***Keswick B Condominium Association Inc.***

Peter T. Silbermann, President and Treasurer

Keswick B Condo. Assoc.

40 Keswick B

Deerfield Beach, FL 33442

August 25, 2022

All Owners

Keswick B Condo. Association

Century Village

Deerfield Beach, FL 33442

Dear Owners of Keswick B Units:

I hope that this letter finds all of you in good health and I look forward to seeing you all when I return to Florida in early November.

Each year, the Board of Directors of Keswick B prepares and presents to the owners for approval a budget for the following year. While, in my role as Treasurer, I am still in the process of preparing a draft 2023 Budget for presentation to the Board and do not yet know the fees for next year, it has become obvious to me that there will need to be a significant increase in the Association related fees for 2023 in order to cover the rising costs that are being projected. The purpose of this letter is to alert you to this news and to give you enough advance notice to allow you to plan your finances and condo related expenses accordingly.

The Association has already been advised by our insurance agent to expect the insurance premiums for next year to increase by 25% to 45% and has recommended that we budget for a 35% increase. To put this in perspective, our insurance premiums increased by 15.4% in 2022 and last year we budgeted a 25% increase for 2023, which now appears to be inadequate. Also, based on these past and anticipated increases in our insurance premiums alone, we will need to project further significant increases for future years. Furthermore, in recent years, our insurance premiums have represented 50-60% of our annual expenses so large increases there will surely have a major impact on our future projections and increases.

Also, we are very concerned that our budget estimates for the replacement costs in our reserve accounts (roofing, painting, catwalk improvements, 50-year inspection and repairs, paving, hurricane deductible, etc.) will prove to be inadequate given inflationary pressures and the possible need to incur these costs at an earlier date than predicted. For instance, this year we had several unexpected repairs done to our roof and have been advised that the reserve amount we are carrying in our account may not be adequate given the rising roofing costs as a result of recently increased asphalt costs. As a result, we will surely need to increase the contributions to our reserve accounts.

There will also be some other cost increases due to the need to update our condominium documents (legal expenses); performance of a required reserve analysis; possible need to replace our building electrical panel; and landscaping expenses. We are already aware of a programmed increase in our building maintenance contract with Seacrest Services and we expect all of our other expenses to continue to rise with inflation.

Of course, we will continue to manage our costs as best we can but most of the major expenses and accounts are beyond our control. The Board is very sensitive to the increased financial burden this will place on our owners, and we will try to manage our expenses as best we can but we have a fiduciary responsibility to raise the funds needed to continue to maintain the building adequately.

I recently attended via Zoom a meeting sponsored by COOCVE of about 120 building officers from CVE and all are facing the same financial pressures and are planning for similar increases to next year’s budgets.

On the “bright” side. It is anticipated that our Social Security benefits for next year will rise by 9%-10%, which should help mitigate the building cost increases for most of you.

While I (in my dual position as Treasurer) have not completed the budgeting process, it is regretfully my duty to advise all of you to expect a 25%-35% increase in the monthly Association dues over those being assessed this current year and to budget your personal finances accordingly. I know that this will pose a severe hardship on many of you, but we have little control over our most significant expenses (insurance and reserves).

I do not have any information regarding the fees to be assessed next year by CenClub and Master Management, but they are surely facing the same economic pressures as are we.

I know that this is not welcome news and assure you all that the Board will continue to manage our expenses as best we can under the circumstances.

As usual, I can always be reached on my cell at 617-834-0424.

Truly yours,

Peter T. Silbermann, President and Treasurer

cc: Keswick Board of Directors

Owners of Keswick B