UPLANDS SOUTH HILL COMMUNITY ASSOCIATION

BOARD RESOLUTION

COLLECTIONS POLICY

The successful operation of the Uplands South Hill Community Association ("Master Association"), for the benefit of all homeowners requires timely payment of all assessments. The term "Assessment" or "Assessments" includes but is not limited to Base Assessment, Neighborhood or Sub-neighborhood Assessment, Special Assessment, and Specific Assessment as defined and authorized in Articles II and Article VIII of the Declaration of Covenants, Conditions, and Restrictions for Uplands South Hill, a Planned Development District, Pierce County Recording Number 22303090141, and any amendments thereto (Collectively the "Declaration"). The Board of Directors ("Board") is charged with the responsibility of collecting Assessments from homeowners. The Board deems it to be in the best interests of the Master Association to adopt a policy regarding payment of Assessments and dealing with delinquent accounts. Therefore, the Board, by separate Unanimous Consent of Directors dated March 20, 2026, adopts the following policy regarding Assessment payments and collection. This policy replaces and supersedes any and all prior Assessment collection policies and in no way negates any specific provision of the Master Association's Declaration and Bylaws.

1.1 Assessments Due

Assessments Collected. The Master Association establishes and collects the amount of Base Assessments, Neighborhood or Sub-neighborhood Assessments, Special Assessments, and Specific Assessments to be paid by each homeowner as provided in Article VIII, of the Master Association's Declaration and applicable Washington law.

Payment of Assessments. Unless otherwise specified by the Board, Assessments are to be paid monthly, in advance, on or before the first of the month. Payments are considered late if not received on or before the 10^{th} of each month. A statement of Assessments past due will be provided to any homeowner who is delinquent after the 10^{th} of the month. In addition to a statement as to the amount owed, the homeowner will receive a Notice of Delinquency required by Washington Law under RCW 64.90.485(21)(a). A homeowner may request a statement of Assessments owing upon written request to the Managing Agent of the Master Association, which shall be furnished within 15 days after receipt of the written request.

Commencement of Assessments. The obligation to pay Assessments shall commence as to each owner of a Unit on the day of closing of the owner's purchase of the Unit as provided in Section 8.6 of the Master Declaration. The seller, in the resale of a Unit, shall remain responsible for any Assessments imposed by the Master Association until the date of resale or transfer pursuant to Section 8.7(a) of the Declaration. Further, if the amount collected at Closing is in error or is otherwise not paid to the Master Association, the seller and new owner are jointly and severally liable for any shortage.

Pro-ration of Assessments. When a Unit is resold, pro-ration of Assessments already paid to the Master Association must be accomplished between the buyer and seller at Closing of the sale (typically via escrow settlement). The Master Association is under no-obligation to pro-rate Assessments imposed and due to the Unit Owner/Seller in a conveyance of a Unit.

Transfer of account. When a Unit is resold or transferred, the Master Association requests the Seller/Transferor or his/her agent to notify the Master Association in writing of the date of Closing and the name(s) of the buyer(s)/transferee(s) within 7 calendar days after Closing or Transferring. Further, Section 7.11 of the Declaration authorizes the Master Association, in its discretion, to require the Seller/Transferor to pay a transfer fee. The transfer fee shall be determined by the Master Association in accordance with Section 7.11 of the Declaration. Upon the Master Association's receipt of documentation from the closing agent, the Assessment account will be transferred to the new owner/buyer or transferee.

1.2 Responsibility for Implementation and Collection

By contract with the Managing Agent selected by the Board, the Board assigns responsibility for Assessment billing, collection, and recording keeping to the Managing Agent. The Managing Agent will, without further direction from the Board, implement the collection actions set forth in Section 2.1 below, in the event of a delinquent account. The Managing Agent shall report to the Board each month regarding the status of the accounts.

1.3 Effect of Non-Payment of Assessments; Remedies of the Association (as stated in Section 8.8 of the Declaration and RCW 64.90.485)

Interest, Late Fees, Admin Fees, and Redeposit Charges:

1. **Interest.** Interest will accrue and be assessed on any Owner's delinquent Assessment balance at a rate of at the rate of 12% per annum (1% per month) from its due date until paid in full. Payment of interest is secured by a lien against title to the Owner's Unit and is a personal obligation of the Owner in the same manner as assessments.

2. **Late Fees.** Any Assessment, or its installment, not paid by the 10th day following its due date shall be delinquent. A late charge of $25.00 per month shall be assessed until paid in full. Late Fees are secured by an automatic lien against title to the Owner's Unit and are a personal debt obligation of the Owner collectible in the same manner as Assessments.

3. **Administrative Fees and Costs**. In the event the Board contracts a Managing Agent for implementation and collection of assessments, an administrative charge and other

costs of mailing per billing period, in addition to Interest and a Late Charge, may be added to any assessment account that receives a written notice of delinquency. Administrative Fees and Costs are secured by an automatic lien against title to the Owner's Unit and is a personal debt obligation of the Owner collectible in the same manner as Assessments.

4. **Returned Payment Fee.** A returned payment fee of $50 per item is added to any Assessment account when a payment is returned by the Owner's bank to cover the Master Association's bank and administrative fees incurred. The Returned Payment Fee is secured by an automatic lien against title to the Owner's Unit and is a personal debt obligation of the Owner collectible in the same manner as Assessments.

5. **Billing.** The Association may but is not required to bill or otherwise send statements to Owners for interest, late charges, administrative fees and costs, or returned payment fees. These charges or fees will automatically accrue and be assessed to the Owner's account in accordance with this Collection Policy.

2.1 Delinquency Notices:

First Delinquency Notice. No later than 30 days after any Assessment becomes past due, the Master Association must provide a notice of delinquency ("First Notice") to the Owner by first-class mail as follows:

1. The First Notice will be mailed to the Owner's address in the Community and to any other address that the Owner has provided to the Association for transmission of notices, and by email if the Owner's electronic address is known to the Association;

2. The First Notice will be provided in English and any other language indicated as a preference for correspondence by an Owner; and

3. The First Notice will include a statement as to the delinquent balance owing and other pre-foreclosure language required by RCW 64.90.485(21) when it becomes effective as to the Association.

Until the fifteenth (15th) day *after* providing an Owner with the First Notice, the Master Association will not take any other action to collect any delinquent Assessments or charge an Owner for any costs related to the collection of the delinquent Assessment(s), except for: (1) A late fee of not more than $50.00 or five (5%) of the total amount of the unpaid Assessment(s) which triggered the fee, whichever is less, on the date the account becomes delinquent; and (2) the actual cost of printing and mailing the First Notice.

Subsequent Delinquency Notices. If any Assessment with respect to any Unit remains delinquent after the First Notice is sent, the Association may send subsequent delinquency notices concerning the Owner's outstanding balance.

Ninety-Day Delinquency Notice. If more than 60 days have elapsed from the date the First Notice was mailed, and any Assessment with respect to any Unit is delinquent for at least ninety (90) days, the Association will send another written delinquency notice ("Ninety-Day Notice"). The Ninety-Day Notice may provide that unless the account is paid in full within thirty (30) days of said notice, a lien (see Section 3.1.1 below) will be recorded against the Unit and the collection matter will be turned over to the Association's attorney or collection agency for collection. The Ninety-Day Notice will follow the delivery and statutory language requirements listed under Sections 1 through 3 of the First Notice.

3.1 Other Remedies or Actions

3.1.1 Liens. Payment of Assessments is secured by an automatic lien against title to the Owner's Unit. Nevertheless, the Master Association may record a Claim of Lien upon 120 days of delinquency, or sooner in the discretion of the Board of Directors, against the title to the Unit owned by the Owner whose Assessment account is delinquent to secure its interest and perfect its lien rights against third parties. Lien Filing Recording Service Fees of $300.00 will be incurred and assessed to the delinquent Owner.

3.1.2 Alternate payment plan. When the financial situation of a homeowner necessitates an alternative payment plan, a temporary monthly payment schedule may be approved by the Board. ***Homeowners are encouraged to contact the Association prior to becoming delinquent.*** The amount of monthly payments in an Alternate Payment Plan will be established and approved by the Board. The Owner will be required to sign an agreement to make alternative payments as scheduled. Interest and/or late fees will continue to accrue until the account is current and additional fees administrative or legal fees (where applicable in the case of a Managing Agent or attorney involvement) may be charged in connection with the Alternative Payment Plan. When alternative payments are made as scheduled, the interest and/or late fees may be waived at the end of the plan with the approval of the Board.

3.1.3 Legal action. Delinquent Assessments constitute a personal debt obligation, and the Association may, on an account delinquent 120 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 Uplands at South Hill Community Association governing documents and applicable Washington law in recovering the delinquent Assessments, interest, late charges, fines, attorney's fees and costs, lien recording fees, and collection agency costs and fees.

3.1.4 Foreclosure Proceedings. Foreclosure proceedings will not commence unless the Assessment balance (exclusive of fines, late fees, administrative charges and fees, interest, and attorney's fees and costs) is at least $2,000 for a minimum period of 90 days. Notices of delinquency as set forth in Section 2.1 of this Collections Policy will have been sent, and specific prior Board approval will have been given. Other applicable foreclosure requirements may apply as set forth under RCW 64.90.485(21).

3.1.5 Communication Regarding Delinquent Account. In the event an Owner's delinquent account has been turned over to an attorney or collection agency for collections, the Association shall cease sending delinquency notices and account statements to the delinquent Owner. The delinquent Owner shall direct all communication, including inquires as to account balance, through the Association's attorney or collection agency, unless otherwise directed by the Association, its attorneys or agents.

3.1.6 Suspension of Membership Rights for Nonpayment of Assessments. The Board may suspend any right or privilege of an Owner who fails to pay any Assessment which suspension shall continue until the Master Association receives full payment of the delinquent Assessment(s) and the Board has received confirmation of payment and cleared funds. Pursuant to Section 7.4(c) & (d) of the Master Association's Declaration, this includes an Owner's right to use the Master Association's Common Area recreational facilities and services provided by the Master Association.

3.1.7 Homestead protection. Owners are hereby notified that, pursuant to RCW 6.13.080(6), the Homestead Exemption is not available against an execution or forced sale (foreclosure of the Claim of Lien) in satisfaction of judgments obtained on debts secured by the Uplands South Hill Community Association's Claim of Lien.

4.1 Effective Date. This collection policy shall be distributed by email to all Owners of record and posted to the Association's website. This policy shall be effective as of the date signed below.

4.2 Club Assessment. As of the effective date of this Policy, the Club Owner is charged with the responsibility for collecting Club Membership Assessments separately from the Board for the Master Association pursuant to Article VIII, Sections 8.1 and 8.8. Nevertheless, this duty may become the obligation of the Board for the Master Association by assignment from the

Club Owner in the future. In that event, Club Assessment shall be included in the definition of "Assessment" or "Assessments" and this Collections Policy shall be applied.

Resolution Approved:

By: Dennis Rattie

Its: President

Date: 3/24/2026

By: Chad Purdue

Its: Secretary

Date: 3/24/2026