

Sorrento Condominium Association Inc.  
Policy: Assessments and Collections

- **Policy Explanation:** The Association has the power to levy and collect assessments against each Unit and Unit Owner in order to provide the necessary funds for proper operation and management of the Condominium and for the operation of the Association. This power includes both “regular” assessments for each Unit’s share of the common expenses as set forth in the annual budget, and “special” assessments for unusual, nonrecurring or unbudgeted common expenses. The Association may also levy special charges against any individual Unit for any amounts, other than common expenses, which are properly chargeable against such Unit under the Declaration or the Bylaws. (See: Amended and Restated Bylaws of Sorrento Condominium Association).

**Reference:**

- Condominium:
- [State Statute; 718.116 Assessments; liability; lien and priority; interest; collection.](#)
  - [718.303 Obligations of owners and occupants; remedies.](#) —
- [Amended and Restated Bylaws of Sorrento Condominium Association.](#)

Payments of Quarterly Regular Assessments are mandatory for all Unit Owners as outlined in our Amended and Restated Declaration of Covenants and By-Laws. Failure to pay Regular Assessments may eventually result in the loss of your Unit through foreclosure. Our Association follows a process to give homeowners fair opportunity to pay their Assessments. This process includes a procedure to enforce the collection of homeowners' assessments/dues.

**Quarterly Invoices**

- Invoices are mailed to homeowners four per year at least 30 days prior to assessment due dates. If you do not receive your quarterly invoice, please contact the Association’s Management Company. Invoices are a courtesy and failure to receive one does not excuse you from paying your assessments when due.

**Late Notice**

- Past due notices are mailed to homeowners who fail to pay their assessments on time. Please pay on-time, as it costs all of us when past due notices have to be sent out. If there is some circumstance that prevents you from paying on time please contact the Association’s Management Company in advance of your due date.

**Interest and Late Fees**

- Assessments and installments on assessments which are not paid when due will bear interest that will accrue at the rate of 18 percent per year. The Association may, in addition to such interest, charge an administrative late fee of up to the greater of \$25 or 5 percent of each delinquent installment for which the payment is late.
  - *Covenant 3.6 Application of Payments: Failure to Pay; Interest*
  - *"Association may charge interest at the highest rate allowed by law, calculated from the due date until paid on all sums not timely paid."*

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- Any payment received by the Association must be applied first to any interest accrued by the association, then to any administrative late fee, then to any costs and reasonable attorney fees incurred in collection, and then to the delinquent assessment.

**Final Notice**

- Homeowners who do not respond to the Past Due notices will receive a 10-day Final Notice. This is the last notice sent out before legal action is taken by the Association attorney. Contact the Association's Management Company immediately if you receive a Final Notice.

**Attorney Collection**

- Unit Owners who do not respond to the Final Notice will have their overdue account turned over to the Association attorney for collection after 60 days from the original due date. Once this happens, the homeowner cannot resolve their account status through the Association's Management Company and the homeowner must contact the Association attorney. An additional administrative cost of approximately \$115 will be due on the account if it is sent to the attorney for collection. Once the account is turned over to the attorney for collections, attorney's fees and legal costs will be added and the homeowner is responsible for these fees and costs.

**Lien on Unit**

- If the Unit Owner's account continues to be past due, the Association attorney will file a lien with the Lee County Clerk of the Court against the owner's home.

**Foreclosure**

- Thirty days after a lien has been recorded, the Association Board may authorize the Association's attorney to begin foreclosure proceedings on the homeowner's property. This process adds a minimum \$1,200 to the overdue account just for filing the initial documents with the Court and the legal fees and costs can easily outpace the past due amount. When the Court enters the foreclosure judgment, a foreclosure sale will be set. At this sale, the homeowner will lose his home. If the Association acquires title to the property at the foreclosure sale, Sorrento Condominium Association has the right to remove the owners (or any tenants) out of the property and may also elect to lease the property to collect the balance owed. The responsibility of the outstanding mortgage remains with the Unit owner(s) who originally executed the note, not Sorrento Condominium Association. To date, the Association has and will continue to utilize the foreclosure process for severely overdue accounts.

**Stopping Foreclosure**

- The Unit Owner can stop the foreclosure process by contacting the Association attorney and arranging for payment of the outstanding balance. The attorney will present the homeowner with a breakdown of the amount due on the account. The outstanding balance will include all past due assessments, legal fees and costs, late fees, and interest accumulated on the balance. The Association's Management Company is not involved with accounts that have been sent to the Association attorney and cannot resolve any past due issues at this juncture.

**Estoppel Certificate/Letter**

- A Florida Estoppel Letter also called Estoppel Certificate is a legal document that can be relied on for the seller's current financial status about what is owed to Condo Association. This

document is used in the real estate transaction to determine if the HOA/Condo fees are paid up to date.

- They can include current HOA/Condo fees, delinquent fees, interest payments, special assessments, attorney's fees, dates of payments, property information and any other transfer fees and balances necessary to determine correct pro-rations charged at closing. Contact the Management Company to request an Estoppel Certificate. There is a fee associated with each request.

#### **Common Element Use**

- If the Unit Owner is more than ninety (90) days delinquent in paying any assessment, fee, fine or other monetary obligation to the Association, the Association will suspend the rights of the Unit Owner or the Unit's occupant(s), licensee, or invitee(s) to use common elements, Clubhouse, Pool, and Fitness Center.

#### **Voting Rights**

- The voting rights of a Unit Owner will be suspended if the Unit Owner is delinquent for more than ninety (90) days on any monetary obligation greater than \$1,000 due to the Association. The Board shall have a standing agenda item on its regular meeting agendas for the purpose of imposing the suspensions addressed in this paragraph against all Unit Owners who, at the time of the meeting, are more than ninety (90) days delinquent in paying any fee, fine, or other monetary obligation greater than \$1,000 due to the Association. Upon approval at the Board meeting, the Association shall notify the Owner and, if applicable, the occupant, licensee, or invitee by electronic means (e.g. email), mail or hand delivery. The process provided for herein shall not preclude the Board from calling a special meeting to impose the suspensions addressed in this paragraph. The suspensions imposed shall continue until the fee, fine, or other monetary obligation is paid in full.