

LETTER FROM THE PRESIDENT

August 2016

Summer House Owners:

The weather is brutal in August; work continues.

The Big Picture

Summer House is in good shape. Our finances and reserves are sound. Our staff is excellent. We are making capital investments in material amounts consistently. Our delinquencies are relatively low and our staff collects well. Our vendors are proven, productive, competitively priced and supervised closely. We are starting to work on the budget for next year, and we believe we can provide top notch administrative, maintenance and capital investment levels without increases in owner dues. The property looks good, sells well at increasing prices, and rents well at increasing prices. *Our approach is to make progress in positive increments.* It's working.

The Proxy Vote on Sprinkler Retrofitting

There is great controversy all over Florida regarding the sprinkler retrofit law. The state agency charged with governing condominium associations first announced that the retrofit law applied to all condominiums regardless of height. The Florida State Senator who sponsored the legislation then insisted that the law only applies to buildings taller than 75 feet and that there was no intent to apply the law to condominiums like Summer House. The Florida Fire Sprinkler Association agreed with the State Senator. In short, it's a mess.

Every Summer House Board member agreed that the retrofit costs outweighed the benefits, that the Association could not pay for a retrofit and should not impose a Special Assessment on our owners. The only alternative was to enlist a majority of owners in voting to agree with the Board and reject the sprinkler retrofit. The membership vote to reject the retrofit was swift and sure. On August 23, at a Special Meeting, the owners of Summer House voted to reject the retrofit. Thanks to our membership for their quick and overwhelming support!!!

Insurance Risk Assessment

In conjunction with the annual renewal of our association insurance, Summer House underwent an insurance risk assessment. Essentially, inspectors scrutinized the physical property for vulnerabilities that could result in insurance claims. They reported that our property was very well maintained and that the programs and procedures of our staff have been effective in producing positive conditions in Summer House.

Collections

The duty of collecting delinquent HOA dues, performed by our staff, seems like it should be a fairly straightforward task. It isn't. Often involving our attorneys, collections can be complex and difficult. Our current staff has proven to be particularly adept at collecting past due amounts, and delinquency currently stands at its lowest point in memory. Again, we enjoy very good staff performance.

Building 2 Siding Construction

The siding project continues to amaze. The west side of Building 2 had the least framing damage that we have seen on any building; the east side had the most extensive damage we have seen to date. The pace of construction may appear inconsistent but each building is somewhat different and has its own quirks and needs. We have also experienced a learning curve on Building 2 because so many owners [about 2/3] requested window and/or door replacements. The process, timing and organization of so many replacements is new to everyone involved. All in all, construction is disruptive, messy and necessary. We're working through it.

More Mundane Matters

-> Running toilets cost the association unnecessary water bills and can eventually cause disasters. If you have a tenant, let them know [or have your property manager let them know] that running toilets can be easily and inexpensively repaired.

-> Household trash belongs in the compactor, not in front of it or beside it. Non-household trash cannot be disposed of on Summer House property. We now have high definition cameras in these areas.

-> Architectural Review approval is necessary for all window replacements and for new flooring if your unit is not on the first floor. The review is not designed to prevent owners from reconditioning their property but only for the purpose of ensuring that neighbors are not adversely impacted and that the standards laid out in the Declaration are met.

What Other HOAs Are Saying

Similar condominium neighborhoods in our area are experiencing increasing rules compliance issues, particularly with tenants. Some Board meeting agendas are dominated by rules infractions and an increasing emphasis on rules enforcement. We urge owners to understand that rules enforcement is designed to enhance the value of your property and increase your rental income. The HOA is on your side; your tenant's version of what happened might not be...well, 100% accurate.

We are disturbed by the increasing tendency of tenants to verbally abuse the staff and to refuse to comply with their requests. This phenomenon is much discussed in other communities, too. Please let your tenants and property managers know that abusive behavior is not going to be tolerated. Some communities have chosen to fine owners whose tenants cannot have civil conversations. Choosing tenants is your most important decision as a landlord.

The Board encourages comments and suggestions regarding our policies and strategic direction from unit owners. If you have any questions about day-to-day operational, business or maintenance matters, please feel free to ask the staff.

Thanks for your trust and support.

Sincerely,

A handwritten signature in cursive script that reads "Joe".

Joe Gill