



Dear Association Members,

Subject: Increase in Dues and Special Assessment

I hope this letter finds you well. I am writing to address an important matter that requires your attention and understanding. As the President of the Board of Directors, it is my responsibility to communicate with you regarding significant decisions that impact our association's operations and financial stability.

As you may be aware, our community has recently faced an unprecedented crisis due to the insurance in the State of Florida. The severity and scale of this crisis has had far-reaching consequences for our association's finances, necessitating immediate action to ensure the continued well-being of our community. The Board and Management had no previous information of this horrendous increase, which would have allowed us to plan ahead.

After careful deliberation and consultation with financial experts, the Board has made the difficult decision to substantially increase the dues for all association members. While we understand that this may cause some concern, we assure you that it is an essential step to mitigate the financial challenges we currently face.

The increased dues are necessary for the following reasons:

The cost of our insurance this year (which runs from June 1, 2023 to May 31, 2024) has increased by \$100,000. Our Agent has put the Association on notice that we should prepare for our premium to double which means that the cost of our insurance in June of next year is anticipated to be approximately \$610,00. The increased dues will be allocated to meet the association's immediate financial needs which is driven by the increase of insurance, while also considering long-term sustainability.

We recognize that the increased dues alone may not be sufficient to address the full extent of the financial burden. Therefore, in addition to the dues increase, the Board has determined that a special assessment will be required. A special assessment is a one-time fee charged to all association members to cover extraordinary expenses that cannot be adequately funded through regular dues.

In order to proceed with the special assessment, we will need to follow the association's governing documents and require a vote of at least 51% of the membership. The specific details

and procedures for voting on the special assessment will be communicated to you in the Proxy which is accompanying this letter, ensuring a transparent and fair process.

We understand that these measures may impose a financial burden on some of our members, and we sincerely regret any inconvenience caused. However, it is crucial to prioritize the long-term stability and financial health of our association, ensuring that we can continue to provide essential services and maintain the high standards we have set for our community.

We encourage you to attend the upcoming association meetings where we will provide a comprehensive explanation of the crisis and the proposed financial plan. This will also be an opportunity for you to ask questions, voice your concerns, and engage in an open dialogue with the Board.

Please remember that the decisions made by the Board are aimed at safeguarding the best interests of the association as a whole. We greatly value your support and cooperation during this challenging time, and we remain committed to working diligently to steer our community through these difficult circumstances.

Thank you for your understanding and continued commitment to our association.

Sincerely,

Bob Jones
Board President