

ASSESSMENT AND MONETARY COLLECTION POLICY

Harrison Ranch Homeowners' Association, Incorporated

A corporation not for profit organized under the laws of the State of Florida

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BOARD CONTROL

No account may advance to the next collection or enforcement stage without specific advance Board approval reflected in the meeting agenda and official minutes. Authorization of one stage does not authorize the next.

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1. Purpose and Board Control

This Policy establishes a uniform, proportionate process for collecting delinquent assessments and properly imposed monetary fines.

No person or entity other than the Board may independently escalate an account. Each escalation step requires specific advance Board approval by vote at a duly noticed meeting, with the action identified on the agenda and reflected in the official minutes. Authorization of one stage does not authorize the next.

Separate advance Board approval is required for initiation of collection outreach; collection-agency referral; statutory notice of intent to lien; lien filing, amendment, renewal, or enforcement; referral to or engagement of counsel for enforcement; foreclosure or litigation; reinstatement of suspended escalation; and any collection or enforcement action reasonably expected to result in a charge of \$50 or more to the Association or homeowner.

Management may perform routine billing, ordinary reminder notices, administration of approved payment plans, and other specifically authorized administrative activity. Routine billing, reminders, and collection-outreach communications are not statutory pre-lien or intent-to-lien notices. Management is not authorized to prepare, issue, or charge for any statutory pre-lien, intent-to-lien, or other escalation notice unless specifically authorized by the Board.

No standing, blanket, automatic, contractual, vendor-issued, or prior authorization substitutes for the specific Board approval required by this Policy.

2. Thresholds, Billing, and Notice

Category	Minimum Escalation Threshold
Delinquent Assessments	\$300
Properly Imposed Violation Fines	\$1,000

Thresholds apply independently and exclude late fees, interest, collection costs, unsupported amounts, and amounts from another category.

No account may be escalated to collection, pre-lien, lien, or other enforcement activity unless at least one applicable minimum monetary threshold established by this Policy has been met **and** the specific next escalation step has received advance Board approval.

Late Fees and Interest. Pursuant to the Declaration, any amount due to the Association that is not paid within ten (10) days after becoming due is subject to a Board-established late fee, not to exceed \$25, and bears interest at the applicable legal rate until paid in full. Any additional grace period formally established by the Board shall be applied before collection escalation under this Policy.

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The following billing, notice, and outreach requirements apply to delinquent accounts:

- **0-90 days delinquent:** Monthly itemized billing/reminders; **thereafter:** at least quarterly, including while in collections.
- Notices shall include the itemized current account balance and breakdown of charges, clear payment instructions, notice of payment-plan availability and applicable repayment periods, and a concise explanation of the legally required order of payment application.
- After threshold and Board approval, conduct a **90-day collection-outreach cycle**, with outreach occurring at least monthly for a minimum of three (3) documented attempts. Each attempt shall include certified mail and at least one other available communication method, such as email or telephone, and shall be documented in Association records.
- All legally required notices, delivery methods, waiting periods, and other prerequisites remain mandatory. Nothing in this Policy replaces, shortens, or waives any requirement of the Governing Documents or applicable law.

The standard monetary collection process is summarized in the [Collection Path](#) Quick Reference at the end of this Policy.

Foreclosure or injunctive relief (covenant-enforcement litigation) is not part of the standard collection path, may be considered only as a last resort, and is governed separately by Sections 4 and 5, subject to the eligibility requirements and specific Board approval provided therein.

Amounts not otherwise recovered may remain subject to lawful ongoing collection and, where applicable, lien maintenance for long-term recovery, including through the estoppel and closing process upon sale or transfer of the Lot.

3. Documentation and Violation Fines

No amount may be escalated without complete, contemporaneous documentation establishing the charge and all required notices, approvals, and procedures. Aggregate or retroactive ledger entries unsupported by individual records shall not be escalated.

For violation fines, the file must document the complete legally required fining process, including violation notices, supporting photographs or other evidence, Board action, Fining Committee proceedings and decision, required notices, cure status, and formal Board and Fining Committee minutes.

If required documentation or minutes are missing or incomplete, the affected amount shall be excluded from collection and threshold calculations, and any affected escalation shall be suspended or withdrawn and returned to the appropriate earlier stage.

Reasonable efforts may be made to locate, obtain, and reconcile existing records but not to retroactively create a record of an action or proceeding that did not occur. After reasonable efforts to obtain available Association, management, committee, agency, and counsel records, an uncured documentation deficiency shall result in waiver or reversal of the unsupported amount no later than thirty (30) days after identification.

If required Board or Fining Committee minutes establishing a fine are unavailable, the fine shall not advance and shall be waived or reversed.

4. Collection Agency, Liens, and Counsel

Monetary Collection

After completion of the required 90-day collection-outreach process and separate Board approval, an unresolved monetary account authorized for further escalation shall first be referred to a specialized HOA collection agency. Direct referral by the Association or management to legal counsel for monetary collection is not authorized.



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Referral to the collection agency authorizes only the referral and ordinary collection activity within that stage. It does not authorize any subsequent escalation requiring separate Board approval under this Policy.

Notice of intent to lien and filing, amendment, renewal, or enforcement of a Claim of Lien each require the applicable separate, specific Board approval and satisfaction of all legal prerequisites.

Subsequent structured monetary collection shall be handled through the collection agency.

For monetary collection matters, legal counsel may be engaged only with specific Board approval **and** upon the collection agency's formal written recommendation for a complex matter, lien enforcement, foreclosure, or other authorized litigation.

- Where the collection agency can lawfully handle such matters through its internal or affiliated counsel, that capability **shall** be utilized.

Open Covenant Violations

An open, uncured, and fully documented covenant violation that has reached the \$1,000 violation-fine threshold may, at the Board's discretion and only with specific Board approval, be referred directly to legal counsel without prior collection-agency referral.

The Board may authorize counsel to pursue compliance with the Governing Documents and recovery of associated properly imposed fines and other amounts recoverable by law.

Violation fines associated with cured violations shall be handled through the standard monetary collection process, including referral to the collection agency where authorized by this Policy, and shall not independently provide a basis for covenant-enforcement litigation.

Once all violations forming the basis of the legal action are cured, any remaining valid balance becomes a monetary collection matter and shall return to management for reconciliation and further administration under this Policy. Further monetary collection, including collection-agency referral, is discretionary and remains subject to the applicable thresholds and specific Board authorization.

Referral of a covenant violation to counsel does not authorize foreclosure based solely on violation fines or a judgment arising solely from such fines or violation enforcement. Foreclosure requires independent satisfaction of Section 5 and applicable law.

5. Foreclosure, Litigation, and Communications

Foreclosure and litigation are last-resort remedies and require separate, specific Board authorization after all requirements of this Policy and applicable law have been satisfied.

Action Threshold	Minimum Requirement
Covenant-Enforcement Litigation	Open, uncured, fully documented violation + at least \$1,000 in properly imposed fines
Foreclosure Eligibility	\$2,500 total qualifying delinquency, including at least \$500 in delinquent assessments
Mandatory Board action	\$5,000 total qualifying delinquency

For purposes of this Section, "total qualifying delinquency" means delinquent assessment principal and properly imposed violation-fine principal and excludes late fees, interest, collection costs, legal fees, court costs, and unsupported amounts.

The \$2,500 foreclosure threshold is solely an additional internal prerequisite to Board consideration of foreclosure. It does not convert violation fines or judgments arising from violation enforcement into assessments, an assessment lien, or an independent basis for foreclosure. Foreclosure may proceed only upon a legally enforceable assessment lien and satisfaction of all requirements of applicable law.



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At the **\$5,000 threshold**, the Board shall promptly review the account and take or authorize appropriate action, which may include continued collection, a payment plan, settlement, further enforcement where eligible, or a documented decision to take no further action at that time, with the rationale reflected in the official minutes.

Board authorization to commence foreclosure or litigation expires after six (6) months if the action is not filed, after which a new specific Board vote is required.

Scope and Limitation of Authorization

Any Board authorization of foreclosure or litigation is expressly limited by and subject to this Policy, including its interruption requirements. No authorization granted by the Board includes authority to act contrary to this Policy or to continue an action after the conditions authorizing it cease to exist.

Counsel's authority to act on behalf of the Association is limited to the specific action authorized by the Board and remains subject to all conditions and limitations of that authorization and this Policy. Any action beyond that authority requires separate, specific Board approval in accordance with this Policy.

Management shall provide or direct counsel to the current Policy when counsel is engaged.

Nothing in this Policy prohibits ministerial or protective action reasonably necessary to preserve an existing Association right or comply with a nonextendable legal or court-imposed deadline. Any such action shall be limited to what is reasonably necessary to preserve the status quo or comply with the deadline, shall not constitute authorization for further substantive escalation, and shall be promptly reported to the Board.

Nothing herein requires counsel to take any action prohibited by applicable law, court order, rules of procedure, or professional obligation.

Interruption by Payment Plan or Cure

Before final judgment:

- Foreclosure or litigation primarily seeking monetary recovery shall be suspended or withdrawn, as legally and procedurally appropriate, when the homeowner submits a compliant payment plan and makes the initial required payment.
- Covenant-enforcement litigation seeking cure of an open violation shall be suspended or withdrawn, as legally and procedurally appropriate, when all violations forming the basis of the action are cured.
- If covenant-enforcement litigation also seeks monetary recovery, an approved payment plan shall suspend further pursuit of the monetary component but does not require suspension of proceedings reasonably necessary to obtain cure of an open violation.
- Interruption shall be implemented in a manner that preserves any existing Association right and complies with applicable nonextendable legal or court-imposed deadlines.

Upon cure, any remaining valid monetary balance, including properly incurred and legally recoverable legal fees and court costs, shall return to management for reconciliation and further administration under this Policy. Further collection or collection-agency referral is discretionary and may occur only if the applicable thresholds and other requirements are satisfied, including specific Board authorization.

Failure to comply with an approved payment plan may result in reinstatement or further escalation only upon new Board review and specific approval.

Communications

All homeowners, including those in collections, foreclosure, or litigation, shall continue to receive new assessment billing, itemized account statements, and notice of payment-plan availability for delinquent balances.



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All collection and enforcement communications shall be lawful, professional, accurate, appropriately confidential, and documented in Association records. Board members may communicate directly with homeowners consistent with this Policy and applicable law.

6. Payment Plans

Delinquent Balance	Maximum Repayment Period
Up to \$1,200	12 months
\$1,201-\$3,600	36 months
Over \$3,600	60 months

Payment schedules may be monthly, quarterly, semiannual, annual, or otherwise reasonable. Required monthly-equivalent payments shall not exceed \$100 where repayment can reasonably occur within the applicable maximum period.

The Board shall accept a compliant payment plan. An account shall not be further escalated while the homeowner remains in compliance with an approved plan.

All homeowners with a delinquent balance shall continue to receive notice of payment-plan availability. Acceptance and application of payments shall remain subject to the Governing Documents and applicable law.

Failure to comply with an approved payment plan may result in further collection or reinstatement of previously suspended escalation, subject to Board review and specific approval as otherwise required by this Policy.

7. Application, Board Discretion, and Governing Authority

This Policy applies to all further collection and enforcement activity on existing and future accounts as of its effective date. Board-designated accounts may remain held from escalation pending review.

Board Discretion and Settlement

*Meeting a threshold establishes eligibility for consideration, **not** a requirement to escalate.*

So long as the applicable minimum thresholds and all other requirements of this Policy are satisfied, the Board retains its independent authority and discretion to determine whether and how to pursue collection or enforcement activity. Except where this Policy expressly requires Board review or action, nothing herein requires the Association to pursue any particular remedy.

The Board may initiate, decline, pause, withdraw, compromise, settle, or otherwise resolve collection or enforcement activity, subject to the Governing Documents and applicable law. The Board may consider and act upon settlement offers at any stage and may authorize settlements, compromises, payment arrangements, or other lawful resolutions.

Nothing in this Policy authorizes management, a collection agency, counsel, or any other person or entity to exercise discretion reserved to the Board or to independently escalate an account.

Governing Authority

This Policy supplements, and does not replace, the Governing Documents or applicable law. Where either imposes additional or stricter requirements, those requirements control.

This Policy supersedes and replaces all prior Association collection policies, procedures, and practices, which shall have no further force or effect to the extent they concern the collection or enforcement of monetary obligations.

Adopted and effective August 27, 2026, as reflected in the official minutes of the Association.



8. Standard Monetary Collection Path (Quick Reference)

Meeting a threshold does not require escalation. At each "BOARD DECISION REQUIRED" point, management, the collection agency, counsel, or another authorized agent, as applicable, shall bring the proposed next step before the Board. Each decision requires separate, specific advance Board approval; authorization of one stage does not authorize the next, and no further escalation may occur without such approval.

This Quick Reference summarizes the Policy for convenience; in the event of any inconsistency, the substantive provisions of the Policy control.

ROUTINE BILLING *Handled by management unless and until referred to the collection agency.*

Billing & Notice → 10 Days Late → Late Fee ($\leq \$25$) + Legal Interest
→ Monthly Itemized Reminders for 90 Days → At Least Quarterly Thereafter Until Resolved



ESCALATION GATE

Minimum Threshold Met → **BOARD DECISION REQUIRED** *Authorize 90-Day Collection Outreach? Yes / No*



STRUCTURED COLLECTION *Handled by management unless and until referred to the collection agency.*

90-Day Collection Outreach: At least monthly; minimum 3 documented attempts; certified mail + at least one other available method (email or telephone); includes itemized balance, payment instructions, and payment-plan opportunity



BOARD DECISION REQUIRED *Authorize Referral to Collection Agency? Yes / No*



Collection Agency

Subsequent structured monetary collection shall be handled through the collection agency, including through its in-house or affiliated counsel, to the extent available and permitted by law.



BOARD DECISION REQUIRED *Authorize Intent to Lien? Yes / No*



Intent to Lien



BOARD DECISION REQUIRED *Authorize Filing of Claim of Lien? Yes / No*



Lien, If Appropriate



Ongoing Collection / Lien Maintenance



Recovery, Including Upon Lot Sale or Transfer

9. Escalation Control (Quick Reference)

Proposed Action	Advance Board Vote Required?
Routine Billing / Reminders	No
90-day Collection Outreach	YES
Collection-Agency Referral	YES
Intent to Lien	YES
Lien Filing / Enforcement	YES
Collection / Enforcement Action Costing ≥ \$50	YES
Foreclosure / Litigation	YES
Restart Suspended Escalation	YES

STOP RULE: If a required threshold, notice, Board vote, official minute, document, waiting period, or legal prerequisite is missing, the account shall not advance.