

Falls Village Homeowners Association

January 18, 2019

Dear Homeowner:

The Board of Directors would like to update the members of Falls Village to a water break that occurred over Thanksgiving, 2018. The main domestic water line broke several feet underground, just outside one member's unit. Bray HOA sent out Ben Rose, a licensed plumber, to repair the break. In the meantime, three crawlspaces were flooded.

The HOA's master insurance policy does not cover water breaks or flood remediation. Outside of flood insurance, no insurance policy covers water breaks underground. We have since updated the policy to include remediation costs but that does not help with the three units that were flooded.

The damage included nearly two feet of water filling the three crawl spaces, which then had to be drained. Dryers were then placed in the crawl spaces for over a week to prevent those areas from molding. Insulation had to be replaced and new vapor barriers installed to prohibit mold spores from forming. The cost of remediating those areas came to roughly \$6,000.00 per unit. A new main line was installed and that cost \$2,400.00. The insulation replacement was nearly \$2,000.00, and there were other miscellaneous costs.

The entire amount of damage from the flooding came to \$23,130.20. The unit owner with the remediation coverage paid \$6,000.00 from their claim, bringing the *total* amount owed down to \$17,130.20.

Rather than special assess this amount between all of the members, the Board chose to allocate \$5,000.00 from Reserves and take out a loan for the remainder. The loan will be paid off over the next 60 months and it will cost the HOA roughly \$215.00 per month. To cover this additional cost over the next five years, each member will be assessed an additional \$15.00 per month for that five-year period. **This means that, starting February 1st, each member's dues will be increased to \$115.00/month.**

It is always unfortunate when these situations occur but the HOA is committed to taking care of its members and the common areas. In order to reduce the sizeable assessment for all members, this option was voted on and approved by the Board. At this point, there will be no special assessment unless the bank does not approve the loan. If that should occur, the HOA would contribute the \$5,000.00 from the Reserves and all members would be assessed the remainder of the amount owed.

On behalf of the Board of Directors, we appreciate your patience as we work to fully resolve this issue.

Sincerely,

Your HOA Management Team