

LETTER FROM THE PRESIDENT

April 2019

Summer House Owners:

Spring is here and our Staff is busily executing our warm weather agenda. Here's an update on current projects and events.

FirstService Residential

Our new management company, resulting from a corporate merger, is FirstService Residential, one of the largest management companies in North America. Obviously, the Board greeted this change with a few questions and concerns. FSR has proven to be a steady and flexible partner for us, though, and I feel confident that the depth, experience and technology of FSR will prove beneficial to Summer House as we go forward. Our personnel and basic operating structure have remained the same; our management contract price has not changed. The backroom administrative changes being implemented will only streamline the workload in our office, a net plus for our property and personnel. Importantly, Lucy Acevedo remains our regional management company point of contact. All's well that ends well.

Beachside Pool

The Beachside pool is undergoing a major renovation. The project should last about four weeks, during which time the pool area will be closed. Of course, weather could influence the timing of the construction. Hopefully, sometime in May, a truly upgraded amenity will be available to all residents. Needless to say, our superior amenities are one of the cornerstones of property values at Summer House, and it is the intention of the Board and Staff to ensure that the amenities continue to be among the finest available.

Audit

The annual audit required by statute has been completed. The *Opinion* expressed in the Audit Letter, issued by the CPA firm following the audit, reads as follows:

"In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Summer House in Old Ponte Vedra Condominium Association, Inc. as of December 31, 2018, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America."

Appraisal

Every three years, our common property is appraised by a professional appraiser so that our insurance coverages remain adequate. In 2016, our property was appraised at \$41,978,000. Our current appraisal, just received, is in the amount of \$50,350,000. We will consult with our insurance experts in the near future to understand the impact of this rise in value on our insurance needs and costs.

HardieBoard Project

Building 5 is nearly complete, with a few punch list items outstanding. Obtaining properly finished stairs from the metal manufacturing subcontractor has proven, once again, to be the project's principal challenge. The final draw on Building 5 awaits the completion of every stair detail. At that point, we will begin work immediately on Building 6, for which the materials have already been purchased. Our bank account is ready for Building 6, also. Once Building 6 construction is underway, the Board and Staff will begin to outline the next phase of the project. Expect this topic to be a focus of our planning work later this year.

New Owners and New Residents

Please take a moment to ensure that the Staff has up-to-date contact information for you and, if applicable, your tenants. It's imperative. The Staff uses contact information for many purposes that benefit owners and residents, including emergency applications.

The Practical Role of Rules Enforcement

The purpose of rules enforcement, indeed rules themselves, is to ensure that everyone is able to live in a pleasant, comfortable, clean and safe environment. None of us wants to be subjected to the dangers and inconveniences of vermin, fire code violations and improper trash disposal, and no one wants our property values to decline due to amateur alterations to our buildings, visual blight and commercial uses of residential property. The scope of the Association's authority is limited with respect to certain matters, but our vigilance within those limitations protects the finances of our owners and the everyday quality of life in our community.

Many members of our community might be surprised by the nature of some of our recent enforcement activities. We have required the removal and restoration of a tiled balcony which was causing water intrusion and could have caused structural building impairment in the absence of enforcement. A number of owners have been required to install carpet in bedrooms above other units so that the units below would not be devalued by the after-hours noise from above. We have even required an owner to cease using residential units as commercial post-surgical recovery facilities. We constantly fight to keep commercially marked vehicles off the property overnight.

The list goes on. So, it's not just trash [although trash is important] that the Association spends your money and resources to eliminate. One of the most important tasks of the Board and Staff is to make and enforce rules that allow our community to retain its character and value. Everyone in our organization takes this responsibility seriously.

Thanks for your trust and support.

Sincerely,

Joe Gill
President