



PROPERTY MANAGEMENT
REAL ESTATE SERVICES
MAINTENANCE

June 14, 1996



Dear Homeowner:

Perhaps you have read the newspaper article entitled "Edgewater Isle Angers Residents" which was published by the Independent Newspaper Group on June 12, 1996, in the *San Mateo Weekly* and the *Foster City Progress*. This article, which was filled with innuendos, untruths, and misinformation, has slandered and damaged PML Management in general and me, Stephen Fox, in particular.

Managing a community association such as yours is an extremely diverse task that nearly defies description. Often the expectations and perceptions of the owners are vastly different from the contractual agreement that exists between the association and the management firm. As an owner of a property in a homeowners' association managed by PML Management, you are probably quite concerned about your home. To that end, I would like to set the record straight.

- First of all, I was not available for comment/interview when the reporter who wrote the article called the PML office because I was on jury duty.
- A common misconception regarding management of homeowner associations involves management compensation. We often hear that you are paying us \$150-\$200 per month per unit (depending on the unit's size) as a fee or salary for PML's services rendered on your behalf. In reality, this amount is your monthly dues, which are supposed to be made payable to your association and not to PML. Your dues are deposited directly into your association's bank account. All disbursements from the association's bank accounts require two (2) signatures, one of which *may* be the PML property manager. From its fee, which is generally approximately \$0.08 of each dollar you pay in monthly dues, PML then pays its staff which supports the management services your association receives -- property management, secretarial, clerical, accounting, etc.
- Your association dues pay for the upkeep of the common area of your complex. This varies depending if you live in a condominium, a townhouse, or a PUD. Common area includes all items for which your association is responsible -- landscaping, pool/spa, streets/paving, elevators, insurance, etc. Costs for maintenance, other than emergency repairs or minor repairs generally under \$500, are approved by your Board based on contracts which are issued in the name of your association. Your association annual budget, a copy of which each of you receives approximately 45 days before the start of your fiscal year, fully explains what monies come in and where those monies are being spent. Monthly, each Board member receives a detailed

financial statement and, additionally, you receive a copy of the annual audit, which is performed by an independent certified public accountant.

- Each homeowner association elects its own Board of Directors, usually at the Annual Meeting. This Board is comprised of volunteer association members whose job is to "run" your association, mainly through actions taken at its monthly meetings, much like the mayor/council members run a city. PML was hired by your Board of Directors to assist it in this function.
- PML is a service organization which does not have "a blatant disregard for homeowners". If PML did have such an attitude, it would not have been in business since 1975.
- I have not received an additional \$60,000 in "salary" for overseeing the litigation/reconstruction project at Edgewater Isle. The amount noted was paid by the association to the architect for overseeing the project. I do not receive a "salary" nor have I received any personal compensation from Edgewater Isle.
- I am a professional engineer, having worked for various "heavy engineering" companies before entering the property management business and am well versed with engineering and construction details.
- PML Management is in the process of responding to the Independent Newspaper Group. This will be followed, if necessary, with legal steps against it and against certain other persons. However, the slander and the damning bias in the article are already in print, and damage has been done. I hope and pray that it goes no further.

PML is a family-owned and operated business. We have been serving the needs of homeowner associations for over twenty years. My hope is for PML Management to continue to serve and support our association clients to the very best of our ability.

Thank you for taking the time to read this letter.

Sincerely,



Stephen A. Fox
President