

**SPECIAL POINTS OF INTEREST:**

- **Advertisement Rates in the Newsletter are :**
- ◆ \$75 for 1/4 page
- ◆ \$125 for 1/2 page
- ◆ \$175 for 3/4 page
- ◆ \$200 for full page
- **Starting January 2012, there will be a \$10.00 charge on all advertisements on our classifieds section (web-page) with a minimum 3 month advertisement.**
- **Residents can now rent the 11th floor balcony from the Association. Please see Management office for details**
- **Old GYM equipment is for sale. Please contact the office for more details. Treadmills are Valued at \$500 while the Elliptical is valued at \$400**
- **MEMBERS: Budget Notice will be mailed out Mid October.. Election Documents will go out in November.... Please make sure to vote!!!!**

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OCTOBER 1ST, 2011

## Board asks Members to vote Pooled Reserves for 2012

At the beginning of 2011, The Board authorized a reserve study to be completed for the Association. A third party risk management company was hired to evaluate the life expectancy of La Perla's major components.

In previous Budget years, The Association had been working of a Reserve study completed by the developer. This reserve study was unfortunately out dated or just inaccurate. The current study means for now, The Association is currently underfunded. Expensive repairs such as roofs, common area elements and community pools eventually require repair or replacement regardless of whether or not The Association plan for these expenses in advance. The money invested into this account is used solely to fund the replacement or repair of the major association components as outlined in the reserve study.

**There are other important reasons why The Board has established a reserve fund.**

1. Reserve funds meet legal fiduciary and professional responsibilities of an association and its Board members
2. Replacement funds may be required by a secondary mortgage market in which the Association participates (e.g., Fannie Mae, Freddie Mac).
3. **RESERVE FUNDS ELIMINATE OR REDUCE THE NEED FOR SPECIAL ASSESSMENTS.**
4. Reserve funds enhance resale values.

It is important to keep in mind that reserve funds should not be considered an extra expense—they are simply a fiscally responsible and fair way to set aside monies to be used

to fund the replacement of major association components so that the money is available when needed and alleviates the need for special assessments.

Traditionally, La Perla's reserve schedule accompanying the proposed budget has used the "straight line" method of calculating required reserves. For example, assume that our roof has a twenty year useful life, is ten years old, and will cost \$100,000.00 to replace. Assume that the current amount of money in the roof reserve is \$50,000.00. The association will need to collect \$5,000.00 per year, over the next ten years, to accumulate another \$50,000.00 so as to "fully fund" the roof reserve. This is traditional, "straight line" funding of reserves.

Similar calculations are made for all other required reserve items in excess of \$10,000.00 and the annual contribution required to "fully fund" the reserve account is then arrived at.

The law does permit unit owners to vote to reduce the funding of required reserves, or waive funding of reserves altogether if suggested by the Board. At this point, it is important to note La Perla has never had a quorum to vote on Membership meetings and The Association by default has always had to go with fully funded Straight line funding!!



It is also important to understand that when reserves are funded on the

straight line method, the law provides that reserve funds can only be used for their intended purposes. For example, money could not be taken out of the roof reserve account to pay for painting the building.

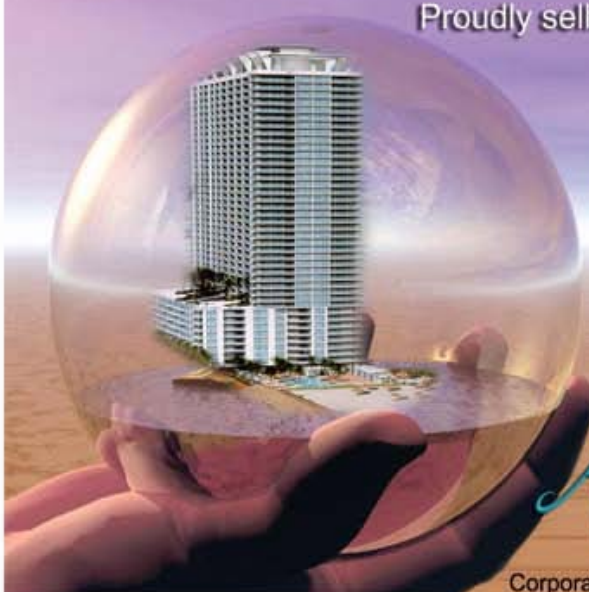
**However this is the concept of "cash flow" or "pooled" reserve.** The main difference in the cash flow presentation of reserves is that instead of each reserve line item having its own fund balance, there is a "pool" of money in the reserve fund, which is available for costs affiliated with any item in the reserve pool. For example, the painting and roof reserve monies are "pooled" into one fund, so a vote of unit owners is not required for expenditures from the fund, as would be the case in a straight-line reserve scenario where monies from one reserve account would be used for another reserve purpose.

The pooling method of reserve funding attempts to predict when a particular item will require replacement or deferred maintenance, and reserves are scheduled and funded so as to insure that a necessary amount of funds are on hand when the work needs to be done. .

Accordingly, as a practical matter, every association which switches from straight line funding of reserves to cash flow funding will need to take a vote, so that the existing money in the straight line accounts can be put into the "pool."

This year The Board will prepare a Budget to vote for Pooling method or the Straight Line method. The Board are asking members to support the Pooling method in 2012 and would like to get your support.. Don't forget to vote!!

Proudly selling La Perla and...  
raising the bar!



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## Realtor's Corner: La Perla Market Stats

La Perla is one of the best beachfront buildings in SE Florida to call home, even when just a second home. Accurately described as "affordable luxury", this newer building offers ocean views and style at a modest price tag, and unbelievably low maintenance fee. When working with Buyers I mention three reasons, why I consider La Perla the most desirable building to consider:

1. Superb product at superb location;
2. Sensible maintenance fees, relaxed condo rules and policies;
3. Highly efficient Management and Condo Board.

Here are the current statistics: there are 25 units for sale on the market, 6 sold during the last 3 months, 8 pending sales. The breakdown:

- 1-Bedroom: 3 for sale, ranging from \$355,000- \$439,000; 2 sold: \$350,000-\$363,000.
- 2-Bedroom: 16 for sale, ranging from \$500,000- \$1.19M; 1 sold: \$450,000; 6 pending sales: \$439,000- \$559,000.
- 3+ Bedroom: 5 for sale, ranging from \$500,000- \$1.4M; 3 sold: \$460,000- \$565,000; 2 pending sales: \$549,000- \$625,000.

The rental market: 1-Bedroom on the market , ranging from: \$2250- \$3000; rented: \$2250-\$2300  
2- Bedroom: 39 units on the market ranging from \$2750-\$6500; 13 rented, ranging: \$2500-\$3500.

The rental market shows abundant inventory, yet the prices are high. The recently rented units do not support the high prices of the current offerings.

**Real Buzz:** FHA Loan limits changing Oct 1 2011! Broward and Dade County from \$ 423,750 currently, they will be reduced to \$ 345,000 (decrease of \$78,750)

### Great real estate news for the Sunshine State:

Florida existing home sales:(month-to-previous-year comparison) +15%  
Florida existing condo sales:(month-to-previous-year comparison)+17%  
Florida consumer confidence: 62%  
National existing home sales:(month-to-previous-month comparison; all housing types)-3.5%

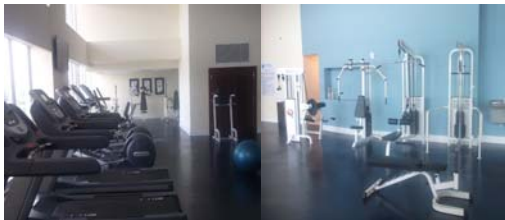
To get the most up-to date stats, speak with a real estate professional, who really knows the market. Real estate is a serious business, get a PRO!

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## Managers Column

We are really happy with the way the Gym is turning out. In our April edition, we announced The Board were looking to improve the Gym. The new floor had just been installed, the walls all painted. Since then however, The Board approved to replace the aging home line cardio equipment. Just last week and after a lot of research; the new equipment has arrived.

There is a telling difference in the type of equipment purchased. Precor Commercial grade equipment has replaced the old treadmills and elliptical and we've added an extra elliptical, recumbent bike, treadmill and a stair master. The Board have also commissioned the balcony to be tiled and a counter top for the inside to give the Gym a finished look. We are almost done!



*The new look GYM*

Of course, there are other projects we are working on getting complete within the next few months.:

- ◆ Also, in our April edition, we announced the Board were looking into installing a sign/monument at the front of the building. The structural permit for the

Monument at the front of the building has been approved, and we are just waiting on the electrical. The sign itself has been ordered.

- ◆ 36 storage lockers will be announced for sale shortly, they are currently being built out.
- ◆ We have just had our Fannie Mae Special Approval Designation renewal approved. This should help sales greatly. A prospective home owner could not get a mortgage without this approval at La Perla
- ◆ We are currently investigating the idea of doing the laundry of our Beach towels in house. This would entail providing proper ventilation in the Garage and the installation of commercial grade machines. As always we will need to get approval of the City to set up this equipment.
- ◆ Most of the hard work has been done on the Budget 2012 and we are planning on having a Membership meeting early November. Mrs. Focaro (Board Treasurer) is almost done with the final touches. As mentioned in page 1; La Perla's Reserve Study originally compiled by the Developer was inaccurate and the Association's reserves must increase by more than 140% In saying that, the outlook is not that bleak. While an increase is unavoidable, we are still only looking at a small increase.
- ◆ The Painting and waterproofing discussion is still on going. Although Miami Dry Wall's bid is still the lowest by a few thousand: The Board felt that the

deal on offer would not be an attractive resolution to the stucco repair/law suit and we continue to do more research.

- ◆ Also, For anyone who brings their shopping home and parks in the Garage. The Association will soon provide a shopping cart on every level in the Garage. A Cart will be attached to a wall device, each resident who wants to use the cart will have to purchase a card to use the cart.

On another note, lately, we've been receiving a lot of complaints from residents that the County are not cleaning the Beachfront by La Perla. Having done some research, The County do turn the sand somewhere between the hours of 5am and 6am. There is also a private company that rake the Beach between the hours of 7am to 9am. Unfortunately, this has only come to our attention since the Newport started using this service. We have enquired about the services and although it is an expense that we had not budgeted for, we will raise the idea at the next Board meeting.

Finally, you may remember the Board last year sent a survey to all members asking them for their suggestions, likes and dislikes for the Association. The responses helped the Board form their targets for the year 2011 and will again issue another survey. We will send out another survey later this year. Your response is important to us. So please complete the form and get it back to us.

**Dear Members, if you are delinquent by 90 days, access to the amenities and voting rights may be suspended**

## Meet the Staff:



Barry, has been working at La Perla for 4 years. In all of Barry's years, La Perla is only his 3rd job. He has worked all 3 shifts and helps secure the pool on weekends, Barry also helps maintenance; shampoo the carpets. Barry has 3 kids and one grandchild. We love Barry's calming demeanor and his lifetime experiences are very valuable and influential on the rest of the staff.

**Q. What do you like best about working at La Perla**

A: I love the Beach

**Q. What is your least favorite thing about La Perla**

A: I can't go to the Beach

**Q. If you won the Florida Lottery what would you do?**

A: I would retire right away and donate half my winnings to the Red Cross

**Q. What's the last Album you purchased?**

A. Michael Jackson: Thriller

**Q. What has been your favorite movie in the past year?**

A: The Bourne Ultimatum

**Q. What is your favorite hobby?**

A. Playing soccer

**Q. Where is your favorite place to go on vacation?**

A: Jamaica

**Q. You can invite four people from history to your dinner party. Who would you pick.**

A: Nelson Mandela, Bishop Desmond Tutu,

Pele and Bill Clinton

**Q. If a Lion fought a Tiger: who would win and why?**

A: Tiger, because he's smarter

**Q. What is your favorite TV Show**

A: The Bill Maher show

**Q. What was the last book you read**

A: The Titanic

**Q. What is your favorite meal**

A: Anything to do with seafood

**Q. What is the most interesting job you've ever had?**

A: When I first came to the States, I started working in a Medical supplies distribution warehouse in New York. I originally started as a Janitor and worked my way up to managing the place. I worked there for 19 years!

**Q. What would you like to be doing in 5 years time?**

A: I hope I can retire

Thanks Barry !!



# Water Leaks: A Potential Disaster for Residents

Unfortunately, there have been repeated instances of water damage to units, common areas and adjacent units caused by water leaking from various sources within a unit. In the past for example, La Perla Condominium Association residents have had clothes washers, dishwashers and tubs overflow as well as pipes leak. These instances have damaged flooring, drywall and furniture and cost the owner and or tenant thousands of dollars especially when the resident doesn't carry a condo owner or renters' insurance policy. (Remember, Florida law up until a year ago did mandate such coverage which would've paid most of the costs of these disasters). Unit Owners at La Perla Condominium Association are responsible and liable for any damages to the Common Elements or Limited Common Elements caused by themselves, their family, guests, invitees, lessees or pets. So it pays to know how to prevent water damage to your own property, association property or another unit. Water damage can often be avoided with routine maintenance and assistance from qualified contractors.

It will be well worth your time to take a few extra moments every few weeks to check potential trouble spots in and around your home. Early detection could mean the difference between a simple mop-up job and major construction repairs.

**It is still Hurricane Season; please keep items off the balcony if you are not staying in la Perla.**

## General Tips

Water leaks occur most frequently in the kitchen, bathroom and laundry rooms. Know where the main water shut off valve is located in your unit and check it frequently to make sure it is operational.

**Dishwasher:** Periodically check under the sink to see if the hose connection to the water supply line is secure and is not leaking. Check around the base of the dishwasher for evidence of leaks. Look for discolored, warped, or soft flooring materials or water damage to nearby cabinets.



**Refrigerator:** If your refrigerator has an icemaker, check the hose connection to make sure it is securely attached to the water supply line. The wet spot you see on the floor near the refrigerator may be melted ice cubes or it may be a crimped icemaker line about to burst.

**Showers and bathtubs:** Check caulking at joints where the walls meet the floor or the bathtub, looking for cracks or mold. If either is found, clean and remove loose material and apply new sealant. Although the shower walls

and floor are tiled, a leak may develop if there are cracks or missing areas of grout.

**Sinks:** Check under the sink for signs of leaks from water supply lines or drainpipes.

**Toilets:** Placing inappropriate objects or too much toilet paper in the bowl can accidentally clog toilets, especially the low-flow toilets. Hanging bowl deodorants are frequently the culprits. These objects can lodge deep in the plumbing system, and can block the line or create an obstruction that grease and other materials can cling to - eventually causing blockage. In addition, some chlorine tablet cleaners may corrode some of the internal components, eventually leading to a leak. Do not dispose of tampons and the like in your toilet. They can cause a major blockage in the sanitary sewer system of the building.

**Washing Machine:** Inspect washing machine hoses regularly for wetness around hose ends and signs of bulging, cracking or fraying. Replace the hose if a problem is found or every three to five years as part of a proactive maintenance program.

**Air conditioning:** At the start of the cooling season, have the A/C system serviced by a qualified contractor. Make sure their service includes inspecting and cleaning the air conditioner condensation pan drain line to keep it free of obstructions. Change the air filters on a regular basis or you WILL have water damage.

Follow these tips and avoid a serious incident and a big bill!

*As a general rule, unit owners are responsible for the repair of any utility that services solely their unit. For example, the main plumbing lines that brings water to your unit, at some point, branches off to several individual units.*

*If the source of the leak is the main trunk line, then it is a common element, and the cost of the repair belongs to the association. However, if the source of the leak is the line that services only your unit, then you are responsible for the repair.*

*That said, a court of appeals recently sent back for determination, based on language within the condominium documents, So read the condominium documents to determine the answer to your questions.*

*Now, given that the leak has damaged the drywall ceiling below your unit, the association is responsible to restore the unfinished drywall ceiling, and the unit owner is responsible for the finish. You will only be obligated for damage to the unit below if it can be proven that you were negligent in causing the problem.*

## Understanding A Board Members Role

The board of a homeowners association has several different tasks. To understand what these tasks should be, it is essential that the Board understands. It is often not what most thinks it is. Here are some of the myths.

### Monthly fees are kept low:

The board is elected to maintain assets properly. There is a difference between being a good administrator and a tightwad. [Stingy boards skip routine maintenance services and tend to erode the value of homes.](#) It takes money to make things right

and the board should spend the money necessary to accomplish tasks.

**Volunteer Councils are not subject to the same standards as professional property managers.**

Volunteers they are, yet are saddled with the task of conducting business for the Owners Association in an informed and business-like manner. This means that they should be taking care of things in a timely manner, planning to anticipate problems, receiving and acting on good advice.

**The board is chosen to be the director.**

The board is elected to hire and supervise competent service providers. When properly organized, the work of the general meeting should only take a couple of hours a month. The board is responsible for valuable assets that other people own. The responsibilities of a HOA board are not unlike those of any Fortune 500 board. In both cases, physical and human assets are maintained by the board. Careful planning and effective communication to shareholders (owners) is needed.

[Do you think this Board understand the true scope of Board Member work? Let us know!](#)