

HMSTC Next 50 Years Prepayment Plan

Updated 8/20/2020



Prepayment Plan

What is it and why are we doing this?

- This is an opportunity for members to prepay their dues now at different levels and earn interest on the prepaid balance:

| | Level | Amount | Interest rate |
|---|--------------------|----------|---------------|
|  | Bronze Barracuda | \$3,000 | 5% |
|  | Silver Barracuda | \$5,000 | 6% |
|  | Gold Barracuda | \$10,000 | 7% |
|  | Platinum Barracuda | \$15,000 | 7% |

- We need cash now for the pool renovation to pay some up front costs and obtain a down payment for a loan.
- We have developed this model as a win/win option to obtain the cash we need now and provide members that participate a benefit.
- This is not the only way to support the renovation. Donations will always be greatly be appreciated!!!

How does it work?

Example:

Jane and John Smith prepaid \$5,000 on December 31, 2019 and they earned 6% interest on that balance in January & February. Their 2020 dues of \$750 were deducted from their prepaid balance on March 1, 2020. Then, for the rest of the year they earned 6% interest on the new balance of \$4,300. They end the year with a balance of \$4,515, earning a total of \$265 in interest.



Hollin Meadows Swim & Tennis Club: Pre-Payment Statement

Statement For: Jane & John Smith Phone: 703-555-5555 Statement Date: 12/31/2020
Address: 2500 Woodlawn Trail Email: Jsmiths@hmstc.com
Alexandria, VA 22306

| Item | Description | Dates | Amount |
|--|--|--------------------|-------------------|
| 1 | Pre-payment | 12/31/2019 | \$ 5,000.00 |
| 2 | 2 months of Interest @ 6% Jan-Feb on \$5,000 balance | 1/31/19 - 2/29/20 | \$ 50.00 |
| 3 | 2020 Dues deducted | 3/1/2020 | \$ (750.00) |
| TOTAL BALANCE BEGINNING 2020 SEASON | | | \$4,300.00 |
| 4 | 10 months of Interest @ 6% on \$4,300 balance | 3/31/20 - 12/31/20 | \$ 215.00 |

TOTAL CURRENT BALANCE

\$4,515.00

Frequently asked questions

- **Can the prepayment be used for social events, guest fees or swim team fees?**
 - No, the prepayment balance will be limited to annual dues and special assessment fees (if needed).
- **What if we move out of the area or stop being members of the pool, what happens to our prepayment?**
 - You will be paid back with interest on an annual basis an equivalent amount to the dues that would have been deducted from the balance that year until the balance has been fully paid.
- **Can I be refunded or withdraw the money at any time?**
 - No, the pool will use the money collected to secure a loan and will not have the cash at any given time to allow a member an immediate refund, though the member will continue to earn interest and will be able to pay dues with the balance or be paid back over time.

How to sign up?

Send a check for \$3,000, \$5,000, \$10,000 or \$15,000 to the following address and in the memo field indicate "prepayment":

HMSTC
c/o Dustin Young
PO Box 6135
Alexandria, VA 22306

Don't Delay – send check today to
earn higher interest rates

Who can I
contact for
more
information?

- Ryan Kennedy, HMSTC President at HMSTCPresident@gmail.com
- Katie Heaton, HMTS Treasurer at HMSTCTreasurer@gmail.com
- Dustin Young, LRPC Member at Dustin.Young@NRECA.coop