

Re: Mills Ranch Homes Association – Dues Summary

Dear Mills Ranch Resident:

This letter provides a brief summary of the Association dues and related closing charges payable for the Mills Ranch Community. The following is an explanation of the fees:

1. **Annual Dues**: Annual Dues are \$1475.00 per year and are due January 1st each year. The current year's dues are prorated. Dues cover general operating costs of the community which include but are not limited to the common area turf maintenance, irrigation costs, insurance for common areas, and management fees.
2. **Initiation Fee**: A fee of \$500 is paid at each closing. It is allocated to the operating fund for your community and payable to your community as are the Annual Dues.
3. **Transfer Fee**: A \$150 transfer fee is paid directly to the Management Company. This fee is attributable to preparation of the information sent to each new owner and the requirements of the Management Company to provide information to the title or mortgage companies prior to each closing. This check should be made payable to FirstService Residential.

During the 4th quarter of each year we evaluate the cash flow needs of the community, the future projected capital expenses as well as the operating cash on hand to determine the dues level for the forth-coming year. If there is an excess of cash on hand the Board of Directors may determine the need to lower the dues. However the dues level must not be set artificially low from the beginning, as the community is restricted to the amount the dues may be increased annually. Thus, when all the amenities are in and the Developer is no longer in control of the community the dues need to be at a level so the community can operate on its own.

Buyer

Date

Buyer

Date