

CLARIFICATIONS
April 29, 2010 Meeting

Regarding questions on applicable interest rate for late payments:

- (3) Assessments and installments on them which are not paid when due bear interest at the rate provided in the declaration, from the due date until paid. This rate may not exceed the rate allowed by law, and, if no rate is provided in the declaration, interest shall accrue at the rate of **18 percent per year**. Also, if the declaration or bylaws so provide, the association may charge an **administrative late fee in addition to such interest, in an amount not to exceed the greater of \$25 or 5 percent of each installment of the assessment for each delinquent installment that the payment is late**. Any payment received by an association shall be applied first to any interest accrued by the association, then to any administrative late fee, then to any costs and reasonable attorney's fees incurred in collection, and then to the delinquent assessment. The foregoing shall be applicable notwithstanding any restrictive endorsement, designation, or instruction placed on or accompanying a payment. A late fee shall not be subject to the provisions in chapter 687 or s. [718.303](#)(3).

Regarding transfer fees for Unit III and SWCA:

SWCA:	Article 6:01 (b)	\$1000.00 transfer fee
Unit III:	Article 5.02	\$250.00 transfer fee

Regarding amount of collectable past assessments:

Florida Statutes:

718.116 Assessments; liability; lien and priority; interest; collection.--

(1)(a) A unit owner, regardless of how his or her title has been acquired, including by purchase at a foreclosure sale or by deed in lieu of foreclosure, **is liable for all assessments which come due while he or she is the unit owner**. Additionally, a unit owner is jointly and severally liable with the previous owner for all unpaid assessments that came due up to the time of transfer of title. This liability is without prejudice to any right the owner may have to recover from the previous owner the amounts paid by the owner.

Required Insurance:

I have checked on the insurance policies that are in effect. According to Oswald Trippe the Bond for Crime Liability Insurance was canceled by Ms. Carol Varady, Treasurer.

According to our bylaws section 6.10:

Insurance.

The Association **shall purchase** and maintain in force for the benefit of the Association, its Owners and their mortgagees, and the officers and director's commercial liability insurance and association liability insurance **as may be appropriate**. Each lot owner has the obligation to insure his house and other improvements and to rebuild promptly after a casualty. **The Association shall also purchase an Association Bond to cover officer, directors, and or trustees.**

This means that we shall have liability insurance although the amount is up to us. I had Oswald Trippe quote both \$100,000. and \$300,000. policies. The liability insurance is also known as E&O insurance.

An example: The screen enclosure on Del Lago that was built without permission. It is possible that if we denied the special exception the residents could have sued us. The E&O insurance would have paid up to \$300,000. less \$1,000. deductible.

On the matter of criminal liability this would cover us if someone embezzled or misappropriated money from our treasury. According to the by-laws **this is not optional.**

Example: If we all decided to go to the Bahamas with Unit III money instead of paying SWCA dues, we would go to jail and the insurance less \$1,000. would cover the loss.