



ELLINGSWORTH
RESIDENTIAL COMMUNITY

Ellingsworth HOA Collection Policy for Assessments and Fines

WHEREAS the Board of Directors of the Association is charged with the responsibility of collecting assessments for common expenses from homeowners; and WHEREAS from time to time homeowners become delinquent in their payments of these 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 interest of the Association to adopt a 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 refer these accounts promptly for collection so as to minimize the Association's loss of assessment revenue;

NOW THEREFORE, BE IT RESOLVED that the Board of Directors of the Ellingsworth HOA (The Association) adopts the following policy and practice effective July 31st 2020. This document sets forth The Association's policy regarding the collection of assessments pursuant to the Association's Declaration of Covenants, Conditions and Restrictions and Florida Statutes Chapter 720.

The Board establishes the Association's fiscal year, January 1 to December 31, as the Regular assessment period. Quarterly payments are due on the first day of each Quarter and are delinquent after 30 days.

1. **Assessments in General.** The Association has a duty to levy regular and special assessments sufficient to perform its obligations under the governing documents and Florida law.
2. Regular assessments are levied annually and are payable during the year in Quarterly installments.
3. **Obligation to Pay Assessments.** Each assessment or charge is an obligation of the owner at the time the assessment or other sums are levied. Each assessment or charge is also a lien on the owner's lot from and after the time the Association causes a Claim of Lien to be recorded with the County Recorder's Office.
4. **Notice of Assessments.** The Association will give the owners notice before any increase in the annual assessment or any special assessment. Notice will be sent by first-class mail to addresses on the membership register as of the date of notice. It is the responsibility of each owner to advise the association of any mailing address changes. The Board of Directors may elect from time to time to provide additional periodic coupons or statements of assessments and charges,

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but lack of such coupons or statements does not relieve the owners of the obligation to pay assessments.

5. **Designation of Agent.** The Board of Directors may designate an agent or agents to collect assessment payments and administer this Collection Policy. Such designated agents may be an officer of the Association, manager, bookkeeper, banking institution, trustee company, law firm, or other appropriate agent.
6. **Due Date/Delinquency Date of Assessments.** Unless otherwise specified by the Board, an assessment is due on the first day of each Quarter for which it is due. An assessment or any portion thereof, is delinquent if it is not received as directed by the Board or its designated agent 30 DAYS after it is due.
7. **Charges on Delinquent Amounts.** Any Assessment, or any installment of an Assessment, not paid within thirty (30) days after the Assessment, or the installment of the Assessment, first became due shall bear **interest** at the rate of eighteen percent (18%) per year and have added to such Assessment or installment, the greater of (i) five percent (5%) of the amount of the unpaid Assessment, or (ii) a late charge of twenty-five dollars (\$25.00).
8. **Interest and Collection Charges.** Any costs and fees incurred in processing and collecting delinquent amounts, including, without limitation, late and interest charges, charges for preparation of delinquency notices or referral to collection, postage and copies, and attorney's fees and costs, shall become an additional charge against the owner and the owner's lot and shall be subject to collection pursuant to this Policy.
9. **Application of Payments.** Any payment received and accepted by the Association shall be applied first to any interest accrued, then to any administrative late fee, then to any costs and reasonable attorney's fees incurred in collection, and then to the delinquent Assessment.
10. **Liens.** Any Assessment, or any installment of an Assessment, which is delinquent shall become a continuing lien on the Lot against which such Assessment was made. The Assessment Lien may be placed of record by the recordation of a Notice or Claim of Lien which shall set forth (i) the legal description of the Lot against which the claim of lien is made, (ii) the name of the record Owner, (iii) the name and address of the Association, (iv) the amount claimed as of the date of the recording of the notice including late charges, interest, lien recording fees, reasonable collection costs and reasonable attorneys' fees, and (v) the due date of such delinquent Assessments. Any Claim of Lien so recorded shall secure all unpaid Assessments that are then due and that may accrue subsequent thereto and before the entry of a certificate of title, as well as interest, late charges and reasonable costs and attorneys' fees incurred by the Association incident to the collection process.
11. **Delinquency Notices.** Owners delinquent 30 DAYS will receive a Notice of Delinquent Assessment. If the account is not brought current then owners delinquent 60 DAYS will receive a second Notice of Delinquent Assessment. If the account is not brought current then owners delinquent 90 days will receive a Notice of Intent to Lien. If the account is not brought current they will receive a Notice of Intent to Lien (ITL) notice then the board of directors will vote to turn the account over to the Association's contracted designated collection agent for collections according to state and federal fair debt collection laws. These collection procedures will include but not be limited to recording a Notice of Claim of Lien and Foreclosure proceedings. The cost of the Notice to Intent

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to Lien will be levied against the homeowner's account and become part of the collectible debt. The cost of transferring the account from the management company to the collection agent and monitoring collections will be levied against the homeowner's account by designated collections agent upon transfer and become a part of the collectible debt. All other expenses, interest, fees and charges incurred in the collection of a delinquent assessment shall be the sole responsibility of the property owner and be payable prior to the curing of delinquency status. Good Faith Agreements to resolve delinquent assessments may be considered by the Board of Directors on an individual basis if a written dispute of collection and request for hearing is submitted to the Board of Directors through its designated collections agent. Any agreement shall in no way relieve the property owner of any expenses/interest incurred or accruing.

Before recording a Notice or Claim of Lien against any Lot, the Association shall make a written demand to the defaulting Owner for payment of the delinquent Assessments together with late charges, interest, reasonable collection costs and reasonable attorneys' fees, if any, by registered or certified mail, return receipt requested, and by first-class United States mail to the Owner at his or her last address as reflected in the records of the Association. The demand shall state the date and amount of the delinquency. Each default shall constitute a separate basis for a demand or claim of lien but any number of defaults may be included within a single demand or claim of lien. If the delinquency is not paid within forty-five (45) days after delivery of the demand, the Association may proceed with recording a Notice or Claim of Lien against the Lot of the defaulting Owner. The Association shall not be obligated to release the Assessment Lien until all delinquent Assessments, late charges, interest, lien recording fees, reasonable collection costs and reasonable attorneys' fees have been paid in full whether or not all of such amounts are set forth in the Notice or Claim of Lien.

12. **Address of the Association and the Board of Directors.** Owners should make payments to the address as directed by the designated agent. If no address is given, payments, request for payment plans, written correspondence including responses and changes to mailing address should be sent to the Association at the following address: Ellingsworth HOA c/o Community Management Specialists, Inc. – 71 S. Central Avenue, Oviedo, FL 32765.
13. **Void Provisions.** If any provision of this Policy is determined to be null and void, all other provisions of the Policy shall remain in full force and effect.
14. In the event of a conflict between this Collections Charter and the Declaration, Bylaws, or Articles of Incorporation ("Governing Documents"), the Governing Documents shall control over this charter.

Suspension of Voting Rights. In the event any Owner is delinquent in the payment of any Assessments or other amounts due under any of the provisions of the Project Documents for a period of ninety (90) days, said Owner's right to vote as a Member of the Association shall automatically be suspended, and shall remain suspended until all payments, including accrued interest and attorneys' fees, are brought current. (ERC Declaration of Covenants, Conditions and Restrictions, Article III, The Association; Rights and Duties, Membership and Voting Rights, Section 3.14.)

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This resolution of the Board of Directors has been duly adopted at the 23 June, 20 Board of Directors meeting.

By: Michael Panko (President), Ahmad Abualsamid (Treasurer), Susan Ballou (Secretary), Lou Hamilton (Director)