

THE SANCTUARY COMMUNITY ASSOCIATION, INC.
DELINQUENCY AND COLLECTIONS: POLICY AND PROCEDURES FOR MONETARY
OBLIGATIONS

Revised and approved: April 27, 2021

Initially adopted: June 23, 2015

BACKGROUND

The following policy has been adopted by the Board of Directors of The Sanctuary Community Association, Inc. (“Association”). The Association has a duty to ensure timely payment of assessments and other monetary obligations by all Owners. Assessments, late charges, interest and collection costs, including any attorney’s fees, as well as any confirmed covenant enforcement fine, are the personal obligation of the Owner at the time the assessment or other sums are levied. This policy will be used by the Association, pursuant to the CC&Rs and applicable statutes, for the prompt enforcement of each Owner’s assessment obligation. Your understanding and compliance is appreciated.

GENERAL GUIDELIENS AND INSTRUCTIONS

- An Owner is entitled to inspect the Association’s accounting books and records to verify the amounts owed.
- In the event it is determined that the Owner has paid the assessments on time, the Owner will not be liable to pay the charges, interests, and costs of collection associated with collection of those assessments. “On time” is defined as the funds posted to the Owner's account, not when the check is dated, postmarked, or cashed; and not when an electronic payment is initiated. Please allow sufficient time for the amounts to post to your account.
- Any Owner who is unable to pay assessments will be entitled to make a written request for a payment plan, within fifteen (15) days of the pre-lien letter postmark date, to be considered for acceptance.
- Nothing herein limits or otherwise affects the Association’s right to proceed in any lawful manner to collect any delinquent sums owed to the Association.
- Prior to the release of any lien, or dismissal of any legal action, all assessments, late charges, interest, and costs of collection, including attorneys’ fees, must be paid in full to the Association.
- The Association shall charge the Owner fees for any check tendered to the Association that is returned unpaid by the Owner’s bank. If the check cannot be negotiated, the Association may also seek to recover damages.

DELINQUENCY AND COLLECTIONS POLICY FOR MONETARY OBLIGATIONS

1. Regular quarterly assessments are due and payable on the first day of each quarter (Jan 1, Apr 1, Jul 1, Oct 1) (“Original Due Date”). **It is the Owner’s obligation to pay each assessment in full each quarter on or before the Original Due Date.** All other assessments, including special assessments, are due and payable on the date specified by the Board on the Notice of Assessment.
2. Assessments are delinquent immediately after the Original Due Date. Monetary Obligations, such as covenant enforcement fines, are due five (5) days after notice sent to the Owner, which is after the date of the committee meeting at which the fine is confirmed. This timing affects the definition of a delinquent account for estoppel certificates.

3. Assessments remaining on the 25th day following the Original Due Date (Jan 25, Apr 25, Jul 25, Oct 25), are actionable through this collections policy, including but not limited to:
 - A notice of delinquency sent regular mail. The charge for this notice will be added to the delinquent Owner's account, as an administrative fee, which is set through contract as a Level 1 Demand Letter.
 - As allowed for in the CC&Rs, interest will be assessed against any outstanding balance. Such interest charges shall continue to be assessed each month until the account is brought current.
 - Monthly collection monitoring fees, in the form of additional administrative charges, applied each subsequent month until the account is brought current, which is defined as a zero balance (\$0.00).
 - The foregoing also applies to other monetary obligations, such as covenant enforcement fines. However, the collection of monetary obligations is actionable through this collections policy after the five (5) day notice period, and is not afforded the 25-day grace period of regular assessments. This notice of delinquency, sent regular mail, bears a charge added to the delinquent Owner's account as an administrative fee, which is set through contract as a Level 1 CEF Demand Letter.
4. At around 75 days from the Original Due Date, the next quarter statement will be mailed with the updated charges, past and upcoming assessments, interest, and administrative collections monitoring fees.
5. At any time after the notice of delinquency, any unpaid balance will be issued a Demand Letter. Fees and costs associated with this letter, in the form of an administrative fee, which is set through contract as either a Level 2 Demand Letter, or a Level 2 CEF Demand Letter, are added to the ledger. Additionally, delinquent accounts will have their usage rights suspended.
6. Unless the balance is reduced to \$0 before the deadline, which is defined in the Demand Letter, accounts may be sent to the attorney without further notice. Fees and costs associated with transferring the account to counsel are added to the ledger. Fees and costs associated with transferring the account to counsel are borne by the Owner, and are added to the ledger in the form of an administrative fee, which is set through contract.
7. Once with counsel, attorney fees and costs are added at their rate schedule. Additionally:
 - Monthly interest, and administrative fees related to monitoring the ongoing delinquent account will continue to accrue on the ledger – these costs are set through contract.
 - A Notice of Intent to Lien the property will be executed,
 - The Association, its Board, and management can no longer communicate with the delinquent Owner on this matter. All communications must flow through the collections partner or counsel's office.
 - All payments must be made to the debt collector.
8. If the balance is not reduced to \$0 within 45 days after Notice to Intent to Lien, the Lien will be recorded with the Clerk of Court. Further Attorney fees and costs shall be added to the account. At the same time, the attorney will Notice to Intent to Foreclose the Lien.
9. After the 45 day period notice period expires, the Association may choose to initiate the **Lien Foreclosure** process. Significant attorney fees and costs are applied to initiate this lawsuit.
10. In the event the lien is foreclosed, additional costs secured by the lien shall include attorney's fees and court costs, title search fees, interest, and all other fees, costs and expenses incurred in such action, and shall be allowed to the extent permitted by law.

PAYMENTS & PAYMENT PLANS

- When an Owner makes a payment, funds shall be applied first to any interest accrued, then to any administrative late fee, then to any costs and reasonable attorney fees incurred in collection, and then to the delinquent assessment. (Florida Statute 720.3085(3)(b))
- An Owner may request the Association to consider a payment plan to satisfy a delinquent assessment. Payment plans must include a down payment, and must bring the account current within 12 months.