

**Reference of Authority****Action by Association**

1. All assessments and other unit charges are due without demand or set off on the 1<sup>st</sup> day of each calendar quarter and are considered late if unpaid by the last day of the calendar quarter.
  - A. As such it is usual but not a requirement for the Association to provide an invoice/statement. Invoices/statement are sent via email, unless directed by the owner to send in a different manner. The 1<sup>st</sup> day of the calendar quarter is known as the Due Date; the date of the invoice is the Billing Date.
  - B. Currently, the Association is emailing an Invoice/Statement with a billing date no later than the 15<sup>th</sup> day prior to the 1<sup>st</sup> of each Calendar Quarter. Regardless of whether the invoice is sent or received, it is the responsibility of each Owner/Member to provide full payment by the 1<sup>st</sup> days of each calendar QRT namely, JAN 1<sup>st</sup>; APR 1<sup>st</sup>; JUL 1<sup>st</sup>; OCT 1<sup>st</sup>;
2. Any amount that remains unpaid by the end of the month of each of the above named Calendar Quarters shall be deemed late and will be subject to interest at the DE rate as noted in DE Code 2233, currently 18%/annum and will be assessed on the unpaid balance as of the 1<sup>st</sup> day of the Calendar QRT, also know as the DUE DATE.
3. The Association will make and document all attempts to contact the Owner/Member to ascertain the plan for paying the Assessment Immediately. At the desecration of the Council, payment plans will be offered and accepted on a case by case basis. Regardless of the number of attempts or the plans agreed to, if no agreement can be reached, or if an agreement is reached and payments are not received, or if no contact is made by the 5<sup>th</sup> of the month following the end of the Calendar Quarter. Then Council shall send via USPS a letter stating the account is delinquent, assessing a late fee of \$25. And the applicable interest from the DUE DATE, and making a 5-day demand on the Owner/Member to pay immediately.
4. If the account continues without any payments by the 5<sup>th</sup> day as mentioned in the letter the Council will next cause a 10-day demand letter to be sent to the Owner/Member along with a bill of particulars and a copy of the Complaint that will be filed in JP court if the delinquency continues.
5. Should at any time the Owner/Member makes payments the account will remain delinquent until all of the assessments, interest late fees and any costs are completely paid. Monies received will be applied first against all assessments, then against interest the oldest first, then against late fees, the oldest first then against any actual cost incurred by the Association. Once the account balance is zero, the Owner/Member will be considered in good standing.
6. Payments plans should not be excessive, and should try to reach a zero balance before the next QRT installment is due.
7. Special Assessments will follow the same guidelines although payment DUE DATES may be at different intervals.
8. All payment plans, waived interest, waived late fees and any negotiations are at the sole discretion of Council.
9. All Mortgagees will be notified if the account is delinquent in excess of 60 days.

This policy was reviewed in detail and represents a summary of the Actions Council may take to protect the Assets of the Association. It was accepted at the Council Meeting of Aug. 15, 2019.

**Reference of Authority**

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**3.2 13 Notify Mortgagee**

Notify Mortgagee of default  
By the Unit Owner when  
Requested in writing by  
Mortgagee to send notice.

**Procedures to Collect**

Begin Identifying Mortgagee  
Sussex County Property Tax Search

**5.3 Collection of Assessment**

Shall take Prompt Action to collect unpaid for  
more than (30) days from the due date.

Phone calls, emails, contacting Owner.  
Documenting payment plan. If no answer by the  
5<sup>th</sup> business day. Letter.  
Any attempt to pay that is not followed up send  
5.4 letter.

**5.4 Effect if Nonpayment**

If any assessment is not paid within (30) days of  
its due date then the entire fiscal year  
assessment shall then be deemed due and  
delinquent. It shall bear interest at the DE rate  
on judgements from its due date. Action may be  
brought against the Unit Owner or enforce lien.  
When judgement is obtained it shall include  
interest at the maximum amount authorized in  
the Unit Property Act 2233 plus attorney's fees  
and costs.

Letter using USPS first class with receipt. Out  
lined attempts to contact reference the  
references 5.4 and give 5 days to cure or entire  
balance of assessment becomes payable on day  
6.

**10.2 Notice of Unpaid Assessments**

When requested by mortgagee promptly  
report any unpaid assessments for  
Common Expenses, and any other default.

USPS letter-named mortgagee will be notified  
on day 61 if payment is not received. Identify  
mortgagee.

**10.3 Notice of Default**

Copy of default shall be sent to each  
mortgagee after 60 days default if provided to  
the Association.

No additional action taken

**10.4 Other Notices**

Shall notice all mortgagees of any delinquency  
greater than (60) days in the payment of  
assessments.

USPS letter RRR to Mortgagee reference 10.3  
and failed attempts. CC: Owner. Send Owner  
letter via USPS with first class receipt.

**Reference of Authority****Action by Association****11.1.1 Legal Proceedings**

Failure to comply shall be ground for relief which may include an action to recover any sums due, injunctive relief foreclosure of lien and any other relief afforded by a court.

Review Account with Council. Provide correspondence. Research past delinquencies including research from Correct Connect, other delinquencies and signs of bankruptcy.

**11.1.3 Costs and Attorney's Fees**

The Association shall be entitled to recover the cost of the proceeding and reasonable attorney fees from any proceeding arising out of a default by an Owner.

Reference this section in first written letter sent USPS to Owner.

**11.1.4 No Waiver of Rights**

The failure to enforce shall not constitute a waiver of the Associations right to enforce in the future. The Associations exercise of any one or more shall not constitute an election of remedies, nor shall it preclude exercising the same.

Collection Disclaimer, No Action required.

**11.1.5 Interest and Late Fee**

Unit owner obligated to pay interest and late fee on amounts due in excess of 30 days after the due date at the maximum rate and continue to be assessed as Long as the owner remains delinquent for a period of (30) days or more.

By now there has been a promise and a default. Or no contact from Owner. Late Fee assessed \$25. with first written letter sent VIA USPS. Interest charge on the 1<sup>st</sup> at 18%/annum. Do not assess interest on late fee or interest on interest.

**11.2.1 Lien Levied**

Total Annual Contribution assessed pursuant to Article V Section 1 is declared a lien levied against the Owner effective as of the 1<sup>st</sup> day of each fiscal year.

If Council proceeds forward from 11.1.1 Begin process in JP Court. Send Bill of Particulars to Owner RRR. And File in JP Court.

**11.2.2 Partial Payment**

When assessments are due in installments, upon a default in the payment of any single installment which continues for (30) days after its due date, the balance of unpaid assessments May be accelerated.

Requires service of notice upon defaulting owner.