

SCCWMA PRESENTATION
SEPTEMBER 30, 2009
STERLING MANAGEMENT – D& O SEMINAR

Good Morning! Again, I'm Dana Phillips and I manage the business and maintenance for the Sun City Center West Master Association.

Overview:

The Master Association is an “umbrella” organization, incorporated in the State of Florida in 1973, for the purpose of supervising, managing, and determining the care and maintenance of certain common elements within the Kings Point project. Some of these elements cross over or under individual Kings Point associations' properties and are included in the engineered infrastructure within the community. *(The exception is Potable Water mains and Sanitary Sewer systems, which are maintained by Hillsborough County.)*

Over the past thirty-six (36) years, the Master Association's maintenance responsibility has grown to include:

- thirty-eight (38) miles of roadway
- thirty-two (32) lakes *(not on golf course)* and weirs *(which are the lakes' water over-flow systems)*
- over 200 storm drains & catch-basins
- irrigation pumping and delivery systems *(30 well-pumps; 32 lake-pumps; 66 controllers; 2 variable force drives; 2 pressure maintenance pumps; miles of pipe 1-1/2" TO 8" diameter; wiring, valves, solenoids, etc.) Associations maintain the 1" lines and water distributing nozzles.*
- two bridges
- sidewalks
- traffic control signs and street designation signs,
- two gate-houses
- three monument signs *(main gate, south gate, south Kings Blvd. extension)*
- most park benches
- two sections of the Cypress Creek creek-bank
- one golf-cart path
- fences along the 36th street property boundary and Gloucester Blvd.
- area lighting, landscaping, turf, and irrigation along seven main-street boulevards.

Property Ownership:

The Master Association holds title to deeded property. There are currently two-hundred ninety-six (296) acres of “orphan” parcels of property within the community, including the land where the Garden Center is located. I call these parcels “orphans” because they are areas that were not meant to be included in any particular association building plan, golf course, or recreation area.

The Developer has the power to transfer ownership of these orphan parcels to the Master Association at any time, as the community is being built. As of January, 2009, there are

seventy-one (71) parcels that have been adopted by the Master Association. We have also identified approximately fourteen (14) more areas remaining, to-be-deeded.

Meetings

The fiscal year is April 1 to March 31. The Master Association Bylaws mandates a membership meeting to be held annually between April 1 and April 15. The Board of Directors meets in November to approve the following year's budget and again in April following the annual meeting. A Special Meeting may be called at other times during the year, if there is a particular matter that requires membership or Board participation.

The Board of Directors:

The Board of Directors is made up of three members. Currently, the President and Secretary/Treasurer are employees of the Developer. One resident is elected by the members each year and holds the position of Vice President on the Board. At some time in the future, the Developer will relinquish control of the Board; at that time, the members may elect the majority of directors.

Professional Management:

The Master Association Manager is empowered to carry out the day-to-day operations and activities associated with arranging for maintenance, inspecting the property, and managing the payments and finances of the Master Association. However, the Manager consults with the Board, whenever necessary. The Manager compiles the financial and maintenance history and puts together an annual budget to present to the Board, the Advisory Committee, and the Federation's Finance Committee. The Manager submits monthly progress reports.

Master Association Advisory Committee:

The Developer meets with a committee of residents monthly, to get a progress report and to discuss topics of concern to the Kings Point residents, for which the Master Association may be able to help. The Master Association Advisory Committee is made up of seven (7) residents, the Master Association Manager, the Master Association President. The Federation President is also invited to attend committee meetings.

Membership:

Each Kings Point association is a member of the Master Association. Kings Point associations are represented at meetings by each President of the condominium or homeowners' association. Proxies may be used. Each association is entitled to one vote.

Assessments:

The Master Association assessment is apportioned, based upon the number of Units or Lots in each association. In turn, each Kings Point association assesses each Unit or Lot, by

including a line-item for the Master Association's assessment, within their own association's budget.

Improvements:

We've made a concerted effort in 2008 and 2009 to repair the sidewalks throughout Kings Point and have just added a missing section, between Vilmont and the Southclub parking lot. While the worst of these sections have been replaced, repairs will always be an on-going effort.

We are going to re-design the storm drains that are inset within the sidewalks, to alleviate a liability hazard. The drain opening will be re-sloped and the concrete will be brought out even with the curb. This project will be done in three stages, as there are about 30 sidewalk drains in this condition.

There is a Road Maintenance projection schedule has been used for a long time, to anticipate the need for future reserves. The schedule is predicated upon roads being resurfaced (overlaid) every 15 years, and sealed (coated with tar) every 3 to 4 years. Over half of the roadways have already been overlaid at least once and the cycle will begin again in those areas in 2013. Attention needs to be paid to the areas where there is already three inches of asphalt built-up. Where there are driveways, the old asphalt will need to be removed prior to installing new asphalt, otherwise the street will be higher than the driveway ends. The milling will significantly increase the paving costs for those areas. We are researching methods and materials to find the best solution to this problem. However paving reserves will need to be increased beginning in 2012 to anticipate this need.

There is a great deal of chain link fencing along the border of 36th Street that is in poor condition. We have already budgeted and scheduled to start repairing this fencing and are just waiting for the ditch to dry out enough to start the project. As far as future maintenance on the section of upland ditch behind Nantucket I and III, the Code Enforcement officer said that we just need to keep the area cleared of trash and dead debris. We will most likely only need to schedule an annual "maintenance sweep" of the area. There is no plan at this time to install privacy material along the fence, however this is open for future discussion and such a project would depend upon availability of funds.

The lakes in Kings Point are only 10 to 12 feet at their deepest point and the water condition is very susceptible to temperature changes. Low lake levels allowed grasses, water weeds, and brush to get a hold in some lakes during the summer and algae blooms are not unusual under these conditions. Since the lake technician from Aquatic Systems is actually on-site every day, treating one lake or another, it is a simple matter to get a quick response to keeping these issues under control. Please feel free to call me if you notice any unusual bloom of algae, grasses, or weeds in the lake, so that the problem can be taken care of promptly.

Landscape Maintenance along the Boulevard is going well. Due to a successful winter application of pre-emergent weed inhibitor, and a lot of rain, the grass has been filling in

nically, where there used to be weeds. The plants that were killed by winter frost have been replaced and we are taking care of replacing dead trees as needed.

The inclusion of speed limit reminders on the road at the main gate seems to be helping. We also noticed that Security has recently displayed an electronic speed reinforcement sign, borrowed from the Sheriff's office. Several residents have called with other suggestions for making our community safer. All suggestions are given serious consideration.

There are approximately 255 street-sign posts in Kings Point requiring periodic straightening, cleaning, and painting. We are going to test a product to improve the look of the street-signs with the goal of alleviating future maintenance. By setting replacement posts in concrete to prevent tilting and installing a PVC sleeve over the post with a decorative top-cap, straightening and repainting posts would become unnecessary. The sign blades will slide into white aluminum brackets to strengthen the attachment and prevent drooping. Sign blades will still be repainted, as needed, for a minimal cost. This configuration will be tested at the corner of Finsbury @ Foxhunt Dr. If the results are satisfactory, other posts will be refurbished, as needed. A top-cap that has an LED solar light will be tested to see how much light is produced, how long the batteries and bulbs last, and how far away they have to be from a street light, to work. If they function well, these lighted top caps could be used on darker corners.

Irrigation water in Kings Point comes directly from wells, or from lakes that are filled by wells. *Note: There is no reclaimed water source in Kings Point.* We have been looking at the feasibility of applying for a separate Consumptive Water Use Permit for the Kings Point residential properties. Such a permit would allow irrigating on a volume basis, rather than a day & time basis. We have begun this investigative process to discover how much of Kings Point could be covered by the permit. If we can show that acquiring such permit will save water resources, it will improve our chances for approval. The application process is lengthy and the application form requires a great deal of information to be submitted to SFWMD. I will bring you updates periodically of any progress we make.

All in all, I hope you are pleased with the way things are being taken care of in the Kings Point community.

Budget:

The WCI development plan called for five-thousand six-hundred sixty-five (5,665) units to be built on over eight-hundred forty-six (846) acres of land. (There are currently one-hundred eight (108) condominiums and one (1) homeowners' association turned-over from the developer, managed by Sterling Management; two (2) condominiums where construction is not completed managed by United Property Management; and there are four (4) more association areas planned, but not started).

No further construction is anticipated in the coming fiscal year. Therefore, the 2010-2011 annual budget is being formulated based upon 5,257 units already constructed (*this includes those in Maplewood and Oakley Green.*)

Some changes in the 2010 budget include the addition of funds for conducting an Audit for fiscal year 2009-2010, which was approved by the members at the 2009 annual meeting.

Also, there will be two new line items added to the budget, “*Gatehouses – Repairs and Maintenance*” and “*Gatehouses – Reserves*”, required for painting, and re-roofing both gate houses. This has not been a budgeted item because, previously, the developer contributed to this maintenance responsibility. The Developer will not be contributing to the Paving Reserve in the coming year.

Master Association management changed on January 1 of this year, from WCI Property Management to Sterling Management. The coming budget will be adjusted accordingly. Although there will be a slight increase, the fee will still be much less than the competitive-market rate.

Though the grounds maintenance contract increased, due to the addition of mowed areas, we’ve been informed that the lake maintenance contract will remain the same for the coming year.

And, while we usually are only hit with a 2% increase in insurance (in good years with no losses), we have been advised to budget for a worst-case scenario, at a 10% increase.

Bridge Reserve and Drainage Reserve have been increased to properly fund these areas, to be in compliance with the Projected Reserves Schedule. This is particularly important due to the aging storm-drain systems.

While property taxes are not levied on areas with no buildings, we have discovered that the main gate inadvertently appeared on the Recreation Facilities tax bill for 2008 and 2009. We are researching with the County to make this correction and so have included a modest amount for property tax in the coming year.

The good news is that we have been able to adjust other costs downward, based upon a history of repairs and utility costs. So, even though the budget is not finalized, it appears that the overall increase for the Master Association in the coming fiscal year will be around **\$1.13** per unit/per month.

Contact Information:

If you have any questions or a concern I can help you with, or you need to see a map of a specific area, please feel free to send me an e-mail dphillips@sterlingmgnt.com or call me 633-6291 or come see me at Sterling Management.

It’s been a pleasure making this presentation to you this morning. We have a few moments, if you have any questions at this time.