

Friends,

We wanted to update you regarding projects within the community and be transparent with our actions. You may have noticed that only the minimum requirements to maintain the neighborhood have occurred, which has been by design. While we want to upgrade the shelter at the park, fence along 125, add trash cans, update our sign, add kids' basketball goals, etc. We have not been able to due to the open bond on the rip-rap project. Currently, we are still liable for the 80-thousand-dollar bond that we had to take out to remove the stop order and complete the rip rap project. We knew taking that bond that damage was done, and would likely be done again, to the streets and sidewalks. Nicks completed the project on 11/20/2020. This point started the inspection and damage assessment that needed to be done by the city to release the bond.

We started conversations with the city in December of 2020 to determine what, if any, damages were present. We continued to reach out to the city through the end of March with no answer. At that time, we had several meetings trying to determine the next steps. We wanted to start with 2021 improvements but had the feeling it would be irresponsible and detrimental to the community with a financial liability still hanging over our heads. We contacted the attorney in May with no other option and asked that they draft a letter to the city requesting the bond be released due to no contact and no confirmation of damages. After several attempts, the attorney was able to get a response in July regarding the state of the project. As suspected, the city is moving forward with a damage assessment, and we will have to make some repairs. As of this notice, we do not know what we have to fix. We are currently working on scheduling an onsite meeting with the city and potential contractors in the next two weeks. I cannot give you a range of costs at this time; however, I will say that it most likely will not be cheap if the city requires us to grind out any sections of the street.

Many homeowners undoubtedly want to know why we, the HOA, are responsible for the damages. When the work on the rip rap started, it started without a signed contract, without a bond, and without a permit. This is why it was shut down and remained that way until we fixed the contract, bond, and permit. Due to an unsigned contract and apparent damage, including pictures showing the contractor did not follow protocols, and emails directing the contractor to do what they needed to, we became liable for the bond as the contractor was not willing to execute it. We had to get a bond to lift the stop-work order, and we were backed into a corner. Currently, we are the guarantor on the bond and liable for the damages. This does not mean that we are not looking at options for holding the contractor accountable (if possible); it just means we are responsible for the repairs.

Even with this news, I want to let you know that the board has been working hard this year on maintaining our community business even without new projects (that are planned). Keenan has done a fantastic job keeping the financials up to date, and our projections clearly stated, even working with the management company to track delinquencies while collecting at an impressive rate. The entire board has worked hard on working with homeowners. If you need help, please reach out. Kim has maintained her drive to continue planning projects, events, and upgrades as she always does so well and spending countless hours researching information and facts regarding the rip rap and what took place. Frank has worked almost nonstop on keeping up with ACC requests while doing minor repairs and extensive deep dives into the DCCR's when we have questions; he also headed up the effort to evict our muskrats in the north pond, he's

irreplaceable. Amanda has been more than crucial in navigating everything legal and keeping good order of the notes and minutes, especially when we get off-topic and down the rabbit hole. This group has one thing in common: a motivation to put the community first and do it the right way.

I hope you understand our situation and the decision to pull back on some much-needed repairs and improvements this year. I wish I could say the Rip Rap was behind us, and I looked forward to announcing that at the annual meeting, but unfortunately, it is not and most likely won't be before the meeting. We are hopeful to have the cost of the repairs and possibly a timeline for completion by the annual meeting. That being said, whether or not we continue as your board, the next board will have to work through this project and the budgetary issues that will undoubtedly come with it.

Thank you all for your patience and understanding; we are available for questions by reaching out to hoatimbervalley@gmail.com

Respectfully,
Brandon Pate
President, Timber Valley HOA