

POOL PROPOSAL

FREQUENTLY ASKED QUESTIONS

ADDENDUM #2 8-19-25

This addendum is in response to some detailed financial questions which were asked. Some of the answers would have required speculation which we will not do.

HOW WAS THE SELLING PRICE DETERMINED?

This is the offer price from the seller. There have not been any negotiations or discussions regarding it. Likewise, the offer contained some terms and conditions which would be part of the feasibility study or negotiations.

WHAT ARE THE COMPS, COMPARATIVE LISTINGS OR OPTIONS?

Under the directions given to the Pool Committee by the Board, they were to consider other options. The committee researched buying nearby property on which to build a recreation area. The research reported that any property of suitable size for development would cost an estimated \$1M before any clearing or construction. The estimated costs would likely exceed \$2.5M. The committee also inquired about leasing the recreation area and the owner was not interested.

WHAT ARE THE PROFIT AND LOSS DETAILS OF THE SWIMMING POOL FOR BIRKDALE GOLF?

We do not know, and we do not consider it to be relevant. The two financial circumstances are not comparable. It has been reported that the membership was declining rapidly and that was the entire source of income.

ARE THERE OTHER INTERESTED PARTIES?

We are not aware of any.

HOA PROVIDED INFORMATION INDICATES THE POSSIBILITY OF DOUBLING OF CURRENT DUES IN ADDITION TO A SPECIAL ASSESSMENT FOR A DOWN PAYMENT. IS THAT CORRECT?

Doubling current dues is possible. As stated in the questionnaire, the dues might increase by up to \$450 annually. That is in addition to the current dues of \$420 annually. That amount is still an estimate. There is no plan being considered that would require a special assessment. An exact financing plans has not been discussed.

RECENT HOA FINANCIALS INDICATE 11.1% OF HOUSEHOLDS ARE IN ARREARS. WHAT WOULD HAPPEN IF THE COLLECTION PERFORMANCE WAS WORSE, AND BIRKDALE WAS NOT ABLE TO OPERATE THE POOL SAFELY OR FULFIL THE REPAYMENT COMMITMENT?

These are conditions that will be considered during the feasibility study.