



The Delinquent Account Collection Policy

adopted by the Board of Directors on January 29, 2018
of LAKE EMERALD OWNERS' ASSOCIATION, INC.

PURPOSE: The purpose of this collection policy is to promote fiscal responsibility and timely payment of all installment Assessment(s) due from owner(s) within the community. To that end, the Board adopted January 29, 2018 the following regarding the uniform collection of future delinquent accounts:

1. **Due Date of Assessment:** All monthly and/or special assessment(s) (unless designated otherwise by the Board at the time of the levy of same), are due on the first (1st) day of the month (the "Due Date"). Note: a delinquent account begins on the second day of the month whereas a late account begins on the 16th of the month.

2. **Request for Payment:** On the sixteenth (16th) day of the month, LEOA sends a letter to the owner requesting payment.

3. **Interest Due:** All delinquent monthly installments and/or special assessments shall bear interest at 10% per the declaration from their Due Date until paid in full.

4. **Late Fee(s):** Assessment(s) are deemed delinquent if payment is not received by the Association by the Due Date. Once payment is deemed delinquent, an administrative late fee shall be imposed pursuant to the Association's Governing Documents.

5. **Turnover of Delinquent Account(s):** All owners whose monthly assessments or special assessments(s) remain delinquent thirty (30) calendar days following their Due Date shall immediately be turned over to Association's legal counsel along with a copy of the owner's account ledger(s) for the commencement of collection efforts.

6. **Collection Actions:** In the event that a delinquent account is turned over to the Association's legal counsel, the delinquent owner shall be financially responsible for any Interest, Late Fees, Legal Fees and Costs accruing, in addition to the amount(s) due for past due assessment(s).

A. **Demand Letter/Intent to Lien:** Once an owner's delinquent account has been turned over to the Association's legal counsel, a Demand Letter (Notice of Intent to Lien) shall be prepared and issued advising the delinquent owner of their past due obligation and in the event that payment is not timely received pursuant to statutory requirements that a Claim of Lien will be placed upon their property.

B. **Claim of Lien and Intent to Foreclose:** If an owner's account remains delinquent at the expiration of the response time set forth in the Demand Letter/Notice of Intent to Lien, the Association's legal counsel is authorized to prepare, execute and record a Claim of Lien in the County's Public Records for purposes of securing all sums due and owing by the owner. The Association's legal counsel is further authorized to prepare and issue a statutory Notice of Intent to Foreclose the Association's Claim of Lien advising the delinquent owner of the Claim of Lien that has been placed upon the subject property. In the event that payment is not timely received pursuant to statutory requirements, the Claim of Lien will be foreclosed.

C. **Foreclosure:** In the event that an owner's account remains delinquent following the expiration of the response time set forth in the Notice of Intent to Foreclose the Claim of Lien, the

Association's legal counsel shall be authorized to commence foreclosure proceedings with respect to such delinquent account. In the event that an owner's account remains delinquent following the time frame allotted after service of the Foreclosure Complaint has been obtained and an answer to the lawsuit is due, the Association's legal counsel shall be authorized to seek a Default or Summary Final Judgment against the delinquent owner and have the property scheduled for sale at a public auction.

D. Payment Plans/Forbearance Agreements. A unit owner who is not financially able to bring an account current may request a payment plan which allows the unit owner to pay the past due balance to the Association over a period of time not to exceed twelve (12) months. The payment plan may be requested at any time before the account is turned over for collection to legal counsel. All sums being deferred under a payment plan shall accrue interest at the rate of 10 percent per annum or at such other rate as the Declaration may permit as amended from time to time. Payment plans for longer periods of time may be considered upon a showing of good cause or hardship.