

Dear Members,

As you are all well aware, our Club has endured **two significant floods and a power outage** that lasted a full week and damaged several appliances. I have received a number of questions, and hopefully this message will serve to address some concerns.

There are still several issues to address and we have not yet received every invoice, but we estimate the cost of the repair and rebuilding efforts will be approximately \$200,000. The Club will finance this expense several ways:

1. We are working with our insurance broker to maximize our recovery, but it is clear that not all of the damage the Club sustained will be covered.
2. The largest single cost is estimated to be \$75,000 for the rebuilding of the tennis courts. This will be financed by funds previously put aside via the Long Range Plan, made available from depreciation, a non-cash expense we incur each month.
3. The balance of the expense will be funded by the Club's reserve account, which we have been building over the last several years.
4. Lastly, we do have a line of credit available to the Club, but it is our hope not to draw on it.

Given the strength of the Club's balance sheet and operating results in recent years, the Board of Governors is not contemplating a mandatory assessment at this time. However, it is important to note that we have had several staff members in a variety of positions significantly impacted by the Club's closure, and as a result, we are asking for a voluntary donation to help compensate them for their efforts. Anyone who participated in the July 4th or July 7th clean-ups can attest that our staff has gone above-and-beyond and are doing things well outside their job description. They have worked long hours to get the Club re-opened as soon as possible, and in doing so, have saved us a significant sum by utilizing in-house expertise.

All donations received will be used solely to reward our deserving staff, keep long-range planning efforts on track, and ensure we restore our Club to its pre-storm standard. Your next monthly bill will include an option to make such a donation, similar to the December bill in which you are provided an opportunity to make a year end gift to the staff.

Lastly, I would like to thank everyone who was able to attend the clean-up days, as well as all of those who have given support and counsel in recent weeks. See you on the courts or by the pool soon!

David Johnston, Treasurer

Storm Damage July 2, 2018

