

# HARBOR RIDGE ESTATES HOMEOWNERS ASSOCIATION COLLECTION POLICY RESOLUTION

Effective June 1<sup>st</sup>, 2023

WHEREAS, the Board of Directors of the **Harbor Ridge Estates Homeowners Association** (hereinafter referred to as the "Board") is charged with the responsibility of collecting assessments for common expenses from owners pursuant to **Article IV** of the Declaration; and

WHEREAS, from time-to-time owners become delinquent in their payments of said assessments and fail to respond to the demands from the Board to bring their accounts current; and

WHEREAS, the Board deems it to be in the best interests of the Association to adopt a fair, uniform and systematic procedure for dealing with delinquent accounts in a timely manner, and further believes it to be in the best interest of the Association to timely refer these accounts to an attorney or collection agent for collection so as to minimize the Association's loss of assessment revenue; and

THEREFORE, BE IT RESOLVED AS FOLLOWS:

- 1) The Association shall pursue collection of all delinquent regular, special or specific assessments, or other charges authorized by the Association's governing documents (hereinafter referred to as "Assessments") which the Board, acting through the Managing Agent, may from time-to-time encounter and shall use all reasonable and lawful methods as are deemed prudent to collect such delinquent Assessments.
- 2) The Managing Agent, acting on behalf of the Association and at the direction of the Board, shall employ the services of a collection agent or an attorney (collectively referred to herein as the "Collection Agent") and other related professionals, as needed, to carry out this resolution. The Association shall pay the collection agent for all costs incurred in connection with their representation of the Association to pursue the delinquent account, and the Association shall, in turn, assess the delinquent owner for reimbursement of all said expenses per Article IV of the recorded Declaration for the Association.
- 3) **LATE FEE:** Pursuant to RCW 64.38.020 (11), a late fee of 50.00 shall be charged for any payment (30) days past due. Furthermore, assessments not paid within thirty (30) days of the due date shall bear interest from said date at a rate of twelve percent (12%) per annum.
- 4) **NSF FEES:** A fee of \$35.00 will be imposed against an owner each and every time a check provided by or on behalf of the owner is returned NSF or rejected by the bank or financial institution for any reason.
- 5) **FIRST NOTICE:** Managing Agent is directed to send a written notification (hereinafter referred to as the "First Notice") of the late fee assessment and demand for immediate payment. NOTE: Late fees themselves are not subject to late fees. Payments received on a delinquent account are applied to the oldest outstanding balance first. Any remaining balance after application of the payment may be subject to a new late fee.

- 6) **SECOND NOTICE:** Managing Agent is directed to send, to any Owner who is more than sixty (60) days delinquent in assessments, a written notification of the delinquency and a request for immediate payment (hereinafter referred to as the "Second Notice"). This notice shall state that any request for special consideration of hardship circumstances, leniency, or amnesty, including all reasons why the Board should consider the request, must be submitted in writing to the Board before the assessment becomes ninety (90) days delinquent, along with a request for a hearing if desired. If a request for special consideration is not so submitted, then such opportunity for request shall have been deemed waived. In addition, the Second Notice shall notify the owner of possible additional collection actions the Board may choose to impose, at Owners Expense, if the outstanding balance is not paid in full.
- 7) **THIRD/FINAL NOTICE:** Managing Agent is directed to send to any Owner who is more than ninety (90) days delinquent in assessments a written notice (hereinafter referred to as the "Third or Final Notice") of the delinquency. In addition, this Third/Final notice shall state that if the account is not paid in full within thirty (30) days of the date of the Third/Final notice, the account may be referred to the Association's Collection Agent for collection and a Notice of Claim of Lien may be recorded and a copy thereof may be forwarded to any Eligible Holder (as defined in the Declaration) of a Mortgage against the Unit. The Managing Agent, at the direction of the Board, may refer the account to the Association's Collection Agent and cause to be filed a Notice of Claim of Lien against the delinquent owner's Unit as described in the Third/Final notice and may be further directed to send a copy thereof to any Eligible Holder of a Mortgage on the Unit if the owner's assessments remain delinquent for thirty (30) days after the date of the Third/Final Notice.
- 8) Per Article 3.3 of the Declaration, voting rights will be suspended for any Member in arrears in the payment of the assessments due, and shall remain suspended until all payments are brought current.
  1. The following policies shall apply to all delinquent accounts turned over to the Association's Collection Agent for collection:
    - a. Delinquent owners must communicate only with the Association's Collection Agent. Should any delinquent owner attempt to discuss the collection of the account with any Managing Agent or any Association Officer or Director, they shall be directed to the Association's Collection Agent after it has been turned over, unless the Association's Collection Agent is present or has consented to the contact.
    - b. All sums collected on a delinquent account shall be remitted directly to the Association's Collection Agent until the account has been brought current.
    - c. All legal fees and costs incurred in the collection of a delinquent account shall be assessed against the delinquent unit and owner and shall be collectable as an Assessment as provided in Article IV of the Declaration.
    - d. Additional collection and legal action may be pursued as deemed to be in the best interest of the Association by the Board.

- 9) The Board reserves the right to make exceptions, by majority vote, to the provisions contained herein.
- 10) A copy of this adopted, amended, or replaced resolution shall be sent to all owners of record and made available for download on any applicable website portal the Association may have.

This resolution was adopted by the Board of Directors on the **17th** day of **April, 2023** and shall be effective on the June 1<sup>st</sup>, 2023 until amended or replaced at which time the amended or replaced resolution shall become superior.

*David Brown* (signature on file)

---

President

ATTEST:

*Jen Sullivan* (signature on file)

---

Secretary