

Marwood Circle Homeowners' Association

November 21, 2007

Dear Homeowner:

Enclosed, please find a copy of the 2008 Operating Budget along with supporting statements and attachments listed below:

2008 Budget & Notes
Reserve Study Update Summary and Reserve Fund Disclosure Form
General Information Statements
Enforcement of Governing Documents / Monetary Penalties
Delinquent Assessment Collection Policy
Assessments and Foreclosure
Internal Dispute Resolution Information
Alternative Dispute Resolution Information
Architectural Guidelines and Procedures
Insurance Disclosure
Supplemental Information
Electronic Information Form

The above enclosed documents are provided to you by the Board of Directors to keep you fully informed about your home and/or investment in the Marwood Circle Homeowners' Association.

Beginning January 1, 2008, monthly homeowner assessments will increase from \$210.00 to \$218.00 per month – an increase of 3.8%.

The Board of Directors holds its meetings on a quarterly basis. All owners all welcome to attend meetings of the Board of Directors. Should you wish to attend, please contact EBMC for the date and location. All members of the Association are entitled to receive copies of the Minutes of the meetings of the Board of Directors upon request. In addition, soon after meetings are held, copies of the minutes of the meeting are mailed to each owner. To obtain an additional copy, please enclose a self addressed stamped envelope and a check to the Association in the amount of \$5.00 per monthly minutes being requested. Copies can be obtained by mailing your written request to:

**Marwood Circle Homeowners' Association
c/o Eugene Burger Management Corp.
6600 Hunter Drive
Rohnert Park, CA 94928**

In addition, members and their real estate agents and loan brokers may now purchase Association documents via the internet. The documents include: 12 months of minutes, Covenants, Conditions and Restrictions (CC&Rs), Bylaws, Articles of Incorporation, updated insurance certificates and other Association documents from CondoCerts website at www.condocerts.com.

If you have any questions about the information we have provided, please do not hesitate to contact EBMC or any member of the Board of Directors.

Sincerely,

Marwood Circle Homeowners' Association
Board of Directors

Marwood Circle Homeowners' Association
2008 Approved Budget - Effective January 1, 2008

				Jan-Sept	Projected	Approved	
	2005	2006	2007	2007	2007	2008	Per Unit
Account Description	Expenses	Budget	Budget	Expenses	Expenses	Budget	Per Month
Accounting & Tax Prep	785.00	850.00	825.00	850.00	850.00	900.00	2.88
Telephone & Fax	78.00	100.00	75.00	74.93	100.00	125.00	0.40
Printing & Postage	766.00	850.00	500.00	704.00	950.00	1,000.00	3.21
Reserve Study	0.00	75.00	1,500.00	0.00	1,500.00	350.00	1.12
Legal Fees	128.00	150.00	350.00	0.00	0.00	150.00	0.48
Miscellaneous	135.00	84.24	100.00	322.00	400.00	325.00	1.04
History Storage	60.00	60.00	100.00	163.00	200.00	175.00	0.56
Management	7,923.00	8,200.00	8,446.00	6,336.00	8,446.00	9,600.00	30.77
PG&E	997.00	1,450.00	1,200.00	629.00	1,000.00	1,250.00	4.01
Water	913.00	1,200.00	1,600.00	841.00	1,516.00	1,690.00	5.42
Trash	470.00	350.00	350.00	321.00	321.00	0.00	0.00
Common Area Maintenance	5,000.00	4,273.84	3,478.00	2,692.00	3,590.00	1,755.00	5.63
Landscape Contract	5,100.00	5,460.00	6,900.00	5,070.00	6,900.00	7,200.00	23.08
Landscape Repairs	691.00	1,200.00	2,500.00	1,525.00	2,100.00	1,500.00	4.81
Tree Maintenance	0.00	1,200.00	1,000.00	0.00	1,000.00	1,000.00	3.21
Security/Lighting	0.00	500.00	150.00	0.00	150.00	100.00	0.32
Taxes	10.00	50.00	50.00	45.00	60.00	60.00	0.19
Insurance	12,058.00	13,500.00	14,397.00	11,997.50	14,802.00	15,172.00	48.63
Reserve Contribution	11,641.00	16,295.00	21,999.00	16,499.25	21,999.00	25,665.00	82.26
TOTAL	46,755.00	55,848.08	65,520.00	48,069.68	65,884.00	68,017.00	218.00
per unit monthly	150.11	179.00	210.00	154.00	211.00	218.00	

MARWOOD CIRCLE HOMEOWNERS' ASSOCIATION

2008 BUDGET NOTES

REVENUE:

Assessments

Dues collected from all owners to promote the health, safety and welfare of the Association and its members, the improvement, replacement, repair, operation and maintenance of the common area and open space and the performance of duties of the Association as set forth in the declaration. The Association's budget year is the calendar year. **The 2008 budget reflects a 3.8% increase over 2007 or \$218.00 per unit monthly.**

OPERATING EXPENSES:

Accounting and Tax Preparation

This expense is for the preparation of the annual tax returns and the financial review.
\$900.00 budgeted.

Telephone and Fax

This expense is for all telephone and faxes made or received on behalf of the Association.
\$125.00 budgeted

Printing and Postage

This expenditure includes letters and special notices to homeowners; board packages; correspondence; annual meeting notices; audit and budget mailing, and reports.
\$1,000.00 budgeted

Reserve Study

The law requires an annual Reserve Study up-date each year and a Reserve Study inspection every three years.
\$350.00 budgeted

Legal Fees

This expense is for the minimal cost for interpretation of new laws, interpretation of governing documents or member discipline.
\$150.00 budgeted

Miscellaneous Administrative

Includes variable expenses such as office supplies, dues/subscriptions to industry organization like the Community Association Institute or Executive Council of Home Owners; costs associated with seminars attended by Board members, Annual meeting costs, etc.
\$325.00 budgeted.

History/Storage

This cost includes the offsite storage and retrieval of archived and historical records.
\$175.00 budgeted

Management Fees

Includes preparation of Board packages; monthly Board meetings; supervision of contractors; response to homeowners; follow through on Board directives; budget preparation; financial analysis; expense monitoring; emergency response; bid solicitations; communications with homeowners, notices and other services. This expense also includes financial services including: monthly statements; bank deposits; general ledger/general journal; comparison to budget; aged delinquency reports; accounts payable; IRS reports and 1099's; bank reconciliation; and coordination with the Association's accountant.

\$9,600.00 budgeted

Electricity

Expense is for electricity consumed in the common areas including exterior lighting, time clock. Although it's been reported that prices may increase, there has also been speculation prices will decrease or at least remain the same.

\$1,250.00 budgeted

Water

This expense is for all domestic water used by residents and watering of the landscape. The city of Santa Rosa anticipates an 8% increase for the 2008 budget year.

\$1,690.00 budgeted

Trash

Previously a community dumpster was brought to the property for the membership's convenience. The Board has decided to eliminate this unnecessary expenditure.

\$0.00 budgeted

Common Area Maintenance

This is a contingency for the cost of bringing in electrical, roofing, plumbers, contractors, pest control or other periodic vendors on an as needed basis.

\$1,755.00 budgeted

Landscape Contract

The Association's current landscape contractor is Greg Gill Landscaping.

\$7,200.00 budgeted

Landscape Irrigation Repairs

The landscaper handles the irrigation system on a T&M basis. This includes repairing damaged irrigation risers, solenoids, timers, irrigation underground lines and adjustments to the irrigation system. The system is checked annually to accommodate plant growth, and periodic replacement of old components. This expense increases as the property ages.

\$1,500.00 budgeted

Tree Maintenance

This expense is for preventative care and routine maintenance, which includes spraying to protect trees from pests (if required) and building clearance trimming. Major expenses for tree removal are funded through the reserves.

\$1,000.00 budgeted

Security / Lighting

This reflects the costs for maintenance of security cameras and exterior bulb replacement.
\$100.00 budgeted

Miscellaneous Taxes and Permits

The Association must do a non-profit filing only every other year. This was filed in 2005.
\$60.00 budgeted

Insurance

This expense includes all premiums for property, general liability and D&O coverage. State Farm Insurance provides insurance.
\$15,172.00 budgeted

Reserve Allocations

Reflects amount transferred to reserves to fund replacement of the Association's major common area component items. Even though this is a relatively new Association, by putting this money away now, it can be earning interest and will minimize the need for special assessments when roofing or painting are required, although the current rate of funding will not eliminate the need for special assessments.
\$25,665.00 budgeted