



THE FOREST AT RIDGEWOOD HOMEOWNERS ASSOCIATION
PROCEDURES IN EFFECT

Procedure for The Forest at Ridgewood Homeowners Association

The procedures in these articles are adopted by The Board of Directors of The Forest at Ridgewood Homeowners Association (The Forest HOA) to clarify and make more enforceable conditions, covenants, restrictions and rules that are contained in a variety of Association documents for The Forest HOA and Ridgewood Lakes Master Association (the Master Association), to attend to omissions that may have occurred in those documents and to assure that our neighborhood remains safe, appealing and attractive to all.

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Article I. Violation Procedures in Effect

Section 1. Notifying The Board of a Possible Violation.

The Board shall decide during a duly called Board meeting which violation cases are to be forwarded to the Association Manager (AM) for warnings or fines. The AM has been designated by the Board to manage the violation process for this HOA. In all instances where The Forest HOA is being notified of a potential violation, the correspondence shall be channeled to the AM and then elevated to the Board before any actions commence.

Section 2. Procedures For The AM.

The AM shall deal with violations on a one-by-one basis. A separate digital file folder regarding violations shall be maintained for each Lot to make certain that procedures outlined in The Forest HOA governing documents are followed.

Section 3. Use of Rules Enforcement Committee (REC).

In accordance with the governing documents of this HOA, employing a REC to conduct a hearing is the only REC involvement required. As such, there is no standing REC in place, so when needed a REC is appointed to conduct the single outstanding hearing. Upon the AM determining to appoint a REC that committee shall proceed as follows:

- a. Make certain that procedures outlined in the section on enforcement are followed. Notably, if requested by the subject owner, REC hearings shall be conducted as a closed meeting and are not open to the general membership or to the public. As such, no minutes of that closed meeting are permitted to be published or distributed.
- b. All electronic or written correspondence originating from The Forest HOA to any party involved shall be attended to by the AM.
- c. There are instances where the initial description of the violation is overly simplified. If an inquiry appears to be branching out into compound violations, or involve multiple parties, or there are other matters that complicate the proceedings, returning a written description of these complications to the AM is an acceptable and appropriate pause with that inquiry.
- d. Conducting more than one interview for an inquiry does not constitute a need to come back to the AM for additional approvals. For a single hearing instance, the committee shall proceed through any number of logical steps without additional AM approval. The natural termination of a single violation hearing is when the committee submits the written recommendation to the AM.
- e. Any testimony or statements made by any party are on a voluntary basis and any requests for confidentiality must be strictly maintained by all The Forest HOA

representatives who had access to that information.

Section 4. Enforcement.

The Forest at Ridgewood Homeowner's Association or any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration. Failure by The Forest at Ridgewood Homeowners Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. In any action for enforcement brought hereunder, the prevailing party shall be entitled to a reasonable attorneys' fee including attorneys' fees through appellate proceedings

- a. The association upon being advised of a rule violation by written notice from a witness or by actual viewing by an Association representative shall advise the unit owner of the alleged violation in writing.
- b. The lot owner may contest the alleged infraction and request a hearing before the Rules Enforcement Committee.
- c. The Rules Enforcement Committee shall be appointed by the Board of Directors. The Committee shall hear all testimony from any unit owner who wishes to contest a rule's violation notice. The Rules Enforcement Committee shall keep accurate minutes of the proceeding of each hearing and issue a written report to the Board of Directors. Such meetings shall be held in a confidential manner to protect the privacy of lot owners.
- d. The Rules Enforcement Committee shall issue a written report of its deliberations to the Board of Directors. The Committee shall include a full statement of its meeting and a recommendation to the Board of the exercising of its fining authority.
- e. The Board of Directors upon receipt of the rules Enforcement Committee report shall meet and vote on the imposition of a fine or settlement of the complaint.
- f. The Board of Directors shall provide a written response to the unit owner within 14 days after their meeting.
- g. The Rules Enforcement Committee serves at the discretion of the Board of Directors and shall consist of three members.

Section 5. Severability.

Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provision which shall remain in full force and effect.

Section 6. Written Notifications to the Lot Owner.

The AM shall be the only HOA entity that facilitates written communications with any party pertaining to a violation. This does not limit the REC from maintaining minutes and documentation for its own proceedings and keeping the AM informed.

It is important to ascertain that a Violation Warning or a Violation Notice was actually sent and received from this HOA to the Lot Owner.

- a. For all Lot Owners, the HOA will use E-mail, in person, or the United States Postal Service to deliver notifications to all parties involved.
- b. In any instance where attempts to deliver a notice via E-mail, in person, or by the postal service to deliver results in a lack of cooperation, a refusal or other disregard on

the part of the recipient to accept delivery then it shall be regarded that the Violation Warning or Violation Notice was successfully delivered.

Section 7. Owner Right to Appeal.

In instances where the Owner chooses to request a hearing in regard to “is the violation legitimate?”, the provisions in *Section 4. Enforcement* of this document shall apply. Briefly stated, a hearing may be requested by the Owner and that hearing shall be conducted by a REC. This request must occur early in the time period of this specific violation, then the subsequent hearing shall be scheduled promptly. The HOA must reply within 30 days, or else the Owner prevails.

Section 6. Extension of Time.

To request an extension of time, the Owner may appeal to the HOA in writing.

The Owner must show that concerted and timely efforts were made with arrangements to fix the problem. Approvals shall occur on a limited basis and notifying the HOA as early as possible is an important aspect in this process. An extension shall only be granted for a maximum of thirty (30) extra days.

In the event the work is being contracted, the HOA will expect documentation from the contractor(s) that states the date that arrangements were agreed to and must state an anticipated completion date that was established between the contractor and the owner. Dates must be clearly defined before that documentation serves any useful purpose to the HOA. In the end, as the HOA considers the request, an owner’s written request with no supporting documentation from the contractor(s) is not sufficient information to support that request.

In the event the Owner is a nonresident to The Forest, no additional grace shall be allowed for that. Florida Statutes regarding Homeowner’s Associations and other Florida Laws are very specific in treating all owners on an equal basis. The HOA cannot grant favors to various segments of owners.

Article II. Power of the HOA to Levy Violation Fees.

Section 1. The HOA Violation Process.

The process for a new violations instance begins with the HOA mailing a Violation Warning to the Lot Owner. The grace period allowed, if any, to correct the violation is stated on the notice and a reference is made to the specific rule(s). If the violation is not suitably corrected during that specified time, the Board shall use the procedures outlined in this article. Whenever an Owner believes they have made a suitable correction or remedy to a violation, they shall notify The Forest HOA in writing.

In addition to all other remedies provided to The Forest HOA, the AM, in its sole discretion, shall levy a Violation Fee upon an Owner for failure of the Owner, their family, guests, invitees, or employees, to comply with any provision in the governing documents of this Association.

Section 2. Violation Fees.

The HOA shall impose violation fees against the Lot Owner in the event a violation is **not** corrected within the allotted grace period. At that point, the AM shall issue a Violation Notice to the Lot Owner:

- a. The AM shall Email, hand deliver, or mail a Violation Notice to the Lot Owner which states a violation fee in the amount prescribed in the Rules in Effect governing document.
- b. After that the HOA may perform a follow-up inspection every 10th day and if the violation is still not corrected another Violation Notice shall be issued which includes another fine.
- c. These follow-up inspections shall continue until corrections are in place. If the Violation notice contained more than one violation, all the noted violations must be corrected on a one-for-one basis else the fee is assessed against the uncorrected violation(s).

Section 3. Violation Fee Due Immediately.

A Violation Assessment as provided here shall be due and owing on the same day of the written Violation Notice, and on the same day that each subsequent written Violation Notice is forwarded to that Owner.

Section 4. Liability Claim Against the Owner's Lot.

Violation Fees shall be treated as an assessment otherwise due to The Forest Homeowners Association, and as such will be a liability claim against the Owner's Lot.

Section 5. Violation Fees Are Not Exclusive.

Violation Fees shall not be construed to be exclusive and shall exist in addition to all other rights and remedies to which The Forest HOA may be otherwise legally entitled; however, any Violation Fees paid by the offending Owner pursuant to this Section, shall be deducted from or offset against any damages that The Forest HOA may otherwise be entitled to recover by law from such Owner.

Article III. Fee Charges for Services Rendered by This Association.

- a. Preparation of Statements and Estoppels Requested For Mortgage/Real Estate Closings: \$100.00 if no accounting revisions are necessary; \$250.00 if accounting revisions are done.
- b. Filing one Lien at Polk County Courthouse: \$150.00.
- c. Releasing one Lien at Polk County Courthouse: \$100.00.
- d. Statement of Account: \$10.00. (Lot Owner can request 1 per year at no cost).
- e. Copy of The Forest HOA's 5 primary documents:
Printed on paper: \$35.00 for delivery within The Forest, \$50.00 with USPS Priority Mail.
Internet electronic mailed as attached copies to an Email: \$20.00.
- f. Additional Invoicing on Past Due Accounts: \$3.00 for each occurrence. This fee is not charged for the invoice that initially advises the Owner of the assessment of the Annual Maintenance fee. Otherwise, any occurrence of a need to create an additional invoice shall trigger this fee. Typical examples are late fee assessed, interest on past due assessed, violation fee assessed, lien processing or special care/maintenance/services arrangements were made; but those items may not be exclusive. The inclusion of any Statement of Account, memos or notices are included in this fee.
- g. Providing a Replacement Key for the Community Center: \$3.50 per replacement. A new Owner is provided 1 key at no cost; this must occur shortly after closing. After that, a

replacement key shall cost \$3.50. Limit is 1 key per Owner, regardless of the reason the replacement is needed. Key shall only be delivered to the Owner, but we will accept written instructions from the Owner to deliver the key to an alternative named person. Take care of your key.

Article V. Operation of an Architectural Review Committee (ARC).

The Forest at Ridgewood Homeowner's Association operates an Architectural Review Board (ARB) that monitors and enforces architectural standards throughout The Forest at Ridgewood Lakes.

Article VI. Contracting (Service Agreements).

This Association shall strive to use the term **Service Agreements** in lieu of the term Contracting. However, the Association shall abide by all Federal, State of Florida and Polk County laws, statutes, ordinances and regulations regardless of those entities use of the term contracting, service agreements, agreements, etc.

This Association shall make use of Service Agreements when dealing with service providers that are providing services that occur repeatedly (daily, weekly, once a month) for a term which runs for a longer time (certainly anything that runs for 6 months or more) and the very nature of the services presents a risk of injury or property damage caused by the service providers personnel or the equipment or supplies they utilize.

Certain minimum requirements shall be contained in these Service Agreements that are implemented to protect this Association and innocent bystanders' rights. These minimum requirements are:

- a. Occupational License.
Business Liability & Medical Insurance - This excludes coverage for members of the service provider's firm. This coverage is necessary to protect the Association from actions taken by the service provider that may result in liability, medical payments, property damage or other claims. Service provider furnishes the Association with a copy of the declaration page from his insurance policy. The Association contacts the insurance carrier requesting a confirmation of that coverage and to be placed on a list that assures notification to the Association if any change of status occurs with that policy (cancelled, lapse, amended, etc.).
- b. Workers Compensation Documentation – Needed by the Association to protect against claims for injuries to workers provided by the service provider firm. Each worker the service provider shall use must be documented on a one-for-basis, then no other workers shall be allowed on this HOA's properties as a worker for this service provider. Either provide (1) proof of insurance coverage from a licensed commercial carrier that the named workers are covered, or (2) documentation from the State of Florida, that the various individual workers named are exempt from the workers compensation requirement of this State. If insurance is used, service provider furnishes the Association with a copy of the declaration page from their insurance policy; the Association contacts the insurance carrier requesting a confirmation of that coverage and to be placed on a list that assures notification to the Association if any change of status occurs with that policy

(cancelled, lapse, amended, etc.). If the State of Florida waiver is used, service provider furnishes the Association with a copy of the waiver; the Association contacts the State of Florida, secures a confirmation of that waiver and to be placed on a list that assures notification to the Association if any change of status occurs with that waiver (cancelled, lapse, amended, etc.).

Article VII. The Board Replying to Owners.

With any written correspondence submitted by an Owner to this Association that has a requirement for the Association to return a reply to that Owner, the Association shall have 30 days to reply. The count begins on the day the Association is in receipt of the correspondence and ends when the Association forwards a written reply which adequately addresses the issue (e.g. an acknowledging receipt is an insufficient reply). If a lapse in this requirement occurs then the issue which was in question in that correspondence is settled in favor of the Owner. Possible topics which may be impacted here are architectural control requests, billing and account balance questions, rules violation issues.

Article VIII. Governing Documents.

Governance of The Forest HOA must abide by a set of documents generally referred to as 'the governing documents of the association'. As with any HOA, there is a precedence of which documents prevail over the remainder. The order of precedence for this association is:

- a. Certain Federal Acts such as the Fair Housing Act.
- b. Courts rulings and legal precedents established through Court proceedings.
- c. Certain Florida State Statutes and Administrative Code. Namely SS 720, 607, 617, AC 61.20, 61E14.
- d. Polk County ordinances, codes, rulings, licensing, permits or other county governances. zoning, land use, construction/maintenance are common inclusions.
- e. The Forest HOA's Covenants, Conditions and Restrictions (Declarations) document.
- f. The Forest HOA's Articles of Incorporation document.
- g. The Forest HOA's Bylaws document.
- h. The Forest HOA's Rules in Effect document.
- i. The Forest HOA's Procedures in Effect document.

Article IX. Deny Owner Use of Amenities.

Whenever an owner is not in good standing with a HOA, namely because of being in arrears on payments of that HOA's annual assessments, the HOA has the right to deny the owner, the family, renters, guests, and other occupants to access to the amenities of that HOA. This HOA is implementing that right by not issuing the new key for access to the community center. This denial shall continue for the time that arrears remain for that lot. The owner shall be notified in writing if their lot is affected by this. A key shall be issued whenever the amount in arrears is paid in full.

Article X. Debt Collections.

For accounts with this HOA which are in arrears, the following practices shall be used:

- a. **Claim of Liens**: each January an Annual Assessment becomes due to this association for every lot in The Forest. During late March the Directors shall exercise the right to file a 'Claim of Lien' upon any lot which has not paid the Annual Assessment and associated fees for that assessment and the lien shall be duly recorded with the Clerk of the Courts at the Polk County Courthouse. Each yearly assessment shall have a separate lien. The lien shall remain in place until the Annual Assessment and associated fees are paid in full. Upon full payment the lien shall be released with a 'Satisfaction of Lien Claim', which shall also be recorded at the courthouse. The HOA shall follow the procedures outlined in Florida Statute 720.3085(4).
- b. **Rent Proceeds**: for an instance where the owner is in arrears with this HOA and it is determined that the owner is receiving rent or lease proceeds from any tenant(s), this association shall follow the procedures outlined in Florida Statute 720.3085(5). The basics have rental proceeds being received by the HOA until the arrears are paid in full.
- c. **Bad Debt Accounting**: whenever individual items in arrears in accounts have been on the books for an extended period of time or there are amounts that must be written off as uncollectable (bankruptcies and foreclosures are examples) this association shall move these amounts from Accounts Receivable (accounting wise is an Asset) to Bad Debts (which is an Operating Expense). The items eligible during a given fiscal year shall become a Bad Debts line item in the Operating Budget for the next fiscal year. Generally, an arrears item that is 3 years old and is not part of a bankruptcy or foreclosure action shall be moved to the Bad Debts account. Whenever a bankruptcy or foreclosure action is involved, items shall be moved to Bad Debts as determined and specified by those legal outcomes and shall be recorded only after these outcomes become finalized.
- d. **Contact With An Owner Who Is In Arrears**: The major item to consider here is the State of Florida requirement that any HOA debt collection actions other than the normal mailings of late notices, invoices or statements of account shall only be undertaken by *debt collection firms* that are licensed and registered by the State to conduct that business. So, the HOA, including the CAM, cannot *initiate* contact by phone, Emails, written personal memos or personal contact with any owners in arrears with the HOA. The keyword is '*initiate*', so if the owner initiates a contact, the HOA is allowed to follow-up and reply by whatever means the owner initiated or granted permission to use. The question arises about what fees these *debt collection firms* charge for their services and what other agreement constraints were involved between the HOA and those firms:
- (1) Fees are costly (40 to 60% is the norm), so generally entering into these agreements is prohibitive.
 - (2) The firm will insist on taking all the HOAs overdue accounts, so they are taking the 'low hanging fruits', which are easy earnings for them. We cannot choose to keep the 'low hanging items' and give them the 'tough ones'.
 - (3) We are placing the items with them on consignment; we get proceeds only after they make the collection.
 - (4) They can 'bail out' of a case at will.

At the present, the Board doesn't envision any cases being placed with *debt collection firms*.

- e. **Installment Payment Agreements:** The Board agrees to allow certain unpaid debts to this HOA to be handled by entering into an Installment Payment Agreement. The AM has been designated by the Forest HOA Board to manage the Installment Payments Agreement process for this HOA.

There are restrictions placed on this aspect before the AM shall enter into an agreement with an owner. These restrictions are:

- (1) Only used when that property's arrears spans across more than one year of unpaid invoices.
- (2) Must have a written and signed agreement with a payment schedule, the agreement shall only pertain to a single property, only one agreement shall be in place for a property at a time.
- (3) Agreement must include the entire debt at signing time.
- (4) Must promptly pay all additional HOA new invoices that are issued during the agreement period
- (5) (i) The monthly payment shall be allowed to be in the range of \$100 to \$150 per month, the decision is the AM's. (ii) The number of months the payments shall span is derived by dividing the total amount due by the payments established in (i) above. (iii) Installments shall be scheduled for monthly payments and shall be sufficient to pay the entire debt as scheduled (no balloon payments or remaining balances at end).
- (6) Interest shall continue to be incurred during the agreement period and shall be calculated as each installment is made on a per diem basis. The service fee normally charged for additional invoicing shall be waived for items associated with this agreement.
- (7) Liens: as long as an agreement is in place, the HOA shall postpone filing new liens that are normally recorded and shall not file those liens if the agreement terms are fulfilled and no balance due remains in the account when the agreement ends. For old liens on the property that existed prior to the agreement, as installment payments are posted that are sufficient to satisfy any old liens, the HOA shall file Satisfaction of Lien Claims with the Polk County Clerk of the Courts at no additional costs to the owner.
- (8) Any breach in the agreement shall void the agreement and the HOA shall resort to its normal administration and debt collection activities for that property.

f. **Placing Cases With Association Attorney:**

The Board shall decide during a duly called Board meeting which cases are to be forwarded to the attorney for further 'Debt Collection'. The Board's deliberations on which cases to select may use full disclosure of details involving any case being considered. After the Board makes those selections and the cases have been forwarded to the attorney, the AM is being designated by the Board to manage these placements for this HOA.

There are guidelines associated with this aspect of a case placed with an attorney. These guidelines are:

- (1) Case management may take the path of a foreclosure; however AM and the attorney shall confer regarding alternative legal approaches.
- (2) AM has the prerogative of discontinuing a case that has been placed.
- (3) Accountancy of the Owner's account by the HOA continues in a 'modified' manner even as the legal process is underway by the attorney. Herein, 'modified' means that no mailings or other correspondence from the HOA to the owner shall occur without concurrence of the attorney and any correspondence received from the owner by the HOA shall be directed to the attorney.
- (4) Whenever the period arrives to handle the next wave of annual assessment billings, the 'modified' aspect stated in (4) above shall be reviewed by CAM and the attorney to choose a suitable workaround.

- g. Minutes of HOA Meetings, Expedite the Approval Procedure: A Board meeting often gets approval of particular action items. Then those approvals get documented by the minutes, which at the outset are in 'draft' form. It is a given that a draft of these minutes need Board approval before they become official. Therefore, it can be argued that the action items documented in those minutes are also not official until said minutes are approved. Which leaves the HOA with the burden of determining a manner of getting minutes approved in an efficient and effective manner.

This Association's By-Laws, Article IV, Section 5 (page 4) allows that "The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining written approval of all directors".

So 'approval of minutes' is a simple, singular topic which is a candidate for employing the provision stated above. Below are guidelines associated with this procedure:

- (1) AM shall draft the minutes for a given meeting and deliver that to all directors by Email.
- (2) Directors shall respond to the Email with an Email reply. All directors must reply and all directors must approve the minutes for those minutes to become official and the action items documented there can be used to govern this HOA. The preceding covers the requirement of "in writing" and "of all directors".
- (3) If even a single director fails to reply or declines to approve of the minutes, the AM shall continue operating the HOA without the action items covered in these minutes.
- (4) This procedure shall only be used to expedite the approval of minutes and shall not be leveraged to handle any other topic in any manner.

End of PROCEDURES IN EFFECT document (May 5th 2021 rev).