

**RENTAL SURCHARGE  
Policy 610.10**05/22/2025  
Effective**Bill Grabowski**  
Association President**POLICY**

As provided by the Master Deed and Bylaws, the Board of Trustees has established a rental surcharge of 11.25% of the recommend rental rates and an Accidental Damage Charge (ADC) of \$55 per rental lease. The procedure and examples are provided below.

**PURPOSE OF THIS POLICY**

The Rental Surcharge & Accidental Damage Charge (also known as the Surcharge Calculation and Collection Policy) has been developed to make the calculation of surcharges easier for the office staff to manage. The Lodgex software calculates the surcharge on the actual rates. Previously, surcharges needed to be "backed out" and reconciled every month to the recommended rates using many hours of staff time. The new calculation is an estimate of the total annual surcharge amount owed, divided into 4 payments (March, May, July and October) where the 4<sup>th</sup> payment will be reconciled and adjusted to reflect the actual amount of the annual surcharge.

**SCOPE OF THIS POLICY**

This policy applies to all owners who rent their units.

**RESPONSIBILITIES AND AUTHORITIES**

The Board of Trustees maintains the responsibility and authority to make necessary changes to this policy. The rental administrator and other managing agents have the responsibility and authority to execute the procedures listed herein.

**PROCEDURES**

- The Actual Rental Surcharge is 11.25% of the recommended rental rates.
- Four invoices will be sent out for the Rental Surcharge. For purposes of invoicing, the first three invoices will contain a calculation that will be an estimate of the anticipated total annual surcharge owed (based on the peak rate multiplied by the number of weeks rented by end of February), divided into four (4) payments. The first three invoices will be due on April 1<sup>st</sup>, June 1<sup>st</sup>, August 1<sup>st</sup>, along with an estimated final payment on November 1<sup>st</sup>. The first three (3) payments will each be for 25% of the *estimated yearly surcharge*. The final invoice will reflect the actual Yearly Rental Surcharge less any payments previously made. Any owner who overpaid in the first three payments will receive a refund.
- **Late fee policy: If no payment is received after a seven days grace period after the first of the month due date, a \$25 late fee will be charged + 2% of the balance that is due by an owner. This late fee policy will repeat itself each month.**

Below is an example only of the rental surcharge calculation (does not use current recommended rates):

1. *Unit 123 has a peak recommended rental rate of \$2,500. The surcharge amount is 11.25% of \$2,500, which is \$281.25.*
2. *As of February 28, 2025, Unit 123 is rented for 9 weeks during 2025.*

3. *The Estimated Yearly Surcharge is \$281.25 x 9, which is \$2,531.25.*

4. *The Estimated Yearly Surcharge of \$2,531.25 is divided into 4 payments of \$632.81 and invoiced as such:*

*Due April 1, 2025 - \$632.81*

*Due June 1, 2025 - \$632.81*

*Due August 1, 2025 - \$632.81*

*Due November 1, 2025 - \$632.81 \* Estimated*

5. *If the Reconciliation in October finds that Unit 123 actually rented for 12 weeks: 1 in low (\$1,500), 1 in mid (\$2,100), and 10 in peak (at \$2,500), the actual surcharge owed is calculated like this:*

$$(1,500 \times 11.25\%) + (2,100 \times 11.25\%) + ((2,500 \times 10) \times 11.25\%)$$

$$= 168.75 + 236.25 + 2,812.50 = \$3217.50$$

*Then, the Actual surcharge owed minus the actual surcharge already paid = November 1<sup>st</sup> invoice amount  
3217.50 - (632.81 x 3) = 3217.50 - 1898.43 = \$1,319.07*

*If the Reconciliation finds that Unit 123 actually rented for 7 weeks, all in peak season, then the actual surcharge owed is calculated like this:*

$$(2,500 \times 7) \times 11.25\% = 1,968.75$$

*Then, Actual surcharge owed minus actual surcharge already paid = November 1<sup>st</sup> invoice amount  
1,968.75 - (632.81 x 3) = 1,968.75 - 1898.43 = \$70.32*

*If the Reconciliation finds that Unit 123 overpaid their surcharges then a refund would be issued in the November 1<sup>st</sup> accounting, rather than an invoice.*

**OWNERS RIGHTS UNDER THIS POLICY**

The affected unit owner has the right:

- To receive a copy of this policy
- To be promptly notified of the cancellation
- To petition the Board of Trustees if the owner deems the surcharge not to be valid

**RELATED POLICY**

132.10 Official Communication

133 Alternative Dispute Resolution

611 Surcharge Fee for Rental Cancellation

**RELATED DOCUMENT**

Tides Association By-Laws (Article VI 9)