

SUN RANCH OWNERS' ASSOCIATION

Resolution of the Board of Directors — Third-Party Collections Agency Referral

RESOLUTION NO. 2026-20

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, the Board has adopted a Dues Collection Policy and Procedure (Resolution No. 2026-08, as amended) establishing a collection escalation process for delinquent annual assessments, consisting of a statutory notice of delinquency, followed by lien recording and/or Small Claims Court action as the Board determines for each account, and statutory lien foreclosure;

WHEREAS, the Board has observed that Small Claims Court, while an effective collection tool, requires a Board member to file, arrange formal service, and personally appear at a hearing, and that this can be impractical for accounts where the owner cannot be located or reached at the address on file, where a balance has accumulated across multiple assessment years, or where an out-of-state owner makes formal service and hearing attendance burdensome;

WHEREAS, a licensed third-party collections agency, operating under the Washington Collection Agency Act (RCW 19.16), can provide an additional, complementary collection tool for such accounts — including skip-tracing owners who cannot be located, negotiating payment plans, and reporting delinquencies to credit bureaus — without requiring a Board member to appear in court;

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 wishes to confirm the Board-discretionary Third-Party Collections Agency Referral step in the collection escalation process of the Dues Collection Policy and Procedure, and the corresponding line item in the Fee and Fine Schedule;

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

1. Adoption. The Board confirms and adopts Section III.C (Third-Party Collections Agency Referral) of the Dues Collection Policy and Procedure, positioned between Section III.B (Lien Recording) and Small Claims Court (Section III.D), with Statutory Lien Foreclosure as Section III.E, together with Letter 2A (Third-Party Collections Agency Referral Notice) in the Policy's letter templates. These provisions are set out in the Dues Collection Policy and Procedure adopted under Resolution No. 2026-08, which is incorporated by reference.

2. Discretionary Nature. Referral of a delinquent account to a licensed third-party collections agency under Section III.C is at the Board's discretion and is not a mandatory step. The Board retains full discretion, whether or not a lien has been recorded under Section III.B, to proceed directly to Small Claims Court under Section III.D, to refer an account to collections under Section III.C, or to use both tools for the same account, as it determines appropriate based on the circumstances of that account.

3. Fees. Any fees or costs charged by a collections agency retained by the Association are added to the amount owed by the delinquent owner and are billable and lienable as a collection cost on the same basis as other collection costs described in the Dues Collection Policy and Procedure and the Fee and Fine Schedule, consistent with Bylaws Article VIII and CCR Section VII(d).

4. Vendor Selection. The Board shall select a collections agency licensed to do business in Washington State consistent with the Washington Collection Agency Act (RCW 19.16), and may use the Association's Bid Solicitation Policy and Procedure to select and periodically review its collections agency vendor.

5. Amendment of Related Documents. The Board confirms the line item for third-party collections agency fees in the Fee and Fine Schedule (Section 1), as set out in the Schedule adopted under Resolution No. 2026-18.

6. Effective Date and Notice. This Resolution becomes effective immediately upon adoption. The Secretary shall provide written notice of this change to the membership.

7. Severability. If any provision of this Resolution is later determined to be unenforceable or inconsistent with the Bylaws or CCRs, 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: _____