NAPLES RESERVE HOMEOWNERS ASSOCIATION, INC.

FINING AND SUSPENSION POLICY

Effective March 8, 2023

THE OBLIGATION OF MEMBERS OF AN HOA IS TO FOLLOW FLORIDA STATE LAW, THE GOVERNING DOCUMENTS (the Declaration of Covenants, Conditions, and Restrictions, the Bylaws and Rules and Regulations). ALL ENFORCEMENT NECESSARY WILL HAVE A FORMAL FINING PROCESS AND THE ASSOCIATION WILL FOLLOW THE STATUTORY PROCESS TO PROPERLY LEVY AND IMPOSE FINES AND SUSPENSIONS FOR VIOLATIONS OF ASSOCIATION RULES.

FINE SCHEDULE FOR VIOLATIONS is per Florida Statutes 720.305(2)(a) and (b),(3)(4)(5)(6). PROCESS: The violations of HOA rules will follow a process to encourage the members to come into compliance:

1. An explanatory warning notification via email and/or letter will be sent to the member by HOA Management allowing 48 hours up to 7 calendar days to comply. HOA management has discretion to extend the timeframe 10 calendar days with valid reason. Violations that may be cured easily will be subject to the 48-hour timeframe.

2. Second warning notification via email and/or letter will be sent to the member by HOA Management with possible fine notice if violation persists allowing 48 hours up to 7 calendar days to comply. HOA management has discretion to extend the timeframe 10 calendar days with a valid reason. Violations that may be cured easily will be subject to the 48-hour timeframe.

3. If the violation continues after the two warning notification via email and/or letters, and the member has not come into compliance, the Board of Directors will hold a duly noticed meeting to vote whether to levy a fine at the set amount of $100 per day up to $5,000 for a continuing violation or a suspension from use of the common areas (excluding access as stated in 3. under Important Notes below) for a reasonable amount of time.

    a. There are some violations that can occur frequently such as parking. In those cases, three documented notifications in a six-month period will result in automatic referral to the Board.

    b. There are some violations that are of a non-curable nature. In those situations, the warning notifications provided in (1) and (2) above are not required and the Board is empowered to directly assess a fine or suspension pursuant to this paragraph (3). Those violations, include, but are not limited to:
        i. Nuisance behavior or abusive or offensive behavior or language in the Common Areas. This violation will most likely result in a suspension as proposed by the Board of Directors at its meeting under this Section 3.
        ii. Commencement of construction or installation activity prior to applying and obtaining approval from the DRC. This violation will most likely result in a fine as proposed by HOA Management, per the authority delegated to it by the Board of Directors, pursuant to the process stated in Section 4 below.

4. After the Board votes to levy a fine or suspension against a member, a fine cannot be imposed until the association provides the member with a 21-calendar day written notice regarding a corresponding Fining Review Committee hearing. The written notice shall describe (a) the nature of the alleged violation, (b) the proposed sanction to be imposed, and (c) the opportunity for a hearing before the Fining Review Committee. Management will set up the hearing considering the schedules of committee members and the appellant.

    a. If a violation is the commencement of construction or installation activity prior to applying and obtaining approval from the DRC, the Board of Director expressly authorizes the HOA Management, without a further Board meeting, to issue a fine notice under this Section 4 via email and/or letter, the fine being $100/day up to $5,000 for a continuing violation. The email and/or letter shall also provide that the owner is required to submit a DRC application.

    b. The calculation of the number of days of the fine will be the period from initial discovery until the date that the application is submitted to the Design Review Committee or the date of the Fining Review Committee hearing, whichever occurs first.

5. At the Fining Review Committee hearing, appellants can call witnesses and have counsel present. There must be advance notice of no less than 7 calendar days if the owner intends on having counsel present so that the Board can be represented as well. The hearing is the only opportunity for outside counsel to the appellant to be involved in this process. The Board and the Appellant can present witnesses, relevant evidence, and they, along with the Committee and HOA Management can cross examine adverse witnesses against them. Witnesses must provide a written statement no less than 5 calendar days before the hearing. No recordings will be made at the hearing. All contact with the Committee before and after the hearing must go through HOA Management or the Board of Directors. The Fining Committee members at a hearing must be at least 3 and always an odd number, regardless of the total number of Committee members.

6. At the Fining Review Committee hearings, the Fining Review Committee may ask questions of the parties. The Fining Review Committee is tasked with approving or disapproving the proposed fine or suspension. If the proposed fine or suspension is approved by the Fining Review Committee, the fine payment is due 5 days after notice of the approved fine is provided to the owner and, if applicable, to any occupant, licensee, or invitee of the owner. The effective date of a suspension will be stated in the notice and applies to all residents of the home. The Association will provide written notice of such fine or suspension by mail or hand delivery to the owner and, if applicable, to any occupant, licensee, or invitee of the owner.

BOARD/COMMITTEE/MANAGEMENT ROLES:

1. Compliance Manager and Compliance Committee – investigate the facts, provide documentation and a summary statement, in accordance with the Violation Validation Process. As appropriate, this can be conducted in conjunction with HOA Management and/or the Board of Directors. For any complaints regarding behavior a written statement is to be furnished by the accuser. In such situations, the accuser and the accused must each be interviewed.

2. HOA Management - send out warning notifications of violations, collect evidence that will be presented to the parties, Board of Directors, and Fining Review Committee, issue hearing notices for the Fining Review Committee hearing, issue fine and suspension notices. HOA management will also set up hearing dates and grant extension of time, may cross examine witnesses, draft the minutes during the hearing for a permanent written record of the hearing. The minutes should reflect that after considering all evidence presented as to each matter before the Committee, the Committee voted on each and whether the fine was confirmed or rejected.

3. Board of Directors - The role of the Board of Directors will be to levy a proposed fine or suspension or dismiss the case. The Board can also be involved in investigations as appropriate and can provide witnesses and cross examine at the hearing.

4. Fining Review Committee - Expressly limited to either confirming or rejecting the fine or suspension levied by the Board. Thus, it is not the Fining Review committee's role to grant extensions or otherwise change the amount of the fine levied by the Board. During the hearing, the Committee Chair runs the proceedings. The Committee can ask direct and cross examination questions of all witnesses.

    a) If a majority of the Fining Review Committee does not approve the fine levied by the Board, the fine may not be imposed (or collected).

    b) Depending on the reason for the Fining Review Committee's decision to reject the fine(s), this could negatively impact the Association's ability to successfully pursue other remedies for the member's violation. Therefore, the Association's representative should be prepared to present a compelling case to the Fining Review Committee to confirm the fine levied by the Board.

    c) If the Fining Review Committee votes to confirm the fine, then the fine payment is due 5 calendar days after the notice of payment due is provided to the affected individual. The Florida Statutes requires that the HOA provides written notice of the fine. Therefore, the HOA needs to provide the member written notice that the Fining Review Committee voted in favor of accepting the Board's decision to levy the fine against the individual in question. The effective date of a suspension will be stated in the notice and applies to all residents of the home.

IMPORTANT NOTES

1. A Suspension is tied to the property. All occupants will be suspended regardless of which resident performed the violation.

2. In the case of the Homeowners' Association such as Naples Reserve, unpaid fines for a continuing violation that aggregate One Thousand Dollars ($1,000) or more shall constitute a lien upon a Lot of the violation Owner.

3. Upon non-payment of the fine for 90 days or more, the Association can move to suspend an Owner's right to use the Common Area, and to preclude contractors, subcontractors, agents and other invitees of an Owner or occupant to use the Common Areas provided, however, that nothing herein shall authorize the Association or Board of Directors to limit an Owner's or occupant's ingress and egress to or from a Lot.

4. If any occupant of a Lot violates the Declarations or the Bylaws, and a fine is imposed, the fine shall first be assessed against the occupant residing therein; provided, however, that if the fine is not paid by the occupant within the time set by the Board of Directors, the Owner shall pay the fine upon notice from the Association.

5. The failure of the Board of Directors to enforce any provision of the Declarations or Bylaws shall not be deemed a waiver of the right of the Board of Directors to do so thereafter.

6. FINES: $100 Per VIOLATION and $100/daily up to $5,000 for continued noncompliance and/or possible loss of amenities. A lien will be imposed for any unpaid fine of $1,000 or more.

7. The homeowner is ultimately responsible for any non-compliance sanctions and fees incurred by the tenants, guests, and invitees.

COMMON HOA VIOLATIONS (Refer to our DCCR, Rules and Regulations, Pool, Fitness, Parking and Community Design Guidelines for a complete list of rules. These documents can be found on the HOA Website). Note that for accidental damage to common property by residents, renters or other guests no violation will exist, and the issue will be considered remediated if full restitution or replacement is provided on a timely basis or the Board accepts a suitable settlement.

- Animals and Pets DCCR V. 1.c.
- Artificial Plants DCCR V.1.e.
- Business Use DCCR V.1.g.
- Commercial Vehicles. DCCR V.1.p.x.
- Community-Wide Standards DCCR V.4/Community Design Guidelines
- Exterior Decor DCCR V.1.e.
- Design changes(DRC application/approval), Community Design Guidelines. 1.VI.
- Fitness Center Fitness Center Rules
- Flags (American Flag only) DCCR V.1.p.xii, Community Design Guidelines.VII.N.
- Golf carts DCCR V.1.1.
- Holiday lighting Community Wide Standards
- Landscaping DCCR V.1.4.,V1.o.i.
- Leasing of Units DCCR V.2.1
- Lighting DCCR V.1.n.
- Nuisance (lighting/sound) DCCR V. 1.p.iv.
- On site Fuel Storage DCCR V.1.p.vi. / CDG VII.X
- Painting of Home DCCR V.4 / CDG VII,A.2

- Parking DCCR V.1.p.vii.
- Parking Lots Clubhouse, Match Point and Kid's Club
- Playground equipment DCCR V.1.p.viii
- Pool/AC Equipment DCCR V.4 / CDG VII.W., VII.D
- Pool area, Lightning Pool Rules Community-Wide Standards
- Satellites Dishes and Antennas DCCR V.1.d / CDG VII. E.
- Signs and Flagpoles DCCR V.1.p.xiii, Community Design Guidelines VII.N.
- Smoking Island Club Rules and Regulations / Pool Rules
- Trash / Recycling Bins DCCR V.1.f. and Collier County Guidelines
- Tree removal DCCR V.1.p.x.vi
- Prohibited Vehicles (RV, etc.) DCCR V.1.p.x.
- Window Coverings DCCR V.1.p.xxi

See Florida state law, the DCCR, Rules and Regulations, Community Design Guidelines and HOA rules that govern our community for the complete list as it exists at this time. These documents are found on the Naples Reserve website.