

June 20, 2023

Dear Fellow Homeowners,

As you are all likely aware, the cost of nearly everything has increased from food and gasoline to materials and services. The Association has experienced increases as well. This year the Board of Directors has voted to increase our monthly assessments from \$115 to \$130 per month. The good news is that across the past 22 years, your homeowner's board has kept Claridge Pointe in the black. As a result, homeowners have **never** had to pay a special assessment due to poor financial management. This letter will explain the attached financial plan for FY 2024 category by category and the reserve account asset by asset.

Our **operational costs** are increasing. To give you an example, last year the board increased funding for snow removal from \$8,500 to \$10,000. Unfortunately, our snow removal costs for this past winter were over \$14,000. No one would want to experience unplowed roads because the operational account ran out of money. Other costs have increased as well, which you can observe in the operational budget.

The other sector of financial management with which the board must deal are our **reserve accounts**. According to Nevada Law **NRS.116.3115 Section 2 (b)**, *"The association shall establish adequate reserves, funded on a reasonable basis for the repair, replacement and restoration of the major components of the common elements and any other portion of the common-interest community that the association is obligated to maintain, repair, replace or restore..."*

As homeowners, we each own approximately 1% of the assets held in common by the association. These assets are fully detailed in the attached reserve study update summary. In order to maintain, repair, and replace these components, the board legally **MUST** set aside money for future project expenditures. The State of Nevada also mandates that ALL common interest communities must project these costs over a 30-year period.

One of the most expensive costs is maintenance of our road surfaces. Driving the roads here in the North Valleys has turned into the challenge of dodging potholes. However, here within Claridge Pointe our roads have no potholes. This is due to our ridged maintenance policy. According to our Asphalt Engineering company, our road maintenance costs in FY 2025 will be in excess of \$72,000 to perform a slurry seal application on our roads. This same company estimates FY 2030 expenses in excess of \$342,000 to repave our roads. This engineering report is included with the reserve study update pages 113 thru 127. Having the reserve account properly funded prevents homeowners from having to pay a special assessment for these costs. This means that this increase helps keep the Claridge Pointe Homeowners accounts on track to pay these costs.

If you want a detailed explanation of costs for each component, please refer to the FY 2024 Reserve Study Update at: <http://www.claridgepointe.com/cphoareservestudy.html>.

We hope that this letter assists you in understanding the need for increased assessments. Thank you all for your contributions to the Claridge Pointe community.

Sincerely,



Harry P. Tolles, MBA, RSS.0251, CR, DCAL
President/Treasurer
Claridge Pointe HOA