

Lender-Owner Information

This document provides information for Lenders and Owners dealing with Lenders. In particular, this document provides key insurance information needed by lenders to close loans. The document also includes additional information that may be needed by a Lender.

The Lagoon Townhome Condominium Association is composed of 2 “amenities buildings” and 37 “residential structures” which include 172 individually owned Units/Residences. There is one more residential building incorporating 3 new townhomes planned and permitted within the Lagoon development, in the area between Buildings 737 and 741. Construction will proceed based on local real estate and financial market conditions.

The Lagoon complex is primarily a residential community which is governed by the Declarations, Bylaws Rules and Regulations of the Home Owners Association. The HOA deals only with, and through, Unit Owners on all matters. It does not deal with renters (long or short-term) or Rental Companies, and all fines are assessed against Unit Owners, who are responsible for ensuring that all renters obey the rules and regulations of the HOA by incorporating them into any lease agreements.

The HOA respects the confidentiality of its Owners and does not collect or maintain any information related to how many Units are occupied by Owners versus Renters, how many Owners choose to rent their units, either on a long-term or short-term basis, nor does it keep any record of Units for Rent or Sale, or Unit sales histories. If that information is required, it must come from local real estate professionals.

The HOA will provide individual Unit Dues accounting for real estate closings upon prior written request.

The HOA maintains all required Insurances, including General Liability, D&O Liability, Automobile, Property Loss and Fidelity Insurances. The proof of insurance can be found in the “Documents” page of the Lagoon website (www.lagoontownhomes.org).

The Fidelity Bond of \$150,000 is an amount more than three times the monthly Dues income of the HOA.

Owners are responsible to obtain individual insurance for their property and should ensure that it is effectively coordinated with the HOA provided insurances to prevent overlaps or gaps.

The Dues assessed to individual units vary based on the category of the buildings and the services provided to those units. For example, some buildings have central hot water heating systems where the HOA pays the bills, while others have stand alone furnaces or heaters where the individual Owners pay the utility bills. The current (Sept 1009) base dues are \$330/month, which funds are allocated between “Operating Accounts” and “Reserve Accounts” based on an annual HOA budget which is approved at each year’s Annual Meeting by the Owners (usually held in June). The “Reserve” budget is based on a long term (15-20 year) maintenance plan which the HOA periodically re-assesses and updates. All funds are held in secure bank accounts.

On advice of Counsel, the HOA only provides limited financial information to non-owners or the general public, including information posted on the HOA public website. Limited Balance Sheet and P&L information is available upon written request.

Key Flood Insurance information, plus a Map of HOA building numbers and layouts follow. It is projected that the HOA will have basic building-level flood insurance in place on 7 buildings by the end of September, 2009.

All questions/communications should be directed to the Lagoon Office at “Lagoon700@aol.com”.