Laird Bayou General Policy # 4 Subject: Past Due Assessments

Laird Bayou Property Owners Association, Inc. (the "Association") is a non-profit Florida corporation that owns and maintains all common Community Property. This includes the property entrance and gate system, mailbox kiosk, swimming pool complex, boat ramp, RV/boat storage yard, surrounding undeveloped protected wetlands, and the road network with streetlights and stormwater systems. This property requires routine maintenance and periodic repairs. Additionally, the Association must expend funds to conduct normal business operations such as insurance, property management, accounting, tax filing, and legal services. *The Board of Directors and all Committee members serve as unpaid volunteers.*

By purchasing a lot in Laird Bayou, every property owner becomes a Member of the Association, with an equal vote on Member matters, and equal responsibility for funding ongoing Association operations.

Annual **General Assessments** are used to fund routine budgeted operations. **Special Assessments** may be required to fund non-budgeted community requirements. **Specific Assessments** may be levied against an individual Member to address non-compliant conditions attributable solely to that Member's property.

Members who fail to pay assessments when due are in violation of their Membership obligations and unfairly burden all other Members.

General Assessments (Annual Lot Dues)

The General Assessment is due and payable on January 1 of each year and is deemed past due as of February 1.

Enforcement Timeline — (Date based on General Assessments due date of January 1)

- Day 31 (February 1):

  A demand letter is sent. **A late fee of $25.00** will be added to the delinquent account, and **interest will begin accruing** at 18% per annum, as authorized by §720.3085, Florida Statutes.

- Day 60 (March 1):

  If unpaid, the delinquent account will be **referred to a commercial collection agency** or legal counsel. All collection costs and fees will be charged to the account and will accrue interest.

- Day 90 (April 1):

  If unpaid, the Association will record a claim of **lien against the property** in accordance with §720.3085, Florida Statutes. All legal fees and costs incurred in placing and releasing the lien will be charged to the delinquent account and will accrue interest.

  An assessment lien is valid for five (5) years from the date of recording. and may expire by operation of law if foreclosure proceedings are not commenced within this statutory period, as provided by Florida law."

- Day 135 (45 days after lien recording):

  If the assessment lien remains unpaid for forty-five (45) days following lien recording, the Association may issue a statutory **Notice of Intent to Foreclose**, providing the Member not less than forty-five (45) days to pay all delinquent amounts in full, as required by §720.3085, Florida Statutes.

- Day 180 (90 days after lien recording):

  If the account remains unpaid after expiration of the statutory notice and cure period, the Association will be eligible to authorize and commence judicial **foreclosure proceedings** to enforce the assessment lien.

All attorney's fees, court costs, interest, and expenses incurred in connection with foreclosure will be charged to the delinquent account. Judicial foreclosure may result in the forced sale of the property to satisfy the delinquent obligations.

Special or Specific Assessments

This policy will also apply to any Special or Specific Assessments as follows:

- A demand letter is sent. Late fees and interest will begin accruing 30 days after the due date.
- Accounts will be referred to collections after 60 days.
- A lien will be recorded after 90 days.
- A Statutory Notice of Intent to Foreclose may be issued after 135 days (45 days following lien recording).
- Judicial foreclosure proceedings may be initiated after 180 days (90 days following lien recording).

Payment of Delinquent Accounts

Delinquent accounts will be considered paid in full when all assessments, late fees, interest, collection costs, lien costs, and legal fees have been paid in full. Partial payments will not slow or alter the collections process or sequence of administrative events but will reduce final interest expense.

Application of Payments

Payments received on delinquent accounts will be applied in the following order:

1. Interest expense
2. Late fees
3. Collection costs and legal fees
4. Outstanding assessments

This payment order is established by Board policy and shall apply unless otherwise required by law or court order.

Suspension of Use Rights

Pursuant to §720.305, Florida Statutes, and the Association's governing documents, if a Member is more than ninety (90) days delinquent in the payment of assessments or other monetary obligations the Member's rights to use common facilities (swimming pool, storage yard, and boat ramp) may be suspended. (Access required for ingress, egress, utilities, or emergency services shall not be affected). In addition, during such period of delinquency, the Member's voting rights shall be suspended, and the Member shall be ineligible to run for or serve on the Board of Directors. Suspension may only occur after proper notice and an opportunity for hearing, as required by §720.305.

All rights are restored upon full payment of all delinquent amounts due.

Compliance With Law

This policy is intended to comply with Florida Statute Chapter 720 and the Association's governing documents and will be amended as necessary to reflect changes in applicable law.

Board Authorization and Delegation of Enforcement Authority

By adoption and approval of this Policy, the Board of Directors hereby authorizes and directs the Association's property management company, acting as agent of the Association, to engage, instruct, and compel the Association's collection agency and/or legal counsel to implement all lawful actions necessary to recover delinquent assessments, fees, interest, and costs owed to the Association, in accordance with this Policy and Florida Statute Chapter 720, including, but not limited to, referral to collections and the recording of assessment liens.

The Association's property management company is directed to track delinquent accounts, pursue recovery of funds up to and including the filing of liens, and the notification to the Board when conditions permit judicial foreclosure proceedings.

Judicial foreclosure proceedings may be initiated only upon specific authorization by the Board of Directors on a case-by-case basis. All other enforcement actions authorized by this Policy should proceed without further Board action.

Approved by the BOD on: August 19, 2008
Reviewed and approved by the BOD: June 22, 2017
Revised and approved by the BOD: September 13, 2022
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Glenn Cox
President
Laird Bayou Property Owners Association, Inc.