

Fellow Blue Cypress Property and Home Owners -

On behalf of the Board of Directors we are posting this letter in order to inform you as to some of the work we have done and the reasons we can not give you all the information we would like to share with you. Since the epidemic outbreak of CoVid-19 and the first "emergency order" we have had to learn to conduct business in new and restrictive ways. The first order of business for Boards across the USA was to adhere to the dictates by the President, Governors, County Commissioners and in our case the Okeechobee branch of the Florida Board of Health.

The responsibility to secure and close amenities landed squarely with the Association's, HOAs and Coop's Board of Directors. Each condominium association has had to interpret how the Emergency Powers Act and Emergency State Orders could be met and to put in place immediately. Until recently, there has been little change. "Emergency Orders" have been extended time after time. In Florida they can only be a maximum of 60 days in length. These orders were not requests, they are the laws by emergency order. Blue Cypress Golf and RV Resort is still under an order to wear masks, safe distancing and enhanced cleaning and disinfecting of association amenities until the end of October and we expect it to be extended again at that time. We are still operating under Emergency Authority until November 3, 2020. This information was given to us last Thursday. We thought the Governor lifted all restrictions and he did for many types of businesses but for us, according to legal experts (Kaye, Bender and Rembaum), we are still responsible for the safety and welfare of the owners that use the amenities that they legally own. This is for their own protection and the safety of others. You, personally, may be asymptomatic but you could expose other owners, renters, guests or other family members.

While working to meet the letter of the law and answer owners questions we relied heavily on legal counsel to provide us with guidance and opinions that would allow us to do just that, "comply with the law". Board Members have had to endure a barrage of insults and controversy concerning the need to comply or not as well as providing for the safety and welfare of all owners, renters and guests. Many owners were very upset when amenities had to be closed. Board members are too, that is not something that we wanted to do or anticipated having to do.

The latest information advises associations that want to meet inside must provide for safe distancing, wear masks and complete enhanced cleaning and disinfecting multiple times daily. If we cannot do those things, whether or not they are in the budget, our amenities must remain closed.

Not all board meetings can be open. Emergency orders take precedence over open meetings. In addition, board meetings concerning personnel are not open and board meetings with legal counsel, in person, teleconference or by virtual meetings are not subject to open meetings or sunshine laws. However, we will make every effort to arrange a telephone access method or a virtual meeting option for monthly BOD meetings. This will be an additional expense that is not in the budget. Zoom meetings are not free. They are

only free for the first 40 minutes for a maximum of 100 viewers. At that point there is a monthly fee.

During the early weeks of the pandemic we did not have open meetings because our clubhouse was closed. Personnel, and legal counsel claims have dominated our time and every meeting. We have had telephone conferences with Jay S. Levine, Brennan Grogan, Scott Wagner, all legal counsel, and met at least once a week concerning personnel since March. We have had multiple meetings with these same attorney's and their associates as well as our insurance agent and underwriters concerning rule violations, rule changes and claims requiring our legal counsel to represent the association.

For those owners that have expressed the need to know what is being discussed, ask yourself, why wouldn't the Board share information with the owners? What possible motive would they have. The Board wants to share information with you and would welcome your input but we have been advised over and over again that we cannot share the information being discussed with legal counsel, at this time, and it is illegal to do so and could result in additional legal action if we share this information with anyone outside of our attorney's for Blue Cypress and the Board of Directors. This has been arduous and stressful for the Board members as we have had to be in these meetings, conferences, webinars and have been forced to make emergency decisions based on the counsel we were given and by virtue of our office. Your Board will disclose the nature and content of these issues when we can legally do so.

Along with all of the above the resort has suffered three major waterline breaks. Two of the leaks were repaired by our maintenance men, board members and volunteers. One had to be repaired by an outside contractor due to the location of the break. Another involved digging up the street, to repair the pavement and fix the drainage in just one location will cost between \$5,000 and \$6,000 based on current estimates. Again, this drain problem has been there for many, many years. There have been band-aide repairs in this area in the past but that kind of repair will no longer work, it is in need of an extensive repair. This is just one more expense that our aging infrastructure is costing current and long time owners.

The trolley motor on the current waste water treatment plant quit working, parts are no longer available and the replacement motor we ordered could not be retro-fitted to work with the old switches. We could not find an electrician that would even try to wire a replacement motor. Galene Inc. brought their own electrician from Miami to work on the motor and he could not wire the new motor into the existing system. The trolley for the WWTP is currently being dragged and pushed back and forth manually by maintenance personnel and volunteers. This has been done for a few months now. Without the willingness of these gentleman and members of the Board and guidance from US Water our resort would have been shut down for several weeks and owners would have been forced to find housing elsewhere until parts could be found or the new unit was put in place. The Health Department would not allow us to live there without a functioning waste water treatment plant or an acceptable replacement.

The flooding has made working on the new Waste Water Treatment Plant nearly impossible. The new completion date, due to flood waters and delays in parts delivery due to the pandemic restrictions have pushed the completion date to November.

With the resignation of three maintenance employees the Board of Directors was forced to hire three replacements. As you know, this is not easy in Okeechobee. The water plant is being maintained by our current maintenance personnel with guidance and direction from US Water who have tested and serviced our equipment for many years. We had a pool filter break down and the cartridges for it needed to be repaired, again, our maintenance personnel along with BOD members ordered the needed parts replaced them. We had another pool filter motor burn out yesterday and today we were notified that our liability coverage was increased by \$2,200. We attended a webinar today and were informed of the following fact. Of the 500 associations surveyed 51% will have an increase in maintenance fee in 2021, 31% will remain the same and the remainder were TBD.

The Board had to discontinue the final phase of the street repair in order to allow Galene to put in the new WWTP. We have had to have mounting platforms manufactured and installed on the water treatment plant to dampen the excessive vibration of the motors. There is no question there is equipment replacement and repairs that needs to be done on the Water Treatment Plant in 2021. This is not work we were aware of until last week. In addition, we have negotiated a price for a new residential filtering system that individual owners can purchase, should they desire to do so, this is not a water softener system and salt is not involved. We hope this can be offered to our owners in the very near future. This will be up to the individual owner whether or not they are interested in purchasing a unit. We will have representatives address the owners to explain our needs at the Water Treatment Plant either by a virtual meeting or video meeting when we no more.

Our Internet has never been very good and it is not working at this time and has been down for several days. Owners want us to look for a remedy for this situation too. We are working with Century Link to restore our system but as of this writing they have not resolved the problem. A new system can be installed but at what cost? We priced this out last year and ended up working with a Century Link and AT&T representative out of Boston and even they said they could not provide service to us cheaper than what we already are purchasing by monthly fee. The BOD is in favor of appointing a committee of owners that are willing to investigate the issue to see how we can get a better system at a better price. A big concern is security in the resort. Thefts continue. Whether or not you favor increased security there is no way to add gates, walls, or more cameras without spending more money. The cost to maintain our resort is going up. Cleaning supplies are up drastically, if you can find them. Equipment repairs and part replacements are at a historic high. Spiraling upward costs will have a severe impact on our budget.

Waterlines, streets, Water Treatment Plant and the WWTP must be kept in good working order. Money we used to finance half of the WWTP was taken from our Reserve Funds but it has to be paid back into the reserves in order for your association to remain solvent, that is a Florida Condominium Law.

We hope that this information will help each of you understand what we have been doing and why we have been conducting business in this manner and trying to get the work done before the start of the coming season.

We are working to initiate a virtual meeting system or telephone conference number that owners can access and attend meetings. If you have this expertise and are available to help us put a system place please contact me or one of the other board members.

Sincerely,

Lon E. Sloan
Charlie McFarland
Susie Rulong
Nadine Leap
Dave Jodoin