

University Estates Update for October 20, 2008

When the new Board of Directors was elected at the UEPOA Annual Meeting on September 24, 2008, we made a commitment to keep the residents of University Estates informed of the current status of what the Board is doing and the progress being made. The Board will maintain a strict policy of disclosure, transparency, and accountability in everything we do on your behalf. We intend to post the minutes of our meetings and provide regular updates of our efforts to deal with the critical issues facing our community; we will do this through periodic emails and posting of information the UEPOA website. We strongly encourage each of you to share in the management of your community by attending our meetings and volunteering to serve on our committees. Without your support and participation, our ability to solve the serious issues and problems that we have before us will be severely limited. In a future update, we will be sending out a list of all of the standing committees with the current members and open positions. There will be a brief description of the roles and responsibilities of each of the committees. We hope this will encourage your participation.

FINANCIAL HEALTH

Preserving our property values and the financial health of our Association is our primary concern, especially in today's uncertain economic climate. We have held four Board meetings since the Annual Meeting, and most of our time and effort has been spent trying to understand where we are financially and what our governing documents (and Florida statutes) require. We are meeting with our property manager and our contracted service providers to determine the extent of our financial obligations and to assure them that our Association is committed to meeting these obligations.

Our ability to pay the current monthly bills is difficult because of the extensive cost of the landscaping replacement at the community and village entrances. This was not in the 2008 operating budget adopted by the previous Board of Directors, and the money for this landscaping was spent from our reserve accounts. The budget for these reserve accounts is specifically earmarked for long-term maintenance of items such as the cabana/clubhouse, swimming pools, tennis courts, the brick wall and Tanner Road fence, and several other major items.

Our operating budget is our account (checkbook) that we use to pay for our daily and monthly expenses. Our reserve budget is an accumulation account. Money is set aside in the reserves for things that we know will be needed in the future. Under Florida law, the Board has the authority to move money in the operating budget from one category to another to meet unexpected or extraordinary expenses. An example of this would be that the Board could decide to defer buying mulch until next year in order to pay for replacing dead bushes this year. However, money in the reserve budget can only be spent by the Board for the purposes intended to maintain the common property, the Board has no authority to move money from one category to another. That decision can only be made by the Association Members at a general membership meeting.

The new Board re-assigned the money from the operating budget to the reserve account as required by Florida law. As a result, our operating budget is seriously depleted. We are meeting with our property manager and our bankers to resolve the discrepancies in the operating accounts, but until this effort is complete, we cannot consider even serious problems such as repairing the damage to the brick wall on McCulloch Road. We will get through this, but we need your patience and understanding.

RENTAL PROPERTIES IN UNIVERSITY ESTATES

The Association Members at the Annual Meeting directed the new Board to prepare an amendment to the Declaration of Covenants and Restrictions to address their concerns about rental properties and the problems they have created in our community. The Board was given four (4) months to prepare a revised document for approval by the general membership. However, the Board hopes to have a draft ready for the Members' review and approval by our next general membership meeting, which is scheduled to be held in December 2008.

These issues have been discussed with our property manager and the property managers of other HOAs in the area, as well as residents of other communities. We have obtained copies of their governing documents as examples of the appropriate language in this type of document. We are also searching for guidance on this subject in applicable county, state, and federal laws. Once the draft is complete, the Board will have it reviewed by our attorney to ensure that it is a legally complete and enforceable document. After that it will be presented to the Association membership for approval.