

1. Will it be possible for homeowners to receive a detailed listing of the damages that this loan is to cover prior to the meeting?

Yes. We will provide access to information including the final contracts that are approved which will be broken down into repairs and costs. Anything the board has, the association members have access. We are working to set up a file at Timmons just for this purpose. This will be in addition to anything we send in the "informational packet" that will be sent to each homeowner prior to our next HOA meeting. If we can make it available on-line, we will.

2. Is there any way to categorize any of the repairs as the result of an event that is NOT called "flood damage"? If we do, homeowners may be able to use their homeowner's policy as a way to reimburse a portion of the assessment.

Unfortunately, the flood is how we must categorize all repairs. Whether the damage was done by the flood or simply revealed because of the flood, there is no way to document the difference. We've discussed this issue with several individuals including the SBA that give us the same answer.

3. One question that will be on everyone's mind is how much of the financial impact will be on each individual unit for the SBA loan. That info would be helpful.

The financial impact for each homeowner will be fully disclosed. Please note that as of Friday July 23, 2010 the SBA loan documents have not arrived. Our legal team will put the numbers together and formulate those numbers which will go into the "informational packet" that will be sent to each homeowner prior to our next HOA meeting.

4. How many owners are there at Riverfront?

There are 145 units. There are a few units that are owned by the same individuals.

5. How will that be divided when some owner's have 2 bedrooms or 1 bedrooms?

The financial impact for a one bedroom versus a two bedroom will be decided based on the Master Deed. Again, our legal team will figure that out and present it in the "informational packet" sent prior to the next HOA meeting. Although in the past, special assessments have been assessed evenly regardless of the number of bedrooms per unit.

6. Is this the final amount and what does this cover?

It is the final amount we are going to get though the SBA and the amount is a worst case scenario. We asked the contractors to bid on this "worst case scenario" but believe the final amount will probably be less to actually fix. The loan will cover all damage caused to common elements and all damage caused to non-common elements. It is the associations' responsibility to repair both common and non-common elements; however, the COST of non-common element repairs is the responsibility of individual owners.

This cost, however, does not include the retaining wall which needs to be constructed. We are working with the Corps of Engineers, Metro and other organizations to help mitigate this cost.

7. What if some owners just walk away from their condo's what does that do to the one's left holding the debt?

We are hopeful that no one will have to make the difficult decision to let their property go to foreclosure. However, if it does, it depends on who owns the property when the assessment is voted on. If the bank

owns it (post foreclosure auction), then it is the bank's responsibility to pay it, if the person who was foreclosed on owns it at the time of the assessment, then the owner that got foreclosed on is responsible. If the bank or the person does not pay, we will be forced to take legal action against them for payment. Until we collect that debt, however, the HOA as a whole has to cover for those who get foreclosed on and don't pay their debts in a timely fashion.

8. Did Riverfront file a "timely" claim with our insurance? If so, did we receive the denial? If so, will this information be made available to all condo owners? Also, does Riverfront know the fair market value of the condos prior to and after the flood? This information will be needed by each homeowner who is interested in filing a casualty loss on their taxes for 2010.

Yes, and we did receive a denial. It is available through Timmons. We do not have an estimate on the value of the property; however, this number can be obtained through a real estate professional.

9. Another thing I think that needs to be considered is Timmons' culpability in this matter for their failure to secure flood insurance four years ago like they should have. They knew the property was on a 100 year flood plain and to my knowledge from recent emailing with the Board of Directors; Timmons did not get the flood insurance. Seems to be some serious neglect on their part. There should be a financial responsibility on their end to offset the amount of the loan and the amount each unit will now have to pay. Perhaps a legal issue that the legal representation that has been secured by the BoD to look into?

Timmons is not culpable. Several years ago when there was a problem with the Wolf Creek Dam; the HOA held a special meeting to determine if flood insurance was needed. Due to the fact that Riverfront is in a 500+ year flood plain; the association voted against securing the flood insurance.

10. Can't we get restoration work underway any quicker???

We are moving forward as fast as is possible while making sure every homeowner is protected and informed. The board totally understands the concerns of continued delays and is doing our best to expedite the final stages prior to our next meeting as quickly as possible.

11. Why hasn't a direct assessment already been done so that we could at least get enough for a deposit to get the contractors started?

There are two reasons for this; (1) the contractors will not get started until we have enough money to pay them when the project is completed. They have been important to securing the SBA loan and their contract is contingent upon the owners voting for the assessment and loan. (2) It is also the board's policy not to start work that it does not have the money to finish, so a down payment was not an option when we didn't have any security that the rest would ever exist. In addition, the board decided that the least impact on the HOA as a whole would be to obtain an SBA loan due to the fact that we don't have reserves to cover the costs and the huge expense of such a large special assessment would take months or years to collect. We based this on the fact that the last assessment took several months to collect and an assessment of this magnitude would take even longer, for it would be 3 to 7 times the cost.