

**Footnote: Detailed Explanation:**

- 1 The residential site condominium unit annual regular assessment was calculated by adding all of the residential site condominium common expenses and reserve funding for fiscal year 2023 and dividing it by 28.6 and multiplying that figure by 23 (the residential condominium units in the Bayou Meadows II Condominium Association).
- 2 The marina condominium unit annual regular assessment was calculated by adding all of the marina site condominium special expenses and reserve funding for fiscal year 2023 and dividing it by the 28 marina condominium units in the Bayou Meadows II Condominium Association.
- 3 The marina condominium unit annual additional assessment was calculated by adding all of the residential site condominium common expenses and reserve funding for fiscal year 2023 and dividing it by the 28.6 and multiplying that figure by 5.6 (the marina condominium units in the Bayou Meadows II Condominium Association).
- 4 The State Farm Insurance cost is exactly \$1,783.00 of which Bayou Meadows II Condominium Association paid \$1,783.00. The Bayou Meadows I Condominium Association has their own insurance policy from State Farm Insurance. Of the \$1,783.00, exactly \$1,150.00 is attributed to marina site condominium capital assets. The other \$588.00 is attributed to the residential site condominium units capital assets and other liability premiums for the Bayou Meadows II Condominium Association.
- 5 The Bayou Meadows II Condominium Association (800895374) is a Domestic Nonprofit Corporation and must file an Annual Report as required by the Section 911, Act 162, Public Act of 1982. The cost of filing this report is exactly \$20.00.
- 6 The Bayou Meadows II Condominium Association, and the Bayou Meadows Condominium Association, do not anticipate any professional legal fees from Attorney Steve Sowell with Sowell-Law PLLC. However, if any unforeseen legal issues arise and the Board must retain Attorney Sowell then funds will be transferred from the appropriate reserve fund to cover the anticipated cost.
- 7 The Bayou Meadows II Condominium Association uses the cloud accounting version of QuickBooks, QuickBooks Online, for managing the budget, the Chase checking and reserve fund accounts, residential site condominium unit and marina condominium unit owners annual regular and special assessment invoicing, and year-end reporting of all relevant financial statements and tax information for the Internal Revenue Service. The estimated cost of QuickBooks Online for 2023 is approximately \$860.00. Please note that all payments by residential site condominium unit and marina condominium unit owners with a credit card or direct withdrawal from their checking account will include a convenience fee of 3.5% or 1.5%, respectively. If you would prefer to pay with either of these methods, please contact the treasurer to have that convenience fee added to your regular or special assessments in 2023.
- 8 The Board of Directors attempts to conduct all Bayou Meadows II Condominium Association business via email communication to each residential site condominium unit and marina condominium unit owner, including the invoicing of regular and special assessments. However, on occasion unpaid invoices must be mailed to the residential site condominium unit and marina condominium unit owners prior to the Board of Directors contracting legal action with Sowell-Law PLLC.
- 9 The Bayou Meadows Condominium Association contracts our electrical service for both condominium associations through Consumers Energy. On a quarterly basis, the Bayou Meadows Condominium Association will invoice the Bayou Meadows II Condominium Association for this expenses, which we pay exactly 56.5% of the cost.
- 10 The Bayou Meadows Condominium Association contracts our water service for both condominium associations through the Spring Lake Township Water & Sewer Department. On a quarterly basis, the Bayou Meadows Condominium Association will invoice the Bayou Meadows II Condominium Association for this expenses, which we pay exactly 56.5% of the cost.
- 11 The Bayou Meadows II Condominium Association contracts our snow plowing service for both condominium associations through The City Farmer. On a quarterly basis, the Bayou Meadows II Condominium Association will invoice the Bayou Meadows I Condominium Association for this expense, which we pay exactly 56.5% of the cost. Please note that in the winter of 2022-2023, there was a \$300.00 additional expenses for salting the roads. This additional amount will be factored into the budget for the 2022-2023 winter season.
- 12 The Bayou Meadows II Condominium Association contracts our landscaping services for both condominium associations through Perry's Lawn Care and Treeworks, LLC. On an annual basis, the Bayou Meadows II Condominium Association will invoice the Bayou Meadows I Condominium Association for this expense, which we pay exactly 56.5% of the cost. This is broken up into the following expenses: \$2,000.00 for annual pedestrian path maintenance, and \$3,000.00 for the annual maintenance entrance and cul-de-sac landscaping. Please note that this and future landscaping projects are currently under review by the landscaping committee, and could be modified during 2023.

- 13 The Bayou Meadows II Condominium Association has a general maintenance expense each year, such as minor upkeep and repairs to the guard shake, sprinkler system, or other areas of the common elements in the neighborhood. On a quarterly basis, the Bayou Meadows II Condominium Association will invoice the Bayou Meadows I Condominium Association for this expense, which we pay exactly 56.5% of the cost.
- 14 The Bayou Meadows II Condominium Association conducted a reserve fund study in 2020 and has determined that various capital assets need to be funded yearly based on their expected useful life. These capital assets include: (1) Insurance Deductible, (2) Road Replacement, (3) Pedestrian Path, (4) Landscaping, (5) Street Light Replacement, and (6) Guard Shack / Bus Stop Area Replacement. Please note that this annual amount is calculated from the reserve fund study. This number could fluctuate on an annual basis when a capital assets useful life is shorten and/or extended based on certain conditions and any emergency situations when the Bayou Meadows II Condominium Association must handle any event in the neighborhood because of extenuating circumstances.
- 15 The Bayou Meadows II Condominium Association contracts our electrical service for the marina condominium units through Consumers Energy. This expense is estimated on prior years costs and current years expected cost.
- 16 The Bayou Meadows II Condominium Association contracts our water service for the marina condominium units through the Spring Lake Township Water & Sewer Department. This estimated cost is lower than the actual cost from 2021. However, we expect the cost to decrease based on the improvements to the water system at the finger piers in 2021 and 2022.
- 17 The Bayou Meadows II Condominium Association contracts with a company to replace boards and perform general maintenance on the main pier each year. This cost was calculated on the prior years expenses. Please note that the board of directors is considering increasing the maintenance expenses associated with the main pier to extend the useful life of this capital asset. Further review of this effort will be made following the completion of the dock replacement project.
- 18 The Bayou Meadows II Condominium Association contracts with Aqua Doc for the repair and maintenance of the bubbler units that are used in the winter season to prevent damage to the main pier and individual marina condominium units. The cost was calculated based on prior years expenses and any anticipated expenses for the upcoming winter season.
- 19 The Bayou Meadows II Condominium Association funded \$500.00 for general maintenance associated with the water and electric running to each marina condominium units, which may have some additional costs following the conclusion of the dock replacement project.
- 20 Please note that the Bayou Meadows II Condominium Association also conducted a reserve fund study in 2020 for the capital assets associated with the marina condominium units. However, the association did not collect any money in fiscal year 2021 and 2022 for the marina condominium units reserve fund. This was due to the 100% funding of the dock replacement project in 2020 and 2021. However, in 2022, the Bayou Meadows II Condominium Association started collecting additional money per marina condominium unit owner to replenish the reserve fund for the marina. In 2023, an increase to that contribution will be included in the annual dues.