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# Rivendell Community Association (RCA)

## Procedures for the Assessment and Collection of Fines

### Section I.

Violations of the Covenants, Board Rules, ARC Guidelines and other rule governing our Community will occur occasionally. They will generally be deterred during a periodic drive through inspection of the community by the **Property Manager (PM)**, usually accompanied by a Board Member, or designee; but may also be discovered when responding to a complaint.

### Section II.

The **PM** will conduct at least two "drive through" inspections per month. The first drive through will occur during the first week of the month and the focus will be to identify potential violations. The PM will issue a **Violation Notice** to any RCA Member whose property is identified to be in violation. The Notice will state the cause for the Notice; will reference the appropriate Association Rule or Guideline that has been violated; will advise the **Member** that the Notice is being issued in accordance with Section 720.305 (2) of the Florida Statutes; request the **Member** to advise the **PM** in writing of the resolution of the alleged violation or an explanation of any extenuating circumstances of which the **Board** should be made aware within fourteen (14) days. The Notice will be sent First Class Post and email (if possible).

In any event, when a violation of the Covenants, Board Rules, ARC Guidelines or other rule governing our Community is alleged, the **Board** will be notified as soon as possible after issuance of the Violation Notice, by providing an electronic copy of a CCR History Report documenting all violations.

### Section III.

During the third week of the month If no response has been made, the **PM**, usually in the company of a Board member, or designee, will conduct the second monthly drive through inspection to ascertain if the violation has been corrected. If corrections have been made, no further action is necessary.

If the violation remains, the **PM** will issue a second notice reiterating the information and requests made in the first notice; and advise the Member that unless the **Member** corrects the violation before the next meeting of the **Board**, the **Board** will decide if a fine, should be assessed against the **Member**.

### Section IV

At the next Board Meeting the **Property Manager** will provide the **Board** with a complete list of the **Member's** in Violation, the date of the **Violation Notice** and any response to the **Violation Notice**. If the violation has been rectified no further action may be necessary.

If the Member has responded with an explanation of any extenuating circumstances, the **Board** will give due consideration to the explanation.

If the violation has not been rectified, or if the Board does not find the Member's explanation of extenuating circumstances to be compelling, the Board will impose a fine upon the violating **Member** and direct the **PM** to issue a **Notice of Fine** to the violating member. by certified Mail as well as First Class Post and email (if applicable); and decide if it wishes to pursue additional remedies, such as the suspending the right of the **Member**, or a member's family members, tenants, guests and invitees to use common areas and facilities.

### Section V

The **Notice of Fine** will reference the appropriate Association Rule or Guideline that has been violated; advise the **Member** that the **Notice of Fine** is being issued in accordance with Section 720.305 (2) of the Florida Statutes, advise the **Member** of their right to a hearing before the **Rivendell Fine Administration Committee** within fourteen (14) days.

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The **Rivendell Fine Administration Committee**, which is composed of at least three members, appointed by the **Board**, who are not Officers, directors or employees of the Association, or the spouse, parent, child, brother or sister of an Officer, Director or employee of the association; will normally meet on the third Wednesday of the month.

## **Section VI**

When any fine is assessed, it shall be considered to be a special assessment and if not received by the **Property Manager** on behalf of **Association** at the address of the **Property Manager** by the 15th day after the date when the assessment was due, the unit owner will receive, by regular US mail, and email (if applicable) a **Notice** indicating that there is an outstanding balance. Any fine that aggregates to \$1,000.00 may become a lienable special assessment against the Member's Property, and the Association may be entitled to attorney fees and other costs in addition to the lienable special assessment.

## **SECTION VII**

As authorized by the Associated ByLaws, assessments not paid when due shall bear interest from the due date until paid at the rate of 18% per annum plus any costs of collection from the date when due until paid.

## **SECTION VIII**

In addition to the above fees and costs, an Administrative Fee may be added to each delinquent assessment for the processing of each delinquent notice and turn over to Legal Counsel. The **PM** may amend these fees to cover administrative costs annually, *subject to the approval of the Board*, as it deems fit.

## **SECTION IX**

Any assessment or assessment installments that are not received by the **PM** on behalf of the **Association** at the address of the **PM** by the 15th day after the date when the assessment or assessment installment was due, the unit owner will receive, by regular US mail and email if possible, a Notice indicating that there is still an outstanding balance. In accordance with the Association ByLaws, interest will be added from the 1st day of the month that payment was due. An Administrative fee will also be added by the **PM** to each delinquent account as a cost to prepare the First Notice.

## **SECTION X**

For any assessments or assessment installment installments are not received by the **PM** on behalf of the **Association** at the address of the **PM** by the 30th day after the due date, the **Member** will receive, by regular US Mail, and email if possible, a letter stating that the unit account will be turned over to **Legal Counsel** if payment is not received within 15 days. Additional interest and fees will be added by the **PM** to each delinquent account as a cost to prepare the Second Notice (Intent to Lien).

## **SECTION XI**

The Board of Directors authorizes the **PM** to turn over to **Legal Counsel**, for collection, all delinquent accounts with assessments or assessment installments not paid within forty-five (45) days from the date when due. The **PM** will notify the President and Treasurer via email with copy to the **PM** and his/her Administrative Assistant of the accounts not paid by attaching an Aged Owner report and advising that these accounts will be turned over to **Legal Counsel**.

## **SECTION VXII**

When a delinquent account is turned over to **Legal Counsel**, the **PM** will email a ledger for each delinquent account to the Association's **Legal Counsel**, with a copy to the Association's President, Treasurer, **PM** and his/her Admin Assistant. The **PM** will instruct **Legal Counsel** to prepare a **Collection Notice** and notify the delinquent unit owner by certified mail that the assessment, together with all the costs and fees as set forth above, must be paid within 30 days or a claim of lien will be filed. If payment is not received by the 30th day as stated on the **Legal Counsel's** initial **Collection Notice** the claim of lien will be filed and **Legal Counsel** will notify the delinquent unit owner of the recording, and advise such owner by certified mail that the Association may choose to foreclose the lien and collect the unpaid assessment, together with all the costs and fees. **PM** is hereby authorized to execute on behalf of the **Association** the claim of lien, a retainer agreement with the Association's **Legal Counsel** to pursue collection, and any other

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documents or instruments that may be necessary pursuant to the claim of lien and foreclosure proceedings.

### **SECTION XIII**

Once the delinquent account has been turned over to **Legal Counsel**, it will be **Legal Counsel's** responsibility to contact the Board Treasurer and or President to request further action. A copy of the request will be delivered to the **PM** as well.

### **SECTION XIV**

The Board of Directors or its designated officer may direct the **PM** or the Association's **Legal Counsel** to stop collection proceedings against any unit owner on a case by case basis. The decision to stop or hold collection proceedings against any unit owner shall be documented in the **Association's** Meeting Minutes and forwarded to the **PM's** collections department to be filed in the unit owner's account.

### **SECTION XV**

The **Board** of Directors may authorize the **PM** to write off small balances at the end of each fiscal year with the explicit prior and case by case approval of the **Board**.