

Dear Homeowner:

Pursuant to Section 8.1 of the Covenants for LionsGate, the LionsGate Community Association (LCA) Board of Directors has prepared and proposed the attached budget for LCA for the 2018 calendar year. The proposed LCA budget provides for the levy of a Base Assessment in the amount of \$792.00 per Unit, as allowed by Section 8.6 of the Covenants for LionsGate. The base assessment has increased by \$3.00 per month over the rate charged last year. This letter is the notice of that Base Assessment required by the Covenants.

In preparing the proposed LCA budget, the LCA Board of Directors took into account the following LCA income and expense items:

**Bronze membership Fee:** pursuant to Section 13.1 of the Covenants, LCA has procured from FSC I, LLC, as Owner of the Club, a Bronze Membership in the Club for each Owner that has not chosen to opt out, and the cost to LCA of that Bronze Membership for the 2018 calendar year will remain at \$58.00 per unit, per month.

**Common Area Maintenance Fee:** remains at \$5.00 per unit, per month.

**Management Fee:** remains at \$7.50 per unit, per month.

**Maintenance Fee:** remains at \$42 per unit, per month.

In accordance with the *North Carolina Planned Community Act, Section 47F3103* and *Article VIII, Section 1 of the Declaration of Covenants, Conditions and Restrictions For LionsGate*, this letter will serve as notice to you there will be a meeting on Tuesday December 5, 2017 at 7:00p.m. at the LionsGate Gym to consider ratification of the attached Cash Flow Budget. Pursuant to Section 8.1 of the Covenants for LionsGate, the proposed LCA budget and Base Assessment will become effective unless disapproved at a meeting by at least 75% of the total Class "A" vote in the Association and by the Class "B" member, if one exists.

Please take note that your annual assessments must be paid in full by January 15, 2018. The annual 2018 Maintenance Fee for all units will be \$504.00 or a rate of \$42.00 per month. If you want to pay your Base Assessment and Maintenance Fee on a monthly basis ( $\$66.00 + \$42.00 = \$108.00$  per month), you must follow the separate instructions included with this letter. If you have chosen to opt out of club membership, your annual opt out Assessment for next year will be \$516.00. If you want to pay your opt out Assessment and Maintenance Fee on a monthly basis ( $\$43.00 + \$42.00 = \$85.00$  per month), you must follow the separate instructions included with this letter. **In a continuing effort to protect your privacy, you must follow the instructions included with this letter and be enrolled in a monthly automated draft, in order to pay the assessment monthly rather than annually.** In the event that you fail to properly follow the instructions included with this letter or fail to pay the full annual assessment by January 15, 2018, your option to pay the assessment on a monthly basis will be waived.

Thank you for your participation and assistance in making the LionsGate Community such a great place to live!

**LionsGate Community Association, Inc.**

Board of Directors

**LionsGate Community Association  
2018 Cash Flow Budget**

	<u>ANNUAL</u>
Base Assessment (\$66)	190,872
Specific Assessment-Club Upgrade	-
Opt Out Fees (\$43)	25,628
Administrative Charge Income (2/month)	5,880
Violation Income	600
Late Fee/NSF Income	2,400
Capital Contribution	4,800
Interest Income	24
Maintenance Income (\$42)	155,736
Town of Clayton Utility Reimb	7,480
<b>TOTAL INCOME</b>	<b><u>\$ 393,420</u></b>
Amenities Fee (\$58/bronze)	167,736
Amenities Upgrade Fee	-
Administrative Fee Expense	1,080
Management Services Contract (\$7.50/unit)	27,810
CAM Services Fee (\$5/unit)	18,540
Social Events	1,200
Utility Expense (street lights/post office)	18,000
Community Repairs/Improvements	3,000
General Reserve Reparis	2,400
Professional Fees-accounting	450
Professional Fees-legal	450
Bad Debt Expense	-
Maintenance Units (\$25 per unit)	92,700
Irrigation Reparis/Utility Expense	35,424
Maintenance Reserves (\$5 per unit)	18,540
<b>TOTAL EXPENSE</b>	<b><u>\$ 389,130</u></b>
<b>NET OPERATING CASH</b>	<b><u><u>\$ 4,290</u></u></b>