

Lake Information Meeting

2.2.25

- Started meeting at 4:05
 - We are keeping a low pool of water so that we can keep pressure off the dam and keep a small pool of fish to keep smell down and help us rebuild the lake when it comes back to full pool
 - Looking at a loan, interest rate for an HOA loan is 2% higher than a normal loan
 - We have looked at the banks that we use and other banks to see what they can offer us
 - The bank that we currently use (Bank OZK) can offer us a loan as low as 7.8%
 - We have not looked further into a loan to see what exactly is required as far as collateral, we looked to see what we would qualify for budgeting purposes only right now
 - Brian Kemsey is the engineer with Carter Engineering that we have been working with so far and that we are looking to continue to use. He thinks that we may be able to do the full project for around \$100,000
- Will opened it up to questions from the neighborhood
 - Brian Kapes - Asked about the steps included in the engineering process
 - We turned it over to Brian Kemsey to give his expertise on the process and answer questions
 - If we do the conceptual plan, it gives us a couple of options but it does delay the process.
 - The second option, and that he recommends, is he just writes us up a full plan, we purchase the plan from him so the contractor(s) can bid on the work
 - The two basic options are syphon systems and a large pipe system. He said that anytime he is able he goes

with a syphon system. It lasts longer and has less maintenance

- A pipe system will only last about 20 years and a syphon system will last 50+ years
- The neighbors were given a chance to ask Brian any of their questions
- Many neighbors voiced that they want the old pipe completely removed and Brian agreed
- Brian answered all questions from a professional standpoint and gave the best honest pricing ballparks he could but clarified exact numbers for construction are not possible without the full design
- Once all questions were answered Brian Kemsey was allowed to leave
- How do we cover the cost?
 - Our covenants say that we can only do a special assessment for the amount of our current annual dues so for the 2025 year that would be \$429
 - The only collateral that we have to offer to a bank is the annual dues amount, special assessment amount, and common areas
 - If we only pay the minimal special assessment amount each year it will cost every member much more in the end.
 - If members pay as much as possible in advance, it will drastically reduce the amount of interest we will all pay, any overage paid will be kept for you in writing, and if you decide to sell your house it will be applied to the new homeowner as a credit towards ongoing special assessment until lake project is fully paid
 - Examples were given: A. We put no money up front and borrow 100,000k @ 8% for 10 years, 1214/month bank note, we pay 45,600 in interest alone. 71 homes= 2051 each. B. 8 homeowners pay 3000 each, 5 people pay 1000 each and hoa funds 15,000 we borrow 56,000 @ 8% for 10 yrs, 860/month bank note, we pay 25,532 interest alone. 71 homes = 1600 each C. We pay option B off in 5 years instead of 10 1136/month bank note, we pay 12,130

interest alone. 71 homes= 1370 each. We have some members who have already paid in advance and several others committed to do so also but want to see more exact numbers first

- Once all questions were answered we discussed our next course of action

- The neighborhood voted to buy the design using Carter Engineering for \$12,000. Then pursue bids from contractors including Griffin Bros to get an exact number for construction. The motion was made by Don Rose and seconded by Steve Brantley. All present at the meeting voted and agreed. None opposed. It will take 3-4 weeks to get the full design then the board will make a decision on the contractor to use. Once we get to that point we will know more exact costs per homeowner, how many homeowners will pay in advance, and how much we need to borrow.

Meeting adjourned at 5:45 pm

Members present at the meeting:

Lisa Gee

William Gee

Ken Johnson

Kevin Williams

Charm Radford

Mark Radford