

Lakes At La Paz Condominium Association

c/o Royal Management Group • 1235 Alton Road • Suite A • Miami Beach, FL 33139
Phone: (305) 535-3575 • Facsimile: (305) 532-7242

16 March 2023

RE: Special Meeting of the Membership
FY 2023 Reserve Funding Vote

Dear Unit Owner,

Enclosed with this letter you will find the following important documents:

- **Notice of a Special Meeting of the Membership**
 - o Notes about this document:
 - The meeting will be conducted via video conference only, with no in-person voting option available. To be counted, your vote must be delivered or recorded on-line *prior to the meeting*.
 - The sole purpose of the “virtual” meeting is to tabulate the votes received on-line and via mail/delivery concerning the issue of Reserve funding.

- **Limited Proxy/Ballot**
 - o Notes about this document:
 - The Limited Proxy/Ballot is for the purpose of submitting your vote by mail/delivery or otherwise appointing another person to vote by mail/delivery for you.
 - All owners of the unit must sign it. It may be withdrawn if you decide to register for on-line voting and change your vote. Returning your Limited Proxy/Ballot in advance of the meeting will help ensure required quorum of Members.
 - You are being asked to decide on the question of Reserve Funding.
 - This year there is no option for partial funding. The Board considered numerous factors before arriving at this unanimous decision, including;
 - general economic/inflationary conditions
 - noting several Reserve funded items have been completely replaced/refreshed during this past year and are now in the earliest phases of their useful lifetimes
 - acknowledging there will be a Special Assessment in Q2 of 2023 to replace the fire safety system’s booster pump
 - in conjunction with the upcoming re-certification inspection, a Reserve study will likely need to be conducted prior to FY 2025 due to changes in Florida statutes – at present, there is no viable method to set aside money for reserve categories that may need to be created as a result of the inspection

– **Approved 2023 Budget**

- Notes about this document:
 - Once again, the major challenge with this budgeting has been in the area of insurance coverage. Last November, just a few hours before a vote to finalize the budget, the Association was informed of an unprecedented 122% rate hike that would cost an additional \$115 per month, per unit.
 - Pursuing alternatives, the Association entered into discussions with Citizen’s Insurance (run by the state of Florida) and was approved at the end of February 2023. Though the budgeting process pushed into FY 2023, the savings was worth the delay.
 - Overall, most FY 2023 costs will increase only slightly.
 - Known fixed costs are budgeted exactly.
 - Variable costs are generally budgeted at ~3% above last year’s budgeted amounts.
 - In instances where FY 2022 expenses are actually running more than 5% below budget, FY 2023’s budgeted amount is ~3% over those actuals.
 - The Recreation Association fees increased \$11 per unit, per month.
 - As noted last year, the Association contracts with an outside vendor for janitorial services, and the amount charged varies with individual wage rates. Due to changes in Florida’s minimum wage laws, this line item will likely rise year over year until the base labor rate reaches \$15 per hour in/before 2026.
 - Whether or not you vote to fund the Reserves for the upcoming year, there is currently more than \$ 37,000 in the Reserve accounts.
 - During our budget workshops and meetings, it was recognized that, should an emergency arise, this sum would be enough to start any project, while affording ample time for the gathering of additional capital.

Members will be afforded a brief time to speak/ask questions at the Special Meeting, but to keep the process as efficient as possible, the Board will try to address concerns you may have prior to the Meeting. You may contact the Secretary of the Association, James Marinelli (*Mon-Fri, 11 AM to 7 PM*), at (516) 991-5433.

We thank you in advance for your timely response and cooperation in returning your Limited Proxy/Ballot or voting online.

Regards,
Board of Directors
Lakes At La Paz Condominium Association, Inc.

=====
*Please note, you may choose to vote electronically. To do so, you must register online at the Association’s website, **www.lakesatlapaz.com***
=====

Lakes At La Paz Condominium Association

c/o Royal Management Group • 1235 Alton Road • Suite A • Miami Beach, FL 33139
Phone: (305) 535-3575 • Facsimile: (305) 532-7242

16 March 2023

**NOTICE OF A
- - - SPECIAL MEETING OF THE MEMBERSHIP - - -
2023 RESERVE FUNDING – VOTE COUNT**

DATE: Thursday, March 30, 2023

TIME: 6:00 PM (estimated duration: 15 min)

meeting site: **www.zoom.us/join**
meeting ID: **227 539 9463**
passcode: **lakes**

- - - AGENDA - - -

- I. Roll Call**
- II. Establish Quorum**
- III. Proof of Mailing**
- IV. Vote of Membership**
 - **Counting of proxy/ballots**
 - **Report of on-line ballot count**
- V. Results of Vote**
- VI. Adjournment**

There will be no in-person voting and this meeting is being conducted on-line. **Owners must cast their ballots ahead of this meeting.** Whether voting on-line or by mail/delivery, only votes received by 5 pm on March 30, 2023 will be counted.

Most owners have already registered to vote on-line, but if you have not, you can do so by visiting **www.lakesatlapaz.com** and following a few simple steps.

Respectfully Submitted
Board of Directors
Lakes At La Paz Condominium Association, Inc.

- - - LIMITED PROXY/BALLOT - - -

IMPORTANT: Due to the pandemic, there will not be an in-person meeting, please complete, sign and date this Limited Proxy/Ballot and return it in the enclosed self-addressed, return envelope. If you are not voting on-line, this form must be received no later than 5 pm Thursday, March 30, 2023. Forms received after that date and time will not be counted. Early returns are appreciated.

LIMITED PROXY

The undersigned hereby appoints (Check only one of the choices below):

_____ a) **James Marinelli**, Secretary of the Association, on behalf of the Board of Directors.

_____ b) _____

[If you checked b), please write in the name of your proxy. If you fail to check either a) or b), this proxy will be deemed to appoint the Secretary of the Association on behalf of the Board of Directors to cast your vote.]

as my proxy, to vote and act for me, with full powers of substitution, for and in the names, place, stead of the undersigned, to appear at the Special Meeting of the Membership, of The Lakes At La Paz Condominium Association, Inc., to be held on Thursday, March 30, 2023, at 6:00 P.M., via video conference, and at any adjournment thereof, to cast my vote, as indicated below, on the issue of Reserve Funding.

I specifically authorize and instruct my proxy to cast my vote in reference to the following matters as indicated below:

BALLOT

PLEASE VOTE FOR ONLY ONE (1), if you vote for more than one (1), the Ballot portion of this Limited Proxy/Ballot will be invalid and will not be counted:

A vote for any option in this box shall be deemed a vote to WAIVE full funding of the Reserves

_____ **I vote to pay monthly maintenance fees of \$ 521^{.00}**
Fiscal Year 2023 Budget of \$ 407,334 WITHOUT full reserve funding of \$ 109,440

A vote for any option in this box shall be deemed a vote to NOT WAIVE full funding of the Reserves

_____ **I vote to pay monthly maintenance fees of \$ 724^{.00}**
Fiscal Year 2023 Budget of \$ 407,334 WITH full reserve funding of \$ 109,440

(Print Unit Owner Name and Unit #)

(Signature of Unit Owner)

Dated: _____, 2023

Unit Owner(s). Please DO NOT complete the "Substitution Of Proxy" below: thank you, it is to be filled out by your proxy, and only in the event he/she cannot attend the Special Meeting of the Membership.

SUBSTITUTION OF PROXY: The undersigned appointed proxy above does hereby designate

_____ to substitute for me in the proxy set forth.

Signed: _____ Dated: _____, 2023

NOTE: This Limited Proxy/Ballot is valid for only Ninety (90) days from original Meeting date and may not be used for any other purpose than the Meeting that is was issued or any adjournment thereof.

WAIVING OF RESERVES, IN WHOLE OR IN PART, OR ALLOWING ALTERNATIVE USES OF EXISTING RESERVES MAY RESULT IN UNIT OWNER LIABILITY FOR PAYMENT OF UNANTICIPATED SPECIAL ASSESSMENTS REGARDING THOSE ITEMS.

Fully funding the reserves does NOT GUARANTEE there will not be special assessments.

Lakes at La Paz Condominium
Approved Budget
February 1, 2023 - January 31, 2024

OPERATING EXPENSES

Fixed Fees

(no alternate vendors available)

Boca Pointe Association Fees	95,258	
Cable T.V.	34,744	
Dumpster Removal	1,591	
Electric	3,395	
FL Dept of Condo	272	
La Paz Recreation Association Fees	50,813	
Licenses, Permits & Fees	506	
Water & Sewer	30,612	
	<i>Sub-total</i>	217,192

Insurance		
Wind	47,091	
Flood	3,513	
	<i>Sub-total</i>	50,604

Semi-Fixed Fees

(alternate vendors available)

Insurance		
Umbrella	2,223	
Crime	658	
Directors & Officers	1,300	
Differences in Conditions	3,451	
General Liability	12,723	
	<i>Sub-total</i>	20,355

Security / Fire Safety		
Fire Alarm Monitoring	1,171	
Fire Alarm Repairs	4,684	
Security Alarm Monitoring	10,039	
	<i>Sub-total</i>	15,894

Elevator Service & Repairs		
Service & Repairs	5,628	
Telephone	1,274	
	<i>Sub-total</i>	6,902

General & Administrative		
Financial Audit	-	
Legal	1,407	
Management Company Fee	15,870	
Office & Administration	864	
Web and Internet Services	825	
	<i>Sub-total</i>	18,966

Physical / Groundskeeping		
General Repairs & Maint	18,320	
Irrigation Maintenance	2,295	
Janitorial		
Labor	20,162	
Labor Benefits	500	
Phone	-	
Supplies	1,500	
Landscape Supplies	3,000	
Lawn Maintenance	12,020	
Pest Control/Fertilization	5,000	
Tree Trimming / Removal	5,500	
Landscaping Improvements	1,125	
	<i>Sub-total</i>	69,422

Additional Projects		
Re-Certification Engineering Inspection	7,500	
Cameras	500	
		8,000

TOTAL EXPENSES:
(rounded to nearest dollar): \$ 407,334

Lakes at La Paz Condominium
Reserve Funding - Supporting Documentation
February 1, 2023 - January 31, 2024

Item	Estimated Life (Years)	Replacement Value	Estimated Remaining Life (Years)	Projected Reserve (as of 1/31/2023)	Balance Due Reserves (Replacement Value - Current Reserve)	Required FY 2021 Funding (Balance due / Estimated Remaining Life)
Awning Repairs & Replacment	22.5	\$ 100,000	10	\$ 0	\$ 100,000	\$ 10,000
Elevator (Significant Repairs & Replacement)	45	\$ 100,000	9	\$ 34,976	\$ 65,024	\$ 7,225
Painting	10	\$ 120,000	5	\$ 0	\$ 120,000	\$ 24,000
Parking Lot Surface	5	\$ 5,500	5	\$ 0	\$ 5,500	\$ 1,100
Roof - Tile & Flat (Significant Repairs & Replacement)	25	\$ 875,000	13	\$ 2,500	\$ 872,500	\$ 67,115

notes:

- The elevators in both buildings were inspected in Q1 of 2022. As per conversations between inspector and Assoc. Pres. DeLucia, the elevator cars and hydrolics are in "great" mechanical condition. Beyond regular maintenance, near term costs should be limited to as of yet unknown "code changes" (retro-fitting to add a newly developed type of door sensor, for example). The estimated remaining mechanical life is "15-20 years, easy". Some parts for the
- During FY 2019, the flat roof of building 7519 was replaced and has an estimated remaining life of 20-25 years.
- IMPORTANT... Changes to governing statutes go into effect for FY 2025 and will require additional reserve accounts be created and maintained. Some of the newly required categories have never been accounted for by this Association (or most other smaller-sized condominium associations), and will require a reserve study to be conducted. Depending upon the associated expenses of such a study, and whether or not, by law, the study will have to be regularly updated, It is entirely possible that a non-capital improvement reserve account will have to be maintained to fund the bookkeeping costs.
- IMPORTANT... Beginning in FY 2025, the Association will no longer be able to waive funding of any reserve account.

Lakes at La Paz Condominium
Proposed Monthly Maintenance - RESERVES WAIVED
February 1, 2023 - January 31, 2024

BUDGETED EXPENSES

Total Operating Expenses	407,334	407,334
--------------------------	---------	---------

RESERVE FUNDING

(by Membership vote)

Awnings	-	
Elevator	-	
Painting	-	
Parking Lot Surface	-	
Roof	-	
<i>Sub-total</i>		-

EXPENSES and RESERVE FUNDING:		407,334
--------------------------------------	--	----------------

Prior Year's Surplus Applied		
(not to exceed \$ 22,400)		
(>\$22,400 to be refunded):		8,579

Projected Monthly Maintenance		
(per unit):		\$ 519.21

CONTINGENCIES

(based on current cash flow)

Estimated Bad Debt contingency		
<i>Sub-total</i>		-

Projected Monthly Maintenance		
<i>(per unit, rounded to nearest dollar, adjusted for 10 months remaining):</i>		\$ 521

Lakes at La Paz Condominium
Proposed Monthly Maintenance - RESERVES FULLY FUNDED
February 1, 2023 - January 31, 2024

BUDGETED EXPENSES

Total Operating Expenses	407,334	407,334
--------------------------	---------	---------

RESERVE FUNDING

(by Membership vote)

Awnings	10,000	
Elevator	7,225	
Painting	24,000	
Parking Lot Surface	1,100	
Roof	67,115	
<i>Sub-total</i>		109,440

EXPENSES and RESERVE FUNDING:	516,775
--------------------------------------	----------------

Prior Year's Surplus Applied (not to exceed \$ 22,400) (>\$22,400 to be refunded):	8,579
---	--------------

Projected Monthly Maintenance (per unit):	\$ 661.71
---	------------------

CONTINGENCIES

(based on current cash flow)

Estimated Bad Debt contingency	47,643	47,643
<i>Sub-total</i>		

Projected Monthly Maintenance <i>(per unit, rounded to nearest dollar, adjusted for 10 months remaining):</i>	\$ 724
---	---------------