

April 19, 2024

To the Courts Homeowners

Dear Neighbors,

Please join us on April 30, 2024, at 5 p.m. at the Estate Club or via Zoom to discuss the main waterline replacement work and payment.

After meeting with accounting and maintenance and the GRCA master community director, Jim Funk, we have determined the necessary amount is \$840,000, or \$12,000 per homeowner for the repair. Your board has chosen a contractor and we hope to begin the work as soon as possible. We realize the cost may surprise everyone and we want to offer the opportunity to answer your questions, provide context, and hear your thoughts on the board's recommended payment plan.

How did we arrive at this amount? It is broken down below...

1. The replacement of the water main line is approximately \$700,000.
2. Repaving our street costs almost \$100,000.
3. Back filling our empty reserve and empty operating account will total \$40,000.
 - a. This is a key step to put us in a more secure financial position.

For those of you unfamiliar with this issue, here is a little history to help explain where finances are today. Many of you have experienced or heard of the ongoing water main line repairs. In the past two years alone, the repair costs to the waterline have run \$26,050.00 and an additional \$11,000.00 in landscape repairs due to damage caused by the work. Watermain repairs are not part of our reserve study or our operating expenses. So, to pay these bills, our accounting department has had to use funds from our reserves and operating account and borrow from the master GRCA.

Recently, we have also incurred unplanned expenses with the sprinkler systems in our units, which has cost \$14,073.70. And just last month, the HOA had to pay for the replacement of a structural beam in building #4 that cost \$14,500.

This totals \$65,623.70.

As of March 31, 2024, our reserve account has \$1,883 and a balance due to the GRCA Master community of \$14,500.

As of March 31, 2024, our operating account has \$5,541 and a balance due to the GRCA Master community of \$14,583.

The reality is that we live in a lovely but aging community requiring substantial maintenance, much of which was not previously anticipated nor planned. **The board is recommending a vote to approve a one-time special assessment in the amount of \$12,000 per each of the 70 courts units.**

A second option for payment would be to have a special assessment in the amount of approximately \$6000 per homeowner and borrowing the remaining \$420,000 from our bank. Doing so would increase the monthly HOA assessments by \$50.

A third option, should we fail to obtain the necessary votes (2/3 of the quorum) would require allocating \$20,000 to \$30,000 per year for main line repairs, increasing our monthly assessments and continuing to endure the inconvenience of days without water.

There are several reasons the board is recommending each homeowner pay the \$12,000 in full.

1. The first is to give each homeowner the most flexibility to pay the amount at terms suitable to their budget. Whether they use cash, a loan, a home refinance, they can do so within their means.
2. Paying with today's dollars without our HOA incurring interest payments is the least expensive option.
3. No change to our current monthly assessments. This keeps our assessments competitive to what other condominium associations in GRCA pay today and may protect a seller's marketability.

We understand how difficult news like this can be, it hits our pocketbooks too. This watermain line work is overdue, we live in a beautiful community, and as a board, we have a responsibility to protect our homes values. This means having working water to our homes every day.

We look forward to speaking with you in person or via Zoom at 5 p.m. on April 30, 2024.

Respectfully, your Courts board.

Jason Rio, Kevin Coble and Ashlyn Melendez