



# **Collection Process**

## **for Monthly Maintenance Fees and Special Assessments**

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**Laguna Pointe Condominium Association of Pensacola, Inc.**

**August 25, 2011**

# The Collection Process

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## Description

The collection process describes the steps the Association will use for the collection of outstanding balances as well as the application of penalties incurred for maintaining an outstanding balance.

## Objectives

The objective for establishing a collection process is to ensure all condominium owners are fully aware and knowledgeable of the Board of Director's fiduciary duties in the collection of monthly maintenance fees and special assessments.

The process is to ensure that all condominium owners maintain a good standing with the Association by having a vehicle for notifying and collecting Association assessments. Timely receipt of dues and assessments is necessary for the association to function on both a daily and long-term basis.

## Roles and Responsibilities

The primary controlling mechanism for the Collection Process is periodic reports from the association treasurer and/or property management agency, if applicable, alerting the board on dues/assessments that have not been received in a timely manner.

It is the Board of Director's responsibility to:

- Monitor all outstanding balances, with assistance from the Treasurer and/or the association's management company.
- Inform unit owners of these procedures and guidelines surrounding the collection process and provide a reasonable timeline for payment.
- Pursue collection using all officially authorized avenues available.

It is the owner's responsibility to:

- Pay monthly assessments by the due date.
- Pay all special assessments by the due date.

## Outstanding Balance Collection Process

The following collection policy will be implemented should any owners fail to pay their regular monthly assessments (monthly dues) or special assessments, as well as any other outstanding balances on their units.

This collection process is merely to provide a uniform framework for the collection of assessments, but is not intended to limit or modify any remedies available to the Association specified by statute.

**Any administrative late fee(s), interest, attorney and/or court costs are added to the balance owed by the owner. Florida Statute 718.116(3) provides that any payment received by the Association will be applied first to all interest accrued on the late balance, then to administrative and legal fees incurred for collection, and then to the delinquent assessment itself.**

# **Section 1: General Assessment**

## **(Also called: Regular Monthly Association Maintenance Fees)**

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**Payments** --- Are due in full according to the rates identified with each year's budget. There is no discount for advance payment.

**Payment: Due by the first (1<sup>st</sup>) day of each month as specified in the LPCA Bylaws. Payable without penalty by the 10th day of the month as specified in the Declaration of Condominium. Thereafter:**

**10 days past due** --- Interest will begin to accrue from the due date..

Interest will be applied to all late payments at the maximum rate permitted by Florida Statutes. Currently, this rate is 18% per annum.

A charge equal to one percent (1%) of the unpaid assessment will be added as a late fee for any payment not received within fifteen (15) days of the due date.

**30 days past due** --- Unless otherwise directed by the board, the President or Treasurer may contact the Association's Attorney to begin the lien process on the individual homeowner's unit. Fees incurred including management company or another second agent expenses will be applied to the collection process and be the responsibility of the unit owner(s).

If a delinquent unit is rented, a notice shall be sent to the Owner, to the Tenant and to the management company, if any and if known to the Association, informing all parties of the Association's statutory demand of rent from that unit. (See Attachment 1)

**90 days past due** ---

1. Notice shall be sent to the Owner, to the Tenant and to the management company, if any and if known to the Association, informing all parties of the Association's statutory demand of suspension of common element use rights (Florida Statute ss 718.303(3). The Association will allow tenants to use the common elements as long as their rental payments are being made to the Association. (See Attachment 2)

2. Upon a vote of the board of directors of the Association pursuant to the Association's statutory rights (Florida Statute ss 718.303(5) the association shall suspend the voting rights of the delinquent unit and shall so notify the affected owner. The suspension ends upon full payment of all obligations currently due or overdue the association. (See Attachment 3)

**Any administrative late fee(s), interest, attorney and/or court costs are added to the balance owed by the owner. Florida Statute 718.116(3) provides that any payment received by the Association will be applied first to all interest accrued on the late balance, then to administrative and legal fees incurred for collection, and then to the delinquent assessment itself.**

## Section 2: Special Assessments

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1. **Payments** --- Are due in full according to the terms and dates identified at the time of the passing of the Special Assessment. by the Board of Directors. These terms are detailed in the Special Assessment Letter that is sent to each homeowner as required by Florida Statutes.
2. **Payment plans** --- If any payment plans are identified, they will be called out in the Special Assessment Letter and must be adhered to accordingly.
3. **Discounts:** No Discounts will be available on Assessments.
4. **Interest:** Interest will be applied to all late payments at the maximum percentage allowed by Florida Statutes; currently, 18% per annum.
5. **Administrative and other Legal Fees** --- Will be charged at fair and reasonable rates to all delinquent payments and be the sole responsibility of the Homeowner.
6. **Lien:** This is the main vehicle by which the Association will enforce the collection of outstanding balances on Special Assessments that are not paid in full by the Date identified in the Special Assessment Letter.
7. **Lien Foreclosure:** After the lien has been placed, if the homeowner still does not settle the outstanding balance, the board must fulfill its Fiduciary responsibility and begin the process of foreclosing on the homeowner for collection of the outstanding Special Assessment Balances.

### *The following Steps will occur in enforcing the Collections process for Special Assessments:*

**10 days past due** --- Interest will begin to accrue from the due date.

Interest will be applied to all late payments at the maximum rate permitted by Florida Statutes. Currently, this rate is 18% per annum.

A charge equal to one percent (1%) of the unpaid assessment will be added as a late fee for any payment not received within fifteen (15) days of the due date.

**30 days past due** --- Unless otherwise directed by the board, the President or Treasurer may contact the Association's Attorney to begin the lien process on the individual homeowner's unit. Fees incurred including management company or another second agent expenses will be applied to the collection process and be the responsibility of the unit owner(s).

If a delinquent unit is rented, a notice shall be sent to the Owner, to the Tenant and to the management company, if any and if known to the Association, informing all parties of the Association's statutory demand of rent from that unit. (See Attachment 1)

**90 days past due** ---

1. Notice shall be sent to the Owner, to the Tenant and to the management company, if any and if known to the Association, informing all parties of the Association's statutory demand of suspension of common element use rights (Florida Statute ss 718.303(3). The Association will allow tenants to use the common elements as long as their rental payments are being made to the Association. (See Attachment 2)

2. Upon a vote of the board of directors of the Association pursuant to the Association's statutory rights (Florida Statute ss 718.303(5) the association shall suspend the voting rights of the delinquent unit and shall so notify the affected owner. The suspension ends upon full payment of all obligations currently due or overdue the association. (See Attachment 3)

**Any administrative late fee(s), interest, attorney and/or court costs are added to the balance owed by the owner. Florida Statute 718.116(3) provides that any payment received by the Association will be applied first to all interest accrued on the late balance, then to administrative and legal fees incurred for collection, and then to the delinquent assessment itself.**

LAGUNA POINTE CONDOMINIUM ASSOCIATION OF  
PENSACOLA, INC.  
Post Office Box 4843  
Pensacola, Florida 32507-0843

\_\_\_\_\_, 201\_

Tenant Address

Manager Address: (if applicable)

**STATUTORY DEMAND OF RENT**

Dear Tenant and Manager of unit \_\_\_\_\_:

Pursuant to section 718.116(11), Florida Statutes, Laguna Pointe Condominium Association of Pensacola, Inc., (“Association“) hereby provides notice that the owner of the unit you are renting, Unit \_\_\_\_\_, is delinquent in the payment of monetary obligations to the Association, including but not limited to, unpaid condominium assessments, interest, late fees, costs, and/or attorney’s fees incident to collection. The Association hereby makes statutory demand that you, as the tenant of the Unit, pay all future monetary obligations related to the condominium unit, including rent, directly to the Association instead of paying the owner/landlord. This letter requires the timely payment of all rent to the Association. Upon receipt of this demand, you are **required** by section 718.116(11), Florida Statutes, to make such payments to the Association. This demand is continuing in nature and you **must** make all payments to the Association until such time as you are released from this statutory obligation by the Association, or you discontinue your tenancy of the unit.

Section 718.116(11), Florida Statutes, further provides that a tenant who acts in good faith in response to a written demand from an association is immune from any claim of the unit owner.

All payments of rent should be made to: LPCA, PO Box 4843, Pensacola, FL, 32507. In the event that you fail to pay a required payment to the Association, the Association may sue to evict you pursuant to section 718.116(11)(c), Florida Statutes.

Sincerely,

\_\_\_\_\_, President  
Laguna Pointe Condominium Association of Pensacola, Inc.  
850-725-6250, property manager, Sam Sparks

Cc: Owner

- ATTACHMENT 1 – DEMAND OF RENT -

LAGUNA POINTE CONDOMINIUM ASSOCIATION OF  
PENSACOLA, INC.  
Post Office Box 4843  
Pensacola, Florida 32507-0843

\_\_\_\_\_, 201\_

Owner Address

Tenant Address

Manager Address (if applicable):

**NOTICE OF SUSPENSION OF COMMON ELEMENT USE RIGHTS**

Dear Owner, Tenant Occupant and Manager of unit \_\_\_\_\_:

Please be advised that the owner of the referenced unit is delinquent in the payment of monetary obligations to the Association, and has been delinquent in the payment of these obligations for more than 90 days. Pursuant to section 718.303(3), Florida Statutes, the Association hereby notifies owner and tenant and all occupants that at a duly called board meeting, the board has officially suspended the owner's, tenant's and all occupants' use rights to the common elements including all common element facilities until the monetary obligations due the Association are paid. As of today's date, the total monetary obligations owed by the owner are \$\_\_\_\_\_. This amount will increase for each day hereafter. To reinstate the right to use the common elements, you may contact the Association to obtain the amount necessary to satisfy your obligations to the Association.

You are accordingly prohibited from using the following features:

swimming pool, pool deck, docking facility/pier, ice machine

Regards,

\_\_\_\_\_, President  
Laguna Pointe Condominium Association of Pensacola, Inc.  
850-725-6250, property manager, Sam Sparks

- ATTACHMENT 2 – SUSPENSION OF COMMON ELEMENTS RIGHTS -

Re: Suspension of Voting Rights; Delinquency in account

Dear Owner:

This letter will serve to inform you that the board, acting pursuant to the authority contained in s. 718.303, Florida Statutes, has voted at a board meeting to suspend your voting rights due to nonpayment of monetary obligations due to the association. Your account, according to our records, is more than 90 days delinquent. Your voting rights will be restored upon payment of all amounts owing.

In the meantime, you are not able to vote in any elections, recall, or other matter that comes before the membership for a vote.

Sincerely

Manager or President

- ATTACHMENT 3 – SUSPENSION OF VOTING PRIVILEGES -