

PINELOCH / SUN BEACH CLUB, INC.
WATER SERVICE ASSESSMENT COLLECTION POLICY

The undersigned, being the directors of the Pineloch / Sun Beach Club, Inc. (hereinafter "PLSBC" or the "Association"), a Washington nonprofit corporation, by this instrument in lieu of a special meeting of the shareholders and directors of this corporation, hereby consent to the adoption of the following policy, to become effective on the date of signing, and waive any notices required by law with respect thereto.

- A. WHEREAS, PLSBC is a Washington nonprofit corporation organized pursuant to Washington law; and
- B. WHEREAS, PLSBC adopted amended Bylaws on May 26, 2012; and
- C. WHEREAS, said Bylaws authorize the Board of Directors to adopt and publish rules and regulations governing the members and their guests and establish penalties for any infraction thereof (Bylaws, Section 8.1.11); to adopt and publish rules and regulations governing the use of Common Maintenance Areas and the Lodge, and the personal conduct of the members and their guests thereon, and to establish penalties for the infractions thereof (Bylaws, Section 8.1.18); and to suspend the voting rights of a Member during any period in which such Member shall be in default of the payment of any assessment or penalty levied by the Association (Bylaws, Section 8.1.19); and
- D. WHEREAS, pursuant to the Bylaws, the Board of Directors of PLSBC has the responsibility of enforcement of the provisions of the CC&Rs and the Bylaws (Bylaws, Section 8.2.1); to send written notices of each assessment to every Member subject thereto at least thirty (30) days in advance of the due date (Bylaws, Section 8.2.4.1); to take any and all enforcement action deemed necessary to fulfill the objectives and provisions set forth in the Protective Covenants and the Bylaws, including but not limited to, restricting a Member's access to the Lodge and Lodge privileges for delinquent payment of dues and/or assessments or for other violations of rules and regulations of PSBC (Bylaws, Section 8.2.4.2); to foreclose the liens against any property for which assessments or other charges are not paid within thirty (30) days after the due date or to bring an action at law against a Member personally obligated to pay the same (Bylaws, Section 8.2.4.3); to take such action, as the Board deems appropriate, to collect any other funds owed to the Association by Association Members or by third parties, including recording and foreclosing any liens upon the Member's lot(s) for assessment or other charges due PLSBC, including foreclosure of assessments for liens placed upon property for noncompliance with the CC&Rs (Bylaws, Section 8.2.4.4); and

- E. WHEREAS, one of the functions of the Association is to provide water service to Members of PLSBC and to third parties who are not Members of PLSBC but who have agreed by contract to follow the rules and regulations established by the Board of Directors (which, for purposes of this Policy, will be referred to hereinafter collectively as “Water Users”); and
- F. WHEREAS, the Board of Directors has determined it is in the best interest of PLSBC to establish a written policy for the purposes of collecting delinquent water assessments owed PLSBC by Water Users.


NOW, THEREFORE, BE IT HEREBY RESOLVED by the Board of Directors of PLSBC, after due deliberation, PLSBC establishes the following policy:


1. On the 60th day after bills are mailed, a delinquent charge of 6% or \$25.00, whichever is greater, shall be automatically assessed to the bill. Upon assessment of the delinquent charge, a letter substantially in the form attached as Exhibit A shall be sent to the Water User.
2. If the delinquent amount is not paid within 30 days of the date of the letter referenced above in Paragraph 1 then a letter substantially in the form attached as Exhibit B shall be sent to the Water User. If the recipient of the letter is a Member of PLSBC, then that Member’s right to use the Lodge, Common Areas and enjoy other benefits of being a Member of PLSBC, including but not limited to voting, will be suspended.
3. If the delinquent water charges are not paid within 10 days of the date of the letter referenced above in Paragraph 2, a third letter substantially in the form attached as Exhibit C shall be sent to the Water User.
4. Two weeks after the letter referenced above in Paragraph 3 is sent, a discontinuation notice substantially in the form attached as Exhibit D shall be sent to the Water User.
5. Five (5) business days after the last letter referenced above in Paragraph 4 is sent, water service to the Water User’s lot(s) shall be disconnected.
6. In the event a Water User pays the delinquent water assessment after water service has been terminated, then in order to reinstate the service the Water User shall pay a reconnection fee in the amount of \$1,000.00.
7. If the delinquent water charges are not paid in full and the reconnection fee paid within thirty (30) days of the letter referenced above in Paragraph 4, PLSBC will undertake one or more of the following actions, none of which shall constitute an election of remedies:


- (a) Sue that individual Water User in Upper Kittitas County District Court or Kittitas County Superior Court. All Water Users, for the purposes of District Court jurisdiction and venue, hereby agree to venue of any such action to be in Upper Kittitas County District Court or Kittitas County Superior Court, at the option of PLSBC.
- (b) File a lien on the Water User's lot in the amount owed and if not paid commence action to foreclose the lien in the same manner as mortgages are foreclosed in the State of Washington.
- (c) Assign the delinquent accounts that have not been paid to a collection agency for collection.


ADOPTED this 26 day of July, 2014.

BOARD OF DIRECTORS
 PINELOCH / SUN BEACH CLUB, INC.

 [signature]
Russell Dance [print name]

 [signature]
Frank E. Austin [print name]

 [signature]
Robert M. Fido [print name]

 [signature]
CHARLES LAND [print name]

_____ [signature]
 _____ [print name]

_____ [signature]
 _____ [print name]

_____ [signature]
 _____ [print name]

EXHIBIT B

[DATE]

[MEMBER NAME]
[ADDRESS]
[CITY, STATE, ZIP]

Re: Account No. _____

Dear _____:

On _____ Pineloch Sun Beach Club sent you a letter indicating that your water connection fees were past due and as a result a delinquent charge had been automatically added to the bill. This amount remains past due, and in addition, the following amounts are now past due and a delinquent charge has been assessed

Month	Amount	Delinquent Charge
Prior Amount Due		
New Charges		

The delinquent charge is ___% of the amount charged or \$_____ per month, whichever is greater.

In this amount continues to be past due and is not paid within 14 days of the date of this letter, Pineloch Sun Beach Club will take steps to disconnect your water service and assign this outstanding debt to a collection agency or commence a civil suit against you to recover these delinquent water system charges. In the event Pineloch Sun Beach Club disconnects your water service, in order to have that service reconnected you will be required to pay the outstanding balance of _____, any additional monthly charges, late fees which accrue in the future, and a reconnection fee of _____.

Should you have any questions, please contact _____.

Sincerely,

**THIS IS AN ATTEMPT TO COLLECT A DEBT
ANY INFORMATION OBTAINED AS A RESULT OF THIS LETTER FROM ANY
SOURCE WILL BE USED FOR SUCH PURPOSES**

EXHIBIT C

[DATE]

[MEMBER NAME]

[ADDRESS]

[CITY, STATE, ZIP]

Re: Account No. _____

Dear _____:

Pineloch Sun Beach Club sent you letters on _____ and _____ in regard to the delinquent assessments. Those delinquent assessments remain unpaid. This letter is a first notice of Pineloch Sun Beach Club's intent to disconnect your service.

If you have not paid the amounts in full to Pineloch Sun Beach Club by _____, Pineloch Sun Beach Club will disconnect your service without further notice and turn the amounts owed by you over to a collection agency or commence a civil suit against you to recover these delinquent water system charges.

In this amount continues to be past due and is not paid Pineloch Sun Beach Club will, on or before _____, disconnect your water service and turn the account over to a collection agency or commence a civil suit against you to recover these delinquent water system charges. In the event Pineloch Sun Beach Club disconnects your water service, in order to have that service reconnected you will be required to pay the outstanding balance of _____, any additional monthly charges, late fees which accrue in the future, and a reconnection fee of _____.

Should you have any questions, please contact _____.

Sincerely,

**THIS IS AN ATTEMPT TO COLLECT A DEBT
ANY INFORMATION OBTAINED AS A RESULT OF THIS LETTER FROM ANY
SOURCE WILL BE USED FOR SUCH PURPOSES**

EXHIBIT D

[DATE]

[MEMBER NAME]

[ADDRESS]

[CITY, STATE, ZIP]

Re: Account No. _____

Dear _____:

Pineloch Sun Beach Club sent you letters on _____ and _____ and _____ in regard to the delinquent assessments. Those delinquent assessments remain unpaid. This letter is the second and final notice of Pineloch Sun Beach Club's intent to disconnect your service.

Depending upon how this letter is delivered to you, you have a deadline to pay the amounts overdue in full or Pineloch Sun Beach Club will disconnect your service. If this notice is delivered directly to you and attached to your primary door, then the deadline for compliance is no less than 5:00pm the day after the notice is affixed to your door or delivered to you.

If this notice is mailed to you, then your deadline for compliance is three (3) business days after the date of mailing. This notice has been mailed on _____.

If you have not paid the amounts in full to Pineloch Sun Beach Club within the timeline set forth above, Pineloch Sun Beach Club will disconnect your service without further notice and turn the amounts owed by you over to a collection agency or commence a civil suit against you to recover these delinquent water system charges.

Should you have any questions, please contact _____.

Sincerely,

**THIS IS AN ATTEMPT TO COLLECT A DEBT
ANY INFORMATION OBTAINED AS A RESULT OF THIS LETTER FROM ANY
SOURCE WILL BE USED FOR SUCH PURPOSE**