

Delinquent Payments and Collection Policy

Carlyon Beach Homeowners Association (CBHA, “the association”) relies on timely payment of assessed fees and payments to provide essential services to the community. Under RCW 64.38.020 and CBHA By Law Article IX, Section 4, CBHA has the authority to address delinquent accounts. This policy defines the CBHA position and handling of delinquent payments and their associated enforcement acts.

This policy includes payments for regular capital improvements, reconstruction, water and system maintenance fees, pumping charges, service fees, fines, special assessments, late fees, interest charges, and collection costs including attorney fees and management fees.

It is the responsibility of the CBHA Treasurer to ensure that collection activities are done in accordance with this policy.

A payment is considered delinquent when not paid in the month assessed. Annual dues not paid in a lump sum are assessed in 12 monthly payments. These monthly payments are considered delinquent when not paid in the month assessed. Monthly assessments are assessed on the first of the month and due the 30/31st of the month.

CBHA may assess a \$25.00 late fee for accounts that remain delinquent beyond the last day of the month the assessment is assessed. If a lot owner remains delinquent after 30 days CBHA may assess a second \$25.00 second late fee. If the lot owner remains delinquent a \$150 Service Shut Off fee can be assessed if services are shut off.

In addition to late fees, every account with an outstanding balance is subject to interest at the rate of 12% per annum. Interest charges are assessed from the original due date after the outstanding becomes due and are assessed each month until the account is brought current.

Delinquent members are considered not in good standing and rights to amenities are not granted to members in poor standing. Delinquent accounts constitute a lien against the lot. The association has the right to record a lien against the lot whenever the owner’s account is past due as well as revoke access to community amenities. Charges related to any recorded lien and/or reissue of amenity access (keys, etc.) are the responsibility of the lot owner.

CBHA makes all reasonable efforts to collect delinquent accounts before filing a lien against an owner’s lot. These efforts include:

1. Friendly Phone Call
2. First Late Fee and Delinquency Notice
3. Second Late Fee and Intent to Lien Notice

4. Service Shut Off Notice
5. Further Legal Action

CBHA will consider payment plans when requested by delinquent owners. Payment plans or write-off of accounts are at the discretion of CBHA and considered on a case-by-case basis. Once an account is placed with the CBHA attorney for further legal action and collection, all contacts with the delinquent owners are handled through the attorney. This includes requests for statements of account. All requests are directed to the attorney. Any payments received while the account is placed with the CBHA attorney must have a copy of the payment provided to the attorney before deposit.

If an owner fails to respond to the association's attorney's attempts to collect, the Board of Trustees may decide to foreclose on the Association's lien either judicially or non-judicially. The owner could lose ownership of the property if a foreclosure is completed and will be responsible for significant additional attorney fees and costs.

All payments received are applied to the oldest amounts due first, at the discretion of the CBHA Board of Trustees.

Nothing in this policy limits or otherwise affects CBHA's right to proceed in any lawful manner to collect any delinquent accounts owed to CBHA. Specifically, the Association retains the right to refer a delinquent account to the attorney at any time. CBHA's failure (or failure of any agent of the association) to comply with this policy should not be viewed as waiver of the Association's right to proceed to collect delinquent assessments in any lawful manner.

References

RCW 64.38.020

CBHA By Law IX.4

CBHA-3-0 Delinquent Collection Procedure