



**To:** Future BelVedere Homeowners

**Subject:** How Homeowners Association Dues Work For You

Owning your own home has many benefits:

1. Can be a good long-term equity investment.
2. Offers tax advantages through deduction of interest and taxes.
3. Pride of ownership.
4. Stability in one's living situation.

In the case of BelVedere, where there will be 54 owners associated together for the maintenance and care of their common areas, a Homeowners Association can give those benefits the greatest chance of success over time.

The costs associated with maintaining a property like BelVedere are really no different than the costs associated with owning a single family home. When comparing a condominium purchase with the purchase of a detached single family home, please remember – yard maintenance, water/sewer/trash service, tree pruning, maintenance/repairs of common plumbing, heating, cooling and electrical facilities – all substantially impact the cost of owning that single family home. In the case of a Homeowners Association, costs that would be paid to other vendors or utilities are instead paid to the Association, who pays the vendors and utilities collectively.

Let us explain this by describing the HOA dues of \$184.07 for the average home at BelVedere, and where they are spent. We hope this will be helpful to you.

- A. Maintaining the courtyards, fountains, courtyard lighting, street lighting, street trees & irrigation, trash pick-up, recycling, sidewalks, gates and entry system, and our share of overall historic campus maintenance - \$77/month. Think of it like having someone keep your yard looking good. And our courtyards and campus are beautiful – part of maintaining our collective investment.
- B. Utilities – water & sewer service, electrical for the lighting and entry systems, telephone for entry systems and fire monitoring - \$31/month.
- C. Insurance for the Building - \$31/month. All you need to insure personally are the contents of your home, not the home itself.
- D. Management and Accounting for the Association – a professional manager is needed to handle billing and collection of dues, pay the bills, manage the vendors and service providers, and work with your Executive Board - \$14/month.
- E. Operating Contingencies - \$3/month, for things we don't anticipate.

Savings Account – \$28/month. The Association will need to upgrade or replace equipment or outdoor common elements from time to time. We want to have a savings account to pay for these things, and avoid special assessments as much as possible