



Delphi Country Club Association  
Delinquency and Collection Policy

The purpose of this policy is to: 1) encourage timely payment of all Association assessments, dues, fees, and other charges (collectively, "Charges"); 2) give Association Members advance notice of the consequences of delinquent payments; and 3) establish a systematic and uniform process for collecting unpaid Charges.

**AUTHORITY**

All Delphi Country Club Association property owners are Members of the Association. By acceptance of a deed to a property, each Member has acknowledged and agreed to act in accordance with: 1) State Laws including Chapter 64.38 of the Revised Code of Washington (RCW); 2) the Association's Articles of Incorporation; 3) the Association's Bylaws, as amended; 4) the Declaration of Covenants, Conditions, and Restrictions, as amended (CC&Rs); and 5) the Association's official policies.

As authorized by RCW 64.38.020 (2), the Association's governing documents and, in particular, Article XIII of the Association's Bylaws, part of the Association's Charges includes an annual assessment. The annual assessment has two parts: 1) quarterly dues and 2) an annual administrative fee. The Association adopts and ratifies a budget annually as described in RCW 64.38.025 (3). Charges, including the annual assessment, may be adjusted as part of the budgeting process in accordance with Article XIII of the Association's Bylaws.

To assure timely payment and the financial health of the Association, the Delphi Board of Directors has developed this **Delinquency and Collection Policy** under the authority granted in RCW 64.38.020 and ARTICLE VIII, Section 1, (a) of the Association's Bylaws. This policy includes a fine and fee schedule and other actions as allowed in RCW 64.38.020(11) and the Association's governing documents, including, without limitation, Article XIII of the Bylaws, and Article V, Section 4 and Article VIII, Section 1 of the CC&Rs.

**PAYMENT**

The quarterly dues portion of the annual assessment is charged and due on the first day of each quarter: January 1, April 1, July 1, and October 1 each year. The administrative fee portion of the annual assessment is charged and due on April 1 each year. Statements are mailed prior to the due date. Special assessments and other Charges approved as required by the governing documents shall be due as described in each approved proposal.

**DELINQUENCY & CONSEQUENCES**

Any Charges, including quarterly dues payments and the administrative fee, are delinquent if not paid within thirty (30) days after they were first due and payable. Article XIII, Section 7 of the Bylaws establishes the Association's remedies for delinquent Charges, including the imposition of late payment charges, the right to recover costs of collection and the right to pursue other actions against the delinquent member or that member's Lot:



Delphi Country Club Association  
Delinquency and Collection Policy

- 1) "If any assessment is not paid within thirty (30) days after it was first due and payable, the assessment shall be subject to a late payment charge of \$30.00 per month plus costs; and the Association may bring an action at law against the one personally obligated to pay the same and/or foreclose the lien against the property, and late charges, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment and all such sums shall be included in any judgment or decree entered in such suit. No owner shall be relieved of liability for the assessments provided for herein by non-use of the common property or abandonment of the owner's lot."
- 2) "Water service shall be turned off after the assessment is two (2) months delinquent and a fee of \$25.00 shall be charged to reestablish the water service."

Article III, Section 2 of the Association's Bylaws allows for the suspension of member rights:

"During any period in which a member is in default of payment of any regular or special assessment, the voting rights and right of use of common properties by such member may be suspended by the Board of Directors until such assessment has been paid."

## COLLECTION

**Association Charges** - Association Charges are the obligation of each member when they are due. It is each member's responsibility to pay Association Charges in full regardless of whether a payment statement or payment coupon is received. A member may not withhold amounts owed to the Association or claim offset on the alleged grounds that the member is entitled to recover money or damages from the Association.

**Association Lien** - Delinquent amounts automatically create a lien against a member's lot even before a written lien is recorded. The Association has the right to record a notice of lien against a member's lot whenever a property owner's account is past due, and nothing in this Collection Policy shall limit or otherwise affect the Association's right to record a notice of lien to protect and provide public notice of the Association's interest.

### **First Late Charge & Delinquency Notice** -

A delinquent member's account will be charged a late fee in the amount of \$30.00 on the date the account becomes delinquent. The Association will send a notice via U.S. Mail once the account becomes delinquent; informing the delinquent member of the status of that member's account, the late charge, and the steps the Association may take if the member does not immediately pay the full amount due.

**Second Late Charge & Delinquency Notice** - A delinquent member's account will be charged another late charge in the amount of \$30.00 if such member's account has remained delinquent for sixty (60) days, In addition, the Association will send the member a second



Delphi Country Club Association  
Delinquency and Collection Policy

written notice of delinquency advising the member that if the account is not paid in full in ten (10) days, water service to the member's property may be disconnected. If water service is disconnected, a \$25.00 reconnection fee will be assessed in addition to other outstanding fees and penalties.

**Ongoing Late Charges** - A delinquent member's account will be charged with an additional late charge of \$30.00 every 30 days after the imposition of the second late charge.

**Further Legal Action** - If a member's account remains delinquent for thirty (30) days after the second written notice; the Board may refer the account to a collection agency, attorney, or small claims court and may cause a notice of the lien against the member's lot to be recorded. Additionally, the Board may consult with the Association's attorney at any time when: a member has filed for bankruptcy or is the subject of a petition for relief under the bankruptcy code; a lender has started a foreclosure action against a member; or any other legal action has commenced against a member's lot. The Board may cease sending delinquency notices and account statements to a delinquent member as it pursues other collection remedies.

**Assessment of Attorneys' Fees and Collection Costs** - All attorneys' fees and costs (including but not limited to any fees charged by the Association's management company as a result of the member's delinquency) incurred in the collection of past due Charges shall be assessed against and added to a delinquent member's account and shall be collectible in the same manner as any other Charge.

**Payment Plans & Communication with Delinquent Members** - Adjustments to a delinquent member's amount due and/or any payment plans will be handled through the Association's management company and under the direction of the Board. The Board will consider adjustments and payment plan requests on a case-by-case basis in collaboration with the member and the management company. The Board is under no obligation to grant adjustments or payment plan requests. No adjustment or payment plan request shall be effective unless approved in writing. Payment plans shall not impair or constitute a waiver of any automatic lien or the Association's ability to record a notice of lien against a delinquent member's lot.

**Payments Received from Delinquent Member** - All payments received will be applied to the oldest amounts due. All payments from a delinquent member during the collection process shall be mailed or delivered to the Association's designated management company to assure accurate, up-to-date records of the remaining amounts due.

**Waiver & Additional Collection Action** - Nothing in this Delinquency and Collection Policy limits or otherwise affects the Association's right to proceed in any lawful manner to collect any delinquent amounts owed to the Association. Specifically, the Association retains the right to refer a delinquent member's account to the Association's attorney at any time. The



Delphi Country Club Association  
Delinquency and Collection Policy

Association's failure (or the failure of any agent of the Association) to comply with any provision of this policy shall not be viewed as a waiver of the Association's right to proceed to collect delinquent assessments in any lawful manner. The Board retains the authority to waive the application of this policy on a case-by-case basis in whole or in part, but any such waiver shall not be effective unless in writing.

**Effective Date** - This policy was adopted by resolution of the Board of Directors on July 18, 2019 and has an effective date of October 1, 2019.

The policies and practices in this Delinquency and Collection Policy shall remain in effect until the Board adopts an updated Delinquency and Collection Policy.

**Date of Publication** - A copy of this policy was mailed to all Owners via regular US Mail on August 28, 2019.

SIGNED this 15 day of August, 2019 by

Luis Dominguez: Luis Dominguez, President of the Board of Directors for the Delphi Country Club Association.