

Lowe’s Ferry Property Owners Association

 P.O. Box 732

 Louisville, TN 37777

August 5, 2016

To All Lowe’s Ferry Property Owners

Re: Lowe’s Ferry Annual Maintenance Dues 2017

Dear Owners:

As discussed at the 2016 POA Annual Meeting in March, the Board reported a $15K deficit in the 2015 Income Statement and a $25K difference in last year’s actual costs vs. budget. Given the size of Lowe’s Ferry, the POA was informed that cash reserves should be equivalent to 1 to 2 years of total budget ($155 – $310K). Lowe’s Ferry Year End 2015 cash balance of $35,889 is totally inadequate for long-term management of the development.

Also discussed at the annual POA meeting was the matter of future capital expenditures for repaving the 4 miles of private roads within Lowe’s Ferry. Repaving costs for the 4 miles during 2016 is just under $300K, with a forecast cost increase of 10-15% per annum over time, subject to oil prices. This translates to $3K - $4K/lot, subject to timing. With approximately 70% of Lowe’s Ferry still undeveloped Lots, the timing of repaving will be subject to wear and tear during current and future construction.

After considerable deliberation, annual POA Dues will be increased for the first time in 3 years. Effective January 1, 2017, POA Annual Dues will increase from $1000 to $1500. Dues will be billed in increments of $750 in each January and July. There is no change in 2017 Marina Dues of $600, which will continue to be billed in January.

The increase in Dues is designed to cover the ongoing cost of maintenance & mowing of common areas and undeveloped lots, to cover potential near term patching/sealing of roads, and to build emergency reserves. The Board cannot be certain this increase will be sufficient to cover the future cost of repaving, and recommends Owners set aside additional funds for future road repairs.

Should you have any questions, do not hesitate to contact us.

Board of Directors

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