The $1,000,000 Loan Secured by the Clubhouse, Golf Course, and Maintenance Area

Excerpt: Section 4 of "Status of APPOA: A Plain-Language Financial Status Report for the Membership," version 2.19, August 31, 2026, by Craig Lawrance. Figures are as of that date. The loan number is withheld here. The full report and the loan documents are available on request at contact@apnc47f.com.

This is new debt. No bank loan of this kind appears in 2023, 2024, or 2025; the loan account sat at zero through all three years. It appears for the first time in 2026.

Term	**Confirmed value**
Amount borrowed	$1,000,000.00
Loan date	April 16, 2026
Interest rate	6.400%, fixed
Maturity (final due date)	April 16, 2033
Balloon payment due at the end	**$846,120.89** (about 85% of the amount borrowed)
What secures the loan	**A Deed of Trust over two parcels, 371 Albemarle Blvd and 101 Beech Point Dr (described in the Board's minutes as the Clubhouse, Golf Course, and Maintenance Area), plus a blanket UCC lien on the Association's business personal property and an assignment of rents**
Who is on the hook	The Association (APPOA) itself; the loan was signed by Timothy Prime, Board President
Total cost over the life of the loan	*Estimated* about $1.43 million (roughly $427,000 of it interest); see the note below

Independently confirmed by the audit. Note 21 of the FY2025 audited statements discloses this loan and confirms every control field: $1,000,000, 6.40 percent, a seven-year term maturing April 2033, 18 monthly interest-only payments, then 65 monthly payments of $7,452, then one final payment of $846,121. This report's figures of $7,452.30 and $846,120.89, read from the loan instrument, tie exactly. A national accounting firm and a member reading the loan document arrived at the same schedule.

What a balloon loan means for you. Lower early payments, but a large lump sum, **$846,120.89**, about 85 percent of the original loan, due all at once in 2033. If the Association does not have that lump sum

then, it must refinance or risk default, and because the loan is secured by those parcels plus a blanket lien on the Association's business assets, default puts that property at risk.

What the Board President says the plan is. Asked in writing on August 31, 2026 what the plan is to pay the balloon, the Board President answered in full: *"This will be built into the annual budget."*

Taken at face value, retiring $846,120.89 over the seven years remaining implies setting aside roughly **$120,000 a year**, beginning now, in a budget that is already absorbing a $920,649 operating deficit, a $132,400 annual refund outflow, and a $111,000 fire fee. **The specific and checkable question is whether that line exists in the currently adopted budget.** If it does, the Association has a plan and should state the number. If it does not, the answer describes something that has not yet started. That request is on the list of records requested from the Board.

Note on total cost: the roughly $1.43 million lifetime figure is an **estimate**. The 65 fixed payments ($484,399.50) and the balloon ($846,120.89) are exact from the loan document; the 18 interest-only payments are not stated as fixed dollar amounts. The general ledger ends April 30, 2026 and the first interest-only payment was scheduled for May 16, 2026, so as of the most recent records on hand not one loan payment had posted, and no lender statement or payment history exists anywhere in the records reviewed. Confirming the real lifetime cost requires the lender's own records. Those are on the list of records requested.

What the minutes show, and what remains open: pledging the Clubhouse and Golf Course was approved by the **Board, 6 for and 1 against**, at its February 12, 2026 work session, with the Maintenance Area added in March 2026 by a **7 to 0 Board email vote**. A full review of the 2023 to 2026 board minutes found **no membership vote** on the loan or the pledge. Whether one was required is a legal question this report does not decide.

One item from the closing worth noting. The loan's disbursement page shows $991,852 left undisbursed at origination, with $7,577.50 wired to the Association's law firm, HREM, and $570.50 in charges going out at closing. An earlier version of this report asked why the Association's litigation-counsel fees were paid from loan proceeds. The Board President answered on August 31, 2026: *"The loan disbursement to HREM was for closing costs."* That is a direct answer and it is testable against one document, the settlement statement from the loan closing and the firm's invoice for that disbursement. Both are on the list of records requested. This report does not characterize the payment further until that document is in hand.

This is one owner's review of the Association's own records. It is not legal or financial advice. Corrections are welcome at contact@apnc47f.com. Published on apnc47f.com.