



Sand Dollar III Condominiums

Crescent Beach, Florida

March 31, 2020

Dear Sand Dollar III Owners,

We hope this letter finds you and your families safe and healthy. The past few months have been an extraordinary time for everyone, and as such, we wish to take a moment to review current and future issues concerning our community.

Changes In Policies Until Further Notice

During this time, we are evermore committed to ensuring SD III is a safe and enjoyable place for you, your families, and your guests/renters. In consultation with our property management company, we are taking steps to ensure we are in keeping with the best practices available. Please note the following:

1. Until further notice, the SD Recreation Room is closed. No exceptions.
2. Until further notice, our beaches are closed by order of the Governor.
3. We are asking all residents and guests to please practice appropriate social distancing, including the pool area and especially when using the elevator.
4. The Florida Governor's office has **SUSPENDED ALL VACATION RENTALS** until further notice. Please comply with this order and make arrangements accordingly. SD III will report any violations of the law to the proper authorities.
5. This is a very stressful time for many Americans. Please respect SD III's rules and practice courtesy with your fellow neighbors. Management and our Board will enforce SD III policies whenever owners or guests disrespect and/or abuse our building.

The April Budget & May Annual Meetings

Given the health concerns caused by the Coronavirus, we have changed our April budget & May annual meetings to a conference-call format. As much as we wish to congregate with our fellow neighbors, we cannot take risks with anyone's health. Jim Haga will email you the schedule and conference call dial-in information in the coming weeks.

SD III Finances

As you all well know, SD III has undertaken several projects and policy changes over the last few years- *all in an effort to modernize our building, protect our property value, and stay ahead of the maintenance challenges we continue to face.* Last year, the Board authorized a 6-year, \$6,000 assessment to stabilize our Reserve Fund and tackle some pressing expenses we had. That assessment anticipated a 2020 westside walkway concrete repair and resurfacing project along with other future expenses. That said, during the upcoming April budget meeting, the following issues are going to be considered:

1. The Board will examine three bids for the repair and resurfacing of the westside walkways. Given the structural import of these areas, we anticipate a May vote to authorize this project during the fall/winter time period. *This will be an expensive, time-consuming project- one that is necessary for the safety of our building.*
2. The Board will be addressing other repairs of importance including:
 - A) Replacing several electrical boxes (in our LL areas) that are outdated and non-compliant with current building and insurance codes. This problem was recently discovered, and this repair will be authorized.
 - B) The well that refills the front pond we share with SD IV needs to be addressed.
 - C) The Board has had several meetings regarding the elevator over the past year. Given the problems we've had, we are reviewing the maintenance expenditures and contract, as we plan to stay ahead of any future elevator issues.
 - D) Our roof, which has served us very well, will need a refresh of its top seal coating.
 - E) The two beach boardwalk stairs (between II & III, and III & IV) will need to be replaced in the coming years. Our Board has begun discussions with SD IV concerning that boardwalk, and our President will be reaching out to SD II in short order. While SD IV has expressed a desire to replace the existing footprint, we will indeed be pursuing the OPTION of a ramp-style boardwalk with SD II. Many owners have expressed a strong interest in this upgrade, and when it comes time to replace the II/III boardwalk, we will explore all options for both SD II/III owners to consider before any decision is made.

When it comes to our westside walkway, the extent of this repair is not currently known to a 100% certainty. This is because of the hidden damage to the metal rebar embedded in the concrete that we must address. Some floors have far more damage than others, and we won't know the extent of said damage until the project begins. We say this because, should we find more structural damage than we initially anticipated, we will have to authorize additional moneys.

When totaling up all of these aforementioned project costs, the Board will keep the minimum Reserve balance (as recommended by our management company) in mind. We have tried to plan for future expenses, but we cannot always know in year one what an expense in year seven might total. Should we encounter a budget shortfall, the easiest solution will be to increase our assessment funding. IF that happens, it will come in the form of extending the remaining 5-year, \$5,000 balance each unit owes.

In other words, we may need to extend this yearly assessment by several years should circumstances dictate. Should this occur, please keep in mind we are talking of a \$1,000 annual payment, and this Board has no plans on asking for more than that sum in any calendar year.

We are mindful of the consequences of increasing your future financial obligations to SD III. These are uncertain times and we do not take these decisions lightly. The proper care and maintenance of our building should never be compromised, even during recessionary times. Expenses relating to critical building elements (such as the walkway and electrical repairs) will not be deferred to a later date.

Furthermore, we currently have several owners who have listed their properties for sale. More units may indeed come onto the market. As your Board, we have a fiduciary responsibility to protect our owners' investments, and ensure that property values remain as strong as possible. We are not cutting corners for any reason, financial or otherwise.

As always, we thank you for your time and looking forward to hearing from you in the days and weeks ahead. Should you have any questions or concerns, please contact our office and we will get back with you in due course.

Take good care and stay safe!

Sincerely,

The Sand Dollar III Board of Directors