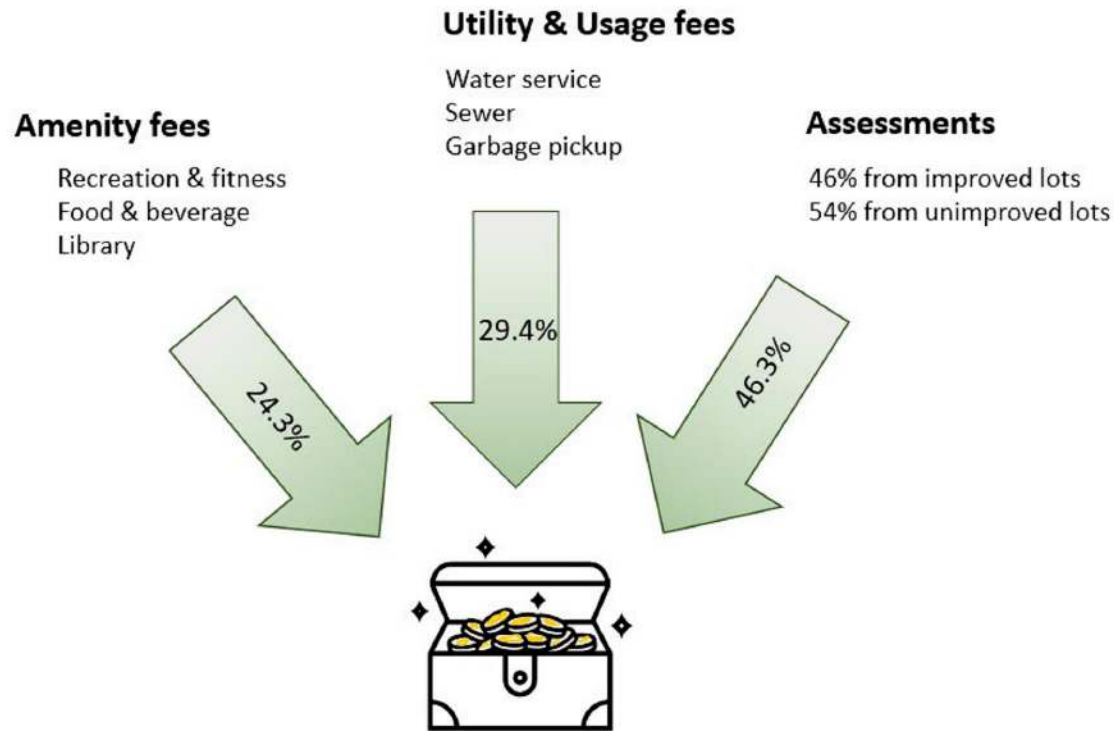


Hot Springs Village Revenue Sources

As established by Cooper Communities in 1971



Amenities

- Attract & retain residents
- Fees defray amenity operation costs but never structured to be self-supporting
- Increasing fees can decrease usage
- Demographic shifts influence usage

Utility & Usage fees

- Public Utilities Dept funded by Utility Service Rates not assessments
- Repair / replace costs outpacing reserves
- Includes some new home connect fees
- Associated exclusively with improved lots

Assessment rates

- Annual rate increase limited by Declarations
- Initially, rates kept low to promote lot sales
- Two-tier rate structure for improved / unimproved lots