

August 17, 2018

Dear Homeowners,

At this year's Homeowners' Meeting, we will be voting on a budget for the 2018/19 fiscal year. The budget includes a 5% increase in annual dues. This increase is necessary to meet operating costs and to keep our capital reserve appropriately funded. We have been able to keep dues constant for a number of years. However, an increase is now necessary to maintain our property and provide salaries to retain quality staff.

In addition to these costs, our loan with Mutual of Omaha will be up for renewal in February 2019. It is a 15-year loan, renewable every five years. The current interest rate is 4.75%. This rate is based on the Treasury Constant plus 3%. At the time of the loan origination, the Treasury Constant was 1.75%. Within the last year the rate has been increasing and is currently at 2.77%. If this trend continues we will have a higher interest rate at the time of the renewal. The Board is looking into financing options which will provide a fixed rate for the remaining 10 years of the loan. This item, as well as others, will be discussed at the September Homeowners' Meeting.

We hope you will attend the meeting and annual reception that follows. If you are unable to attend, please return your ballot which includes Board member elections and recommendations for budget approval.

Thank you,

Board of Directors