Subject:                Lake of the Four Seasons (LOFS) Dam Remediation Update

Date:                    January 11, 2016

From:                    HAH Management Committee

We are writing to share several new developments in the LOFS Dam remediation project.

First, on December 23rd, our engineering consultants 2LMN and Terracon submitted the completed remediation construction plan proposal to ODNR. Since then, the engineers have been communicating with ODNR, and we are optimistic that ODNR’s approval will be forthcoming shortly. This is an important milestone, and we will let the membership know once it is received.

Then, on December 28, we received a revised engineering estimate of $2,627,649 from 2LMN for the projected cost of the remediation project. This is higher than the planning cost estimate calculated a year ago of $1.5-$2.0M (see January 16, 2015 LOFS Update on the HAH website). 2LMN was asked to be very conservative in their projections, but several changes have also been made to the original plans. Some of these changes are due to ODNR’s requirements and others have been at our own request. For example, the emergency spillway had to be made much larger and we have widened and lengthened the boat launch. The larger spillway also requires us to relocate the access road.

The estimate also includes a 10% contingency amount and a 12% engineering administration fee. This revised engineering estimate document can be found on the HAH Club website www.hideawayhillsclub.com under the Members tab.

It is important to note why an estimate is being used at this time. The HAH Code of Regulations requires that the Board of Trustees approve ballot language for a special assessment at least 90 days before a vote can be taken. Given this timeline, we couldn’t wait for construction bids to be gathered to get an actual cost figure since that could delay the dam construction for several months potentially into summer 2017 due to the loss of needed warmer-weather months. By using the estimated amount now, we can keep the process moving forward.

Consistent with this, the ballot language was written to authorize a special assessment of “up to $3950 per member account.” We are hopeful that the bidding climate will be positive, the amount can be reduced and that construction can begin as soon as the weather allows this spring.

The amount of the per-member account special assessment was calculated in the following manner. HAH has 712 member accounts. To be cautious, we also felt it was important to add a 7% default projection to the $2.62M amount. Note that it is Club policy to actively pursue any and all payment defaults, but a cost for doing so exists and must be recognized. The total was then divided by the number of accounts.

The Board of Trustees met on January 3rd and 10th to approve the proposed ballot language which will be voted on at a special meeting of the entire membership scheduled for **Sunday April 10, 2016**. Absentee ballots will be available prior to the meeting according to the Code of Regulations.

Meanwhile, we continue to work with a number of banks and financial institutions to assure that we obtain the best financing available. The length of the loan will most likely be five years, as commercial loans to homeowner associations are commonly this length as opposed to the 30 year single home mortgage that is familiar to all of us.

A new drawing of the proposed dam structure can be found on the Club’s website, and you are encouraged to give it a look. Briefly stated, this will be a new dam with a crest that is 70 feet downstream from the current dam. The shoreline will also move.

The dam structure will be described in more detail at the informational meetings to be held **on Sunday, January 24 and Sunday, February 7 at 1 PM in the Lodge Dining Room**. At each of these briefings, information will be provided on dam design, construction plans and the financing options.

Thank you for your continued patience and support. Please be assured that the Management Committee appreciates this has been a long process for all of us over the past two years. It is also important to realize the HAH Club has now spent over $300,000 in precious Club funds to analyze the problem and develop the plans that we hope to soon undertake. We are all committed to seeing this through to a successful conclusion.

 As a reminder, this topic is discussed at every Management Committee meeting (second and fourth Tuesdays) and at each Board meeting on the third Tuesday of each month. You are encouraged to attend to ensure you are getting the most accurate and current information on this topic between email briefings.

HAH Management Committee: Jim Krygier, Chas Cross, Paul Heimberger, Jim McNabb, Jim Sigafoose