

Waterwood Improvement Association, Inc.

Annual Charge Information

The following information summarizes the Annual Charge requirement, assessment process, what it is used for, and consequences of non-payment.

Requirement & Process:

- Each Lot Owner shall pay an Annual Charge (a.k.a. assessment or maintenance fee) each year to provide the Waterwood property owners' association, Waterwood Improvement Association, Inc. (WIA), with operating, capital improvement, and contingency funding. The Annual Charge is assessed yearly on individually owned Waterwood lots (single- and multi-family; improved and unimproved) per the requirements and terms set forth in the primary governing document for the Waterwood development, The Waterwood General Warranty Deed and Declaration of Covenants, and by supporting polices established by the WIA Board of Directors (BOD).
- The Annual Charge becomes due and payable on the 31st of December each year, and delinquent on March 31st of the following calendar year. Annual Charges are due without regard to WIA providing an invoice to Lot Owners.
- The maximum Annual Charge that can be assessed for a year is determined by applying a construction industry inflation factor to a base amount established in the General Warranty Deed. The BOD then sets the actual Annual Charge amount for a year (up to the maximum). In recent years, the BOD has set Annual Charge amounts that are less than the maximum allowed. The Annual Charge amount is different for single- and multi-family lots. It is the same for improved and unimproved lots.

Usage:

- Annual Charge payments provide a significant portion of the yearly funds needed by WIA to provide services to the community. The BOD establishes a yearly operating expense budget based on the needs of the community and projected Annual Charge and Investment Portfolio income. The funding allows WIA to support the community by providing the following services and other items:
 - Security Patrol of Waterwood (includes staff and two patrol cars)
 - EMS Ambulance Service (with paramedic) (contracted)
 - Waterwood Volunteer Fire Department funding for equipment and building
 - Maintenance of community common areas and right-of-ways (contracted)
 - Central household garbage collection site and pickup (contracted)
 - Maintenance of streets (in partnership with the county)
 - Maintenance of a yard debris site in accordance with State regulations
 - Community street lighting

- Various types of insurance coverage
- Various taxes and administrative costs (e.g., annual audit)
- Extraordinary items such as the cleanup of Waterwood after a recent hurricane
- Maintenance and operation of Fire Station and WIA Office buildings
- WIA administration (2 persons) Note: WIA relies heavily on its volunteer, unpaid Board of Directors and other members to accomplish various tasks.
- Sponsorship of community events/activities (holiday decorations, 4th of July fireworks, annual BBQ, etc.)

Non-payment Consequences:

- Delinquent Annual Charges shall be assessed an interest penalty of 10% APR until they are paid.
- Delinquent Annual Charges and interest shall be secured by a continuing lien upon the lot and its improvements. WIA may bring an action at law against the Lot Owner or an action at law to foreclose the lien securing the Annual Charge. Reasonable expenses of collection, reasonable attorneys' fee and costs of court may be included in an action at law.
- If a Lot Owner with delinquent Annual Charge(s) transfers title to another party, the lot will remain under lien for the delinquent amount. When requested, WIA will provide title companies with the lien amount so that it is collected at closing. If lot ownership changes without satisfying the outstanding lien, the new owner will be assessed the delinquent Annual Charges and interest along with new charges. It is the responsibility of the new and previous lot owner to come to agreement on how the delinquent amount will be paid.
- A Lot Owner with delinquent Annual Charge(s) shall cease being a WIA member in good standing and shall not be eligible to vote in WIA elections, receive WIA services, and to participate in WIA sponsored events.
- A Lot Owner with delinquent Annual Charge(s) shall not be able to make improvements on the lot (for example, to build a house or add an addition to an existing structure) until the delinquent amount is paid.