

March 19, 2021

Dear Homeowner,

We are coming upon the third summer of repairs to the various lids atop our garage structures and have passed a special assessment to pay for the cost of these repairs. This letter discusses what has been accomplished, what has occurred since we last communicated, and where we are in the planning for the next phase of repairs.

Because there are new owners who may not be aware of the history of our lid repairs and its costs, a copy of the past two letters to the owners is posted on our website.

The initial repairs started in the summer of 2019 and was called Phase One. Those repairs were to a planter at Bldg. 31 that was leaking into a storage unit in the Bldg. 31 garage. It also included repairs to one third of the large lid between Bldgs. 61 and 71 as well as repairs to the small lid at the south end of Bldg. 51. Repairs were also made to a planter at the north end of Bldg. 65 that was leaking into the garage. Some of these repairs continued into the summer of 2020. These repairs along with some privacy screening and landscaping were paid for by a temporary loan from the Reserve Fund which was repaid by a special assessment of \$356,725 that was approved in 2020.

During the summer of 2020, Phase Two commenced with repairs to the second two thirds of the Bldg. 61/71 lid. The repairs to the first one third of the Bldg. 61/71 lid were retrofitted to meet new specifications that allowed the HOA to obtain a 10-year warranty of our lid repairs. Those unfinished repairs that were carried over from the Phase One were also completed.

With the completion of the repairs to the Bldg. 61/71 lid, Bel's landscape design for Japanese themed plantings on the lid was approved and is in progress. No soil is being used. Trees and shrubs in planters will be placed on islands in a gravel field.

Knotwood, a metal fencing, was selected to replace arborvitae that had to be removed from planters sitting on our lids and patios atop the garages. Knotwood has a wood like appearance with a grain pattern. It was selected for its low maintenance, attractive look, and long life. Knotwood has been installed on the repaired planter at Bldg. 31 and ordered for the south end of Bldg. 65, the north end of Bldg. 61 and the south end of Bldg.71.

As of the end of January 2021, the HOA has spent \$609,656 out of the Reserve Fund for work on the first two phases. The special assessment in 2020 repaid the Reserve Fund \$356,725 leaving the HOA obligated to repay the Reserve Fund \$252, 931 in 2021. That obligation will form the basis of the Finance Committee's recommendations for a second special assessment or funding mechanism for 2021.

Phase Three of the lid repairs involve repairs to the retaining wall running next to the Pine St. loop road along Bldgs. 61 and 71 as well as along the lid between those two buildings. The planters sitting on the patios between Buildings 61 and 71 and retaining wall show indications of leaks into the garages and will have to be addressed. The large berm or mound leaning against the west (waterside) of the 61/71 lid will have to be tackled as leaks are appearing in the wall it

rests against. Lastly, a complication arose with the repair of the Bldg. 51 lid. What appeared to be a retaining wall along the east side of the lid turned out to be a façade running 2 to 4 feet out from the actual retaining wall. Water was gathering between the façade and actual retaining wall. Water then leaked under the façade and under the new waterproofing causing the waterproofing to bubble up. A cost-effective solution of boring up into the space between the two walls from the garage is being developed.

This third phase of the lid repairs is rather large. It is complicated by a couple of factors. Building 61 is scheduled to have its exterior repainted this summer. Having two contractors working in the same area on different projects creates logistical problems and safety concerns. While the Bldg. 61 painting could be delayed, the size and complexity of the remaining lid repairs, especially the berm resting against the Bldg. 61/71 lid, points to spreading the Phase Three work over the next two years rather than canceling the painting of Bldg. 61.

While this work was bid upon in 2019, those bids are now two years old and unreliable. They need to be rebid. That rebidding is being done at this time.

The Finance Committee and the Board also do not want to rush consideration of these bids. Because of these factors, the Board will not present a proposed special assessment to pay for the second phase of the bid repairs at the March 2021 Annual Meeting. Before the Board asks you to approve a second special assessment on lid repairs, the Board wants you to have some idea of what your future obligations look like. What those Phase Three estimates look like may also affect how the Finance Committee and the Board proposes to structure any special assessment.

Sincerely,

The Board of Directors for the Point Edwards Homeowners Association