



## The Lakes Condominium Association

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August 2, 2015

### TO ALL CONDOMINIUM OWNERS

The Lakes Condominium Association Board of Directors recently mailed to all condo owners revised, restated by-laws for review and requested your vote before or at the August 11, 2015 Board Meeting.

Below are a number of questions from condo owners and the Board's response so that you may make an informed decision:

**Question:** Why are The Lakes by-laws being amended?

**Answer:** The Board in its effort to protect homeowner property values, undertook the task to revising the 1972 by-laws to place it on par with other Condominium Association and avail owners with potential financing opportunities not available today. In addition, the revision bring current practices and procedures in place not available in 1972.

**Question:** Does the restated by-laws increase the Board's authority?

**Answer:** The Board has no more authority under the revisions than it has under the original 1972 by-laws. The amended by-laws provide a more detailed description of the powers and duties of the board outlined in Florida Statute 718. The level of detail in the amended by-laws is intended to clarify rather than confuse.

**Question:** Is the condo owner's oversight of the Association and Board diminished in any way:

**Answer:** The Condominium owners continue to enjoy the same oversight of the Association. The Board is elected. The Board is subject to recall. Condominium owners receive notification of all meetings so they can attend and are given an opportunity to voice their concerns and opinions. The Board encourages owner participation. The owner can record or video tape any Board meeting. Official records of all meetings and financial expenditures of the Association are available for review at all reasonable times.

**Question:** Is the Owner's right to speak at the Board meetings limited to 3 minutes?

**Answer:** According to statute the Board can set a time limit on the owner's right to speak commensurate with the number of owners wishing to address the Board. Three minutes is the minimum time to be allowed to speak so that everyone has an opportunity.

**Question:** Are the condo owners impacted by the Opt Out provision of the statues as related to insurance, maintenance and repairs?

**Answer:** Statute 718.111 addresses insurance and who will pay certain repairs. The Board has not voted to diminish protection of the condo owners' property by opting out of the insurance law. The insurance for The Lakes was recently renewed with CFI. The Declaration of Condominiums addresses resolution of any disputed repairs between the Association and the Condo Owner and spells out each one's responsibility.

**Question:** Can the Board of Directors use Association money to pay legal fees if any litigation while serving on the Board?

**Answer:** The Association maintains officers and directors insurance coverage as indemnification against any legal actions. Your Board is made up of your neighbors who volunteer their time and effort and receive no compensation for their service. Litigation costs resulting from Board action while performing in good faith as a prudent individual would be covered by this insurance.

**Question:** Is the condo owner limited to the number of complaints or inquiries he/she can make to the Board during a one month period?

**Answer:** Florida Statute 718.112(2)(a)2 governs the Association's response to the Condo owners complaints or inquiries. The Condo owner may file any grievance or inquiry within a 30 day period but the Association is required by this statute to reply to at least one complaint from those received from each individual owner within a 30 day period.

**Question:** Is the Board getting into the business of buying or renting properties in the Lakes?

**Answer:** No. The powers authorized under the by-laws offers an option which may be implemented if it is determined to benefit the condo owner where the management office would act on behalf of the renting condo owner. The Lakes Association has neither the manpower nor the desire to buy and rent properties in the Lakes.

**Question:** Does the board intend to assess condo owners who rent their units a special assessment for being a rental?

**Answer:** The Board is aware that this is done in other States. However, the Board has no intention of assessing condo owners who rent their units a special assessment for being a rental. The condo owner is responsible for any violations on the part of their renter and must address any violations of The Lakes rules and regulations with the renter to provide an acceptable resolution. The Board reserves the right to advise a condo owner and request he not rent to someone found to be detrimental to our community or have a criminal history.

**Question:** How is it determined what improvements can or cannot be allowed to owner's unit?

**Answer:** Florida Statute 718.113(2)(a) states: "except as otherwise provided in this section there should be no material alternation or substantial additions to the common elements or to real property which is association property. If the declaration as originally recorded or as amended under the procedures provided therein does not specify the procedure for approval of material alterations or substantial additions, 75% of the total voting interest of the association must approve the alternations or additions." 718.113(3) A unit owner shall not do anything within his or her unit or on the common elements which would adversely affect the safety or soundness of the common elements or any portion of the association property or condominium property which is to be maintained by the association.

**Question:** Can the Board make any rule changes without owner input?

**Answer:** The original 1972 by-laws provided for The Board to make rules, polices and resolutions pertaining to the operation of the Association subject to any limitations contained in the Declaration of Condominium. The amended by-laws does not change this. It simply states that these rules, policies, and resolutions must be made at a regular called meeting of the condo association. Reference Chapters 607, 617, and 718 of the Florida Statutes.

**Question:** What is a CPA Review and how does it differ from a CPA full Audit? Does The Lakes Association qualify to change from the full audit to the review?

**Answer:** 718.113(13)(a)2 States Associations with total revenues of at least \$300,000, but less than \$500,000, shall prepare reviewed financial statements. Associations with revenue of \$500,000 or more are required by Florida Statute to prepare audited financial statements. The CPA Review is conducted by an approved outside auditor who looks at random months for expense and revenue verifications and documentations. The auditor determines how many months he wishes to look at. This gives the auditor a snap shot of the financial condition of the Association. The review is less costly than the full audit where all expenditures, revenues, documentation for the entire 12 months period are reviewed.

