

Mike says that the Southern States in Winchester would be more than happy to help you select the proper fertilizers. They carry all of them.

Please plan on stopping in, getting educated on your options and doing your part to help us keep our pristine lake clean, and beautiful.

Submitted by the Lake Committee

Treasurer's Corner – John Martel, LHCC **Treasurer**

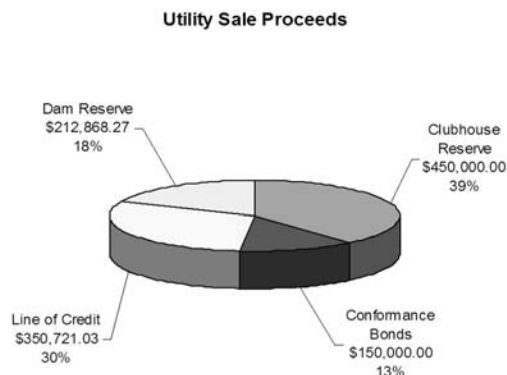


In this month's Treasurer's Corner I'll discuss the uses we've made of the proceeds the Association received from the sale of Lake Holiday Estates Utility Company to Aqua.

In August 2005, the Association entered into a sales contract with Aqua Sl. Inc, a Virginia corporation that provides utility services throughout the state, whereby Aqua would acquire the assets of our utility company. Although it took longer than we'd originally anticipated, all the necessary paperwork was completed, approvals were received, and the sale finally closed on December 31, 2006.

During the first week of January 2007, Aqua transferred sales proceeds totaling \$1,163,589.30 to our local bank account.

As shown in the accompanying chart, we distributed that total into four sub accounts. First, we restored \$450,000 (or 39% of the total) into the account previously set aside for funding the clubhouse renovation (Clubhouse Reserve account). (See correction statement below regarding the clubhouse reserve account.) Another \$150,000 went to the Conformance Bond escrow account. We paid off the balance of a line of credit we had opened at a local bank and placed the remaining \$212,868 (18%) into a reserve fund set up for future work that will be required to bring our dam up to the new state standards.



In order to keep the utility company operating during 2006, it was necessary for the Association to make a number of loans to LHEUC. In order to maintain the Association's cash flow it was necessary to "borrow" from the Clubhouse Reserve and Conformance Bond escrow Accounts as well as open a line of credit at a local bank to provide the funds the utility company needed. As the first order of business once we received the sale proceeds, we restored the funds we "borrowed" from ourselves as well as from the line of credit. The Board elected to set aside the remaining funds in a reserve account that will be used to provide funds for the future modifications required to be made to our dam.

In addition to the cash we actually received in January, Aqua has placed in escrow an additional \$50,000 that will be released to us once the on going law suit is finally closed. With the release of the escrowed amount, we will have received a total of \$1,213,589.30 for the utility company sale.

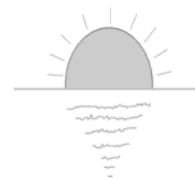
As the final condition of the sale, Aqua will pay the association \$76,000 each year for the next 15 years providing certain conditions are met. In years one through eight, these payments are conditioned on at least 70 homes being connected to the utility system each year; in years 9 – 15, the payments are conditioned on at least 30 homes being connected to the utility system each year.

Taking all these figures into account, the total proceeds from the sale of the utility company could equal \$2,353,589.30

Correction: In last month's article I stated incorrectly that the \$450,000 in the Clubhouse Reserve account had been set aside from prior years' assessments to fund the clubhouse renovation. In fact, the \$450,000 had been set aside proceeds received from the sale of Association-owned lots. Sorry for the misinformation.

Next time: The first quarter LHCC financial performance.

Sunset Social Pot Luck Dinner



All Adult Lake Holiday Residents are Invited to:

**Meet and Greet your Neighbors
At a Pot Luck Dinner**

Bring your favorite beverage and a dish to share.

Last Saturday of Each Month
6:00 at the Community Center

For Information Call:
Pat Poyer (888-9329),
Robin Pedlar (888-4024) or
Sandy Pulizzi (888-3905)