



MEMORANDUM

TO: The Farm Home Buyers

FROM: Meagan Lang, Treasurer, The Farm Homeowners Association, Inc.

RE: 2020 Assessments and Working Capital Contributions

DATE: January 1, 2020

When you purchase a home in The Farm, you automatically become an "Owner" and a member of The Farm Homeowners Association, Inc. (the "Association"). Pursuant to Article 5 of the Declaration of Covenants, Conditions and Restrictions for The Farm (the "Declaration"), Owners are obligated to pay assessments to the Association to pay all "Common Expenses" of the Association.

As stated in Sections 5.2 and 5.3 of the Declaration, assessments to pay Common Expenses of the Association consist of "Base Assessments," "Service Area Assessments," and "Special Assessments." A copy of the Association's budget for 2020 is attached. **The Base Assessment for 2020 will be \$25.00 per month per home until such time that the Farm Clubhouse is open. Dues will then increase to \$170 per month in the month in which the clubhouse opens, which is contemplated and reflected as February 2020 in the budget.**

The Base Assessment for 2020 is used to pay a portion of the operating costs of the Association. These costs include covenant enforcement and other management and administrative costs of the Association; trash removal and recycling costs (excluding start-up fee) for all residents; the Association's insurance; and various other costs of the Association. Any portion of the Association's operating and maintenance costs for 2020 not covered by Base Assessments will be paid by developer subsidies and developer and builder assessments. No Service Area Assessments or Special Assessments are anticipated to be assessed or payable by homeowners in 2020.

In addition to assessments, the first Owner of each home in The Farm (other than Declarant or the builder of the home) is obligated to make a one-time contribution to the working capital of the Association in an amount equal to one-fourth of the total annual Base Assessment for the year in which closing of the home purchase occurs. **This working capital contribution will be collected at home closing. The working capital contribution payable by an Owner who purchases a home in 2020 is \$75.00 while dues remain at \$25. When dues move to \$170 per month, the working capital will be \$510.**

Declarant, which is the master developer of The Farm, is constructing a community center and related amenities in The Farm (the "Planned Community Center"), discussed in Article 15 of the Declaration. The Planned Community Center will be a Common Area and will be operated and maintained by the Association, and the costs of operating and maintenance will be Common Expenses. However, the Association will not be responsible for any costs of operating and maintaining the Planned Community Center, and the assessments

payable by Owners shall not include any amounts relating to the Planned Community Center, unless and until the Planned Community Center is complete, open and available for use by Owners. The Association and Owners shall not be responsible for paying any portion of the costs of planning or constructing the Planned Community Center.

If you have any questions about the Association or assessments, please contact The Farm Community Manager, Camille Foote, at 719-260-4540 or cfoote@msihoa.com.

PURCHASER(S):

Signature Date: _____
Printed Name _____
Address: _____

Signature Date: _____
Printed Name _____
Address: _____