

# CAMBRIDGE AT KINGS RIDGE HOMEOWNERS ASSOCIAIATION, INC.

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## DELINQUENT COLLECTION POLICY

Under authority of the association documents and the Board of Directors the following Collection Policy shall be in effect for Cambridge (association). This policy shall be administered by Leland Management (the association's management company).

1. Assessment payments are due on the 1<sup>st</sup> day of each month. If payment is not received within 15 days of the due date a "**Notice of Late Assessment**" shall be sent to the homeowner, and a \$25.00 late fee shall be assessed according to the association documents.
2. If payment is not received within 30 days of the due date, **interest at an annual rate of 18%** per annum shall be assessed. This interest shall be charged monthly until the balance is paid in full.
3. If payment is not made within 30 days of date "Notice of Late Assessment" was processed, an "**Intent to Lien Notice**" shall be prepared and mailed by Leland Management in accordance with Florida Statutes.
4. If the outstanding balance related to the delinquent assessment is not paid within 45 days of the "Intent to Lien Notice", Leland Management shall request a "**Lien**" to be recorded on the property.
5. If the outstanding balance has not been paid within 30 days of the processing of the lien, the account will be sent to the association's attorney to commence "**Lien Foreclosure**" action. Leland Management is authorized by the Board to execute any necessary documents, cost deposits, and take such other actions as necessary to begin and facilitate the foreclosure process. The attorney and/or management company may temporarily suspend or cancel the foreclosure/collection action, if in their judgment, circumstances make continuance of such action legally or economically inadvisable, such as certain situations involving mortgage foreclosure or bankruptcy.

Pursuant to Florida Law, the delinquent homeowner is ultimately responsible for the payment of the charges, collection costs and attorney's fees related to the collection of delinquent assessments. To the extent possible, Leland Management and the association's attorney will endeavor to collect these fees and costs from the homeowner as permitted by 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.

Approved by Board of Directors on the 20<sup>th</sup> day of January, 2026.

Print Name: Harriet E. PHEASANT

Signature: Harriet E. PHEASANT

Title: PRESIDENT - CAMBRIDGE AT KINGS RIDGE

## **Notes to Board on Collection Process Timeline:**

There will normally be a built-in delay before the collection actions noted in the collection policy are completed. For example, if the deadline for payment before late fee is the 15<sup>th</sup> of the month the download for deposits on the 15<sup>th</sup> will not be received until the 16<sup>th</sup> or 19<sup>th</sup> if there is a weekend. Normally the Accounting Manager will review the accounts, post charges and send late notices one to two days after the download is received. This usually provides a few days' grace period for payment to be received without incurring late fees.

Similarly, it may take several days to process a lien or foreclosure notification and for paperwork to be received by the attorney. In addition, the attorney is required to provide the owner with 45-day notice before actual foreclosure action can commence. Historically an extremely small % of accounts will proceed to foreclosure (less than 1% of those sent to attorneys)

In summary the timeframes in the Collection Policy represent the ideal situation and will almost always be longer in practical application. Therefore, owners normally have more opportunities to resolve their accounts for a longer period than would be indicated in the timeline of the Collection Policy.

### **Payment Plans**

If the association allows payment plans, they must provide payment plans for everyone. If they do not, there can be issues related to consistency and discrimination of certain owners. Payment plans also require special handling by the accounting department and require very close monitoring and tracking.

Leland charges \$125.00 a monitoring fee on payment plans that exceed 3 months to cover the cost of added administration and monitoring of the plan. This cost is normally passed on to the owner. Should a payment plan exceed 12 months an additional \$125.00 be charged to the owner for each year that plan is in existence.

If an association chooses to offer a payment plan it should stipulate that the Owner must also remain current on regularly scheduled assessments and would be responsible for any late fees and/or interest and payment plan fee as well as the agreed payment of the past due amount. A payment plan, if accepted, should be for no longer than 12 months. A payment plan will hold off progression of the account to the next legal action if the Owner does not default on the plan. If the owner defaults on the plan, collection actions would be reinstated immediately.

Please keep in mind Leland provides owners with the option of paying the entire amount via credit card.

The specific terms allowed by the board for Payment Plans will be listed on page 3 of this collection policy

### **Waivers**

Leland acknowledges the waivers of owner balance may be necessary to accommodate certain unforeseen payment issues. It is recommended that the board establish a uniform waiver policy which is offered to each owner equally and without consideration of personal factors. We would request that Leland be allowed to issue one-time waivers of interest and/or late fees per the terms listed on the subsequent page.

The specific terms allowed by the board for Payment Plans will be listed on page 3 of this collection policy

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*Initial* (Board Member)

## DELINQUENT ACCOUNT WAIVER & PAYMENT PLAN POLICY

While the file is with Leland Management and has not been turned over to an attorney: The Board of Directors will offer delinquent homeowners a Waiver and/or Payment Plan to resolve their past due balance. The terms of those policies are provided below.

### 1. Waiver Policy (please check one box)

Upon request from delinquent owner, Leland Management is authorized to waive any soft cost (late fees and interest) and hard cost (collection cost)  Yes  No up to \$ \_\_\_\_\_. \_\_\_\_\_. This waiver is only available to the homeowner once in a 1 year period regardless of reason provided for the late payment.

### 2. Payment Plan Policy (please check one box)

Leland Management may provide a Payment Plan to a delinquent owner which cannot exceed 12 months in length.  Yes  No An owner may only request a payment plan once in a 1 year period regardless of reason provided for the delinquent balance. An administrative fee may be applicable to any Payment Plan.

#### Important Note:

The homeowner has ten (10) days to accept a plan and make the first payment in said plan after Leland Management has offered it to the homeowner. If the homeowner does not accept the payment plan or make payment as outlined above, no further or future payment plans will be offered or accepted and the offer to enter a payment plan will be considered null and void.

#### Approved By:

Print Name: Harold Cnesnoy

Signature: Harold Cnesnoy

Title: PRESIDENT, CROMBRIAGE AT KINGS RIDGE