COLLECTION SERVICES AGREEMENT

This agreement, made this ____ day of _____, 2020, by and between ,_____ a not-for profit corporation duly organized under the laws of the State of _____ and having its principal place of business at

(referred to herein as "Association"), and Schwartz Vays FL LLC, dba "Schwartz Vays", *operating under a licensing agreement with Axela Technologies, Inc,* and duly organized under the laws of Florida and having its principal place of business at 1401 Brickell Ave. Suite 320 Miami, FL 33131 (referred to herein as "SV"). Association and SV are collectively referred to herein as the "Parties."

WHEREAS, The Association constitutes an "Association" as defined under applicable state laws and is the entity responsible for the operation of common elements owned in undivided shares by unit owners ("Unit Owners" and each individually a "Unit Owner").

WHEREAS, Pursuant to the Association's Declaration of Covenants, Articles of Incorporation, bylaws, director resolutions and operating budget, and any amendments to any of the foregoing (collectively, the "Association Documents"), Unit Owners are required to pay periodic assessments and, from time to time adopted, special assessments (collectively, "Assessments" and individually an "Assessment").

WHEREAS, From time to time, certain Unit Owners have failed to pay Assessments and other charges when due, including but not limited to interest and late fees in accordance with the Association Documents or applicable State Statutes, and maintain a past due or delinquent Assessment balance owed to the Association.

WHEREAS, SV is a properly licensed and insured collection agency specializing in collections for Associations.

WHEREAS, The Association wishes to engage SV to provide collection agency services and efforts, in accordance with Schedule A, on delinquent Unit Owner accounts that Association will submit from time to time to SV, and SV wishes to perform such collection agency services and efforts on the terms and subject to the conditions set forth in this Agreement.

WHEREAS, Each delinquent Unit Owner account submitted by Association to SV is referred to herein as a "Submitted Unit."

WHEREAS, Each Submitted Unit is considered a "Resolved Unit" when the Submitted Unit's ledger is brought to a zero-balance owing or upon the Association's acquisition of title to the Submitted Unit.

WHEREAS, the Parties are hereby executing this Agreement to formalize their working business relationship.

NOW, THEREFORE, in consideration of the promises, representations and mutual covenants set out below, the Association and SV hereby agree as follows:

- 1. **PRELIMINARY STATEMENTS**: The foregoing Preliminary Statements are true and correct and are hereby incorporated into this Agreement in their entirety.
- 2. **ENGAGEMENT**: By its execution hereof, Association hereby engages SV to provide exclusive collection services with respect to Submitted Units subject to the terms and conditions set forth in this Agreement.

3. SUBMITTED UNITS

3.1 **Services:** Upon SV's receipt and acceptance of a Submitted Unit, SV shall use commercially reasonable efforts to collect all delinquent Assessments and related charges, in accordance with **Schedules A** and **B**, on behalf of the Association, with respect to Submitted Units in accordance with the Association's Documents, and applicable law. SV is granted, for and on behalf of the Association, in connection with Submitted Units, the exclusive right and authority to: (i) maintain the Association's official account ledger; (ii) issue demands for payment; (iii) receive and process any and all payments; (iv) negotiate and facilitate payment plans; (v) compromise or settle Submitted Unit balances (other than Assessment balances); (vi) issue estoppel letters, payoff letters, and/or certificates of account in connection with the sale or ownership transfer of a Submitted Unit; (vii) cause the filing of a claim for surplus proceeds in the event of an auction of a Submitted Unit; (viii) cause the commencement and recording of a claim of lien or a satisfaction/discharge of a lien that was commenced by SV pursuant to this Agreement; (ix) help to coordinate and manage the progress of Legal Filing Matters, as defined in Section 3.3; (ix) and (x) continue to exclusively service the Submitted Unit until such Submitted Unit becomes a Resolved Unit.

- 3.2 Limited Power to Engage Third Party Attorney: In connection with the performance of collection services hereunder, SV is hereby granted the limited authority to retain, on behalf of the Association, a third-party attorney to represent the Association solely with respect to filing a claim of lien, or a satisfaction of lien thereof, or a claim for surplus proceeds on Submitted Units which is included in the collection services and fees provided for on Schedules A and B. Any costs incurred by SV pursuant to this section shall be charged to the Association, deferred by SV, added to the Submitted Unit ledgers and retained by SV upon collection in accordance with Sections 4, 5, and 6.
- 3.3 **Legal Filing Matters:** Upon the Association's approval to pursue a lien foreclosure action, small claims action, bankruptcy proof of claim, probate filing, or other legal related filing (herein referred to as "Legal Filing Matters") on a Submitted Unit, the Association may approve the third-party attorney engaged by SV, on behalf of the Association, pursuant to Section 3.2; alternatively, the Association may select an Attorney at their discretion to pursue said Legal Filing Matters and to work in conjunction with SV to progress the Legal Filing Matters. The Association shall be liable for any and all attorney's fees and costs incurred in connection with Legal Filing Matters, with the attorney approved by the Association, until such Submitted Unit's file in connection with any Legal Filing Matters, with the attorney approved by the Association, until such Submitted Unit.

4. PAYMENTS ON SUBMITTED UNITS

- 4.1 SV is authorized to exclusively receive payments for Submitted Units until such time each Submitted Unit becomes a Resolved Unit. If the Association, or any agent of the Association, receives or accepts a payment for a Submitted unit, they shall immediately send the payments received for any Submitted Units to SV for processing and proper account crediting.
- 4.2 If the Association, or any agent of the Association, fails to immediately send payments received on any Submitted Units to SV, pursuant to Section 4.1, and deposits said payments directly into their bank account, this will constitute a Payment Processed by Client ("PPC"). Upon notice to SV of a PPC by the Association, any Agent of the Association, or the owner of a Submitted Unit who has provided back up of a PPC, SV shall apply the PPC to the appropriate Submitted Unit ledger(s) and SV shall be entitled to retain and deduct any amounts that would be due to and retained by SV, in accordance with this Agreement, as if the payment were properly forwarded and deposited by SV.
- 4.3 All payments received or PPC's for Submitted Units shall be applied in accordance with applicable law and/or the Association Documents. SV may deduct from those funds and retain any Service Fees due to SV on Submitted Units in accordance with this Agreement in addition to any costs incurred pursuant to Section 3.2 and Schedule B.

5. FEES

- 5.1 **Delinquency Service Fees**: In consideration for the performance of collection services on Submitted Units hereunder, SV shall earn and be paid, for each Submitted Unit, an amount equal to the sum of all late fees and late interest accruing from the time the Submitted Unit became delinquent in accordance with the Association's Governing Documents and applicable State laws. Such fees are referred to herein as "Delinquency Service Fees."
- 5.2 **Collection Service Fees**: In addition to payment of the fees described in Section 5.1 above, SV shall also earn and be paid, for each Submitted Unit, the accrued fees as reflected on **Schedule B** as compensation for collection efforts for each Submitted Unit, in addition to costs. Such fees are referred to herein as "Collection Service Fees." It is further acknowledged that the Collection Service Fees reflected on **Schedule B** are subject to change at SV's discretion.
- 5.3 **Service Fees:** The aforementioned fees payable to SV described in Section 5 and **Schedule B**, as amended from time to time, shall collectively be referred to herein as "Service Fees." Service Fees, in addition to costs, shall be charged to the Association, deferred by SV, added to the Submitted Unit account ledgers, and retained by SV upon recovery.
- 5.4 In the event SV reasonably determines that applicable Service Fees are not collectible on a Submitted Unit due to applicable State law or court order, SV shall not seek reimbursement of the Service Fees from the Association.
- 5.5 In the event the Association acquires title to a Submitted Unit, any and all fees and costs due SV, shall become immediately due and payable from the Association.
- 6. **DISTRIBUTION OF PROCEEDS:** The Association, hereby waives a traditional billing process of amounts due to SV from the Association. However, at any time, the Association may request an invoice of amounts due to SV from the Association. Amounts due to the Association hereunder shall be paid monthly following collection and receipt by SV, and after applicable offsets and/or deductions are made by SV for Service Fees and costs due from the Association to SV on Submitted Unit proceeds pursuant to this agreement. The Association acknowledges, understands, and agrees that the application of payment schedule as provided for in the state statutes and/or the Association Documents, and the timing in which SV offsets, deducts, and retains Service Fees and Costs are not

mutually exclusive of one another. Therefore, SV is hereby authorized and granted the right to set off, deduct, and retain any amounts owed to SV for Service Fees and Costs against any amounts due to the Association on Submitted Unit proceeds on a first priority basis. All remaining Assessments or other amounts collected in excess of the Service Fees and costs as described in this Agreement will be paid to the Association. With respect to each Submitted Unit, once the unit becomes a Resolved Unit, and there is no further collection, judicial action, or Legal Filing Matters on such Submitted Unit, and all amounts due to SV have been satisfied in accordance with this Agreement, or at SV's reasonable determination, the collection file will be closed by SV and such Unit will no longer constitute a unit that is in collections with SV. For the avoidance of doubt, upon a Submitted Unit becoming a Resolved Unit, the Association shall receive the Principal Assessment balance due from the Submitted Unit Owner, as allowable by applicable law, unless the Association acquires title to a Submitted Unit.

- 7. **NOTICES TO SV:** The Association, or any agent on behalf of the Association, shall notify SV immediately in writing upon any of the following in connection with a Submitted Unit: (a) any receipt of notice of a bankruptcy filing, debtor attorney representation, foreclosure action, tax lien/deed application or sale, or change in mailing address in order to allow SV to, among other things, cease or redirect collection activities and communications as may be required by federal or state law; (b) any change to the contact information for the Manager or Association; (c) any changes or amendments to the Association's Governing Documents; (d) any change in the amount of any Assessments, including but not limited to the passing of any special assessments, as well as fines, violations, non-Assessment related fees, or any change in the Association's Operating Budget; (e) receipt of any payment on account of any Submitted Unit from a Unit Owner or other interested party (e.g., a mortgage holder); and (f) any change in ownership of a Submitted Unit. The Association shall indemnify and hold SV harmless from and for any and all losses, claims, or other liability, including court costs and attorney fees, incurred by SV arising from the Association's, failure to promptly provide the foregoing notices.
- 8. **DUTY TO COOPERATE:** In an effort to properly enforce the rights provided herein and meet certain timelines prescribed by applicable law, SV may require additional documentation and/or information from the Association, or its managing agent, on Submitted Units to progress the collection files. The Association hereby agrees, and shall also direct its managing agent, to be available, responsive, and answer any and all inquiries and requests made by SV to the Association in connection with Submitted Units. Failure by the Association, or its managing agent, to be available, reply, or answer an SV inquiry or request within 30 calendar days may result in SV closing the collection file and any amounts owed to SV pursuant to this Agreement will become immediately due and payable from the Association for such Submitted Unit.
- 9. **REPORTS:** SV shall provide reports to the Association as to the status of Submitted Units upon the Association's written request. Upon a Submitted Unit becoming a Resolved Unit, SV shall no longer provide collection services to such previously Submitted Unit, will provide a final accounting to the Association, and shall release same back to the Association.
- 10. **CREDIT REPORTING:** If requested by the Association, SV will, at such time as reasonably determined by SV, submit relevant data to a consumer reporting agency or agencies. Prior to any such reporting, the Association, or any Agent of the Association, may be required to represent, warrant and certify to SV that the information to be reported is true and correct in all respects and that except as shown on any applicable Submitted Unit account ledgers, no payment(s) have been received by the Association, or any Agent of the Association, and not reported to SV for proper crediting to the Submitted Unit's account ledger. Prior to submitting data to the credit reporting agencies, the Association, or any Agent of the Association, may be required to register with Equifax as a Data Furnisher.
- 11. **DATA USE:** SV may use the Association's data for any purpose consistent with applicable federal, state and local laws, rules and regulations, including, without limitation, all privacy and data protection laws. The Association recognizes that such information, at the request of the Association, or any Agent of the Association, may be submitted to consumer reporting agencies, as defined in the Fair Credit Reporting Act ("FCRA") (15 U.S.C. 1681 et seq.).
- 12. NO MANAGEMENT AGREEMENT: The Association acknowledges and agrees that SV is not a management company and is not providing maintenance or community management services to the Association or its respective Unit Owners. Notwithstanding the forgoing, SV agrees that the Services to be performed hereunder are delineated and shall be provided in accordance with Schedule A attached hereto.
- 13. **TERM**: This agreement is made as of the date written above ("Effective Date") and shall become binding upon its execution by both parties. Either party may terminate this Agreement for convenience upon not less than thirty (30) days prior written notice to the non-terminating party by a duly authorized representative of such terminating party. Upon any termination event, any and all Service Fees and Costs due to SV, in accordance with this Agreement, which are not yet recovered, will become immediately due and payable from the Association.
- 14. **CONFIDENTIAL INFORMATION AND MUTUAL NON-DISPARAGEMENT:** Except as may be required by law, neither party shall disclose any non-public or confidential information of the other party to the general public, or use such information to negatively affect the business of the other party in any way, without the prior written consent

from the other party. Neither Party or any of the Party's Executives shall make any oral or written statement about the other party which is intended or reasonably likely to disparage the other party, or otherwise degrade the other party's reputation.

- 15. VENUE; ATTORNEY FEES: This Agreement shall be governed by and construed in accordance with the laws of the State of Florida without regard to legal principles pertaining to conflict of laws. The venue for any dispute or enforcement required concerning this Agreement shall be in Miami-Dade County, FL. If any provision of this Agreement is held to be invalid or unenforceable or otherwise violates existing applicable law or subsequently enacted legislation, then such provision shall be modified to reflect the parties' intention solely to the extent necessary to comply with applicable law, and all remaining provisions of this Agreement shall be entitled to recover its reasonable attorney's fees, administrative fees, and all costs incurred in connection to said dispute or enforcement, whether incurred in or out of court. Any amounts due to SV at any time during or after service shall accrue interest and/or late charges at the highest rate allowed by law until paid.
- 16. WAIVER OF JURY TRIAL: THE ASSOCIATION AND SV KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY AND ALL RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION (INCLUDING BUT NOT LIMITED TO ANY CLAIMS, CROSS CLAIMS OR THIRD PARTY CLAIMS) ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AGREEMENT.
- 17. NOTICES TO THE PARTIES: All notices, which the parties hereto may be required to give in writing hereunder, shall be deemed to have been properly given and shall be effective if; (a) sent by email (with confirmation of delivery by the recipient if requested, which shall not be unreasonably withheld), or by United States Postal Service first class mail, or by national delivery service, or by facsimile, and, (b) (i) addressed to Schwartz Vays FL LLC at 1401 BRICKELL AVE, STE 320 MIAMI, FL 33131; email at admin@schwartzvays.com or facsimile 786.420.6298, or (ii) addressed to the Association at any of the addresses designated herein or on the public records of the State of Florida or to either party at such other mailing or email address hereafter designated.
- 18. **INDEPENDENT CONTRACTOR STATUS**: By its execution hereof, the Association acknowledges and agrees that it is an independent third party, unaffiliated with SV, and is not authorized to bind SV in any way.

19. GENERAL PROVISIONS

- 19.1 The Association's signatory, below, acknowledges and confirms that it has the express authority and power to bind and enter this agreement and engage SV on behalf of the Association. As a result, Association agrees to indemnify, save and hold harmless SV, including its directors, officers, managers, agents, members, and employees harmless from and against all losses, damages, claims, liability and causes of action of every kind, character and nature that may be brought by the Association or its Members.
- 19.2 Neither this agreement nor any duties or obligations under this agreement may be assigned by Association without the prior written consent of SV. This agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one of the same instrument. Facsimile, scan and photocopies of this Agreement, shall be treated as an original and shall be binding.
- 19.3 Association acknowledges that SV is operating under a licensing agreement with Axela Technologies, Inc. and, accordingly, SV may utilize the Axela Technologies, Inc. technology platform in connection with the services performed.
- 20. CERTIFICATION: The Association represents, warrants and certifies to SV as follows:
- 20.1 the outstanding account balances for each Submitted Unit to SV for collection services are legitimate charges allowable under the Association's Governing Documents or state law and the Association agrees, upon request, to provide all supporting documentation necessary to support the legitimacy and accuracy of such account balances and to progress the collection efforts of a Submitted Unit;
- 20.2 all of the information provided by the Association, or any Agent of the Association, to SV is true and correct in all material respects to the best of the Association's knowledge after diligent review by the parties responsible for such information, and SV may rely on said information and shall not be liable for actions taken based on or errors attributable to said information;
- 20.3 the Association is duly organized, validly existing, and in good standing under the laws of it's respective State;
- 20.4 the Association's Governing Documents are effective;
- 20.5 the Association's Board of Directors have reviewed and duly approved this Agreement and any related documents;
- 20.6 the Association's Board of Directors has determined, that entering into this Agreement and engaging in the contemplated transactions with SV are in the best interests of the Association and its members; and
- 20.7 the parties hereto acknowledge and agree that in no event shall the collection and related services provided hereunder constitute a purchase of any underlying account receivable by SV; and
- 20.8 The Association further represents and warrants that the execution, delivery, and performance by the Association

of the actions set forth herein do not and will not (i) conflict with or result in a breach of the terms, conditions, or provisions of the Association Documents; (ii) constitute a default or event of default under (whether with or without due notice, the passage of time or both) any material agreement to which the Association is a party or the Association Documents; (iii) require any authorization, consent, approval, exemption or other action by, notice to, or filing with any third party or governmental authority pursuant to, the Association's Documents or any applicable law, rule, regulation or contract to with the Association is subject.

21. INDÊMNITY

- 21.1 SV agrees to indemnify, save and hold the Association, including its directors, officers, managers, agents, members and employees (collectively, the "Association Indemnified Parties" and each individually an "Association Indemnified Party"), harmless from and against all losses, damages, claims, liabilities and causes of action of every kind, character and nature (including reasonable attorneys' fees and costs, whether occurring at the trial or appellate level, in or out of court) incurred by an Association Indemnified Party directly caused by any violation of law by SV, or the gross negligence or willful misconduct of SV, its agents or employees. In the event of any claims made or suits filed against any Association Indemnified Party which may give rise to any indemnity obligation of SV hereunder, the Association shall give prompt written notice thereof to SV, and SV shall have the right to defend or settle the same to the extent of its interests hereunder, provided that SV shall not, without the prior written consent of any such Association Indemnified Party, consent to the entry of any judgment or enter into any settlement agreement which does not include an unconditional release from all liability by the claimant or plaintiff to such Association Indemnified Party with respect to such claims. SV will rely upon the information provided by the Association, and any Agent of the Association hereunder, and the Association agrees to hold harmless and otherwise indemnify SV with respect to any liability thereof. In no event shall the foregoing provisions require SV to indemnify and hold the Association harmless with respect to any fees and costs which may be due and payable by the Association to SV pursuant to this Agreement.
- 21.2 The Association agrees to indemnify, save and hold SV, including its directors, officers, managers, agents, members, employees, affiliates, and third party vendors and/or service providers (collectively, the "SV Indemnified Parties" and each individually an "SV Indemnified Party"), harmless from and against all losses, damages, claims, liabilities and causes of action of every kind, character and nature (including, but not limited to, any reasonable attorneys' fees and costs, whether occurring at the trial or appellate level, in or out of court) directly caused by the or Association's breach of any representation or warranty made herein or any obligations under this Agreement, any violation of law by the Association, and its respective agents, employees, or Members, or the negligence or willful misconduct of the Association, and their respective agents, employees, or members. In the event of any claims made or suits filed against any SV Indemnified Party which may give rise to any indemnity obligations of the Association hereunder, SV shall give prompt written notice thereof to the Association, and the Association shall have the right to defend and/or settle the same to the extent of its interests hereunder; provided that the Association shall not, without the prior written consent of any such SV Indemnified Party, consent to the entry of any judgment or enter into any settlement agreement which does not include an unconditional release from all liability by the claimant or plaintiff to such SV Indemnified Party with respect to such claims. Under no circumstances shall the Association's payment or payment obligations to SV hereunder (including under Section 5) constitute claims for purposes of this Section.
- 22. **MISCELLANEOUS:** This Agreement, including any attachments, exhibits, amendments or addendums which are incorporated in this Agreement as if set forth in full, constitute the entire Agreement between the Association and SV solely with respect to the subject matter hereof, and replace any prior understandings, written or oral. Except as set forth in this Agreement, SV does not make, either directly or indirectly through any representative or agent thereof, any representation or warranty to the Association. Notwithstanding anything herein to the contrary, no director, officer, manager, agent, member, or employee of SV or the Association shall have any personal liability under this Agreement, absent fraud or willful misconduct. This Agreement and/or certain provisions of this Agreement shall be assignable by SV and to that extent bind, apply to, and run in favor of the Association and SV and their respective successors and/or assigns, and may not be changed, waived, or orally terminated. Any amendment to this Agreement must be in writing and signed by a duly authorized representative of each party. The section headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. The terms of this Agreement shall be interpreted and applied in neutral fashion without regard to which party was the drafter hereof. A party's waiver of any right under this Agreement must be in writing and signed by a representative of be a continuing waiver of the same specified right.

IN WITNESS HEREOF, the parties hereto have entered into this Agreement as of the date written above.

SCHWARTZ VAYS FL LLC, dba Schwartz Vays	
	Association Name
Signature	Signature
Print name	Print Name
Title	Title

[SCHEDULES A, B, AND C ARE REFLECTED ON THE FOLLOWING PAGES]

SCHEDULE A

Collection Activities Performed on Submitted Units

Ongoing Ledger Maintenance & Accounting

Customer Service Reps-Bi-lingual agents trained to resolve Submitted Unit balances.

Payment Processing & Ledger Application

Online Payment Portal: eCheck, Credit Card, Debit Card, one-time or recurring payments.

Payment Plan Setup & Monitoring.

Online Account Access & Data Backup

Phone Calls-Inbound and Outbound Customer service calls are recorded and memorialized.

Collections Procedures:

- Send initial demand letter As required by Federal Law FDCPA compliant
- Send pre-lien demand notice as required by the Association Documents in compliance with State Statutes.
- Perform outbound collection calls to engage customer and discuss payment options.
- Initiate payment plans (as requested).
- Initiate the filing and recording of a claim of lien.
- Initiate the filing and recording of a satisfaction of claim of lien.
- Initiate the filing of a claim for surplus proceeds.
- Help to coordinate and manage the progress of Legal Filing Matters with Association approved attorney.

Account Balance Disputes

Applicable Law and/or Court Ordered Ledger Adjustment Process

Tenant Rent Demand Letter (upon request if notified by Manager or Association that a Submitted Unit is rented) and permitted by the Association Documents and State Statutes.

SCHEDULE B

Collection Service Fees on Submitted Units

Unit Submission Underwriting and Onboarding Fee - \$250 (per Submitted Unit)

• If a Submitted Unit has been referred to SV for collections and it is determined that it is NOT in arrears due to accounting error, mis-application of previous payment, incorrect submission, or any administrative error, this will constitute an "Account Submitted in Error" (also referred to as an "ASE") and the Submitted Unit will be immediately released from collections, returned to the Manager or Authorized Association Representative, and the Underwriting Fee will be payable by the Association.

Claim of Lien, Credit Bureau Reporting Process & Maintenance-\$250 plus costs, includes:

- Cause the filing and recording of a claim of lien
- Monitoring for lien renewal
- Causing the filing and recording of a satisfaction/discharge of a claim of lien upon resolution.
- Initiate credit bureau submissions when practicable, to continue until debt resolved.

Other Items (only if applicable)

- Payment Plan Monitoring No charge.
- Payment Returned (*i.e.* Insufficient Funds (NSF)) greater of \$25 or as allowed by law.
- Online Payment Convenience Fees (as charged to SV by online service provider).
- Lien Renewal or Update-\$250, plus costs
- Initiate the filing of a claim for surplus when practicable \$300, plus costs
- Legal Filing Matters Coordination and Management \$400
- Statements of Account (*i.e.* Estoppels Certificates, Payoff Letters),
 - As per regular service–\$250; *plus* \$150 for units delinquent in payments; *plus* \$100 for expedited service.

SCHEDULE C

Association Information Form

Legal Name of Association:	
FEIN / TAX ID #:	
Accounting Software Integration/API Key:	
Physical Address	
County or Parrish:	
Mailing Address	
Check One: HOA Condominium Co-op	
Office Telephone:	
Submitted Association Contact Person:	
Submitted Association email:	
Management Company / Contact Information:	

Please provide contact information for the board of directors if they wish to be on our distribution list for communications: