

RIVENDELL COMMUNITY ASSOCIATION, INC.
COLLECTION POLICY

Under authority of the Florida Statutes and the Association's Declaration and Bylaws, and as approved by the Board of Directors, the following Collection Policy shall be in effect for the Rivendell Community Association, Inc.

1. Annual Assessments are due in two (2) installments on January 1 and July 1 of each year ("the due date").
2. Pursuant to Section 6.02 and 6.07 of the Declaration and Article 111 Section 2 of the By-Laws, the Association shall charge interest in the amount of 18% per annum, plus any collection costs incurred. Assessments and installments thereof not paid when due shall bear interest from the date when due. The owner shall be responsible for all interest, collection costs, and attorney's fees incurred by the Association to the fullest extent allowed by law.
3. If payment is not received by the 15th day of the month in which it is due, the Association's Management Company will issue a "Reminder Notice" (1st Late Notice). The 1st Late Notice shall provide fifteen (15) days to pay in full.
4. If payment is not received within the date provided in the 1st Late Notice, the Association's Management Company will prepare and send to the owner the statutory Notice of Late Assessment, via first class U.S. mail and Certified U.S. mail, return receipt requested, to the address of the property in Rivendell and any other address that may be listed as the owner's address in the Association records, in substantially the same format as required by Section 720.3085, *Florida Statutes*, informing the owner that if the delinquent amount is not paid within thirty (30) days from the date of the Notice of Late Assessment, the Association will proceed with further collection action and that the owner will be responsible for attorney's fees if not paid by such date.
5. If payment is not received within the date provided in the Notice of Late Assessment, the Association's Management Company shall prepare the file to send to the Association's attorney for further collection action. The Association's Management Company shall provide the attorney with copies of all previous correspondence, a copy of the Notice of Late Assessment and proof of mailing of same, and a current ledger for the account.

6. The attorney will prepare and send, via first class U.S. mail and Certified U.S. mail, return receipt requested, the statutory Notice of Intent to Lien ("NIL") to the owner at the property in Rivendell and any other address provided by the Association's Management Company that is listed as the owner's address in the Association records. The NIL shall provide the owner with forty-five (45) days to pay in full, and shall demand payment for all unpaid assessments, interest, collection costs, and attorney's fees.
7. If the entire balance due is not paid within such time period, the Association's attorney shall cause a Claim of Lien to be recorded on the property and prepare and send, via first class U.S. mail and Certified U.S. mail, return receipt requested, the statutory Notice of Intent to Foreclose ("NIF") to the owner at the property in Rivendell and any other address provided by the Association's Management Company that is listed as the owner's address in the Association records. The NIF shall provide the owner with forty-five (45) days to pay in full, and shall demand payment for all unpaid assessments, interest, collection costs, and attorney's fees.
8. The Board of Directors shall be deemed, by virtue of this Policy, to have approved all action up to and including the filing of the Claim of Lien and sending the NIF without such action requiring contemporaneous approval at a Board meeting. The President, or any other director or officer designated by the Board, shall have the authority to negotiate and accept a proposed payment plan requiring payment of all delinquent funds within a reasonable period of time not to exceed three (3) months, without requiring a Board meeting to approve.
9. If the account remains delinquent after the NIF time period for payment expires, the Association shall determine, upon advice of counsel, whether further legal action, such as the filing of a lien foreclosure action, is appropriate under the circumstances. The Board is required to meet in a duly noticed closed session (owners are not permitted to attend) with its attorney before commencing a lawsuit to foreclose on a lien for assessments. A majority of the Directors present at such meeting is required to authorize a lien foreclosure lawsuit.
10. Special Assessments are due and payable as set by the Board when the Special Assessment is approved. Collection of Special Assessments shall substantially follow the procedures described above for collection of Annual Assessments.
11. The Association's Management Company shall prepare and maintain a delinquency report in a format acceptable to the Board, and shall provide same to the Board as required by the Board.

12. In addition to the above-referenced collection procedures, if a member is more than ninety (90) days delinquent in paying any assessment, fee, fine, or other monetary amount due to the Association, the Board may suspend the rights of the owner or the owner's tenant, guest, or invitee, to use the common areas and facilities until the obligation is paid in full. The owner is not entitled to a hearing, and the Board can approve of this suspension of use rights at a duly noticed Board meeting. Upon approval by the Board, the Association's Management Company shall notify the owner and any affected tenants, guests, or invitees, by U.S. Mail or hand delivery. The suspension of use rights shall expire upon full payment.
13. In addition to the above-referenced collection procedures, if a member is more than ninety (90) days delinquent in paying any assessment, fee, fine, or other monetary amount due to the Association, the Board may suspend the voting rights of the owner. The owner is not entitled to a hearing, and the Board can approve of this suspension of voting rights at a duly noticed Board meeting. Upon approval by the Board, the Association's Management Company shall notify the owner by U.S. Mail or hand delivery. The suspension of voting rights shall expire upon full payment.
14. The above collection policy and timeframes are intended to be a guideline to ensure compliance with all statutory requirements, and all actions are subject to administrative and processing delays. The Board shall have discretion to deviate from the policy if circumstances warrant, including but not limited to owner bankruptcy, mortgage foreclosure on the property, pending tax deed sales on the property, or other circumstances determined by the Board to justify deviation. Any deviation from this policy shall not constitute a waiver of any rights or remedies of the Association in collecting any amounts due. The Board has the ultimate authority to determine the best course of action, and has the ultimate authority to choose the appropriate remedy to resolve collection matters in an efficient and cost-effective manner.