To: Unit Owners

From: Dan Sheridan, President

Date: December 13, 2023

Re: Urgent Message – Proxy Vote by Dec. 28 & COA fees

**ACTION REQUIRED regarding projected audit costs**

The Board needs owners to return their proxy ballot **immediately** to avoid the necessity of conducting an audit. Audits are required every three years, and the Association just completed an audit last year. The cost of an audit currently exceeds $8000.00. We need to receive at least 27 total votes over the next week or we will incur this cost again in the next year. Resort Management has sent out an email with this request, but we still fell short at today's meeting to make a decision. We feel that this is one way to save costs where we can at this time. So please return your proxy to Resort Management immediately!

Insurance – COA fee

As we all know, insurance costs have been skyrocketing in Florida and many insurers have stopped providing coverage in the state. As a condominium association, we carry various types of insurance (wind, flood, general liability, crime, directors and officers, etc.). The wind insurance is particularly expensive, but we are mandated by law to secure available coverage. For example, in 2017 wind insurance cost us $45,233. As Florida endured Hurricanes Irma (2017), Ian (2022) and Idalia (2023), the wind insurance increased exponentially. Our rates quadrupled between 2017 and 2023.

We set our budget each December for the next year. Unfortunately, the wind insurance does not renew until May of the following year so we have our insurance broker provide a forecast of the expected rates for the coming year. Last year, the wind, liability and umbrella cost was projected to cost $177,686. It ended up costing more than $200,000.

In 2024, it is projected to cost $237,737.

**Today, the Board of Directors voted to increase the quarterly COA fee to $2,250 (an increase of $250 per quarter over the current rate).** This increase is necessary to help defray the increased insurance cost.

We won’t know the actual rate until May, 2024. If the rate is higher than expected, we may need to increase COA fees again at that time. The Board is trying its very best to hold the line on cost increases, but we have no control over the rates for our mandatory insurance.

One way you can help to keep the costs down is to return your proxy ballot so we can try to avoid the necessity of conducting an audit. have to schedule an audit and incur a projected cost of at least $8,000. We just had an audit last year.

Please sign, scan and return your proxy as soon as possible to: [proxy@resortgroupinc.com](mailto:proxy@resortgroupinc.com)

If you should have any questions or concerns, please do not hesitate to contact me at [dsheridanq@aol.com](mailto:dsheridanq@aol.com)

Enclosure (Proxy)