

Q&A Session – Clubhouse Rebuild Project Presentation – 2024- Jan-18

Q1: How many members in good standing can vote, that are not?

Answer: We have 756 Members in Good Standing as of today. In the last two Clubhouse votes, 468 and 441 valid votes were received.

Q2: Current Proposal is for \$126 every 6 months for 20 years. What were the previous requests?

Answer:

Vote 1 \$208.

Vote 2 \$141 for the core. Additional 5 options available to vote on totaling \$56.

Q3: Are we sacrificing a lot by taking a step down in funding?

Answer: The front entry driveway and patio are no longer in the priority 1 scope. The vestibule updates are still in this plan, and the warming area at the same size as last time, is still in this scope.

Q4: The fitness center and the outdoor items are not in the estimate for the primary scope, right?

Answer: Correct.

Q5: The project cost is estimated at \$1.8 million. Do you know someone who will commit to doing this building at that cost.

Answer: The architect firm created detailed drawings, and they have a construction side of company that provided the estimates. The committee is confident in these figures. They were updated in September to include the current construction cost inflation.

Q6: What happened to the upstairs area?

Answer: This area will be used to house the mechanicals. It will no longer be meeting space. The stairs will be removed to optimize the 1st floor space.

Q7: Will the warming area have decent appliances for food and events?

Answer: The food warming area is a very simple concept, with countertops and room for some basic appliances. We removed them from the project estimate since, if they do not fit onto the project, we can purchase appliances to meet our needs within our operating budget or using outside funding from people or clubs. There WILL be appliances, and the footprint, power, and plumbing are designed for them being there and used.

Q8: Can we bring coolers, crock pots, and other items into the Clubhouse?

Answer: Absolutely yes.

Q9: Our Clubhouse building has withstood many years and many storms. Where is the money going to come from to maintain the building?

Answer: It is covered. The building is included in the Capital Asset Spending plan, and in the Operations plan, and all long-term expenses have plans for replacement with their projected lifetime. This was a part of the Financial Stability Plan voted in early 2024. The Lake Work Plan has maintenance items for the Clubhouse on a weekly, monthly, quarterly, and annual basis. The Operations Plan has the ongoing long term maintenance expense items as well. The maintenance cost will not come from the Clubhouse Assessment.

Q10: Will the building be insurable once it's complete?

Answer: Yes, the building with the proposed plan is insurable. That is one of the main reasons the Clubhouse Rebuild team is recommending this scope. It will produce a nice, usable building with a reasonable scope of work to have a building that can be approved by the Fire Marshall, the county, and meet the insurability requirements of CIC. If the building is not restored and built to current code, then it will be either uninsurable, or have such inflated premiums that we could not reasonably afford to insure it.

Q11: Is the insurance cost covered in the Assessment dollars?

Answer: No, the insurance premiums are built into the operations budget.

Q12: Within the \$1.8 million, how much contingency dollars are built into that plan?

Answer: 13.3% which is lean for a construction project. We must be very tight with our spending and may have to cut scope, but we guarantee we will have a nice building for the current proposed amount, that is insurable and meets the needs of our Membership.

Q13: Why do we have to have separate restrooms for exterior access vs just using the interior ones for both? Can we have unisex bathrooms?

Answer: To ensure safety of those using the restrooms and to properly secure these restrooms, they must have a separation. There were designs that combined them, but it was not reasonably securable and has issues with fire code egress. Many design options were considered, the proposed design is the most optimal.

Q14: Will this loan be on top of the borrowing we already have for the dredging fund?

Answer: Yes, we have a 15-year dredging loan. The lake assessment is \$300 in perpetuity. The Clubhouse proposal is for 20 years and then goes away.

Q15: How much of our insurance covers the codes?

Answer: The code upgrades are included within the payout from insurance. It covers the cost of upgrades complaint with code that were within the fire damaged area (restaurant, and a portion of the main hall). We will continue to maximize funds from the insurance settlement. The maximum we could potentially receive for code updates is \$10,000 per our policy limit.

Additional information: There are limitations to what insurance will cover for code updates. Example 1: If there was a requirement for wheelchair access but there wasn't any prior to the loss date, then the policy would NOT pay to put that access within the build. Example 2: If there is a fire wall requirement update, such as insulation rating/material needed to be increased, that cost to UPDATE to code is covered up to the policy limits.

Q16: Will this be an electronic vote?

Answer: Yes, this will be an electronic vote. A test run (trial) will be done before the official vote.

Q17: Will LLPOA members have access to this facility?

Answer: Yes, we will set up a system to be able to give Members in Good Standing access. The membership will have priority and will be able to schedule open events or private events. This building is the Membership's building and will meet the needs of our use. There could be a schedule, a keypad, RFID access... all is yet to be determined and will/can evolve depending on the members wants/needs for use. We hope that we can work together as a community after it is built to ensure the system fully meets our wants/needs for access.

Q18: Will there be camera and security?

Answer: Yes, there will be cameras and security access for the building. We don't think this is sufficient to allow open unstaffed access. The risk of damage is deemed to be too high.

Q19: How did you come up with the cost estimate?

Answer: North Shore Design, a highly regarded company in Cincinnati, has architects and a construction side of their company. They provided costs for each line item to restore the clubhouse under the proposed scope. There were also other construction companies that have provided estimates on a broad and focused scope. There are several estimates and data points to build this plan. Our code requires us to get a minimum of 3 bids. Those construction bids may be lower, on-par with our current estimates, or higher.

Q20: Will we be charging Members to use the clubhouse?

Answer: This is undecided. The Clubhouse will not be a profit center for the lake, that is not the goal. The goal is to get a clubhouse that we can use – and to charge each of us a low cost (like a cleaning fee maybe?) or, if possible, at zero cost.

Q21: What is the tentative schedule for the clubhouse to open back up?

Answer: As soon as we PASS a referendum, we will work diligently to get our Clubhouse back into operation as soon as possible! The estimated schedule at this time is a 6-8 month construction bid process, then a year for the build. Breaking ground in 2025. Projected end date IF this proposal passes is end of 2026. We WANT to get to work on this, Vote YES so we can get started!

Q22: How was the Architect paid? Was there ever consideration to use the money received from insurance to just get the doors open?

Answer: The money for the architect came from a portion of the insurance payment. We do not have the capabilities to rebuild this ourselves, we need to bring in professionals and experts to do the rebuild correctly. And this project must meet the standards for occupancy, for the fire department, and for code compliance. It is not feasible for unlicensed contractors or Members to do this project at the scope needed to reopen the building. There will be smaller projects Member can contribute time and effort into do improving, but the core scope must be done by licensed contractors to get our occupancy back.

Q23: How will Members in Good Standing reserve and access the building?

Answer: The LLPOA staff and Board of Trustees are committed to getting the most simple, fast, and fair access to the Membership while protecting the building and its contents. We will simplify whatever process the community what to use for access.

Q24: Does this Clubhouse have room to grow if we wanted to put in a restaurant?

Answer: The site masterplan has space allocated for future build outs including a restaurant if the community ever wants to do that. This future possible restaurant could be attached to the Clubhouse, near it, or even in a different location like near the entrance off Hwy 131.

Q25: Will a generator be installed?

Answer: A generator is currently not in the project scope at this time. If we determine it's a good idea to have one we can pursue that while we build it, or at a later date.

Q26: Is the Clubhouse going to be a major event center for outside people to use?

Answer: NO. This will be a nice building; it will be attractive to our LLPOA residents and potential buyers. This is intended to be a profit center for us. This building is built for the primary use of our members, NOT outsiders. We are not saying outsiders may never use the building in the future, but we are saying the Members get priority usage of the building.

Q27: Can people come into the office to register for association votes?

Answer: Yes. Members can register by contacting the office, returning their door hanger, complete and turn in their vehicle registration form, emailing the office, or coming in person to the office.

Q28: What will we have to sacrifice with the design because of lowering the assessment amount?

Answer: The patio and driveway were moved off the Priority 1 list to reduce the cost some more, to try to match what we hope Members are comfortable with paying. If we have the funds available or get sponsorship/ volunteers to support the projects, other Clubhouse items can be added back in. There are several variables with this project that could allow us to include more scope or instead require us to reduce scope. Some of the variables are: if MIGS collection rate are higher than expected, if the contractor bids or more or less than projected, if inflation rates increase or decrease. The team will have to adjust the scope accordingly. We WILL provide a nice building that meets the needs of the community, that we can get occupancy for, and that is insurable if this Assessment is approved.

Q29: Did the team do research to understand why people voted “NO” on previous ballots?

Answer: Ballots are secret, so no one knows who voted which way. Several focus groups, surveys, and one-on-one meetings were conducted to understand the community’s needs and develop this proposal to the community, that we believe the community will support. On the <https://lakelorelei.com/clubhouse> website the team has attempted to answer all the questions they have heard from our members.

Q30: Will there be opportunities to sponsor smaller projects, parts of the Clubhouse project that were removed?

Answer: Yes, community members, clubs, and committees can support and sponsor parts of this projected.

For \$126 every 6 months, for 20 years, the committee believes they can deliver an attractive building that brings the community together, for our residents to use.