

August 22, 2014

Waterside Owners:

Over the past several months your Board has provided several communications updating Owners on projects under consideration, as well as an attempt to remove some of the mystery surrounding our source documents on Owner's property rights. In the chance these have been misplaced in the mail, every communication can be found on our web site at www.AdmiralsCovePOA.com. Each year around this time we start our budget review, including a detailed look at our long term reserve funding. That is the topic of this communication.

One of the primary business responsibilities of community associations is to properly maintain and preserve property values. As mandated by Florida law, Waterside has developed a funding plan for future repair or replacement of common area components, such as roofs, swimming pool equipment, asphalt surfaces, docks, and some 60 other items. The windows and sliding glass doors are included in those areas mandated to be maintained by the Association.

The below chart lists some of the major Waterside capital maintenance projects recently completed, as well as those the Board believes are required to properly maintain the common areas. The joint effort combines the knowledge and skills of a professional reserve study firm, the POA Staff, and the Waterside Board of Directors:

For year-end 2014 Waterside projects a reserve balance of \$492,000, which is funded in an amount of \$124,000 per year. Historically, this level of funding achieved the necessary balance for Community common area maintenance requirements. With the exception of the windows and sliding glass doors, which each year the Association has voted to not reserve for, Waterside currently maintains a healthy reserve fund. This fall the Board will hold several "Town Hall Meetings" to discuss options to remedy this reserve/funding shortfall relative to the Windows and Sliding Glass Doors (referenced above).

If you have any questions, or are interested in further information, please do not hesitate to contact David Cockrum, Community Manager, at DavidCockrum@AdmiralsCovePOA.com, or by phone at 561-746-7769.

Sincerely,

Waterside at Admiral's Cove, Board of Directors