

SEA COAST GARDENS II

DELINQUENT ACCOUNTS AND COLLECTION POLICY

The primary goals of the Sea Coast Gardens II Condominium Association (SCG) and its Board of Directors (BOD) are to protect, preserve and promote the property values for the condominium unit owners (Owners). This involves a variety of coordinated efforts between the BOD, its committees, and the Management Company (MC). In order to attain these goals, funds must be expended regularly for a number of services, including but not limited to: routine and periodic maintenance, repairs and replacements. To do these things as necessary, SCG, like every condominium association, relies on timely monetary payments from all Owners. These include monthly assessments and special assessments, along with all late fees, interest payments and legal fees due thereon.

The failure of any Owner to make such payments timely, places an undue and unfair burden on the remaining Owners and SCG. So serious is this matter, that if the cumulative delinquencies in arrears reach a critical amount, the remaining Owners will have to pay substantially more or risk a devaluation of their respective condominium units.

Thus, whenever an Owner becomes delinquent on any payment due SCG, the BOD has not only the right via the Declarations and Florida Statute, but the fiduciary duty, to timely seek to collect all sums owed.

Therefore, this Delinquent Accounts and Collection Policy is hereby adopted and shall supersede and replace any prior policy unless stated otherwise below.

A. Implementation and Application.

1. This policy shall pertain to all collection actions which are less than 90 days in arrears as of the date this policy is adopted.
2. Any account in arrears 90 days or more as of the date this policy is adopted shall continue under the Collection Policy adopted in 2010.

B. Monthly Assessments.

1. The Monthly Assessment amount due from each Owner shall be set by the BOD along with the address to which it shall be submitted.
2. The Monthly Assessment shall be due to SCG on the first day of the calendar month.
3. The Monthly Assessment shall be considered late on the 10th day of the calendar month.
4. On the 11th day of the calendar month:
 - a. A late fee, to the maximum allowed, shall be charged the Delinquent Owner (DO). An additional late fee shall be charged for each monthly installment until the delinquency is paid in full
 - b. Interest at the maximum allowed shall begin to accrue back to the date the assessment was due and continue on all unpaid assessment amounts until the delinquency is paid in full; and,
 - c. A letter via regular USPS shall be sent to the DO demanding immediate payment. If an email address is available, a copy shall be emailed to the DO in addition to the mailing.
5. If payment in full, including all Assessments due, late fees, interest, legal fees, and any other collection cost incurred, has not been received by the 10th day of the following calendar month (40 days from due date and 30 days past due) a second letter via regular USPS shall be sent to the DO demanding immediate payment. If an email address is available, a copy shall be emailed to the DO in addition to the mailing.
6. If payment in full, including all Assessments due, late fees, interest, legal fees and collection fees, has not been received by the 10th of the following calendar month (70 days from due date and 60 days past due) an Intent-To-Lien Letter, in the form of Attachment One to this policy, shall be sent DO by certified and regular USPS demanding immediate payment and noticing of SCG's intent to lien the property for non-payment. If an email address is available, a copy shall be emailed to the DO in addition to the mailing.
7. If payment in full, including all Assessments due, late fees, interest, legal fees and collection fees, has not been received by the 10th of the following calendar month (100 days from due date and 90 days past due):
 - a. The account shall be turned over to the SCG Attorney for collection.
 - b. A Lien Fee shall be charged to DO;

c. A lien shall be filed by the SCG Attorney against the DO's condominium unit in favor of SCG; and,

d. The SCG Attorney shall send a 45 day Demand Letter prior to filing a Lis Pendens.

8. If payment in full has not been received, including all Assessments due, late fees, interest and legal fees, and any other collection cost incurred, by the end of the 45 day Demand Period:

a. The SCG Attorney shall notify SCG of same;

b. BOD shall discuss the matter at its next duly noticed and held Board Meeting to decide if the foreclosure should proceed and whether the SCG Attorney should file a Lis Pendens to notify Owner of SCG's intent to foreclose. BOD shall notify the SCG Attorney of its decision within 3 days of the adjournment of such Board Meeting.

C. Special Assessments.

1. Any Special Assessment amount due from each Owner shall be set by the BOD along with the address to which it shall be submitted. This shall include Special Assessments levied in portions.

2. The Special Assessment shall be due to SCG on the date set forth by the BOD (Due Date).

3. The Special Assessment shall be considered late on the 10th day after the Due Date.

Should the Owner's Monthly Assessment account already be delinquent in any way, SCG's attorney shall be notified of the additional delinquency and the Special Assessment, including applicable late fees and interest, will be charged as detailed above.

Should the Owner's account be current in the payment of Monthly Assessments, the following will occur:

4. On the 11th day of the calendar month:

a. A late fee, to the maximum allowed, shall be charged the Delinquent Owner (DO). Should the Special Assessment be due in installment payments, a late fee will be charged for each subsequent installment that comes due if the delinquency in the Special Assessment is not paid in full;

b. Interest at the maximum allowed shall begin to accrue, back to the date the Special Assessment was due and will continue to accrue until all unpaid portions of the Special Assessment delinquency are paid in full; and,

c. A letter via regular USPS shall be sent to the DO demanding immediate payment. If an email address is available, a copy shall be emailed to the DO in addition to the mailing.

5. If payment in full, including all Assessments due, late fees, interest, legal fees, and any other collection cost incurred, has not been received by the 10th day of the following calendar month (40 days from due date and 30 days past due) a second letter via regular USPS shall be sent to the DO demanding immediate payment. If an email address is available, a copy shall be emailed to the DO in addition to the mailing.

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D. Upon the filing of any Lien by SCG against DO, the BOD shall immediately invoke the following in the manner and to the extent allowable by Florida Statutes:

- a. Suspension of amenity privileges (clubhouse, pools, shuffle board courts, ocean deck, guest parking spaces, etc.) – including such privileges to guests and tenants of DO.
- b. Suspension of voting rights.
- c. Collection of rents being generated by Debtor-Owner's unit; the Rental Management Company shall be notified by the SCG Attorney of SCG's intent to collect rents.

E. Payment Plans

- a. Nothing in this policy shall prevent the BOD from agreeing to a good-faith payment plan, at the BOD's sole and absolute discretion, in return for a suspension of the above procedures.
- b. Nothing in the policy shall prevent the BOD from rejecting any such good-faith payment plan, at the BOD's sole and absolute discretion.
- c. Any such proposed payment plan must be in writing and be ratified by motion, duly seconded and passed by the BOD and signed by both the President and Treasurer of SCG prior to being in effect. If the DO defaults on any good-faith payment plan, the above procedures shall be implemented at the point it was suspended, without further notice.

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