

IN THE CIRCUIT COURT OF THE SEVENTEENTH JUDICIAL CIRCUIT  
IN AND FOR BROWARD COUNTY, FLORIDA

In re:

CASE NO. CACE 24-005243

HERON POND CONDOMINIUM  
ASSOCIATION, INC.

Petitioner.

v.

HERON POND CONDOMINIUM  
ASSOCIATION, INC.,

Defendant/Respondent

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**RECEIVER'S MOTION TO (I) REDUCE MONTHLY ASSESSMENTS AND (II)  
FORBEAR ON COLLECTION OF JANUARY AND APRIL SPECIAL ASSESSMENT  
PAYMENTS**

Daniel J. Stermer, not individually, but solely in his capacity as Court-appointed Receiver (the "Receiver") for Heron Pond Condominium Association, Inc. (the "Association"), pursuant to the Court's *Order Granting Verified Petition for Appointment of Receiver*, entered on April 26, 2024, respectfully moves for entry of the proposed order attached as **Exhibit "A,"** approving a (I) reduction in the Heron Pond Condominium Monthly HOA Assessments on a go forward basis and (II) authorizing the forbearance on collection of Special Assessments (as defined below) imposed on or about December 5, 2023 by the former Board of Directors of the Association. In support of this Motion, the Receiver states:

1. On April 16, 2024, the Plaintiff, Heron Pond Condominium Association, Inc. (the "Plaintiff"), commenced this action by the filing of a *Verified Petition For Appointment of a Receiver* against the Association.

2. On April 16, 2024, the Association filed an *Ex Parte Verified Emergency Motion For Appointment of a Receiver Court* seeking the appointment of Daniel J. Stermer as Receiver of all the assets belonging to the Association, including all tangible assets, real estate, receivables, and financial accounts; and appointing the Receiver as the sole Board member for the Association with full power to act for the Association until this Court relieves the Receiver.

3. Heron Pond is an “Association” as defined in Chapter 718, Florida Statutes, located within Broward County and is governed by the Declaration of Condominium Establishing Heron Pond Condominium (the “Declaration”), recorded on June 14, 2006, in Official Records Book 42216, Page 910, in the Public Records of Broward County, Florida. The Association is comprised of 304 individual units contained in 19 separate residential buildings (the “Buildings”) located in the City of Pembroke Pines (the “Property”). As of September 12, 2023, six out of the nineteen buildings located within the Association were declared unsafe structures by the City of Pembroke Pines (the “City”) and rendered uninhabitable. An additional 26 units in the remaining buildings have also been rendered uninhabitable.

4. On April 26, 2024 (the “Commencement Date”), the Court entered an *Order Granting Verified Petition for Appointment of Receiver* (the “Order Appointing Receiver”), thereby appointing Daniel J. Stermer., as Receiver for the Association.

5. Beginning in or about August of 2023, the City identified certain Residential Buildings and Units as unsafe and issued Unsafe Structure Notices requiring the respective residents to vacate the Units. As of August 29, 2024, the City issued Unsafe Structure Notices on all 304 Units requiring all residents to vacate Heron Pond. As of August 29, 2024, the Condo Property has been shuttered and the City has disconnected power and utilities to all Residential Buildings. Details regarding these issues are set forth in the *Receiver’s Monthly Reports*.

6. On October 18, 2024, the Receiver filed the Complaint for Judicial Termination of Condominium (the “Complaint”) seeking termination of the Heron Pond Condominium pursuant to § 718.118 Fla. Stat. with the goal of maximizing the value of the Property for the benefit of all constituents through a proposed Plan of Termination (the “Plan of Termination”). The timeline for such process will be dependent upon the level of cooperation and consent of the Unit Owners and Other Interested Parties (as defined in the Termination Complaint). The Receiver is seeking to expedite the process to the extent he is able to do so, subject to the appropriate statutory requirements to ensure the ability to pass proper and clean title to the Property to a prospective purchaser.

7. The Heron Pond Condominium Units are subject to the recorded Declaration which provides for the payment of periodic monthly assessments by Unit Owners, with the amounts due per Unit depending on the type of Unit (the “Monthly Assessments”). Since the Commencement Date, and in light of the Unsafe Structure Notices, Unit Owner’s payment of the Monthly Assessments have been diminishing. As of October 2024, there were 99 Unit Owners (209Units or 69%) that did not pay their Monthly Assessments.

8. Prior to the Commencement Date, on or about December 5, 2023, the Association approved a special assessment of \$3,451,812.97 on the units at the Property, with the amounts due per unit depending on the type of unit (“Special Assessment”). A true and correct copy of the Special Assessment Notice, which identifies the purpose of the Special Assessment—to make needed repairs on the Property related to first state of the rehabilitation project for all 19 buildings, covering balconies, bay windows, and stairs, is attached hereto as Exhibit A.

9. The Special Assessment is paid in quarterly installments and commenced in January 2024. Prior to the Commencement Date, the HOA Board imposed and collected the

January 2024 and April 2024 Special Assessment Installments. All Special Assessment payments received have been deposited into a Truist Bank Account set up specifically for the Special Assessment. The Receiver, after his appointment, suspended the collection of the August 2024 and December 2024 Special Assessment installments due from Unit Owners.

10. The Monthly Assessments and the Special Assessments are ongoing obligations of the Unit Owners and have not been paused due to the appointment of the Receiver or the Unsafe Structure Notices or by this Court. The Association continues to have ongoing significant expenses, as the Receiver and his team work expeditiously to terminate the Condominium Structure and sell the Property for the benefit of the Unit Owners. These expenses include fencing, security, premium financing on the insurance coverages, certain due diligence obligations for the marketing of the Condo Property, and the professional fees of the Receiver and his court-authorized professionals. Notwithstanding, upon a review of the Receiver's proposed budget for 2025, and given the current status of the Property, the Receiver believes it is appropriate and prudent to reduce the amount of Monthly Assessments owed by Unit Owners and is proposing to reduce the Monthly assessments by approximately 37% commencing January 1, 2025.<sup>1</sup> The proposed reduction is a reduction in the Monthly Maintenance Fee and eliminates the previously imposed Monthly Reserve Fee. The reduction will result in continued monthly revenue of \$88,000 assuming Unit Owner's continue to pay their Monthly Assessments, down from over \$110,000.00 per month. This discount should help reduce the burden affecting all Unit Owners while the Receiver continues the condominium termination process, including the proposal of a Plan of Termination, and proposes a sale of the Property but still provide sufficient funds for the Receiver

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<sup>1</sup> On December 12, 2024, the Receiver prepared and sent a communication to all Unit Owners and/or their representatives on the Unit Owner Distribution List advising of the reduction in the Monthly Assessment commencing January 1, 2025.

to meet Heron Pond's continued financial obligations so long as Unit Owners pay their Monthly Assessment obligations.<sup>2</sup>

11. Through this Motion, the Receiver is proposing to forebear on further collection of outstanding amounts due for January 2024 and April 2024 Special Assessment installments until the proceeds are received from the sale of the Property (the "Proceeds") and distributed to the Unit Owners pursuant to the Plan of Termination. The Receiver is proposing that the amount each Unit Owner currently owes in Special Assessments shall be set off against the proceeds of the sale of the Property from those Unit Owners who have not remitted same against their potential pro rata distribution of the proceeds that would be due to their Unit (the "Special Assessment Setoff"). The funds collected from the Special Assessment Setoff would be added to the sale proceeds, thus increasing the funds available for distribution to Unit Owners on their pro-rata share basis. The Receiver would then distribute the proceeds, including the Special Assessment Setoff, through the pro-rated distribution set forth in the Plan of Termination. The purpose of this exercise is to allow those who previously paid the January and April Special Assessments and those who have not paid their January and April Special Assessments to receive equalized pro-rata distributions from the Proceeds when they become available. The Receiver is proposing to charge a 2% monthly interest rate on the amount of outstanding Special Assessment owed to those Unit Owners who did not pay January and April Special Assessments timely. The Receiver does not intend to collect and will

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<sup>2</sup> The Receiver continues to prepare and submit by the 10<sup>th</sup> of each month the professional fees and expenses for he and his court approved professionals understanding that the Receiver and his professionals are required to prepare and submit fee motions seeking approval, award, and authorization to pay professional fees and expenses that would be approved, awarded, and authorized by this Court. The Receiver and certain of his professionals prepared and submitted their First Application for Fees and Costs on July 29, 2024 for the period April 26, 2024 through June 30, 2024, and the Court, on August 9, 2024 entered its *Order Granting Receiver's First Application for Fees and Costs* wherein the Court approved and awarded the Receiver and certain of his professionals the amounts sought in the First Application for Fees and Costs and authorized and directed the Receiver to pay the amounts awarded, in the Receiver's business judgment, understanding the financial status of the Receivership Estate at the time. As such, the Receiver and his professionals have not submitted any further application for their professional fees and expenses for time from July 1, 2024, to the date of the filing of this Motion but will be doing so.

continue to suspend the July or October 2024 Special Assessment installment payment(s) as to all Unit Owners.

12. The Receiver submits that good cause and prudence dictates and exists for the Court to authorize the Receiver to reduce the amount of Monthly Assessments and to suspend and continue to forbear on collection of the January 2024 and April 2024 Special Assessments as set forth herein, as a result of the Unit Owner's required vacation from the Property pursuant to the City's Unsafe Structure Notices and the Receiver's intention of terminating the Condominium structure and proposing a competitive sale process for the benefit of Unit Owners.

**WHEREFORE**, Daniel J. Stermer as Receiver, respectfully requests entry of the proposed Order attached as **Exhibit "A"**, (i) approving a reduction in the Monthly Assessments and further suspending and forbearing on collection of Special Assessments imposed on or about December 5, 2023 as set forth herein, and (ii) for such other and additional relief as the Court deems just and proper.

Dated: December 13, 2024

Respectfully submitted,

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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on December 13, 2024, the foregoing was filed using the Florida Court's E-Filing Portal, which will, in turn, send notice of electronic filing to all electronic service parties.

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