

April 26, 2024

TO: All Shareholders,

Palm Worth has renewed our insurance policies for 4-14-2024 thru 4-14-2025. The new premium came in at \$307,597, which is a reduction of \$36,000 from last year's premium.

Palm Worth qualified for Citizens Insurance by completing the new roof by April 1st.

Without the new roof, the premium would have been over \$400,000. When Citizens offered its quote, it piqued the interest of a couple of private insurers and one of them came in with a premium \$5,000 under Citizens which we accepted.

When the 2024 budget was put together last fall we did not know what the insurance cost would be so we used the prior year amount anticipating a savings with the new roof and thinking insurance rates might hold steady.

Insurance rates, however, continued to increase in the state which resulted in a budget shortfall for Palm Worth of about \$75,000. We understood that there may be a shortage but believed inflating the budget for a possible shortage was not in Palm Worth's best interest. Palm Worth will cover \$37,000 of the shortfall with the Comcast expired contract amount that is now available. Another portion of the shortfall may be covered by being under budget in our contingency account.

The Milestone Inspection has been completed. The engineer has advised that our buildings have no structural issues. However, we do have some concrete spalling along our walkways which will require some concrete restoration. In order for the engineer to submit a "clean" Milestone Inspection Report for Palm Worth, this work needs to be under contract. If not, the Inspection Report will remain open and require more engineering inspection, etc. in future when the work is done. The Board has voted to do these repairs as soon as possible at a contract price of \$34,300 to facilitate Palm Worth fully

passing the Milestone Inspection. According to the contractor, the contract work should be completed in 2 weeks and will begin once the permit is obtained.

Whatever shortfall we end up with will need to be covered by an assessment in the fall.

We will also know by then if we need to add to our reserve accounts to meet the new state mandated reserve study results.

Thanks,

Board of Directors,
Palm Worth