

CLAYBOURNE PROPERTY OWNERS ASSOCIATION, INC.

As the Board justified the increase to the 2009 dues, the items that came into consideration were as follows:

1. Expected acquisition of approximately 7 acres of land from Carmel Dad's Club (CDC) on the north side of the neighborhood.
2. Maintenance of that acreage.
3. Maintenance of the NW Pond acquired from CDC
4. Purchase of a pool heater.
- 5 The trash cost has been paid for 2008. The first full year was not based on a completely developed neighborhood. We anticipate the cost of the trash removal will increase
6. The cutting in and application of mulch to all **720** tree Rings and the Entrance Monuments. This will be an every other year item with the use of dyed mulch.
7. Repair of the lights on Dolan that short out whenever there is precipitation.
8. The need to purchase equipment for the pool house as we do not know what DJ's left and if it is in safe working condition.
9. Repairs of screens at the pool house and having some form of protection built to cover them in the winter.
10. Repairs to the pool fill lines that caused flooding last year as a result of DJ's not draining them properly in the fall of 2007.

Please understand that when management of the subdivision was turned over to the CPOA from Boomerang, the developer in 2006, we were **grossly** underfunded. Unfortunately, we have no recourse to go after them for the deficiency. As a result, the Board has been forced to increase the annual dues to compensate for the shortfall left by the developer.

The Board is very optimistic that the budget will be balanced in the coming year. The Board is committed to avoiding a Special Assessment in order to balance the budget. This increase is essential to deliver the services, and appearance that our neighborhood needs and deserves. The Board is also committed to reducing the annual dues in the coming years, if financially feasible. Please be assured the Board solicits numerous bids from contractors and takes every step possible to reduce the cost of maintaining the common areas of the subdivision which consists of approximately 27 acres of land and the playground, pool and pool house.

The Board has attached the CPOA 2009 Budget for review.

Sincerely,

CPOA Board President