this Resolution authorizes any fee, charge, or cost during the period in which RCW 64.38.100(1)(b)(ii)(C) limits collection costs following the statutory Notice of Delinquency described in RCW 64.38.100(1)(a)(iii). The fees established by this Resolution apply only from and after that statutory period has closed, and are in addition to the administrative fee and the printing and mailing cost described in the Dues Collection Policy and Procedure, Section III.A. The Late Payment Fee replaces the capped late fee described in that Section; the Association will not charge both late fees on the same delinquency.

6. Enforcement. Consistent with existing Board policy, any lot for which the annual assessment remains unpaid as of October 15 shall be referred by the Treasurer for lien action and further collection through a licensed third-party collections agency and/or Small Claims Court, as the Board determines appropriate for the account and as set out in the Dues Collection Policy and Procedure. This referral is standing Association policy and is not discretionary, though the Board's choice between a collections agency and Small Claims Court for a given account is discretionary.

7. Effective Date and Notice. This Resolution is effective beginning with the 2027 assessment year. The Secretary shall provide written notice of this change to the membership in advance of the 2027 assessment cycle.

8. Amendment of Related Documents. The Dues Collection Policy and Procedure (Section III.A-1) and the Fee and Fine Schedule (Exhibit A, Section 1) are hereby amended to incorporate the fees established by this Resolution.

9. Severability. If any provision of this Resolution is later determined to be unenforceable or inconsistent with the Bylaws, the CCRs, or RCW 64.38, the remaining provisions shall continue in full force and effect.

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: _____