



Playa del Mar Newsletter



Volume 11 Issue 1

JANUARY 2007

SUMMARY OF OWNERS MEETING OF 12/21/2006

OUR 2007 BUDGET

A meeting of the board was held to discuss the PDM 2007 budget last month. Our CPA advised us that the maintenance increase for 2007 would have been no more than 1% or 2% if it were not for the large increase of our insurance premiums. With the insurance premiums more than doubling, the board had no other option than to increase maintenance by 20.4% for 2007.

INTEGRITY OF ACCOUNTING PROCEDURES

Our building manager addressed charges made by an owner to the State of Florida which challenged the building's accounting procedures for the special assessment and reserve funds. Summarizing, the charges by the owner, that certain assessment funds were used by the Board for purposes other than intended. The PDM records were reviewed by the State and no violation was found. The issues were closed without further investigation. (The letter from the State is posted on the bulletin board in the mail room for those owners who may want to read the details).

WINDSTORM INSURANCE- OUR #1 PROBLEM

Our insurance broker, Steve Patton, Senior Vice President of Brown and Brown, discussed at length the insurance situation in our building and in the State of Florida. Our current insurance carrier, QBE, is dropping our building's **windstorm damage** policy this March. (They continue to be our insurer for most everything else). QBE is dropping all condos in Florida for windstorm coverage unless all units in the condo have either code compliant windows or shutters. They are also limiting windstorm coverage to Class 1 (the strongest structure) buildings. We are a Class 1 structure. Many buildings in Florida have been dropped by QBE because they do not have all unit windows protected code compliant windows or shutters. There are units in our building which have not been upgraded. As a result, our building, like so many others in the state, is finding that they will have no choice but to be insured with Citizens Property Insurance Company- a state run insurance agency.

Citizens has required a re-assessment of our building's value before they will become our insurer for windstorm damage. The new assessed value of our building is \$83 million, up from \$57 million. State law requires Citizens to charge a premium higher than any private insurer, and to be the insurer of last resort. As a result, our insurance premium is projected to go from \$385,000 with QBE in 2006, to \$822,000 in 2007 with Citizens. We will not know the actual amount until sometime in February.

Steve explained that the insurance premium increase is not within the control of this Board or any other Board in the State of Florida. It can only be resolved as a State political issue with the passage of legislation. (Editor's note: At this writing the state legislature and new governor seem to be doing just that).

He estimates our premium would decrease to about \$600,000 a year if we updated all window frames and exit doors with code compliant windows or shutters and then returned to a private quality insurer such as QBE.



Steve predicted that the State's insurance problem (and ours at the PDM) stems from the re-insurers pulling out of the State. These re-insurers allow insurance companies to only take on a small percentage of the risk. With re-insurers leaving the State, those insurance companies still covering windstorm assume most of the risk.

He went on to say that all condos in Florida without code compliant windows or shutters in all units will experience the same type of increases when their insurance expires in 2007.

Our broker expressed his feeling that rates will trend down in our State during the next few years. He believes there will be legislation to reduce these costs. More importantly, he feels re-insurers and insurance companies will return to the state after seeing huge profits those few remaining companies have made in 2006. He feels that the new competition from quality insurance companies entering our market could lower windstorm premiums in our State in the future.



Steve also feels that our building should not have a problem getting competitive bids from insurance companies, when they do return to our state, because the PDM is a Class 1 building structure (the strongest), has a new roof capable of withstanding a 140 mph windstorm, an exterior fully renovated for watertight integrity, and structural soundness. (See the next page on status of projects here at the PDM).



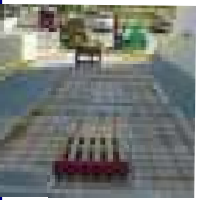
Currently, Playa del Mar does not have code compliant windows or shutters in every unit. This would be a negative in attracting those returning insurance companies to seek PDM business in the future. We will cover this dilemma in depth and the best approach for a solution in our next Newsletter. Stay tuned.



The next assessment (and hopefully the last for many years to come) is very close to being finalized. The new assessment is mainly the result of repairing the building

from damage due to hurricane Wilma. The estimated amount (per Joe Ernest our Treasurer) is half of the prior assessment. Owners can expect this assessment to be billed around April 2007. At this time, Joe estimates that about 60% of the new assessment may qualify for a personal tax deduction or an insurance claim. Check with your tax accountant and your insurer at the time you receive this assessment. The figures will be provided by the association, broken out and segregated. You will be notified of the exact percentage at the time you receive the official notice of the assessment.

In spite of other unexpected expenses such as the north ramp having to be completely ripped out and redone due to structural weakness. The Board, through tough negotiations, was able to keep the costs down considerably on these repairs.



We thought it appropriate to provide owners with a brief summary of the capital improvements which were made with the pending assessment and the prior one, so that owners may see what they got (or will get) for their money.

The projects began in June of 2004 when the terraces were deemed to be unsound by our building engineer and the building was found to have lost its watertight integrity.

Along the way, other problems were found by the building engineer - They needed to be fixed. Examples are repair of the expansion joints and sea wall, to mention just two. We will exclude the minor irritations such as our building being hit by a bolt of lightning, causing more damage during the renovation.



Here are the main projects covering these 2 assessments:

PROJECTS COMPLETED.

- * New deco terraces and railings with glass walls.
- * Repair of expansion joints over the upper garages which addressed **major** garage leaks (caused by overweight planters and concrete degradation of the pool deck)
- * Glass walls replacing those metal "prison bars" on top of the Promenade sea walls. (The concrete damage was so severe, the cost to replace it with glass rather than concrete was minimal and has a more balanced and updated look.)
- * Removal of large planters by the swimming pool and replacement of broken tile on the pool deck.
- * Broken tile replacement on Promenade, as well as repair stairways from pool and ocean to Promenade.
- * All new tile in the pool shower



- * Removed all defective cement and shutters from exterior of our building which could violate the watertight integrity.
- * Replaced 56 roof exhaust fans (and rewired electrical) which were damaged and blown away by Wilma.
- * Replaced pool and exterior lights and umbrellas.
- * Replaced a window in both the Lobby and Ocean Lounge destroyed by Wilma that are high impact and code compliant.
- * Repaired broken sewer pipe which had been held together with duct tape.
- * Replaced 43 hallway AC 's along with new shut off valves in the cooling tower, separating the stacks to selectively power down sections rather than the whole system during emergency repairs.



PROJECTS UNDERWAY OR TO BE DONE:

- * Complete the painting of the building exterior by the target date of Feb. 16. When finished:
- * The crane will return to finish off the roof. This is a 16 week project. Two of the three ply's have been installed prior to the exterior painting of the building. Final ply to be installed will include the light weight concrete replacement that pitches down to the drains and will eliminate the problem of water collecting in the corners.



- * New chain link fencing along stairs leading to the beach.
- * Interior decoration of lobby and all floors of building. Target begins in late Spring. (See separate article in this Newsletter).
- * New emergency generator to be installed as soon the newly selected location has been approved by the city. (See prior newsletter) The PDM will be the first building on the Mile with a code compliant generator. Eventually, all buildings will have to comply. Our original generator was destroyed by Wilma.
- * New awnings and frames to replace the shredded ones destroyed by Wilma.



ANY MORE ASSESSMENTS?

The good news is we are about to have the equivalent of a brand new building. New generator, new roof, new exterior, a sea wall worthy of surviving up to the 100 year cycle hurricanes. Add to that, the new elevators from the past assessment, and our building stands tall and impressive among those on the Galt..

We will always have surprises and unexpected repairs along the way but for sure, this has been a major and exceptional undertaking over the past 3 years involving constant negotiating of contracts and insuring quality work. Note: all contracts over 10% of the operating budget mandate a minimum of three bids by outside contractors and while costs are a major consideration, quality and guarantees are important too.

The extensive work being done to our building reflects wear and tear over 30 years by the ocean. In the past, those that put low maintenance fees ahead of needed repairs, has finally taken its toll, leaving us, the current owners, to dig deep into our pockets to make the PDM safe and beautiful again.





Manager, Keith Tannenbaum

POOL CLOSURE TO CONTINUE

Even though the exterior painting is near completion (estimated at February 16), the pool will remain closed during working hours after that date. This will be done in order to ensure safety while the new roof is completed. A crane will be used to move material up to the roof, and that could pose a risk of injury for people in the pool area.

SHOPPING CARTS

The association has purchased additional shopping carts and chaise lounges to fulfill the needs of the owners. There are many not being returned in a timely manner to serve the needs of others. PLEASE do not leave carts in the hallways, in your unit or in the elevators. We are asking you to return these carts to your garage as a courtesy and for the benefit of all who use them.

REPORT DAMAGE FROM EXTERIOR PAINTING

Owners should inspect their windows and terraces for paint splattering, scratches, etc. and report any problems to the building office. This should be done immediately while the contractor is on site. Report damage via e-mail at mar-condo@bellsouth.net, send a letter, or see Caren in the office.

EMERGENCY GENERATOR STATUS

A location has been selected for the new generator (the old one was destroyed by Wilma). It is off to the side of the south corner of the building near the sidewalk. We are now waiting for the city to have a variance hearing for approval for the site.

FRONT PARKING LOT CLOSURES

The front guest parking lot surface as well as the surface on the ramp leading to the upper outside parking lot, will be replaced due to damage caused by normal wear and tear and some by the construction company. The construction company has agreed to pay for a portion of the replacement. When work begins, sections of guest parking will be closed off at different times. Work is expected to begin in April, after the roof is complete and the crane is removed. Check Channel 96 for updates.

CONTRACTORS NEED INSURANCE AND LICENSE

Owners, please remember that any contractor you use to replace air conditioners, cabinetry etc. must present to the office, their license, insurance papers, and a permit before work is to begin. This is for your protection in the event of damage to your unit and for the protection of our building.

RECYCLE



As a reminder, you should recycle, glass, plastics, cans, and newspapers by taking these items to the lower garage recycle bins. Cut up small cardboard boxes and place in a plastic bag before tossing the bag down the chute, to avoid jamming.

DECORATING ON A BUDGET

From the Decorating Committee



Many changes have been made in the Master Decorating Plan proposed by our Decorator and presented at the three owner decorating meetings held in April '06. The Board has listened to comments from owners and we have done our homework to insure we all get the best value for our money and the most "bang" for the buck.

We want to stop the rumors and all of the misinformation flying around the halls of the PDM. We are adjusting the Master Decorating Plan to work with the funds already accumulated over the past years in our reserve accounts for these decorating and maintenance items and the amount collected in the previous assessment designated for decorating.



We want you to know there will be no new assessment for decorating in 2007.

As previously explained, our Decorator has proposed a Master Decorating Plan that can be implemented in phases. We reviewed the results of the Owner Decorating Opinion Survey conducted in June '06, and the areas the majority of owners expressed to be their priorities. We are now picking the parts of the plan that are the most necessary, in line with the opinions expressed by the owners for the upkeep and beautification of our building, and what we can afford with the money currently on hand.

This project began in 2004 with the Board approval of the Decorating Committee's recommended Decorator. Much work has gone into the decisions we will soon be finalizing. Please watch for notices announcing a decorating and interior maintenance meeting to be held on February 8th at 7PM.

PDM HOLIDAY FLAIR

Many compliments were received this year on the beautiful Holiday decorations that brightened our lobby. They were the creation of our talented Holiday Decorating Team, owners Joan and Steve Weinberg, Dianne Ennis, Lucille Fannin and Asst. Manager Caren Francis. The lovely new Christmas tree that graced our lobby was a prize winner from the Museum of Art of Fort Lauderdale's Festival of Trees and was a donation from one of our owners. Jose's team also did an excellent job on our exterior decorations in spite of all the construction obstacles. We wish to extend our gratitude to all these wonderful people who gave so freely of their time and talent to enhance our enjoyment during this past holiday season.



MEET YOUR NEIGHBORS

Meet Eric Berkowitz, our next door neighbor at the Regency Towers. Eric has been instrumental in putting our Newsletter up on our PDM and Galt Mile websites. He has very generously given of his time and Web Master expertise. His graphics and personal touches give our Newsletter a very professional look. Eric is Editor in Chief of the Galt Mile News and author of articles of interest here on the Galt. Check out our PDM and Galt Mile Web sites.

playadelmar.net
www.galtmile.com

SUGESTION BOX

We have received a few personal suggestions in our mail room suggestion box and have forwarded these to the front office. We still look for your input on articles for the Newsletter. It has been difficult to have any kind of social functions here for close to three years with all the concrete construction going on, limited use of the pool, restricted parking, leaks in the garage, dust and debris hazards but soon this will come to an end and we will be seeking volunteers for committees. We have many new owners that have not had the opportunity to meet their neighbor's in a social environment.

TIDBITS**“I C E”****IN CASE OF EMERGENCY**

Storing your emergency contact under the name **“ICE”** (In Case of Emergency) in your cell phone's directory with the name and number of a personal loved one can help emergency personnel save time in trying to contact that person. Many paramedics know what **ICE** means and they do actually look for it immediately when searching through cell phones.

Welcome to the Playa del Mar

October

Marlene Wright Valenti 511 - Lease

November 2006

Pamela Stem 2405 - Lease

December 2006

Garshofsky Family 606 — Lease

Robert Willard 1114-Purchase

Robert Boffa 1511 -Purchase



SUNRISE FROM THE POOL DECK

Your Newsletter Staff

**Lance, Rich
Harriet
Barbara
& Phyllis**

If you see us around, say hi and give us your input

Man O'Wars seen on our Beach!

If you get stung by one, there are three good antidotes for a Man O'War sting. Household ammonia is the best. Meat tenderizer mixed with a little vinegar is next on the list. If you don't have access to either of these, believe it or not, a dose of urine will be very effective. Immediate action is critical as these stings attack the nervous system and can be very serious.

HAPPY & HEALTHY NEW YEAR TO ALL!!

This is our second year and our first issue for 2007. We hope that you find the Newsletter informative and helpful to you in keeping you up to date on the progress taking place at the PLAYA del MAR. Our Mission statement simply put is to keep everyone up to date on the many issues facing the Owners, Board and the Management at a time when so many unplanned events have taken place since the last assessment. To communicate regularly with the Board of Directors, share current issues, provide progress reports and to stimulate interest in activities at the Playa del Mar.