

September 28, 2020

Dear Oak River Homeowner,

Early in July, we sent a letter informing you of the deteriorating condition of the dam at the south end of our commons area, which provided you with some of the background on the board's efforts to deal with the issue. We have now determined what we believe is the best plan of action, and we are sending you this letter to provide you with details and to solicit your support for moving forward with an assessment to rehabilitate the dam.

The board has the responsibility to ensure that the common area property is maintained and to support and undertake projects that protect and improve the property values of all homeowners. The condition of our subdivision dam first came to our attention in 2014, when the dam was inspected by the Michigan Department of Environment Great Lakes and Energy. The dam has had no maintenance since it was constructed forty years ago. The engineer who inspected the dam determined that although the dam was not in immediate danger of failure, corrective action was necessary to prevent further undermining of the structure and eventual failure of the dam. This failure could result in downstream liability claims against Oak River homeowners as well as significantly changes to the commons area.

Over the past two years, the board has been very appreciative of the pro-bono work done by F.K. Engineering for the Oak River Dam Spillway rehabilitation drawings. The drawings detail the repairs required and the specific bid quantities necessary to complete the repairs. The board also began the process to secure construction permitting from the State of Michigan, Oakland County, and the City of Troy. More recently the board recruited an Oak River resident with many years of county work experience in planning and constructions projects similar to our dam.

The board has received five bids on the dam rehabilitation project. After reviewing the bids and the contractor qualifications, the board has selected Trojan Development Co., a local contractor with dam repair experience and a long history of working for the Oakland County Water Resource Commission. Trojan's bid includes a two-year warranty on the dam repair work.

The Trojan Development Co. bid for the dam rehabilitation is \$ 85,975.00. Adding a 15% contingency, recommended for this project, increases our budgeted cost to \$ 98,871.00. The ORSA "Rainy Day Fund" has been built up over the years, for projects such as this and we will use \$ 25,000.00 (roughly half) to partially fund the project. The remaining balance of \$ 73,871.00 represents a **one-time assessment of \$321.00** for each of Oak Rivers 230 homeowners. The assessment money not used for the dam repair will be credited to the homeowner's in next year's HOA dues payment.

While none of us look forward to spending our money to repair the dam, we recognize that it must be done. To delay any longer puts us at risk for substantial liability while the cost of repair will continue to escalate. Proceeding with the assessment requires approval of the homeowners as specified in the ORSA by-laws, Article V, sections 4 and 5. According to the by-laws we need 60% of the 230 homeowners to respond, or 138 homeowners voting, to make a quorum. Of the total votes received either in person or by proxy, two-thirds need to be "Yes" to approve the special assessment. If the special assessment is approved, all 230 will be required, as stated in our by-laws, to pay the assessment.

To help you make this important decision we have posted documents on the ORSA website, which include e-mail communication, from the DNR, EGLE, engineering specifications for the dam rehabilitation, the permits for the project, and the bid from Trojan Development Company. The ORSA annual budget, delinquent HOA dues payments, subdivision by-laws and Quit Claim deed is also posted on the ORSA website.

The current pandemic and existing executive orders makes it difficult to have an indoor meeting of all homeowners, so we have elected to have a "drive in meeting." Information is listed below:

Date of dam assessment meeting: Saturday, October 24, 2020

Location: In the Cul-De-Sac at the South End of Rivers Edge Drive

Time: 2:30 pm to 5:00 pm.

Voting: You can vote via one of the two options:

1. Option 1: Please return the postage paid proxy cards, using USPS, to arrive by Saturday, October 24, 2020.
2. Option 2: Cast your proxy vote at the drive in meeting. Please remain in your car and drop your proxy card in the ballot box. If you choose to view the dam or ask questions, please wear masks and maintain 6 feet distance in accordance with COVID19 protocols.

Thank you for your continuing support for the board and our efforts to keep Oak River a highly desirable subdivision.

Oak River Board

