

Accounts Receivable Delinquency Policy and Process

Purpose: The Waterford Master Owners Association (WMOA) Delinquency Policy and Process is to define policies regarding unpaid assessments and CCR violation fines (aka Delinquent Accounts) as well as document a standard process for the collection of past due/delinquent accounts for all 670 lots within Waterford Master Owners Association, Inc.

Reference: Florida Statue 720.305, 720.3085(3,8,a) and WMOA Master Declaration of Covenants, Conditions, and Restrictions (CCR). Specifically, CCR Article VI (Covenant for Maintenance Assessments), Sections 1,8, 9,10,11, & 13, CCR Article VII (Architectural Control)/Section 4 (Fines), and CCR Article X (General Provisions)/Section 2 (Enforcement), WMOA ACC Inspection and Violation Process.

Definitions:

Accounts Receivable – Balance due WMOA for the operation of the Master Association; such monies due may be from annual assessment, special assessment, late fees, interest, or attorney fees associated with any activity on behalf of the Member, including the collection of a delinquent account.

Annual Assessment – Monies collected to promote the recreational, health, safety, and welfare of Members; for the improvements and maintenance of common area; and for the carrying out of WMOA responsibilities and obligations.

Delinquent Account - Member(s) who have not paid their account in full by January 10th, or as directed by WMOA, its management company, or its attorney. A CCR Violation Fine that has not been paid within 30 days of the date when the 'NOTICE OF FINE' letter was issued.

Fine – The fine amount is determined by the WMOA Architectural Control Committee (A.C.C.) based on the number of violations. The A.C.C. recommended fine is presented to the WMOA BOD. If the WMOA BOD approves the ACC recommendation, then the approved fine is sent to the WMOA Hearing Panel. Once the WMOA Hearing Panel upholds the recommended fine, then the fine is issued.

Interest Fee – Any assessment not paid within (10) days after the due date shall bear interest from the due date at the maximum contract rate of interest permitted by law. This amount is determined by the WMOA Property Management Company in co-ordination with the WMOA Treasurer.

WMOA BOD Revised 2023 09 14 WMOA BOD Approved 2023 02 09

720.3085 Payment for assessments; lien claims.

(3) Assessments and installments on assessments that are not paid when due bear interest from the due date until paid at the rate provided in the declaration of covenants or the bylaws of the association, which rate may not exceed the rate allowed by law. If no rate is provided in the declaration or bylaws, interest accrues at the rate of 18 percent per year.

Late Fee – A late fee in the amount authorized annually by the WMOA BOD will be applied on an assessment that is not paid by January 10th, or as directed in a Special Assessment, or as agreed-upon in an approved payment plan.

720.3085 Payment for assessments; lien claims.

(a) If the declaration or bylaws so provide, the association may also charge an administrative late fee not to exceed the greater of \$25 or 5 percent of the amount of each installment that is paid past the due date.

Payment Plan – In accordance with our WMOA documents, payment plans cannot be agreed to with any member by either the BOD, President, or any individual director and/or vendor.

RENT DEMAND LETTER – If a member's property is occupied by a tenant and the member is delinquent in paying any monetary obligation due to WMOA, then WMOA may demand that the tenant pay to WMOA the subsequent rental payments and continue to make such payments until all the monetary obligations of the member have been paid in full and then WMOA releases the RENT DEMAND request. A tenant is immune from any claim by the member related to the rent timely paid to WMOA after WMOA has initiated the RENT DEMAND LETTER.

Statute of Limitations – Liens issued related to HOA Annual Assessments and CCR Violation Fines are limited to five years as per the Florida Statute 720. Additionally, HOA Assessments not collected within a 5-year period will be deemed uncollectable. However, an Estoppel letter can still be issued during the sale of that specific property.

Process:

Annual Assessment: During the Annual Assessment process (January of each year), the Property Management Company along with the Property Manager will monitor the receipt of each member's assessment payment as acknowledged by the Bank identified on the Assessment Letter issue to each member. All Annual Assessments are to be paid by all WMOA Members no later than the 10th of January (If the 10th falls on a weekend, then the 1st Monday following the 10th of January will be deemed Delinquent). Once a delinquent payment has been identified;

- 2 business days after the due date, the Property Manager will initiate a follow-up to the member(s) via phone call to determine if the delinquency is legitimate.
- Once the property manager has confirmed that the members are delinquent, then the Property Manager notifies the WMOA Treasurer and the Property Management Company.
- 15 business days after the due date, WMOA Property Management Company issues a NOTICE OF LATE ASSESSMENT (NOLA) or PAST DUE NOTIFICATION LETTER. (See Attached)
- The property manager is required to keep a log of all properties that are past due and when notification was forwarded.

- As part of the January Finance Committee meeting, the Treasurer and Finance Committee- Reviews all Delinquencies have been notified and ensures interest and late payment fees (Only a one time add on) have been applied.
- Once the delinquency ages past 75 days, then the Treasurer notifies the WMOA President. The WMOA President requests that the WMOA Attorney issues a LETTER of DEMAND requesting full payment within 45 business days or the Claim of Lien is recorded.
- If no response after 45 days, then the WMOA President must then decide to pursue placing a lien on the property and then initiate a foreclosing process. [Note: Members are responsible for all legal fees. Liens are limited to 5 years (Statue of Limitations) and cannot be extended or renewed.]

C.C.R. Violation Fines: Once the Architectural Control Committee (A.C.C.) completes the CCR Violation process and it is determined that the member(s) has not taken action to remediate the violation, then the ACC will recommend that the WMOA BOD approve the fines and forward to the WMOA Hearing Panel. If the WMOA Hearing Panel upholds the approved fines, then the fining process proceeds:

- ACC sends list of approved fines to the Property Management Company
- WMOA Property Manager completed and forwards NOTIFICATION of VIOLATION to the member(s) within 5 business days after the WMOA Hearing Panel upholds the approved fine. (See Page 6 for Sample Letter)
- WMOA property manager maintains a log of all violation fines issued. Log to include: Date of fine, Member name, property location, CCR reference, description of violation, all subsequent notification dates.
- As part of the monthly Finance Committee meeting, the Treasurer and Finance Committee reviews aging of all Delinquencies. **Note: In accordance with Florida Statute 720, CCR Violations cannot be assigned any interest or penalty fees.**
- If a Violation Fine is not paid after 30 days, within 5 business days, the WMOA Property Manager sends a Past Due Notification (See Page 7 Sample) and keeps track in the log.
- Once the delinquency ages past 90 days, then the WMOA Treasurer will recommend that further action should be taken on the delinquency and requests that the WMOA Property Manager issues a LETTER of DEMAND (See Attached) within 5 business days, requesting full payment within 15 days.
- If no response after 15 days, then the WMOA Treasurer will notify the WMOA President who will forward to the WMOA Attorney to issue a LETTER of DEMAND requesting full payment or a Lien will be filled.
- If no response after 15 days, then the WMOA President must then decide to pursue placing a lien on the property and then initiate a foreclosing process. [Note: Members are responsible for all legal fees. Liens are limited to 5 years (Statue of Limitations) and cannot be extended or renewed

Responsibilities:

President – Primary point of contact for all Members, management company, and attorneys in the collection of delinquent annual and special assessments, including late fees, interest, and attorney fees. If the President determines that a lien must be placed or foreclosing procedures on delinquent members should be initiated, then the President needs to present to the BOD for approval to move forward.

Treasurer – Monthly reviewer of Accounts Receivables to ensure correct interest and late payment fees (one time) have been applied. After six months of delinquency, recommend to President to request WMOA Attorney to send ‘Letter of Demand’ to homeowner and pursue further legal action as necessary.

Property Management Company – Maintain Accounts Receivables, plus additional costs incurred in the collection of delinquent accounts, including administrative costs. In addition, facilitate any request by WMOA attorney in the collection of monies during the lien/foreclosure process. ***Ensure that on all reports, resident’s name is not referenced, only Lot number is shown.***

Property Manager – Verify all assessment delinquencies, reports, and tracks all assessment delinquencies, and tracks all CCR violation fees. Determine if the members property is a rental property, notify both the Treasurer and the President that the property in question has a current rental agreement.

SEQUENCE OF EVENTS AS DEFINED BY THE ABOVE POLICY & PROCESS for DELINQUENT ASSESSMENTS

January 10 th or 1 st business day after the 10 th of each new budget year.	Due date for all members assessment payments.
January 12 th or 2 nd business day after due date	WMOA Property Manager initiates a phone call to unpaid member to determine if payment was processed.
January 25 th or 15 business days past the due date.	<ul style="list-style-type: none"> • WMOA Property Manger identifies all non-payments and notifies the Treasurer & Property Management Company • Property Manager issues a NOTICE OF LATE ASSESSMENT (NOLA) /PAST DUE NOTIFICATION LETTER and includes Late Fee & interest. • WMOA Property Manager keeps log of all properties that are past due and that notification has been forwarded.
February Finance Committee Meeting	<ul style="list-style-type: none"> • WMOA Property Manager updates status of unpaid assessments. Notifies the Treasurer that the property in question has a current rental agreement. • Treasurer/Finance Committee reviews property manager report & ensures only authorized late payment fees & interest have been assigned.
Delinquency greater than 60 days	Treasurer requests a LETTER of DEMAND be issued by the Property Management Company.
Delinquency greater than 75 days	<ul style="list-style-type: none"> • Treasurer notifies the President. • President requests a LETTER of DEMAND be issued by the WMOA Attorney requesting full payment within 45 days or a Claim of Lien is recorded.

	<ul style="list-style-type: none"> • If the property has a current rental agreement, request that the Property Manager issues a RENT DEMAND LETTER.
Delinquency greater than 120 days	<ul style="list-style-type: none"> • The Property Manager forwards to Treasurer a copy of Past Due Assessment Log showing all steps taken to collect. • Treasurer forwards log to the President. • President seeks council with Attorney to determine next steps (Lien/foreclosure). • If a lien or foreclosure process is recommended, then President needs BOD approval to proceed.

SEQUENCE OF EVENTS AS DEFINED BY THE ABOVE POLICY & PROCESS for DELINQUENT C.C.R. VIOLATION FINES

WMOA Architectural Control Committee	ACC has completed an inspection and fine process as outlined on Pg 9 & 10 of this document.
WMOA Hearing Panel Meeting	C.C.R. recommended fine is approved by the WMOA BOD and upheld by the WMOA Hearing Panel.
Within 5 business days from WMOA Hearing Panel Meeting	<ul style="list-style-type: none"> • WMOA Property Manager completes and forwards Notice of Violation to member (s) • Property Manager maintains log of all notices sent out to member(s).
Monthly Finance Committee Meeting	<ul style="list-style-type: none"> • WMOA Property Manager reviews all status of payment for all outstanding CCR violation fines. • Treasurer/Finance Committee reviews aging of all delinquencies.
Delinquency greater than 30 days	<ul style="list-style-type: none"> • Within 5 business days, WMOA Property Manager completes and forwards VIOLATION FINES PAST DUE NOTIFICATION to applicable member(s). • WMOA Property Manager updates delinquency log with recent action taken. Determine if the property in question has a current rental agreement and notify the Treasurer.
Delinquency greater than 45 days	President requests a LETTER of DEMAND be issued by the WMOA Attorney. If the property is currently being rented, then request that the Property Manager issues a

	RENT DEMAND LETTER. (See Attached Form)
Delinquency greater than 60 days	<ul style="list-style-type: none">• Property Manager forwards to the Treasurer a copy of Past Due Assessment Log showing all steps taken to collect.• Treasurer forwards log to the President.• President seeks council with Attorney to determine next steps (Lien/foreclosure).• If a lien or foreclosure process is recommended, then President needs BOD approval to proceed.

SAMPLE COPY OF 'NOTICE of VIOLATION' LETTER SENT TO MEMBER(S)

**Waterford Master
Owners Association, Inc.**

1460 GLENEAGLES DRIVE • VENICE, FLORIDA 34292
Tel: 941-484-9879

NOTICE OF VIOLATION

September 20, 20XX

Re: Waterford /

Dear Brian:

The Waterford Master Owners Association (WMOA) Architectural Control Committee (ACC) conducts regular inspections to ensure that properties in our community comply with the Master Declaration of Covenants, Conditions and Restrictions ("Declaration") and any rules of WMOA. The inspections are designed to help maintain the beauty, character and home value of your property.

In our / / inspection, we noted violation(s) of the Declaration and/or rules, the details of which are noted below. **We appreciate your prompt attention to this matter and request that the violation(s) be corrected within fourteen days from the date of this letter.**

1. Yard Light and/or post
1. CCR – Article VIII, Section 26, Maintenance

Please repair your yard light and/or post ensuring that it is on from dusk to dawn daily.

Please notify our WMOA office by letter or email (argus@argusvenice.com) when you complete the correction(s).

Thank you for your prompt attention to this matter. If you have any questions or need additional information, please contact our WMOA office.

Sincerely,

Argus Management of Venice, Inc.
Association Manager for
Waterford Master Owners Association, Inc.
1460 Gleneagles Dr, Venice, FL 34292
Email: argus@argusvenice.com

SAMPLE COPY OF 'PAST DUE NOTIFICATION' LETTER SENT TO MEMBER(S)

Waterford Master Owners Association, Inc.

c/o Argus Management of Venice, Inc.
 1062 E Venice Avenue
 Venice, FL 34285
 Phone: (941) 408-7413
 Fax: (941) 408-7419

**VIOLATION
FINES DUE**

TO:

DATE

**PAST DUE
PLEASE PAY IMMEDIATELY**

DATE	TRANSACTION	AMOUNT	BALANCE
	Balance forward		1,000.00
			AMOUNT DUE
			\$1,000.00

This statement represents violation fines which are currently due.

**Make check payable to:
Waterford Master Owners Association, Inc.**

**Mail check to:
Argus Management of Venice, Inc.
1062 E Venice Avenue
Venice, FL 34285**

Thank You for your cooperation and prompt attention in this matter.

**WATERFORD MASTER OWNERS ASSOCIATION, INC.
ARCHITECTURAL CONTROL COMMITTEE
INSPECTION and VIOLATION PROCESS**

This document defines the Architectural Control Committee process used to inspect Waterford properties and cite violations of the Master Declaration of Covenants, Conditions and Restrictions and/or Rules of the Association

Definitions

- “WMOA” – Waterford Master Owners Association, Inc.
- “CCRs” – Master Declaration of Covenants, Conditions and Restrictions for WMOA. Also referred to as “Deed Restrictions” or “Covenants.”
- “Rules” – Additional policies or rules adopted by the Board of Directors to address issues not covered by the CCRs.
- “ACC” – Architectural Control Committee. A board-chartered committee of WMOA responsible for enforcement of the CCRs and Rules of the Association.
- “Hearing Panel” – A committee comprised of three Association members appointed by the Board of Directors. Per FL statute the Panel members must not be officers, directors, or employees of the association, or the spouse, parent, child, brother, or sister of an officer, director, or employee.
- “Notice 1” – Violation. First letter to owner informing them of CCR/Rule violation(s).
- “Notice 2” – Proposed Fine. Second letter to owner, sent registered, two weeks after Notice 1, informing them that ACC is proposing a fine due to owner’s non-compliance and failure to correct violation(s).
- “Notice 3” – Approved Fine. Third letter to owner, sent if the Hearing Panel approves the proposed fine, notifying owner that a fine is levied.

SECTION I: INSPECTION

1. Members of the ACC will inspect owner properties periodically and note CCR and/or Rule violations.
2. A list of all violations will be compiled, and the ACC Chairperson will review and approve the list. The list will be given to the Association’s on-site Administrative Assistant for entry into the Log. The Administrative Assistant will notify the Association Manager of new Log entries
3. The Association Manager may inspect cited properties at his/her discretion.

SECTION II: NOTICE OF VIOLATION (NOTICE 1)

1. The Association Manager will oversee generation of violation letters (Notice 1) to address violations of CCRs and/or Rules.

2. The Association Manager will verify that the violation wording, CCR/Rule reference, owner name, address and lot number are correct prior to signing the letter. After mailing the Administrative Assistant and/or Association Manager will add notes to Log as required.

SECTION III: NOTICE OF PROPOSED FINE (NOTICE 2)

A: If owner corrects violation(s):

1. The owner must notify the WMOA office that violation(s) are corrected.
2. The Association Manager will verify violation(s) is(are) corrected. If so, the violation(s) will be closed, and the information entered into the Log.

B If owner does not correct violation(s) within fourteen days:

1. ACC Chairperson will propose a fining recommendation to Board of Directors for approval.
2. If Board approves the fining recommendation:
 - a. Notice of Proposed Fine (Notice 2) will be sent via registered mail to the owner. Notice 2 also will inform the owner of a scheduled meeting date with the Hearing Panel.
 - b. The Association Manager will gather all pertinent documentation regarding the property violation(s) and provide same to the Hearing Panel
3. At the scheduled hearing, the Hearing Panel will hear from the owner (if in attendance) and decide (Yes or No) to impose the recommended fine.

Note: The Hearing Panel is the final arbiter on levying the proposed fine (Yes/No only). A fine cannot be imposed until owner has an opportunity for a hearing, and the Panel agrees with the fine.

Note: Hearings are open to anyone, but only Hearing Panel members and owner may speak to the issue.

SECTION IV: NOTICE OF FINE (NOTICE 3)

1. The fine will take effect immediately if the Hearing Panel decides it is warranted. The Association Manager will send Notice 3, Third Letter.
2. The issue will be referred to the ACC if the Hearing Panel decides a fine is not warranted, and the ACC will revisit the violation and determine next steps.
3. The Hearing Panel will document its findings and, if the proposed fine is denied, explain its reasoning.

SAMPLE COPY OF 'RENT DEMAND' LETTER SENT TO TENANTS & MEMBER(S)

Waterford Master Owners Association, Inc.

1460 GLEANEAGLES DRIVE *VENICE FLORIDA 34292

NOTICE OF RENT PAYMENT DUE

September XX, XXXX

Re: Lot XXX/Block XX

Dear _____, (*Insert Tent's Name*)

CC: _____(*Insert Landlord Name*)

Please be advised that WATERFORD MASTER OWNERS ASSOCIATION, INC demands that you make your rent payments directly to WATERFORD MASTER OWNERS ASSOCIATION, INC' in accordance with Florida Statute [720.3085\(8\)](#). This request is being made in order to satisfy an ASSESSMENT of \$_____ or a VIOLATION FEE of \$_____ issued on _____ (See Attached). After Several attempts to collect the outstanding Assessment/Violation Fee from your landlord (See Attached), including the recent notice sent out on _____ (See Attached).

Payment due the WATERFORD MASTER OWNERS ASSOCIATION, INC may be in the same form as you paid your landlord and must be sent by United States mail or hand delivery to 1460 Gleneagles Drive, Venice, Florida 34292, payable to WATERFORD MASTER OWNERS ASSOCIATION, INC.

Your obligation to pay your rent to the association begins immediately, unless you have already paid rent to your landlord for the current period before receiving this notice. In that case, you must provide the association written proof of your payment within 14 days after receiving this notice and your obligation to pay rent to the association would then begin with the next rental period.

Pursuant to section [720.3085\(8\)](#), Florida Statutes, your payment of rent to the association gives you complete immunity from any claim for the rent by your landlord.

Thank you for your prompt attention to this matter. If you have any questions or need additional information, please contact our office at 941-484-8879.

Sincerely,

Argus Management of Venice, Inc

Association Manager for

WATERFORD MASTER OWNERS ASSOCIATION, Inc1460 Gleneagles Drive, Venice, FL 34292