

Dear \_\_\_\_\_

Pursuant to our phone conversation the following is the breakdown of the expenses that are paid out of the CPV HOA Trust Account. The monthly dues of \$500/bldg pay the following:

Landscaping, maintaining the swimming pool, trash and sewer (these two expenses are paid quarterly), the maintaining of the grounds three times per week, \$75 into the Reserve Account, pest control, exterior bldg lights, rental office power, office phone/fax and 911 pool phone, three water meters which service the pool, the pool bathrooms and the main meter for the landscaping, HOA mgmt fee, property liability insurance to include Directors and Officers coverage and the cost of basic cable TV which is free to all tenants.

The expenses (and the approximate dollar amount) which are paid by each bldg on a monthly basis out of the CPV "Trust" Account are as follows:

Payroll - \$280 – This includes two full time employees, one part time employee, employee payroll taxes, and two apartments, one each for the manager and the maintenance man.

Major Medical - \$15 – This is for the manager only.

Worker's Comp - \$7 – Manager and maintenance.

Rental Office - \$20 – Includes rental journals, receipts, internet, after hours cell phone.

RJ Advertising - \$20 – Monthly newspaper advertising.

Stock Items - \$25 – Any and all small parts that cost less than \$10 and are used within any and all of the apartments are added up each month and divided by 23 (the total # of bldgs) and charged equally to each owner.

Approximate Monthly Total per Bldg = \$367.00.

Note: The \$367 plus the \$500 HOA dues plus our mgmt fee of 6% of gross rents are the "normal" monthly expenses. If an appliance or AC/Heating unit needs repair that would be additional and the "contact person" would be called first.