

LETTER FROM THE PRESIDENT

June 2017

Summer House Owners:

Purchase prices and rents in Summer House continue to rise while marketing times continue to decrease. Our Staff continues to execute projects and routines that maintain and incrementally improve our property day by day. While money is always tight, our consistently large capital expenditures are raising our community's visibility and reputation in Ponte Vedra, the beaches area and beyond.

And yet, we still face challenges. This short letter is an attempt to place at least one of those challenges in a larger perspective.

The Most Frequent Conflict Arising between Residents and the HOA...

...is, of course, rules enforcement. Everyone accepts that a large community like ours needs to have some basic rules. In fact, every single one of the deeds to our properties was accepted by us as owners *subject to* the rules set forth in our Declaration. Moreover, our Declaration delegates certain additional rule making and enforcement powers to the Board and Staff.

Most of the rules are common sense items about which reasonable people really can't differ. Who will argue that we should accept behaviors which result in vermin in our buildings, mold in our walls, building fires, defacement of our amenities, breakdowns of our machinery and impaired property values/rental incomes for everyone? So, we have rules that prohibit leaving trash out, penetrating exterior walls, violating fire codes, vandalizing common property, putting inappropriate objects in compactors, and leaving debris and rubbish in visible areas.

Who believes that some landlords should have to register their tenants with the HOA so that the HOA can contact residents for emergency and other practical purposes, like leaks and building repairs, while other landlords should not have to register their tenants? So, when an owner skips out on the registration process that everyone else goes through, the owner gets fined. There is no practical alternative to these types of policies.

The enforcement of the rules, though, is where the rubber meets the road. As a Board member or Staff member, there are two things you constantly hear from owners and residents: [1] there are too many inflexible rules and they are enforced too strictly, and [2] the rules are too lax and aren't enforced as often as they should be. The split between the two views is pretty even, and often seems to depend on whether the resident committed the offense or saw someone else commit the offense.

Let's put all of this into context. Summer House consists of 463 separate condominiums in addition to numerous common facilities spread across 58 buildings on 2 properties separated by a major traffic corridor. It's an enormous and complicated property in every respect: physically, mechanically, financially, administratively and socially.

Of the 463 individually owned condos, approximately 390 units are rented. Stop for a moment and contemplate the math and the situation: just about 85% of residents are tenants, not owners. Tenants have a contractual relationship with the unit owner, not the HOA, and have no financial interest in the property. The HOA has no rules enforcement power over tenants, only owners. So, when the tenant deposits trash outside their front door, the owner is fined. This situation breeds misunderstanding and resentment, but rules enforcement cannot be accomplished any other way.

Sometimes, residents express their belief that enforcement is selective. That's simply untrue. What is true is that similar situations are treated similarly irrespective of the parties involved. What is not true is that every single possible rules violation is sought out and enforced with inflexible harshness. There is a balance point, and when residents who have been fined complain that someone else was not fined for the same behavior, they are very often mistaken about facts. I do not represent to you that these difficult decisions always result in perfect outcomes. I can represent that there is a basic fairness to the system and that the application of the rules is quite reasonable and most necessary.

The Board's function is to make policy. The Board has directed the Staff to enforce the Board's policies *with an eye toward their purpose*. The owners, through the Board, have a reasonable expectation that the rules be enforced in a manner designed to obtain the most positive outcome for the community. It's not an easy job. But it has to be done to preserve and improve our property.

That's always the touchstone: preserve and improve our property.

Thanks for your trust and support.

Sincerely,

A handwritten signature in black ink that reads "Joe". The letters are cursive and slightly slanted to the right.

Joe Gill