

WADE HAMPTON
PROPERTY OWNERS' ASSOCIATION

April 12, 2023

Fellow Wade Hampton POA Members,

In January, we advised our Members that each of us should plan on capital assessments in 2023 and 2024 to fund replacement of our deteriorating lateral water lines and repairs to our damaged roads. At that time, we did not have a clear picture of the ultimate costs. It was certain, however, that we could not fund them out of normal operations and regular capital reserves.

Since then, Sandy has worked with engineers, contractors, and other consultants to obtain reliable estimates of total project cost. We were able to review and approve them during the week following a March 21st POA board meeting. I met with John Foster, CEO of the Golf Club, to review them with him on the 29th.

As set forth below and in greater detail in an enclosure, the costs are significant.

Water system repairs	\$2,950,000
Road repairs	<u>\$1,750,000</u>
Total (includes \$880,000 for contingencies)	\$4,700,000

Under the current cost sharing relationship between POA Members and the Golf Club, our POA members provide 89% of the funds to support normal operations, capital expenditures and additions to our capital reserves. The Club provides the remaining 11%. Applying this same relationship to the water and road assessment, the relative shares are as follows.

POA Members	\$4,182,000
Wade Hampton Golf Club	<u>\$ 518,000</u>
Total	\$4,700,000

John is working with members of the Club board to determine the extent and timing of their contribution to this project. However, given the urgency of the repairs, the fact that Sandy and our contractors are already at work, and the need to adequately fund current as well as future work, the POA board has adopted the three-part Member assessment schedule set forth below.

First installment due – <i>Month, Day, 2023</i>	\$8,000
Second installment due – <i>Month, Day, 2024</i>	\$5,000
Third installment due -- <i>Month, Day, 2025</i>	<u>\$4,500</u>
Total	\$17,500

Importantly, with the sole exception of lots that are encumbered by recorded, irrevocable deed restrictions against any form of structure or water use, these assessments apply equally to all lots within Wade Hampton. This cost sharing approach is based on the fact that all lots other than those with deed restrictions will benefit from the improvements to our water and road systems. At current count, the lots that are subject to this assessment include 165 built lots, 66 buildable lots and 15 unbuildable lots that do not have permanent deed restrictions.

We are hopeful that the Club will be able to provide the \$518,000 contribution to support this project. However, regardless of the Club's participation, the POA board will not assess POA Members more than the \$17,500 set forth above.

In the event that the Club is unable to support the project fully or partially, or if our allowance for contingencies is insufficient, our limitation on POA Member contributions will not impair the planned repairs and upgrades to our water system. However, because we are committed to staying within a budget of the funds raised for the project, either event might limit the roadwork repairs that we can complete.

As I wrote in January, I wish that I had less expensive news to begin the 2023 Season. However, we cannot avoid this work. And, while making the repairs and improvements will result in unwelcome disruptions, I am convinced that Sandy, our staff, and our contractors will make every reasonable effort to minimize them.

Thank you for your support of the Wade Hampton community. I look forward to seeing you in the mountains.

AI

AI Ritter
President,
Wade Hampton POA Board of Directors

Enclosures:

Additional information regarding costs, relative shares, and assessments

Project timeline

Notice of POA Member Assessment

Invoice for initial assessment installment