

**PREMIUM ASSIGNMENT CORPORATION**  
P.O. Box 3056 • Tallahassee, FL 32315-3056  
3522 Thomasville Road, Suite 400  
Tallahassee, FL 32309  
850-907-5910

**NOTICE OF CANCELLATION**

KORNREICH NIA OF MIAMI LLC  
SUITE 120  
14750 PALMETTO FRONTAGE RD  
MIAMI LAKES, FL 33014

03/27/2002

CANCELLATION DATE: 03/27/2002

ACCOUNT NUMBER: 648131      INSTALLMENT DUE: 3/02/2002  
ACCOUNT BALANCE: \$59,108.70      INSTALLMENT AMT: \$3,021.00

We are hereby notified that the policy(ies) described below is cancelled for non-payment of an installment in accordance with the conditions and terms of the Premium Finance Agreement, which incorporates a power of attorney. This cancellation is effective one day after the above captioned date, or the date indicated in the policy at the effective time.

The Florida Interest Code, Part XIV of Chapter 627, recognizes this as valid notice of cancellation and provides that the gross scheduled premiums be returned to the premium finance company.

If the policy or any statute requires the insurer to give notice to a mortgagee, governmental agency, or other third party before the policy can be cancelled, the insurer shall give the prescribed notice in behalf of itself or the insured to any governmental agency, mortgagee, or other third party on or before the second business day after the day it receives the notice of cancellation from the premium finance company and shall determine the effective date of cancellation taking into consideration the number of days before required to complete the cancellation.

Policy Number	Company
361007593	LUMBERMANS MUTUAL CAS-ty
5200154781	WESTERN HERITAGE
CF916046201	FLORIDA COMMERCIAL NIA/TALLAHASSEE

GRAND VISTA CONDO ASSN  
C/O TOWER MCE  
988 W. 4TH ST  
MIAMI, FL 33132

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## LETTER FROM PREMIUM FINANCE CONFIRMS INSURANCE WAS CANCELLED

In previous bulletins and memos, this committee has informed property owners that the Board allowed the insurance to lapse by failing to make an installment payment for the month of March. The above letter demonstrates the validity of such information. At the last Board meeting of October 16<sup>th</sup>, Mr. Carrera provided to all property owners present a copy of check number 140241 in the amount of \$20,656.49 made out by Premium Finance and sent to Kornreich NIA, to apparently cast out all doubts about the insurance situation. However, this check was first mentioned in an article in the Grand Vista News dated August 12<sup>th</sup>, entitled "\$24,367.99 DOLLARS IS SENT TO KORNREICH NIA". The check was to apply to the new policy. This check was NOT A REFUND and it did not benefit Grand Vista the least bit. The check was a reimbursement of the money that had been paid over the amount due to Premium Finance for the financing of the cancelled policy. To explain this, consider that the current policy for commercial property costs Grand Vista \$106,005 a year. A deposit of about 20% is required (or in this case, \$21,201). The finance company then adds additional fees, such as finance charges, document stamps, and any other appropriate fees. Upon cancellation of a policy, the insured is still responsible for those fees owed to the finance company. Those fees are deducted from the deposit and all the unused monthly premiums made while the policy was still active. The finance

agreement and the check provided by Mr. Carrera is only for the financing of the property insurance. There is no information about all the other policies and whether or not there is actually active Flood Insurance, Hurricane, Liability, Directors & Officers Insurance, Worker's Compensation Insurance, Fiduciary Insurance, and if whether Grand Vista has included its employees and Property Manager on any of its policies. Property owners have been relying on trust that their Association will pay the monthly bills, with no certainty. **ALL PROPERTY OWNERS SHOULD VERIFY INSURANCE INFORMATION ON THEIR OWN.** Section 12.1(e) of the declarations and the governing documents of the condominium indicates that the Association is responsible and it is their duty as board members to purchase insurance, make the payments, make sure all insurance policies remain valid, and it specifically says that the Association must supply proof of insurance to all mortgage/finance companies or property owners at the commencement of each policy period. This is not optional; it is their fiduciary responsibility. They must do this! Finance companies often require proof of insurance, financial reports and proposed budgets before they will consider financing a condominium. If you are thinking of selling or refinancing your condo, you may not be able to do so, until these matters are resolved and the Board has these reports available.

## PROPERTY OWNERS PAY ABOUT \$355 EACH

Expenses and damages as a result of the cancellation in insurance amount to over \$100,000 based on the information this committee has been able to collect from our limited resources, because the Association has failed to make public the complete Official Records and failed to provide an annual report during the past two years. Based on an unofficial approximated figure of \$100,000, considering that there are 282 units, that equates to approximately \$355 that each property owner has contributed, and in addition, the Board is requesting an additional \$250 for a Special Assessment from each property owner. Incidentally, the Association is behind two years in filing the required documentation with the State Recorder. All corporations must submit an annual report in a timely manner, no later than March 31st.

## PROPERTY OWNERS ARE BEING REQUIRED TO PAY FOR INSURANCE

Several property owners have received letters from their finance companies requesting proof of Hazard and Flood insurance for the past two years. If you are one of those individuals and your bank or finance company has requested this information from you, it is important for you to note that your company is entitled to bill you for the time they believe your property was uninsured. That is how they protect their investment. Failure to pay the insurance to your finance company may result in late fees, liens and may even result in a foreclosure on your property. Since this committee reported the cancellation of insurance, many property owners have come to members of this group requesting information and a copy of the insurance certificate. Two property owners of Grand Vista, who have requested to remain nameless, have demonstrated that their finance company requires them to pay over \$1200.

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