



March 19, 2025

CORINNE ALMOUZNI
19790 W DIXIE HWY
STE 704
AVENTURA, FL 33180

RE: Notice of Adoption of Capital Restoration and Improvement Project Special Assessment of Tiffany of Bal Harbour Condominium Association, Inc.

Dear Unit Owner(s),

The purpose of this correspondence is to notify you of the Association's adoption, at a duly noticed meeting of the Board of Directors held on January 2, 2025, of a special assessment in the amount of forty million dollars (\$40,000,000.00) (the "**Project Assessment**"). Your Unit's total proportional share of the Project Assessment is: \$283,520.00, which may be paid as either a lump sum paid in full by no later than April 1, 2025 ("**Lump Sum Payment**"), in which case no Association Interest will become due and payable as part of the Project Assessment for such owners, OR as monthly payments over a period of twenty (20) years, beginning April 1, 2025, which will be payable as follows:

1. Two hundred and forty (240) equal monthly installments, with the first payment coming due on April 1, 2025, and due the 1st of each month thereafter. By participating in the Special Assessment Extended Payment Plan, in which case the Project Assessment will bear Association Interest at 7.315% that was calculated at a rate of ten (10%) higher than the interest rate of 6.65% charged by the Association's Lender, per annum.¹ ("**Association Interest**"), with such Association Interest charged solely to members who choose to pay such Project Assessment over a period of up to twenty (20) years by participating in an extended payment plan (the "**Special Assessment Extended Payment Plan**"). This rate is subject to change upon adjustment to the rate charged by the Lender for CNB Project Loan Interest as specified below, and shall at all times be an interest rate that is ten (10%) higher than the rate actually charged by the Lender. For sake of emphasis, the rate of Association Interest is subject to fluctuation as it is calculated (and recalculated) based upon the CNB Project Loan Interest Rate.
2. **At this time, your monthly payment under the Special Assessment Extended Payment Plan is \$2,252.05, based upon the Association Interest charged above of 7.315%, as is set forth in that table provided in Exhibit "A" ("**Allocation of Project Assessment**"). This monthly payment amount is subject to change in the event that the Association Interest changes.**

¹ Please note that Pursuant to the current City National Bank Term Sheet: The interest rate will be fixed a day prior to the closing, based on the 10 Yr US Treasury rate plus 2.35%, with a floor rate of 5.84%. The interest rate will reprice after 10 Years, based on the 10 Yr US Treasury rate plus 235 basis points, which rate may be subject to change prior to the loan closing.

Participation in the Special Assessment Extended Payment Plan will be subject to those terms established in a resolution voted on by the Board. Among other pertinent terms that will be under consideration in relation to the Project Assessment and Special Assessment Extended Payment Plan are the following:

- The Project Assessment will not become “due on transfer” for those participating in the Special Assessment Extended Payment Plan in the event of the transfer of any unit, meaning that the remaining unaccrued balance would be assumable and not required to be paid in full at closing.
- For those participating in the Special Assessment Extended Payment Plan, the Association will charge Association Interest of 7.315% which is ten (10%) higher than the Lender Interest charged on the CNB Project Loan, which will be locked in at 6.65% at the Closing of the CNB Project Loan on March 19, 2025², which is subject to change over the term of the CMB Project Loan as specified. The calculation of the monthly payment will be based upon the full Project Assessment balances remaining, amortized over the twenty (20) year period beginning April 1, 2025. The Association Interest Rate is subject to reduction (or increase) based upon the fluctuation of the interest rate charged by CNB pursuant to the terms of the CNB Project Loan (which rates are established at closing and will remain fixed for only ten (10) years after the line of credit converts to a term loan). The Association is hopeful that such interest rates will be lower given the current interest rate environment. However, the Association is charging a spread between the Association Interest collected, and the CNB Project Loan Interest. This spread is meant to provide a cushion for contingencies, bad debt, and potential rate fluctuations.
- The Association’s preferred approach is to pass through any reductions in CNB Project Loan interest charged to the Association on the basis of prepayments made to CNB. This reduction will be credited to the Unit in the Special Assessment Extended Payment Plan whose prepayment has resulted in the particular CNB interest reduction. To the extent possible and when practicable, the Association intends to utilize portions of the Association Interest surplus over and above the CNB Loan Interest and any CNB Loan Fees associated with the CNB Project Loan, to pay down the principle of the CNB Project Loan. This action would be intended to benefit those parties who have elected to utilize the Special Assessment Extended Payment Plan option and who will be paying these funds and should lower their overall Association Interest debt, resulting in a subsequent re-amortization to lower their monthly payments (and total Association Interest) correspondingly.
- The Association’s Interest Rate (as previously defined) is higher than the Lender’s Interest charged on the CNB Project Loan, and the Association is authorized to and may utilize these additional funds collected for other related purposes, including but not limited to, payment of costs associated with the Association’s ongoing Capital Restoration & Improvement Project, which may or may not reduce the amounts that the Association has to borrow, early

² The Association has an understanding that this is the rate that will be locked as long as the closing occurs by March 19, 2025. If the interest rate changes based upon any delay in the closing date, an updated Notice will be sent notifying the membership of any change in the monthly payments that will be due. Lump Sum Payment obligations would be unaffected.

repayments towards the reduction of the outstanding principle amounts owed on the CNB Project Loan, and early repayments towards the reduction of the outstanding interest owed on the CNB Project Loan. These actions may have the effect of lowering the Association's overall debt exposure and may lower the associated costs to the Association's members making extended payments.

- Members making extended payments may pre-pay their assessment obligations without penalty once the line of credit converts to a term loan after 36 months. **However, Members who pre-pay their share prior to the conversion date of the line of credit will still have to pay their full share of Association Interest through the conversion date. Members who pre-pay after the conversion date will have to pay sufficient Association Interest to fund Lender Interest through the next bi-annual re-amortization date.**
- In the event that the CNB Project Loan does not close for any reason, the Association reserves the right to make additional attempts to procure a loan. However, to the extent such approval is not obtained or the CNB Project Loan does not close for any reason, the Association reserves the right to convert the Project Assessment to quarterly or monthly payments under a more expedited timetable that does not provide a Special Assessment Extended Payment Plan. Any such change would be an amendment to the Project Assessment on fourteen (14) days of notice.
- Any Lump Sum Payment of the Project Assessment shall be due and payable by April 1, 2025. Any Owner who has not paid in full by April 1, 2025 shall be forced to participate in the Special Assessment Extended Payment Plan, with such first payment due by April 1, 2025.

The adopted The Project Assessment is to fund the required expenses associated with the ongoing required 40-year recertification project for the repair, remediation and/or replacement of extensive portions of the common elements that have been deemed reasonably necessary for the protection and maintenance of the condominium, in addition to other capital deferred maintenance, replacement, and improvement projects as recommended by the Association's engineering and other professional consultants (the "Restoration Project" or "Recertification Project"). As part of the Restoration Project the Project Assessment will fund Material Alterations to the extent approved by the membership and/or Board of Directors, as applicable. The Project Assessment's permissible purposes also include the repayment of a Project Loan, including interest on same and associated borrowing fees, including professional / legal fees associated with the Loan taken and special assessment to fund the Restoration Project. A chart showing the allocation of the Project Assessment among the members and the monthly payments to be due under the Project Assessment Extended Payment Plan based upon the Association Interest Rate of 7.315% is attached hereto as **Exhibit "A"**.

The Project Assessment was adopted for the following specific purposes described in the Notice of the Meeting held on January 2, 2025, at which the Project Special Assessment was approved:

Total Project Assessment Amount:	\$40,000,000.00
Total Project Assessment Amount With Full Interest	\$ 72,704,150.34

Purpose:	Total Presently Budgeted for the Entirety of the Capital Project
1) Beach Access	\$95,479.87
2) Swimming Pool and Recreational Deck (EXCLUDES gym/spa building)	\$8,680,273.93
3) Gym/Spa Building @ Recreational Deck	\$2,800,000.00
4) Misc. Garage Work (Lower Level Drainage & Pipe Replacement)	\$1,560,000.00
5) 40-yr Electrical Recertification (Includes Common Areas, EXCLUDES in-unit work)	\$1,025,827.67
6) 40-yr Façade Recertification (Includes NEW metal railings, EXCLUDES Impact SGD&W)	\$16,553,283.29
7) Roof Replacement	\$2,650,000.00
8) Cooling Tower Replacement	\$1,200,000.00
9) Garage	\$2,338,758.07
10) Soft Costs Towards the Project, as Further Detailed in the Notice of January 2, 2025, Special Meeting	\$4,087,666.04
11) Contingencies	\$5,633,712.15
12) NOTE: Repayment of Line of Credit (LOC) funds (plus applicable Lender Interest and borrowing fees, and legal / professional fees) (this number is subject to change based upon funding needs)	*To the extent that Line of Credit funds are utilized to fund those purposes set forth above, then the purpose of the Project Assessment will include repayment of such Line of Credit converting to a term loan, funds plus applicable interest, and loan costs. The Association shall collect Association Interest calculated based upon a 10% increase in the interest rate ultimately charged by the Association's lender as a condition for participation in the Project Assessment Extended Payment Plan in order to fund the payment of any Lender Interest and to provide additional debt service coverage ratio, and funding in case of delinquencies.
13) Less \$2,625,001.02 previously collected under the Associations 2023 Interim Special Assessment	\$2,625,001.02

14) Less \$4,000,000.00 previously collected under the Associations 2024 Interim Special Assessment	\$4,000,000.00
<u>CAPITAL PROJECT</u> <u>TOTALS:</u>	<u>Total Presently Budgeted (excluding previously funded items, including Interim Assessment)</u> <u>\$40,000,000.00</u>

NOTE: THIS SCHEDULE OF PURPOSES CONTAINS ESTIMATES ONLY, AND THE ACTUAL COSTS MAY DIFFER. SIMILARLY, PROJECT ASSESSMENT FUNDS MAY BE USED FOR ANY OF THESE PURPOSES IN ANY ALLOCATION AS MAY BE NEEDED -- THE ALLOCATION AMONGST THE INTENDED PURPOSES SHALL NOT BE BINDING AND IS MERELY BASED UPON ESTIMATED FUNDING OBJECTIVES AND NEEDS

The first Project Assessment payment installment shall be due: April 1, 2025. You may submit your Project Assessment payments through one of the following methods:

Mail or Hand Deliver a Check or Money Order to:

Tiffany of Bal Harbour
10175 Collins Ave
Attn: Management Office
Bal Harbour, Florida 33154

Via Wire Transfer

Please Contact the Management Office for the Association's Account Information

Via eCheck

Please contact the Management Office for more information

Via Credit or Debit Card

Owners can go online at Truist.com/payments to pay by Visa, Mastercard, American Express, or Discover. Payments are processed the next business day. All debit cards issued by a U.S. financial institution will incur a flat \$4.95 convenience fee. All credit cards will incur a convenience fee of 2.95% of the payment transaction amount.

(Please contact the Management Office for your unique serial and bill pay number)

Thank you in advance for your assistance in conducting the affairs of the Association. Please call Aniana Pagan, our General Manager, if you have any questions. Her number is (305) 861-7834.

Regards,

**THE BOARD OF DIRECTORS
TIFFANY OF BAL HARBOUR
CONDOMINIUM ASSOCIATION, INC.**

**EXHIBIT "A" TO NOTICE OF ADOPTION OF CAPITAL RESTORATION AND
IMPROVEMENT PROJECT SPECIAL ASSESSMENT OF TIFFANY OF BAL
HARBOUR CONDOMINIUM ASSOCIATION, INC.**

(ALLOCATION OF PROJECT ASSESSMENT)

Unit Number or Unit Type	Percentage of Ownership per Unit	Number of Units in Line	Total Assessment – <u>Lump Sum Payment</u>	Total Assessment Per Unit Type	Monthly Payments – Extended Payment Plan (20 Years)**	Total Payments with Association Interest by Unit***
101	0.8336%	1	\$333,440.00	\$333,440.00	\$2,648.58	\$635,658.59
102	0.8336%	1	\$333,440.00	\$333,440.00	\$2,648.58	\$635,658.59
01 and PH01	0.8502%	16	\$340,080.00	\$5,441,280.00	\$2,701.32	\$648,316.86
02 and PH02	0.8502%	16	\$340,080.00	\$5,441,280.00	\$2,701.32	\$648,316.86
03 and PH03	0.7088%	17	\$283,520.00	\$4,819,840.00	\$2,252.05	\$540,492.81
04 and PH04	0.7088%	17	\$283,520.00	\$4,819,840.00	\$2,252.05	\$540,492.81
05 and PH05	0.7088%	17	\$283,520.00	\$4,819,840.00	\$2,252.05	\$540,492.81
06 and PH06	0.7088%	16	\$283,520.00	\$4,536,320.00	\$2,252.05	\$540,492.81
07 and PH07	0.6943%	17	\$277,720.00	\$4,721,240.00	\$2,205.98	\$529,435.89
08 and PH08	0.6961%	17	\$278,440.00	\$4,733,480.00	\$2,211.70	\$530,808.48

TOTALS:

UNITS: 135

ASSESSMENT: \$40,000,000.00

** Calculated utilizing the Association Interest Rates of 7.315% (calculated as a 10% increase in the 6.65% interest rate charged by the Association's lender CNB at the Project Loan's Closing on March 19, 2025).

*** Unit Owners may Prepay the Project Assessment in whole or in part, and such prepayment will affect the amount of Association Interest paid by the Unit. Association Interest on the pre-paid amount will only be charged through the conversion date to term loan if the prepayment is paid prior, or the next bi-annual re-amortization date, post conversion.