

RIDGE CLUB HOMEOWNERS' ASSOCIATION

November 29, 2007

RE: ***Approved Operating Budget - 2008***

Dear Neighbor:

Enclosed you will find the approved 2008 budget, footnotes and a statement of monies owed.

We are pleased to announce that the annual fee will remain at \$2,000 for 2008. Kindly forward your check by *January 15th* to avoid a late fee.

We will continue to add to our reserves for roads and capital projects, adding to the value of our community.

Please remember to contact Mercantile Property Management anytime you have a community issue with roads, rubbish or by-laws. They can be reached at:

Craig J. McGowan, Managing Agent
Jodi Heath, Maintenance Coordinator
Lisa Arruda, Accounting

1-800-696-9449
mpm@mercantileproperty.com
maint@mercantileproperty.com
acct@mercantileproperty.com

Wishing you a prosperous year and looking forward to seeing you.

Sincerely,

Board of Directors
Robert Mangelson, Chairman
Frank J. Harrison, Treasurer
Myriam Curran, Clerk
Maurice Jeffery, Director
Jesse Caprio, Director

THE RIDGE CLUB HOMEOWNERS' ASSOCIATION
APPROVED BUDGET
2008

INCOME

Maintenance Fees	364,000
Bank Interest	7,000
TOTAL INCOME	371,000

EXPENSES AND RESERVES

Administrative Expenses

Accounting Fees	3,400
Taxes	1,640
Legal Fees	4,000
Management Fees	20,460
Property Insurance	5,400
Office Supplies/Postage	4,200
Miscellaneous	100

Maintenance Contract & Supply

Street Lighting	2,000
Irrigation Repair/Maintenance	3,000
Landscaping	77,000
Snow Removal	15,000

Country Club Road (50/50)

Snow Removal	5,000
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Gatehouse Services

Maintenance - GateHouse/Gates	1,500
Security Services	84,000
Other Operating Exp/Gatehouse	2,400
Gatehouse Utilities	5,100

Utilities

Electricity	3,500
Rubbish Removal	27,300

TOTAL EXPENSES

265,000

Reserves

Road Reserves	50,000
Country Club Road Reserves	6,000
Capital Projects Reserves	50,000

TOTAL RESERVES

106,000

TOTAL EXPENSES AND RESERVES

371,000

NET INCOME

0

RIDGE CLUB HOMEOWNERS' ASSOCIATION

BUDGET/FOOTNOTES 2008

INCOME

Maintenance Fees

This represents no change in the fee of \$2,000 per lot for 182 lots.

Bank Interest

Estimate of interest paid on \$175,000 reserve accounts @ 4%.

EXPENSES AND RESERVES

Administrative Expenses

Accounting Fees

Estimated fees for annual tax return and audit.

Legal Fees

Estimated amount for legal fees, collection, etc.

Management Fees

Based on a 3% increase in the management contract.

Property Insurance

Estimated increase of the insurance premium upon expiration.

	3/07-3/08	3/08-3/09
Directors' & Officers' Ins.	\$2,080	\$2,180
Package Policy	\$2,287	\$2,400
Umbrella Policy	\$769	\$810

Office Supplies/Postage

Estimate for mailings, statements, checks and photocopying.

Miscellaneous

Estimate for miscellaneous expense.

Maintenance Contract & Supply

Street Lighting

Estimated cost of maintenance for street lights.

Irrigation Repair

Estimated cost for startup, repair and winterizing the system.

Landscaping

This includes spring and fall cleanups, mowing, pruning, fertilization and aeration of common lawns.

Snow Removal

Estimated cost for snow removal of association roads and spring cleanup of sand at an average snowfall.

Country Club Road (50/50)**Snow Removal**

Estimated cost for shared snow removal of Country Club Road.

Gatehouse Services**Maintenance-Gatehouse/Gates**

Estimated cost for shared maintenance.

Security Services

Shared cost (50/50) allocated per agreement with the golf course owner.

Other Operating Expenses/Gatehouse

Shared estimated cost for landscape maintenance and miscellaneous expenses at the gatehouse.

Gatehouse Utilities

Estimated cost for shared natural gas, water and telephone.

Utilities**Electricity**

Estimated cost for electric services to street lighting.

Rubbish Removal

Estimated cost to pick up one barrel per household per week average.

Taxes

Estimated taxes for annual returns.

Reserves**Road Reserves**

Allocations for funds for future road resurfacing.

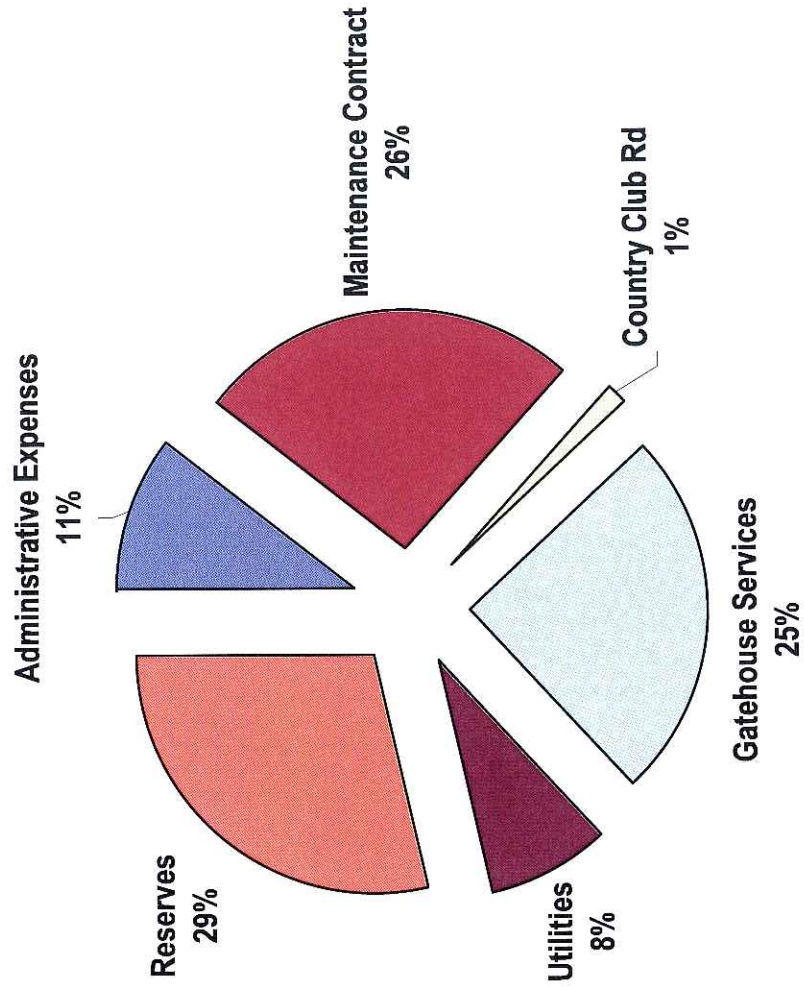
Country Club Road Reserves

Allocation of funds for future road repair of Country Club Road.

Capital Projects Reserves

Funding for anticipated capital projects.

The Ridge Club HOA Operating Budget 2008



- Administrative Expenses
- Maintenance Contract
- Country Club Rd
- Gatehouse Services
- Utilities
- Reserves