

Whispering Brook Homeowners Association

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Jeremy Stanizzi & Jeff Cook — NH Business Finance Authority
135 North State Street, Concord, NH 03301

Re: Repayment plan for potential DES loan funds

Jeff Cook & Jeremy Stanizzi,

This letter is written in response to your office's request for clarification of the Association's plans to cover the increased debt service from the proposed DES loan.

As noted in the financial records sent separately by our bookkeeper Karen Burton, the Association does not carry any debt. To date, we have paid for all projects and services, at every scale, through funds saved as a capital reserve line item, or through special assessments.

Meanwhile, the officers of the Association, for the past few years, have worked proactively with Karen Burton to implement a sustainable budget that looks ahead toward potential expenditures and large projects, and plan for those upcoming expenses. We have annually agreed, as an Association of twelve homeowners, to gradually increase our monthly dues, so that we are able to meet all anticipated annual expenses, place funds in a capital reserve line item. As of next year, this will also include budgeting to address repayment of the NHDES loan, if we are approved to receive those funds.

All homeowners have unanimously agreed to the monthly increases, every year, which are implemented after approval at our annual meeting. Additionally, we held a special meeting last week to further approve an increased borrowing limit from NHDES and to review again the repayment plan through an increase in monthly dues.

Based on the total amount we borrow from NHDES, we will budget monthly increases per household to pay the low-interest, long-term loan. This is the rough calculation that we used to estimate the cost per household if we borrow what we originally anticipated, which is \$150,000. Currently the dues are \$275/month/household. Next year, we anticipate that they will increase by a minimum of \$60/month/household. *Quick calculation: \$715/month repayment total = \$60/month/household allocated to loan repayment.* That anticipates repayment of about \$9,000/year for a low-interest, 20-year loan. We provided this estimate as an examples at the annual meeting, so people could plan realistically for the additional cost to each household. Again, the plan to approve and invoice for additional monthly dues was approved unanimously at both our annual and the special meetings in 2022. The meeting notes were submitted to NHDES, but are also available for you review as additional documentation, if you need to receive those.

We understand that the final borrowing amount may change, and thus the cost per household may be adjusted, but the members of the Association have indicated that each household can handle increased monthly dues once repayment begins. To date, we have not had anyone fail to pay their dues, although households vary on their payment plans. Some pay one-lump sum annually while others spread it across the year as monthly costs. I hope this clarifies our repayment plans.

Respectfully,



Gail Pomeroy Doktor, President of Whispering Brook Homeowners Association