

## Why Charleston Court Is Still in Debt over \$800,000 plus Interest!

This summary explains how our community's roof project was funded, why we still owe money, and how the loan affects homeowners today. *We have a more detailed document that you may request by emailing us at the email below.*

### How the Roof Project Began

When Charleston Court's roofs began failing, the Board moved forward with a replacement project. In 2019, homeowners approved a change to allow the HOA (Board of Directors) to handle the shared roof replacements only and assess or borrow money if needed.

### The Special Assessment and Loan

In early 2021, the Board created a special roof assessment for **\$1,649,999.84**. About two-thirds of homeowners paid in full, bringing in **\$1,004,790.88**. The rest (**\$645,209**) chose a deferred payment plan, so the board took out a **\$1,117,339.39** loan from Valley National Bank to cover the remaining costs. The loan runs for 10 years at **3.95%** interest with monthly payments of **\$11,980.82 until year 2032 from your quarterly payment dues.**

### Using HOA Funds for the Roof (even with the loan)

Without conveying this enormous financial decision to the community, the Board decided to use \$500,000 of HOA funds—money originally earmarked for landscaping, maintenance, and reserves—to help start the project. Under **Florida Statute 720.303(6)(h):** *“Reserve funds may only be used for their intended purpose unless approved in advance by a majority vote of the total membership.”* **The Board moved forward using these funds without your vote.**

### Flat Roof Repairs – Structural Problem

The original roof plans only covered 'shared roofs replacement, not structural repairs. The Board knew many flat roofs were structurally rotting back in 2017 but did not include them in the original bidding requirements or assessment. The contractor, Reliable Roofing, lacked the license for structural repairs. Without approval from the homeowners affected by the need for structural repair, the Board hired Eagle I Construction, adding about **\$370,000** in extra costs—**paid from reserves and adding to the loan without seeking homeowner's votes and keeping the community in the dark regarding the specific developments and financial impact on the community.**

We discovered in the December 2021 financials that **\$72,050** was spent on balcony beam repairs from the HOA operating budget. These repairs were also structural and benefited a limited number of homes and were not part of the shared roofing project.

### Mismanagement of the Roof and Funds

The handling of the roofing project demonstrates a broader pattern of mismanagement and lack of fiduciary oversight by the Board. Despite obtaining homeowner approval for the shared roof amendment and assessment, the Board failed to properly distinguish between the shared roof replacement and the additional flat roof and balcony structural repairs later undertaken without membership consent. The project expanded beyond its authorized scope, and significant expenditures—including payments to contractors and engineers—were made from Association cash and reserves. These actions collectively raise serious concerns about the Board's adherence to its fiduciary duty to act in the best interests of the membership and maintain clear, lawful management of Association funds.

### Where Do We Go From Here

Based on the flawed financial decisions by the board the community will be paying off these loans until 2032. Additionally, it is impacting our ability to effectively meet the financial needs of our community moving forward.

**Therefore, a new board is needed moving forward to bring fresh eyes and ideas to improve our situation, and regain the trust of the community.**

- Principal borrowed: **\$1,117,339.39**
- Interest rate: **3.95% (effective annual rate ≈ 4.02%)**
- Actual effective rate with fees: **≈ 4.3%**
- Term: **10 years (2032)**
- Monthly payment: **\$11,980.82**
- Total payments over 10 years: **≈ \$1,437,700**
- Total interest paid: **≈ \$320,400**

*Including the \$1 million in direct homeowner payments, Charleston Court homeowners will have paid over \$2.7 million*

**Please take the time to complete our small survey, following the link from this QR code.**



*Our community has not had a quorum to elect a new board in over 20 years. Please reach out to us for more information at [freshoutlook2026@gmail.com](mailto:freshoutlook2026@gmail.com)*

*March 2026 will be a new election! This document was prepared by your neighbors for community transparency and understanding of Charleston Court's financial position*