

LETTER FROM THE PRESIDENT

September 2019

Summer House Owners:

This summer has brought some small victories along with a few challenges for our property. Here's a rundown of the major issues.

HardieBoard Project

The first phase of this project, consisting of seven buildings, is just about complete. Building costs in this phase ranged from roughly \$180,000 to \$400,000+ *per building*. Yes, you read that right. Fully reconstructing the exterior of seriously impaired multifamily structures and creating durable, easy-to-maintain envelopes is far more difficult than new construction and, it goes without saying, extremely expensive. The first building to be reconstructed was an experiment in tweaking our design details, construction techniques [the wrong nail pattern in the siding, for example, voids the warranty], accessory materials choices, ancillary vendors, resident communications and countless other project inputs. Phase 1 goals were [1] to maximize visual impact by lining A1A with fresh looking structures and [2] to climb the learning curve on process details by reconstructing at least one of each of our four basic building types, ensuring an understanding of the entire project. Building 6, currently under construction, will complete that project phase. Next, we will embark on a somewhat quicker construction schedule. With the tailwind of bulked-up reserves resulting from earlier delays related to our previous stair vendor, the Board has authorized a five building phase. The plan is to proceed from building to building without interim delays and, hopefully, without construction delays related to the installation of our metal stairs. Weather delays, of course, are outside our control. Also outside our control are the parking difficulties associated with staging such a large project. By moving the staging area around, we try not to burden a single area for too long. With a little luck, the overall impact of this critical project on community appearance, construction values, maintenance routines and sales and rental prices will gain momentum.

Beachside Pool

While the HardieBoard project commands a great deal of management attention and resources, other repair routines cannot be ignored. The Beachside pool, one of our most important and well-trafficked amenities, was tired and ready to be refreshed. Following our previous refurbishment of the gym, also a key amenity, the Beachside pool is now sparkling clean and 'open for business'. Planning and progress on other repair routines will continue.

Website

While the First Service Residential acquisition of our previous management company, Condominium Concepts, resulted in the migration of our operating website to a new

web location, owners should be aware that the Board has directed the staff to continue to maintain the previous website address. See SummerHouse.yolasite.com. All documents available to the membership continue to be posted on that website, a quick and easy source for community information.

First Service Residential

While no management transition following an acquisition is easy, our transition to the FSR system has been rocky. While some aspects of the changeover were smooth due to the fact that we retained our experienced staff, certain FSR operational systems are not optimal from a customer [all owners are customers, in my opinion] point of view. The payment processing turnover was chaotic and resulted in the Board waiving late fees for several months in a blanket fashion. Of course, we'll evaluate the ongoing process from an unemotional viewpoint and make sure our responses are measured and thoughtful, but I would be less than candid if I said I had no concerns going forward. There is one extremely important point I wish to make to owners as we all interact with the new FSR system. All of us at Summer House are used to dealing with staff members who have a broad range of authority to resolve matters, make decisions, take action, utilize their discretionary judgment, adjust bookkeeping entries and otherwise exercise general administrative and management duties. The FSR system relies on a legion of single function employees in various physical locations 'servicing' the *requests* of our onsite managers. Our onsite management staff can no longer *immediately* adjust a bookkeeping entry, remove a late fee, process a payment, fully register a new owner into our database and ledger systems after a closing, zero a ledger pursuant to a title company's compliance with estoppel terms, resolve a collection issue...the list goes on. In my personal view, we need much more management control at the point of customer contact. So, what happens next? I think we all need to wait for our staff to fully learn the details of the FSR system and the new set of individuals with whom they must now work. Let's see if our experienced managers can find ways to tame the bureaucracy. It's easy to become frustrated with a staff member who can't resolve a matter. Please keep in mind their new constraints. Expect to hear more on this serious topic as time passes.

Thanks for your trust and support.

Sincerely,

Joe Gill
President