



LIGHTHOUSE PROPERTY MANAGEMENT

October 14, 2017

The Royal St. Andrews Association, Inc.
C/O Board of Directors
555 S. Gulfstream Avenue
Sarasota, FL 34236
Attn: Ms. Julie Trimpe
jutrime@verszon.net
On-site Office: 941-953-6033

RE: Management Proposal

Dear Board Members,

First and foremost we wish to thank you for the opportunity to present our services to your Association.

What makes our company unique is our TEAM MANAGEMENT PLAN. With Lighthouse, we offer a full-service management team to care for your property. We are:

- A management company that has been in continuous business for twenty seven (27) years by the same family.
- We manage over 155 associations, of which 60% are condominiums.
- We employ twenty two (20) community association managers, of which twelve (12) are portfolio managers. *B CAM's for us to choose from?*
- Each portfolio manager is supported by a full time administrative assistant, a collection clerk, I.T., Chief Operations Officer, Director of Education, an accounts payable/receivable person, a full-charge bookkeeper and a project manager. *CPA? bookkeepers*
- Our accounting department is eleven (11) strong cross trained staff people. We produce a monthly financial report. The financial report will be completed by the 20th of each month. The cover sheet will have many details concerning the financial status of the association displaying a proprietary flavor and design.
- We have three (3) office locations in Sarasota County.
- We have an Human Resources department who will address all on-site employees needs as they relate to OSHA, EEOC, FLMA and workers compensation issues...etc.

□
16 Church Street
Osprey, FL 34229
941-460-5560

□
530 US Hwy 41 Bypass S. #18B
Venice, FL 34285
941-460-5560

□
4134 Gulf of Mexico Dr-Ste 203
Longboat Key, FL 34228
941-460-5560

I. **FINANCIAL MANAGEMENT SERVICES:** Ms. Trimpe has shared with us that you would prefer to keep the accounting operations within your purview. As previously stated, we will honor your wishes but we will also going to provide you with a duplicate financial report on Quickbooks software. We can either download this report monthly onto your on-site computer via a thumb drive or we can connect our server to your on-site computer and download the information on a daily basis. You would be able to monitor your own reports and those we provide. This will give you an advantage to see if our performance is acceptable.

Our office Accounting Office is located in Osprey and staffed by eleven (11) accounting professionals. Your Association would be assigned an accountant and AP/AR, where said professionals services will be specifically chosen to handle the financial management of your Association.

Again we realize you would prefer to begin slowly with our business relationship. Some of these services may or may not be assigned to our duties. Our normal monthly accounting operations would include the following services as well:

1. We furnish monthly financial statements for the Association, which shall include Balance Sheet, Statement of Revenue and Expenses, Reserve Component Analysis, Checkbook Reconciliations, Aged Receivables and Payable Schedule according to Certified Public Accountants Generally Accepted Accounting Principles. These statements are provided to the board a week before your monthly meetings. The accountant is available to meet on-site with your treasurer at any time to go over any financial questions or concerns.
2. We prepare prompt disbursement and payment of all obligations and expenditures for the Association when due from Association funds through our established invoice approval procedure with Board of Directors detailing amounts Lighthouse Property Management is authorized to approve, require approvals and payment process. We provide a courier service, at no additional charge, who visits your Board representative twice a week, to collect invoices and to deliver checks. Along with the delivery of checks, is a list of anticipated payables for the next six months. Board members will determine who will be signatory on checks issued.
3. We provide information for filing governmental agencies forms, reports and returns including federal and State Income tax.
4. We prepare monthly, quarterly, semi-annually and/or annual billings for the maintenance fees of the Association's members.
5. Bill, collect and receive, in the name of the Association, all budgeted maintenance and reserve fees.
6. Initiate a standardized written "Collection Policy" established cooperatively by Lighthouse Property Management, your documents, Florida Statutes, legal review and the Board of Directors. Follow-up on all delinquent accounts. Proceed with collection and lien action through legal retainer when authorized by the Board of Directors. Furnish the Board of Directors with a monthly list of delinquent accounts receivables.
7. Maintain a proper accounting of Reserve Component activity for the Association.
8. Provide assistance to any accounting firm engaged by the Board of Directors to perform required accounting or audit services. Preparation of any tax returns shall be at the Associations' expense.
9. Administer the financial records in compliance with Florida Statutes and in accordance with generally accepted accounting principles.

Keep on our bank

10. Establish and maintain bank account(s) in the name of the Association (e.g., Operating Accounts, Reserve Accounts, Money market and/or Treasury Accounts, Certificates of Deposit), as required or as necessary. Funds are not comingled with other Clients' or Lighthouse Property Management Corporation funds. Lastly, the Board of Directors will determine what bank the association will use and who will be on the Bank account as a signer. (It is a policy of Lighthouse Property Management, where we prefer not to be a signer on your bank account(s).)

11. Consult with professional money managers and the Board to determine best financial vehicle for association funds to realize best return.

12. Comply with the mortgagee requests for Condominium/Homeowner Certificates and certificates of Insurance. Complete all insurance related applications.

II. ADMINISTRATIVE AND MANAGEMENT SUPPORT SERVICES: Every one of our Portfolio Manager(s), (PM) has a personal Administrative Assistant who will oversee the day to day operations of your Association. This person works closely with the On-site office employee(s) and the Portfolio Manager.

Each one of our PM's are seasoned, licensed CAM's. Lighthouse hires only the top professionals in their field, who are trained in "The Lighthouse Way", based on a thirty-six (36) year study on the most efficient policies and procedures for effective Association management the PM will:

1. Responds promptly to all owner inquiries.

2. The PM will officially visit the property once a week. (This is not meant as a description of the PM's limited visitations but an announced mandatory visit required by our company policy.) It is this specific weekly visit that the PM will have in-person face-to-face contact with an "Assigned Director" (AD) from the Board. At this weekly meeting the AD will be able to review the status of the last week operations and the status of any potential future assignments with the PM. *This level of communication is warranted and essential to the success of our team performing to the needs of the Board and the Members as it purposefully creates a full- time presence on-site.*

The PM is also assigned to a specific time and day each week with few interruptions, where the PM will be known to be on-site on that day and at that time. The purpose of which is to allow members to meet with the PM and discuss any specific needs and obtain answers to questions concerning their home at the Royal St. Andrews facility. Why is that you may ask? Because we understand the difference between a building of concrete and steel... and one's passion surrounding their "home".

In addition to the weekly visits, the PM will inspect the property on a routine basis. Inspections will be made with scheduling determined by project needs, review of work performed by the on-site staff, of any contractors and/or assigned duties by the Board. A written report will be submitted by the PM to the Board of Directors each month. In addition, we will provide a continuing evaluation and bidding process, seeking the most economical services available for your Association, while still maintaining the quality as directed by the Board.

3. The PM maintains and updates a current list of owners and their addresses.

4. He attends all meetings of the Board of Directors and all Membership meetings.

5. Each year, the PM prepares a first draft of an annual budget for the Board of Directors review including preparation and presentation of all collateral back-up materials.

6. Prepares any and all agendas for Board of Directors, Membership, Budget and Annual meetings. Take notes and type up the minutes of any and all meetings, as instructed by the Secretary, Roberts Rules of Order, following Florida Statutes criteria and format.

7. In a discreet and professional manner, the PM assists the Board of Directors in enforcing rules, regulations and restrictions in accordance with the documents and bylaws of the Association.

8. We provide a twenty-four (24) hour "live person" emergency contact for the members. In addition, the Board of Directors will be given a private home telephone number and a cellular telephone number of your management representative.

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9. The PM makes all necessary preparations for the Annual Members Meeting. This includes timely meeting notices, agenda preparation, proxies, election ballots and any organizational administration, in accordance with Florida Statutes.

10. The PM secures for review by the Board of Directors any proposals, bids and/or contracts for maintenance and repairs of the Common Elements within the authority of the Association. Upon approval of the Board of Directors, employ, train, discharge and supervise all individuals or companies necessary for the performance of the duties and responsibilities placed upon the Association.

11. Reviews and counsel with the Board of Directors as to cost-effective, preventative maintenance programs.

12. The PM continuously monitors and adjusts vendor contract obligations, concurring with the Board's design and instruction.

13. Communicates the status of the Association at meetings, render advice, keep the Board informed of recent House Bills and changes in the Florida Statutes while taking direction from the Board of Directors.

14. Provide an office staff of qualified and educated management professionals who stay in constant touch with the changes to Condominium and Homeowner Association Statutes, to assist in the financial and administrative duties required by the Association.

15. Expenses:

- a. Photocopying shall be per copy, per side. Stationary, labels, envelopes, faxes, postage and any long distance phone calls would be paid by the Association per attached expense sheet.
- b. Large mailers requiring excessive copying at one time, (such as annual meeting notices), would be delivered to and performed by one of the local office supply firms where their greatly reduced copy rate is passed on to the association, at cost, plus a few cents per copy unless this can be performed by the on-site where the costs shall waived.

16. There is **NO CHARGE** for the following items:

- Processing and setting up financial forms,
- Preparing and e-mailing monthly financials.
- Typing and e-mailing minutes to the board.
- Cellular telephone calls.
- Setting up additional bank accounts.
- Administering additional bank accounts.
- Purchasing certificates of deposits.
- Rolling over certificates of deposits.
- Changing association bank accounts.

- Renewing bank signature cards.
- Attending Board of Director meetings lasting more than two hours. ?
- Assisting and/or writing bid specifications.
- Reviewing requests by unit owners for modifications of common elements or their units.
- Assisting in the preparation of income tax returns.
- Assisting with the coordinating of amendments to association documents.
- Tracking and/or expending reserve funds.
- Investigating and reporting the repair of insurance claims by association insurance agent.
- Emergency calls after hours and on weekends.
- Assisting in the Creation of Association web page.
- Creating violation letters to owners.
- Establishing accounting system for new associations.
- Preparation of Notice of Commencements.
- Preparation of Marketing Presentations for Special Projects.
- Quarterly surveys from the General Manager.
- Setting up new contact information.
- Weekly on-site visits with a board representative.
- Monthly on-site visits with vendors.
- Administrative Assistant to process daily operations.
- Courier Service to your Association.

III. EXECUTIVE PROGRAM DIRECTOR: The Administrative Assistant to the CAM plays a key role in communication between the PM, the on-site staff and the board. In order to ensure that our Administrative Assistants are properly trained, our Executive Program Director travels to each office on a regular basis for training purposes. She keeps your on-site office staff updated on efficient procedures and protocols that promote the best organizational practices.

IV. WEBSITE SERVICES: Lighthouse offers free website development for your Association. The cost for the continued maintenance and updating of your website is One Hundred and Fifty Dollars a month.

1. Our websites are integrated with our financial software, making Association financial tracking simple for residents and board members alike.
2. Our websites have a private and separate "Board-Only" section, making communications seamless wherever you may be located.
3. Announcements, E-blasts, Social calendars, Association documents, meeting minutes...etc., are easily accessed in one convenient location, so communications with membership is continually updated.
4. All Association documents, forms, application forms minutes, agendas, announcements are all posted on the website

V. HUMAN RESOURCES SUPPORT: Lighthouse Property Management provides a full-service Human Resources department which includes but is not limited to: Full background checks and drug testing for employees, job descriptions, employee handbook, policies and procedures manual, online tracking system for hourly employees, pool of applicants screened for replacement purposes, HR advice and recommendations that protect your Association and large benefits program for your staff needs. Our hands-on training approach is ongoing, ensuring the highest level of performance from your employees. Through webinars, local support and an Annual Staff Meeting, Lighthouse has established a system of checks-and-balances that work to achieve the highest level of success. Lastly we can provide you with replacement employees when necessary, however we do not recommend replacing any current staff as we feel if the current system is not broken, there is no need to fix it.

Same PM ~~managing~~ residing? How often does this person see us?

VI. PROJECT MANAGER: We also have in-house a Project Manager with a tremendous knowledge of experience and information concerning bidding, management, construction, roofing, plumbing, electrical, elevator, pool, landscape and other related high rise experience having managed premier high rise properties in Sarasota County. His wealth of information is a tremendous asset when needed for special project on your property.

\$16,200 + \$10,000

VII. MANAGEMENT FEE: Our fee to manage your Association would be \$ 1,350.00 per month, for the 57 units within your association and payroll shall be processed at 10% per annum minus taxes and? *we do our own payroll.*
We are also offering to LOCK-IN our monthly management fee for two (2) years.

Written above is one of our standard management proposals however, we would like to make a few suggested options, which may enhance your view of using a local management firm and at the same time reduce some of your operations costs as well as provide supporting management opportunities.

Let us look at you employee operating expenses. The cost of staffing your building is as follows with some assumptions on our part:

- Full time Maintenance person (Nate):
 - o \$20/hr X 40 hrs/week X 52 weeks X 1.23 for Taxes = \$51,168.00/year
- Parttime Maintenance person (Amador):
 - o \$20/hr X 20 hrs/week X 52 weeks X 1.23 for Taxes = \$25,584.00/year
- Office Community Association manager (CAM):
 - o Salary at \$55,000/year X 1.23 for taxes = \$67,650.00/year
 - o Phone and mileage reimbursement: ~~\$3,600/year~~ (\$60. month)
- Salary and taxes Total: \$148,002.00
- American Health Act: \$350 /mth X 2 full time Employees X 12 Mths = \$8,400
- Grand Total of \$156,402.00

Will they be paid this amount?

CRA \$56.00

\$200. (\$375-\$563.)

11 yr. 40% mark 4%

We would suggest and recommend not hiring an on-site CAM but instead hire someone to work in your office who has a well-rounded business mind with basic communication/ people skills, high rise maintenance experience along with some construction and contract knowledge. (Not a concierge type person.) This person does not need to have a CAM licensed because our CAM/PM would have the required State license and insurances. Thus you could find someone at a greatly reduced salary cost. We estimate that person's salary to be \$42 - \$44,000 per year with taxes, benefits and AHA, where the total cost of this employee would be \$ 60,720 per year. (The other plan where the on-site employee cost would be \$75,450 per year). We find a savings of \$14,730 per year, which all but pays for the management proposal before you, with the exception of the payroll processing costs.?

How much?

We can discuss other options if you would care to meet with us at a time of your convenience.

In regard to our experience with high rise management we currently manage several downtown high rise buildings, Renaissance, La Bellasara, the Grand Riviera, San Marco, 1350 Main and Kanaya to mention a few. Out on Longboat Key we also manage Seagate, Orchid Beach, Tangerine Bay, Islands West, Longboat Cove, La Firenze, Inn on the Beach and many more high rises. We have the experienced staff to assist the Board with their decision making while instructing us how they want their home and building managed.

At Lighthouse Property Management, our full-service team management plan is a time tested operation, which will lead your Association on the road map to success. Our twenty-seven (27) years of experience

puts a wealth of knowledge behind our proactive approach to management where you are in control of your property making all of the decisions and we handle the work thereafter.

If you care to discuss this offering further, please feel free to contact me directly on my cell phone, (941) 650-5770.

Thank you for the opportunity to offer our services to your Association.

Sincerely,

J. Lloyd Keith, CEO,
Lighthouse Property Management
460 N. Tamiami Trail
Osprey, FL 34229
(941) 460-5560 ext. 201
LloydKeith@MGMT.TV
lighthousepropertymanagement.net

Voted 2015 & 2016 Reader's Choice Award for "Best of the Best" in Management Companies by the Florida Community Association Journal, "Best Management Company-Florida", by Wealth & Finance Int'l Magazine & "Best Longboat Key Management Company," we invite you at no obligation

"OUR DREAM IS TO MANAGE YOUR PROPERTY, SO THAT YOU CAN GET BACK TO LIVING YOUR DREAM..."

At Lighthouse, we guard the privacy of our Board members. Below you will find a list of Associations that we manage in your area. You will find the contact information of board members who has given permission to be contacted. We ask only you would respect their time.

Thank you for understanding.

Inn on the Beach:	Mark Pichowski	727-373-2710
The Shore:	Sue DiNatale	716-713-1604
Oaks Bayside	Bob Noyes:	301-816-6999
Longboat Arms:	Harvard Davis	941-387-1400
Portobello:	Glenn Peterson	941-913-6166
Sunset Beach:	Michael Gray	941-822-0152
Tangerine Bay:	Dr. Mackman	941-387-8518