

LAKESIDE WOODS HOMEOWNERS ASSOCIATION, INC  
1200 Lakeside Woods Drive  
Venice, Florida, 34285

To: All members of the Lakeside Woods Association, Inc.

Subject: Proposed amendments to the Covenants

During the 2007 legislative session the Florida legislature amended Chapter 720, Florida Statutes by adding Section 720.3085, which addresses collection of assessments for Homeowner' Associations. Previously, this issue was controlled solely by our documents. Now the issue is controlled by Florida law.

In order to conform to the new law , we have proposed amending those portions of our Covenants that pertain to these changes. The attached four pages include the necessary changes. Strike threw indicate deleted items and underlines indicate additions.

Please review these four documents and be prepared to vote on them at our Annual Members Meeting. Approval requires a 2/3 vote of the membership to implement the changes. Consequently not voting is the same as a "No" vote.

Your Board recommends approval of these amendments.

Thank you.

Board of Directors

December 4, 2007

1           7.     DEFAULT.

2  
3           7.01   Monetary Defaults and Collection of Assessments.

4  
5           7.01.01     Late Fees and Interest. If any ASSESSMENT is not paid  
6 within ten (10) days after the due date, the ASSOCIATION shall have the right to charge the  
7 defaulting OWNER a late fee of ~~ten (10%)~~ five (5%) percent of the amount of the  
8 ASSESSMENT, or ~~TEN (\$10.00)~~ TWENTY-FIVE (\$25.00) Dollars, whichever is greater, plus  
9 interest at the then highest rate of interest allowable by law from the due date until paid. If there  
10 is no due date applicable to any particular ASSESSMENT, then the ASSESSMENT shall be due  
11 ten (10) days after written demand by the ASSOCIATION.  
12

13           7.01.02     Acceleration of ASSESSMENTS. If any OWNER is in  
14 default in the payment of any ASSESSMENT owed to the ASSOCIATION for more than ~~thirty~~  
15 ~~(30)~~ forty-five (45) days after written demand by the ASSOCIATION, the ASSOCIATION upon  
16 written notice to the defaulting OWNER shall have the right to accelerate and require such  
17 defaulting OWNER to pay to the ASSOCIATION ASSESSMENTS for COMMON EXPENSES  
18 for the next twelve (12) month period, based upon the then existing amount and frequency of  
19 ASSESSMENTS for COMMON EXPENSES. In the event of such acceleration, the defaulting  
20 OWNER shall continue to be liable for any increases in the regular ASSESSMENTS for  
21 COMMON EXPENSES, for all special ASSESSMENTS for COMMON EXPENSES, and/or for  
22 all other ASSESSMENTS payable to the ASSOCIATION.  
23

24           7.01.03     Lien for ASSESSMENTS. The ASSOCIATION has a lien  
25 on each LOT for unpaid ASSESSMENTS owed to the ASSOCIATION by the OWNER of such  
26 LOT, and for late fees and interest, and for reasonable attorneys' fees incurred by the  
27 ASSOCIATION incident to the collection of the ASSESSMENT or enforcement of the lien, and  
28 all sums advanced and paid by the ASSOCIATION for taxes and payment on account of superior  
29 mortgages, liens or encumbrances in order to preserve and protect the ASSOCIATION's lien.  
30 The lien is effective from and after recording a claim of lien in the public records in the county in  
31 which the LOT is located, stating the description of the LOT, the name of the record OWNER,  
32 and the amount due as of the recording of the claim of lien. A recorded claim of lien shall secure  
33 all sums set forth in the claim of lien, together with all ASSESSMENTS or other moneys owed  
34 to the ASSOCIATION by the OWNER until the lien is satisfied. The lien is in effect until all  
35 sums secured by it have been fully paid or until the lien is barred by law. The claim of lien must  
36 be signed and acknowledged by an officer or agent of the ASSOCIATION. Upon payment in full  
37 of all sums secured by the lien, the person making the payment is entitled to a satisfaction of the  
38 lien. The provisions of this paragraph are subject to the provisions of Florida Statutes Chapter  
39 720, Section 720.3085 which have been incorporated into the following paragraphs as applicable:  
40

41           7.01.03.01 A UNIT OWNER, regardless of how his or her title to  
42 property has been acquired, including by purchase at a foreclosure sale or by deed in lieu of  
43 foreclosure, is liable for all assessments that come due while he or she is the UNIT OWNER.  
44 The UNIT OWNER'S liability for assessments may not be avoided by waiver or suspension of  
45 the use or enjoyment of any common area or by abandonment of the UNIT upon which the  
46 assessments are made.  
47

48           7.01.03.02 A UNIT OWNER is jointly and severally liable with  
49 the previous UNIT OWNER for all unpaid assessments that came due up to the time of transfer  
50 of title. This liability is without prejudice to any right the present UNIT OWNER may have to  
51 recover any amounts paid by the present UNIT OWNER from the previous UNIT OWNER.  
52

53           7.01.03.03 Assessments and installments on assessment that are  
54 not paid when due bear interest from the due date until paid at the rate of EIGHTEEN (18)  
55 PERCENT per year.  
56

57  
58           7.01.03.04 The ASSOCIATION must not file a claim of lien  
59 against a UNIT for unpaid assessments unless a written notice or demand for past due  
60 assessments as well as any other amounts owed to the ASSOCIATION pursuant to its governing  
61 documents has been made by the ASSOCIATION. This written notice or demand must:

1  
2  
3 7.01.03.04.01 Provide the UNIT OWNER with 45 days to  
4 make payment for all amounts due, including, but not limited to, any attorney's fees and actual  
5 costs associated with the preparation and delivery of the written demand.

6  
7 7.01.03.04.02 Be sent by registered or certified mail, return  
8 receipt requested, and by first-class United States mail to the UNIT OWNER at his or her last  
9 address as reflected in the records of the ASSOCIATION, if the address is within the United  
10 States, and to the UNIT OWNER subject to the demand at the address of the UNIT if the UNIT  
11 OWNER'S address as reflected in the records of the ASSOCIATION is not the UNIT address. If  
12 the address reflected in the records is outside the United States, then sending the notice to that  
13 address and to the UNIT address by first-class United States mail is sufficient.

14  
15 7.01.04 Collection and Foreclosure. The ASSOCIATION may  
16 bring an action in its name to foreclose a lien for unpaid ASSESSMENTS secured by a lien in  
17 the same manner a mortgage of real property is foreclosed and may also bring an action to  
18 recover a money judgment for the unpaid ASSESSMENTS without waiving any claim of lien.  
19 and the applicable OWNER shall be liable to the ASSOCIATION for all costs and expenses  
20 incurred by the ASSOCIATION in connection with the collection of any unpaid  
21 ASSESSMENTS, and in filing, enforcement, and/or foreclosure of the ASSOCIATION'S lien,  
22 including reasonable attorneys' fees, and all sums paid by the ASSOCIATION for taxes and on  
23 account of any other mortgage, lien, or encumbrance in order to preserve and protect the  
24 ASSOCIATION'S lien. Such action may not be brought until 45 days after the UNIT OWNER  
25 has been provided notice of the ASSOCIATION'S intent to foreclose and collect the unpaid  
26 amount. The BOARD is authorized to settle and compromise the ASSOCIATION'S lien if the  
27 BOARD deems a settlement or compromise to be in the best interest of the ASSOCIATION.

28  
29 7.01.04.01 The ASSOCIATION may recover any reasonable  
30 attorney's fees incurred in a lien foreclosure action or in an action to recover a money judgment  
31 for unpaid ASSESSMENTS.

32  
33 7.01.04.02 The ASSOCIATION may purchase the UNIT at the  
34 foreclosure sale and hold, lease, mortgage, or convey the UNIT.

35  
36 7.01.04.03 The BOARD is authorized to settle and compromise  
37 the ASSOCIATION'S lien if the BOARD deems a settlement or compromise to be in the best  
38 interest of the ASSOCIATION.

39  
40 7.01.04.04 The applicable OWNER shall be liable to the  
41 ASSOCIATION for all costs and expenses incurred by the ASSOCIATION in connection with  
42 the collection of any unpaid ASSESSMENTS, and in filing, enforcement, and/or foreclosure of  
43 the ASSOCIATION'S lien, including reasonable attorneys' fees, and all sums paid by the  
44 ASSOCIATION for taxes and on account of any other mortgage, lien, or encumbrance in order to  
45 preserve and protect the ASSOCIATION'S lien.

46  
47 7.01.05 If after the service of a summons on a complaint to foreclose a  
48 lien the UNIT is not the subject of a mortgage foreclosure or notice of tax certificate sale, or the  
49 UNIT OWNER is not a debtor in bankruptcy proceedings, the UNIT OWNER may serve and file  
50 with the court a qualifying offer at any time before the entry of a foreclosure judgment. For  
51 purpose of this subsection, the term "qualifying offer" means a written offer to pay all amount  
52 secured by the lien of the ASSOCIATION plus interest accruing during the pendency of the offer  
53 at the rate of interest provided in this section. The UNIT OWNER may make only one  
54 qualifying offer during the pendency of a foreclosure action.

55  
56 7.01.05.01 The UNIT OWNER shall deliver a copy of the filed  
57 qualifying offer to the ASSOCIATION'S attorney by hand delivery or by certified mail, return  
58 receipt requested.

59  
60 7.01.05.02 The UNIT OWNER'S filing of the qualifying offer  
with the court stays the foreclosure action for the period stated in the qualifying offer, which may

1 not exceed 60 days, to permit the UNIT OWNER to pay the qualifying offer to the  
2 ASSOCIATION plus any interest accruing during the pendency of the offer.  
3

4 7.01.05.03 The qualifying offer of the UNIT OWNER must be in  
5 writing, be signed by the owner of the UNIT and spouse of the UNIT OWNER if the spouse  
6 holds a homestead interest in the UNIT, be acknowledged by a notary public, state the total  
7 amount due the ASSOCIATION, state that the total amount due the ASSOCIATION is secured  
8 by the lien of the ASSOCIATION, state that the ASSOCIATION is entitled to foreclose the lien  
9 and obtain a foreclosure judgment for the total amount due if the UNIT OWNER breaches the  
10 qualifying offer, state that the UNIT OWNER will not endanger the priority of the lien of the  
11 ASSOCIATION or the amounts secured by the lien, and state the actual date or dates the  
12 ASSOCIATION will receive the total amount due for the UNIT OWNER. If the UNIT OWNER  
13 makes a qualifying offer under this subsection, the ASSOCIATION may not add the cost of any  
14 legal fees incurred by the ASSOCIATION within the period of the stay other than costs acquired  
15 in defense of mortgage foreclosure action concerning the UNIT, a bankruptcy proceeding in  
16 which the UNIT OWNER is a debtor, or in response to filings by a party other than the  
17 ASSOCIATION in the lien foreclosure action of the ASSOCIATION.  
18

19 7.01.05.04 If the UNIT OWNER breaches the qualifying offer, the  
20 stay shall be vacated and the ASSOCIATION may proceed in its action to obtain a foreclosure  
21 judgement against the UNIT and the UNIT OWNERS for the amount in the qualifying offer and  
22 any amounts accruing after the date of the qualifying offer.  
23

24 7.01.06 Subordination of Lien. Where any person obtains title to a  
25 LOT pursuant to the foreclosure of a first mortgage of record, or where the holder of a first  
26 mortgage accepts a deed to a LOT in lieu of foreclosure of the first mortgage of record of such  
27 lender, such acquirer of title, its successors and assigns, shall not be liable for any  
28 ASSESSMENTS or for other moneys owed to the ASSOCIATION which are chargeable to the  
29 former OWNER of the LOT and which became due prior to acquisition of title as a result of such  
30 funds is secured by a claim of lien recorded prior to the recording of the foreclosed or underlying  
31 mortgage. The unpaid ASSESSMENTS or other moneys are COMMON EXPENSES  
32 collectable from all of the OWNERS, including such acquirer and his successors and assigns.  
33 The new OWNER, from and after the time of acquiring such title, shall be liable for payment of  
34 all future ASSESSMENTS for COMMON EXPENSES and such other expenses as may be  
35 assessed to the OWNER's LOT. Any person who acquires a LOT, except through foreclosure of  
36 a first mortgage of record or deed in lieu thereof, including, without limitation, persons acquiring  
37 title by sale, gift, devise, operation of law or by purchase at a judicial or tax sale, shall be liable  
38 for all unpaid ASSESSMENTS and other moneys due and owing by the former OWNER to the  
39 ASSOCIATION, and shall not be entitled to occupancy of the UNIT or enjoyment of the  
40 COMMON AREAS, or of the recreational facilities as the same may exist from time to time,  
41 until such time as all unpaid ASSESSMENTS and other moneys have been paid in full.  
42

43 7.01.057 Rental and Receiver. If an OWNER remains in  
44 possession of his UNIT and the claim of lien of the ASSOCIATION against his UNIT is  
45 foreclosed, the court, in its discretion, may require the OWNER to pay a reasonable rental for  
46 the UNIT, and the ASSOCIATION is entitled to the appointment of a receiver to collect the rent.  
47

48 7.01.078 Assignment of Claim and Lien Rights. The  
49 ASSOCIATION acting through its BOARD, shall have the right to assign its claim and lien  
50 rights for the recovery of any unpaid ASSESSMENTS and any other moneys owed to the  
51 ASSOCIATION, to any third party.  
52

53 7.01.089 Unpaid ASSESSMENTS Certificate. Within 15 days after  
54 written request by any OWNER or any INSTITUTIONAL LENDER holding or making a  
55 mortgage encumbering any LOT, the ASSOCIATION shall provide the OWNER or  
56 INSTITUTIONAL LENDER a written certificate as to whether or not the OWNER of the LOT is  
57 in default with respect to the payment of ASSESSMENTS or with respect to compliance with  
58 the terms and provisions of this DECLARATION, and any person or entity who relies on such  
59 certificate in purchasing or in making a mortgage loan encumbering any LOT shall be protected  
60 thereby.  
61

1                   7.01.0910    Application of Payments.    ~~Any payments made to the~~  
2 ~~ASSOCIATION by any OWNER shall first be applied towards any sums advanced and paid by~~  
3 ~~the ASSOCIATION for taxes and payment on account of superior mortgages, liens or~~  
4 ~~encumbrances which may have been advanced by the ASSOCIATION in order to preserve and~~  
5 ~~protect its lien, next toward reasonable attorneys' fees incurred by the ASSOCIATION incidental~~  
6 ~~to the collection of ASSESSMENTS and other moneys owed to the ASSOCIATION by the~~  
7 ~~OWNER and/or for the enforcement of its lien; next towards interest on any ASSESSMENTS or~~  
8 ~~other moneys due to the ASSOCIATION, as provided herein, and next towards any unpaid~~  
9 ~~ASSESSMENTS owed to the ASSOCIATION, in the inverse order that such ASSESSMENTS~~  
10 ~~were due.~~    Any payment received by the ASSOCIATION and accepted shall be applied first to  
11 any interest accrued, then to any administrative late fee, then to any costs and reasonable  
12 attorney's fees incurred in collection, and then to the delinquent assessment. This paragraph  
13 applies notwithstanding any restrivtive endorsement, designation, or instructions placed on or  
14 accompanying a payment. A late fee is not subject to the provisions of Florida Statutes chapter  
15 687 and is not a fine.  
16  
17