

Collection and Settlement Procedures

Introduction

Article X. Section 6A provides the authority for the establishment of a procedure for the collection of MASTER ASSOCIATION (P.O.A.) FUNDS. Each Sub-Association is charged with the responsibility for the collection of all regular and special assessments in accordance with the policies and procedures contained within the Collection Procedure.

It is the responsibility of each Sub-Association to bill and collect all dues and assignments for both the P.O.A. and the Sub-Association according to collection procedure described below. Because of this obligation, it is also the responsibility of each Sub-Association to follow up in a timely and comprehensive manner on any and all delinquencies of such payment by any resident or residents.

Because of the importance of these collections and that the P.O.A. is dependent upon each Sub-Association to enforce their respective receipt, it is necessary that the procedure for dealing with delinquent payments be uniform for each Sub-Association throughout River Bridge. To that purpose the Collection and Settlement Procedure has been developed and accepted by the P.O.A. to be followed by each Sub-Association and where applicable, their Management Companies.

In the event a unit owner(s) is delinquent in any quarter during the year and continues to be past due each quarter thereafter, the Sub-Association must pay the assessment due to the P.O.A. for the 1st delinquent quarter. The Sub-Association can petition the finance committee for relief for additional delinquent quarters to a maximum of 12 months. Should the delinquency not be cured in the 12 month period, the Sub-Association may re-apply for additional relief which will be reviewed by the Finance Committee and a determination will be made as to whether or not the relief will be extended. Once the delinquency is resolved, the relief shall be suspended.

1. Collection Procedure

Each Sub-Association should immediately begin following the required collection procedure of the unpaid assessments, in order to be granted relief for the delinquent quarters following the 1st delinquent quarter.

- a) Each Sub-Association should institute a late fee for assessments that are past due fifteen (15) days from the due date.
- b) When payment is not received by due date, the 1st notice letter shall be sent by Sub-Association, no later than the first working day following the 15th day of the month of the 1st delinquent quarter. The 2nd notice letter shall be sent no later than the 25th day of 1st month of the 1st delinquent quarter to the delinquent unit owner(s) advising the following:

- i) The past due assessment and late fee are due by the last day of the 1st month of the 1st delinquent quarter.
 - ii) The transponders for the gates, access cards for the exercise and pool rooms and guests lists will be deactivated the 1st day of the 2nd month of the 1st delinquent quarter when assessment is not paid by the last day of the 1st month of the 1st delinquent quarter.
 - iii) The account will be turned over to an attorney, which will add additional fees that include attorney costs, legal fees, interest, lien fees, and any other monies relative to the collection.
 - iv) The Sub-Association additionally may accelerate the assessment to include the balance for the current year.
- c) Should past due payment not be received by the last day of the 1st month of the first delinquent quarter, the delinquent assessment and additional fees shall be forwarded by the Sub-Association to an attorney for collection and to begin the lien process following Florida Statutes 718-Condo or 720- H.O.A. which ever applies to the association.

For residential units not in good Financial Standing, the following services will no longer be provided, upon the POA Property Manager receiving a written request from the president of the sub-association requesting such action be taken.

1. Transponders for automobile (i.e. cars, trucks, motorcycles, scooters etc.) access to the three River Bridge gates will be deactivated.
2. Access cards for the exercise and billiards room, River Bridge walk-in gates, and South pool will be deactivated.
School age children's walk-in gate cards shall not be deactivated.
3. Their permanent guest list will be deactivated.
4. Their TV and Internet will be turned off.
5. With the exceptions noted below, all call-in guests/visitors must be picked up outside of the main River Bridge gate.

Exceptions:

1. Medical-Doctors, nurses, health aids, ambulances, medical equipment deliveries, pharmaceutical deliveries, etc.
 2. Charitable food deliveries such as meals on wheels.
 3. Home repair services.
- d) With the continuance of the delinquency, the attorney shall promptly notify the delinquent unit owner(s) by regular and certified postal notices, including all of the particulars, such as past due assessments, late fees, accelerated payments, interest, attorney fees, lien fees and any other monies due upon the recorded lien(s).

- e) Copies of all notices, attorney's correspondence and all letters pertaining to the delinquency and the collection thereof must be submitted to the P.O.A. Treasurer including but not limited to a copy of the RECORDED LIEN if obtained.
- f) The Sub-Association must continue to take the necessary steps to collect all amounts due including but not limited to recording claim of lien, filing and prosecuting a lien foreclosure lawsuit to completion in order to continue to receive relief for the authorized period (see page 1).
- g) If the Sub-Association does not follow the above steps to collect the amounts owed, the Sub-Association will lose relief and the P.O.A. shall NOT be responsible for any portion of the legal fees incurred by the Sub-Association in the collection effort. In addition, the P.O.A. shall require the Sub-Association to pay the P.O.A. all amounts due.
- h) Upon mortgage foreclosure, with the mortgage lender assuming title to the property or by the owner deeding the property to the mortgage lender, the Sub-Association shall insure that its attorney is pursuing collection of the monies due in accordance with Florida Statutes 718- Condo and 720- H.O.A.

2. Settlement Procedure

- a. A settlement may be a partial settlement, where not all outstanding amounts due are received.
- b. A final settlement where the amount received has been agreed to and complies with the River Bridge Master Association Declaration of Protective Covenants and the Florida State Statutes. The settlement procedures for both situations are identified below and shall be followed by both the Sub-Association and the POA.

2.1 Partial payment on past due amounts

Should the Sub-Association receive a payment of less than the full amount owed, the Sub-Association shall notify the POA. Both parties shall meet and agree to the amounts to be shared between the Sub-Association and the POA.

- a. In order to insure retention of the lien rights, the Sub-Association shall apply its share of the monies received in accordance with Article X, Section 6A COLLECTION RESPONSIBILITY of the Master Association Declaration of Protective Covenants.
- b. The monies received by the POA are monies owed by the Sub-Association; the monies may be applied as the POA chooses.

- c. Should the POA have assumed the collection responsibility from the Sub-Association in accordance with Article X, Section 6, any monies received shall be distributed in accordance to Article X, Section 6, to insure retention of lien rights.

2.2 Final Settlement

Upon receipt of notice of a potential settlement from the Owner (Member), or other title bearer (such as a bank or other mortgage lending co.) the Sub-Association shall notify the POA of the pending settlement.

- a. The POA and Sub-Association shall review the proposed settlement to insure it complies with State Statutes, and the Master Association Declaration of Protective Covenants. If necessary, legal counsel shall be obtained to insure that the settlement is acceptable.
- b. Once it has been determined to go forward with the settlement, the POA and the Sub-Association shall meet to determine the distribution of the settlement amount. Where the Sub-Association has fulfilled its obligation under the terms of this Collection Procedure, the distribution of the monies shall include reimbursement to the Sub-Association for the first quarter of delinquency, legal fees incurred and reimbursement to the POA for legal fees incurred.
- c. The distribution of any remaining balance of the settlement shall be shared between both the Sub-Association and the POA with both Parties making every effort to offset assessment delinquencies first.
- d. Since the monies received represents a final settlement and all liens will have been removed, both POA and Sub-Association are free to apply the settlement amount of each has received, as they choose.

3. Foreclosure

In the Event a lender files an initial foreclosure complaint and no further action is taken by the lender after 10 months of the date of filing, the Sub-Association is required to file a notice of Lack of Prosecution, file a notice of trial or foreclose the lien within 30 days after the 10 month period elapsed. A copy must be sent to us within 10 days after filing for our records. In the event that this does not occur, the P.O.A. will suspend future assessments relief of that unit. Of course, should a bankruptcy petition occur, all of the above is on hold until the court makes a determination of the petition.

4. Short Sale

In the Event of a proposed “short sale” the new owner is responsible for all past due assessments. Should this enter into a negotiation, it is understood that the P.O.A. will be involved in and approve any settlement of the past due assessment if necessary. If settlement is made without P.O.A. approval, the Sub-Association will be responsible for paying the entire past due portion due to the P.O.A.

It is also required that a 90 day update be furnished to the P.O.A. on every unit granted relief with a paper trail as needed. This status must be presented to us at the beginning of the first week of the first month of the new quarter. In the event that this does not happen, the P.O.A. may suspend relief.

Any Association wishing to engage other areas of collection other than those in the collection procedure may do so but they still must adhere to the requirements of the approved P.O.A. collection procedure, including any addendum approved.

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(COLLECTION PROCEDURE, SECTION C)