

PALM LAKE HOMEOWNERS ASSOCIATION, INC.

**COLLECTION POLICY
Effective January 1, 2016**

Under authority of the Florida Statutes, the Association's Governing Documents, and the Board of Directors of the Association ("Board"), the following Collection Policy shall be in effect for PALM LAKE HOMEOWNERS ASSOCIATION, INC.

- 1) Annual Dues are billed on January 1st with a due date of January 31st. If payment is not received by the due date, the payment will be considered delinquent. A written "Late Notice" of the delinquency will be sent to the homeowner via U.S. mail. If the delinquent payment is not paid within ten (10) days following delivery of such notice, a late fee of 5% of the amount due will be imposed. In addition, the delinquent payment shall bear interest from the original date of delinquency at the highest rate allowed by the laws of the State of Florida, or a lesser rate as determined by the Board, in its discretion. Interest will continue to accrue until the date that the annual dues, late fee, interest and any other collection cost, including legal costs are paid in full.
- 2) If a homeowner is unable to pay their Annual Dues by the due date, the Board authorizes the Treasurer to negotiate a payment plan with the delinquent homeowner to receive full payment including Annual Dues, late fee, interest and any other costs of collection, within 120 days from the original due date. Payment plans that extend beyond 120 days from the original due date require Board approval. During the payment plan period, interest will continue to accrue. Defaulting on the payment plan will result in immediately moving forward to the next step of the collection process.
- 3) Any payment received on a delinquent account shall be applied first to interest accrued, then to the late fee, then to any costs incurred in collecting including reasonable attorney's fees, and then to the delinquent Annual Dues.
- 4) If the property is occupied by a tenant and the homeowner is delinquent in paying any monetary obligation due to the association, the Board shall cause a "Tenant Demand Letter" to be delivered to the tenant in accordance with the Florida Statute, demanding all future rent payments be made to the Association until all delinquent amounts are paid. No interest or late fees will be waived.
 - a) If the Tenant does not remit rent to the Association in a timely manner according to the Florida Statute, the Association's Legal Counsel ("Legal Counsel") may pursue eviction of the Tenant in accordance with the Florida Statute. Before initiating eviction proceedings, Legal Counsel shall obtain approval from the Board. All other collection processes shall simultaneously continue.
- 5) If the delinquent account is not brought current within 21 days of the "Late Notice" and a payment plan has not been negotiated with the Treasurer, the Board will direct Legal Counsel to proceed with collection efforts, following the Governing Documents and

Florida Statutes, to record a lien on the property, unless the Association is currently collecting rent from a tenant on the account. The Board may also authorize the Legal Counsel to negotiate a settlement plan with the Homeowner. Any settlement plan must be approved by the Board

- 6) After a lien has been recorded on the property and a viable payment plan has not been established by the homeowner, the Board will consider further action including the commencement of legal action to foreclose on the Association's lien. At that time, Legal Counsel shall offer the Board options for further action based on the particular circumstances.
- 7) Pursuant to the Florida Statutes, the delinquent homeowner is responsible for the payment of assessments, fines, late fees, interest and collections costs, including legal costs. To the extent possible, Legal Counsel will endeavor to collect all amounts due from the Homeowner as permitted by Florida law.

The above collection policy and timeframes are intended to be a guideline and all actions are subject to administrative and processing delays. However, any deviation from this policy shall not constitute a waiver of any rights or remedies of the Association in collecting amounts due.

Adopted by the Board of Directors this 16th day of November, 2015.