

ADDRESSED TO THE BOARD OF DIRECTORS OF EACH PHASE AND THE CURRENT PRESIDENT BOTH BY EMAIL AND CERTIFIED LETTER

Dear Members:

This will serve to update you on the progress, current status of the Town of Jupiter (TOJ) Water Drainage and Road Project (the Project) which the Jupiter Village Homeowners Association (the Umbrella) Board has been working on now for a number of years, and recent decisions that have been approved for action by the Umbrella Board.

The Project and its proposed agreement (Agreement), has now entered its final completion stage. Following a final legal review by the Umbrella's attorney, the Umbrella Board of Directors has voted and unanimously approved its adoption, execution and submission to the TOJ. Furthermore and after a unanimous vote, the Board has authorized the President to execute this Agreement and submit same to the TOJ Manager for consideration by The Town Council and, pending the Council's approval, execution of the Agreement by the TOJ Mayor and subsequent work scheduling by the TOJ Engineering Department.

As you are aware, there are some maintenance related deficiencies that the TOJ requires to be corrected, as a condition of the Agreement and before any road or water drainage work is scheduled. The TOJ has visited all Phases twice and has compiled a comprehensive study of these deficiencies which affect all nine (9) Phases. Following extensive negotiations, communications and meetings, the Umbrella was successful in negotiating with TOJ the ability to add the cost and correction of these deficiencies to the TOJ RFP program in order to keep and maintain the cost as low as possible by getting the advantage of the TOJ's buying power. This simply means that the Umbrella will utilize currently held road reserve funds to pre-fund the proposed cost of these deficiencies to the TOJ now, to be held in trust until the deficiencies have been corrected by the TOJ. Any short falls or over cost, will be paid or returned to the Umbrella, for the benefit of each individual Phase to which the short fall or overpayment applies. The Umbrella Board, following a unanimous vote to accept and adopt the deficiencies, has authorized the President to utilize this method of pre-funding this deficiency correction cost to the TOJ with the condition this payment will be held in a trust above described.

Another issue that needed to be addressed is the two (2) Phases that have been developed as condominium associations, Phases VI & VIII. The only difference is that these two member associations not only have a major road covered under this Agreement in and out of their communities, but they also have Phase owned cull-de-sacs with private parking spaces, called "common areas" in their documents, accessible only through their main road. These common areas, being private, are not included in the TOJ Project Agreement. The governing documents of both of these Phases require that a statutory reserve account be maintained by the condominium association for road maintenance and improvement. This Phase maintained road reserve fund, is separate and distinct from the one maintained by the Umbrella for the main roads. Just to make sure all of us are on the same page, Florida Law and the condominium governing documents are dictating the statutory need for these reserves. The funding target, in dollars, is the same whether the funds are maintained by each condominium association or the Umbrella. The level of funding is dictated by the cost of future repairs and maintenance, as prescribed for in Florida Statutes. It is the dollar amount contributed by each

condominium Phase to the Umbrella that governs if the Phase is funding “all internal paved roadways” or just their main road, excluding their common area roads and thereby maintaining control and funding of their own statutory reserve through their own accounts. For whatever reason, these two condominium associations decided years ago not to fully fund the Umbrella “for all internal paved roadways” but to partially fund and thereby retain control for their common road and parking areas to be funded through their own statutory road reserving.

In order to avoid any last minute issues, the Umbrella's Board, in conformance with its Bylaws, has authorized the President to use and expend the member assessments collected to maintain, care for and preserve the Common Area, interior paved roadways and gutters.

Understanding some of the financial issues facing a number of our members and in an attempt to assist the two condominium associations, the Umbrella's Board has been able to negotiate an understanding with the TOJ that will permit the TOJ RFP to include a side proposal for the two condominium associations, to be accounted separately by each one, at the TOJ cost. This way, all roads (main and private) and water drainage work can be fully scheduled by the TOJ without any conflict, which is to the benefit of all, the Umbrella, all members including both condominium associations and the TOJ. The best way for this to be funded, is either (1) an immediate re-evaluation of their quarterly assessment payable to the Umbrella, or (2) a payment schedule over and above the current obligations of these two Phases.

I am attaching a spreadsheet and other work up as provided to the Umbrella by the TOJ Engineering Department, clearly establishing all costs, including the Road Agreement and the deficiencies. Last year , all Phases were provided with the details and for the two condominium associations, a proposed cost comparison of their common area roads and parking spaces, as measured and provided to us by the TOJ.

The best way to answer any questions regarding this letter, is to directly contact our property manager. You are always invited to our regular and special Board meetings where you may ask questions and be offered clarification.

Sincerely,

Tom Nichols

Tom Nichols
President
Jupiter Village Homeowners Association, Inc.