



November 30, 2010

Dear Marshall Heights Homeowners Association (MHHA) member,

The Board of Directors is pleased to enclose the 2011 MHHA annual budget for your information. As your neighbors and volunteer representatives, we strive to improve the appearance and safety of our community while keeping a keen eye on finances. One aspect of the 2011 budget that directly affects you is the quarterly assessment or "HOA dues."

The enclosed budget reflects **NO** change in assessments. The Board will continue to work diligently to make certain that the Association continues to fund the reserves as recommended. An updated reserve study was performed in 2009; a copy of the study is posted on the community webpage for reference.

**Effective January 1, 2011, the quarterly assessment will remain \$279.85. Assessments are due on January 1, April 1, July 1, and October 1, 2011.** Payment coupons will be sent out in December under separate cover; please call ProCAM if you do not receive them by December 31. If you are currently enrolled in the convenient "direct debit" program, you will NOT receive coupons. If you are not enrolled in direct debit, please consider signing up for it as it ultimately saves the association money. Forms are available from ProCAM or on our website, [www.mhha.net](http://www.mhha.net). When mailing check payments, please use the following bank lockbox address:

**MHHA c/o ProCAM, P.O. Box 71210, Philadelphia PA 19176-6210**

The Board is striving to balance the pressure of the weak economy – which is clearly affecting us all – with the need to maintain the community in a way that protects home values for every owner. With support from the ARC, the Board continues to ensure that the community has curb appeal and homes that are not falling into disrepair.

The Board would once again like to take this opportunity to thank the ARC committee members for their volunteer efforts in keeping our community up to high standards. Thank you also to those owners who have made sincere efforts to comply with ARC rules and regulations. The Board functions best when we hear from the neighbors we represent. Your suggestions are encouraged; please send them to the Board via ProCAM.

Please visit the Marshall Heights website at [www.mhha.net](http://www.mhha.net) to find street-by-street ARC guidelines, recommended contractors, board meeting minutes, and other helpful community information. If you wish to volunteer in any capacity (Board, ARC, or other), please contact us via ProCAM. We extend our wishes to you for a happy holiday season!

Best Regards,

*Your HOA Board*

Amin Fatah  
(President)

Sonny "Quin" Barber  
(Vice President)

Amery Pore  
(Treasurer)

Julie Nielsen  
(Secretary)

| MARSHALL HEIGHTS<br>HOMEOWNERS ASSOCIATION<br>2011 APPROVED BUDGET | 2007<br>ACTUAL<br>YEAR END | 2008<br>ACTUAL<br>YEAR END | 2009<br>ACTUAL<br>YEAR END | 2010<br>APPROVED<br>BUDGET | 2010<br>AS OF<br>10/31/2010 | 2011<br>APPROVED<br>BUDGET | % DIFF.<br>10 VS. 11<br>APPR. BUDGET |
|--|----------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|----------------------------|--------------------------------------|
| <b>* INCOME *</b>  |                            |                            |                            |                            |                             |                            |                                      |
| 06310-000 General Assessments                                      | \$179,153                  | \$186,375                  | \$196,442                  | \$200,371                  | \$200,373                   | \$200,371                  | 0.0%                                 |
| 06350-000 Late Fees  | \$2,000                    | \$1,750                    | \$2,050                    | \$2,200                    | \$1,725                     | \$1,500                    | -31.8%                               |
| 06360-000 Collection Cost Reimbursemen                             | \$500                      | \$2,240                    | \$2,334                    | \$1,500                    | \$3,443                     | \$2,000                    | 33.3%                                |
| 06430-000 Interest   | \$5,000                    | \$5,473                    | \$3,522                    | \$4,200                    | \$2,541                     | \$2,500                    | -40.5%                               |
| 06900-000 Miscellaneous Income                                     | \$0                        | \$4,665                    | \$4,732                    | \$500                      | (\$1,215)                   | \$500                      | 0.0%                                 |
| <b>Total Income</b>  | <b>\$186,653</b>           | <b>\$200,503</b>           | <b>\$209,080</b>           | <b>\$208,771</b>           | <b>\$206,867</b>            | <b>\$206,871</b>           | <b>-0.9%</b>                         |
| <b>* EXPENSES *</b>  |                            |                            |                            |                            |                             |                            |                                      |
| <b>GENERAL &amp; ADMINISTRATIVE</b>                                |                            |                            |                            |                            |                             |                            |                                      |
| 07140-000 Accounting and Audit                                     | \$2,200                    | \$1,975                    | \$2,050                    | \$2,200                    | \$2,000                     | \$2,200                    | 0.0%                                 |
| 07142-000 Architectural Inspections                                | \$0                        | \$0                        | \$0                        | \$0                        | \$0                         | \$0                        |                                      |
| 07160-000 Bad Debt   | \$0                        | \$0                        | \$0                        | \$0                        | \$0                         | \$0                        |                                      |
| 07165-000 Bank Charges   | \$650                      | \$566                      | \$622                      | \$100                      | \$300                       | \$100                      | 0.0%                                 |
| 07170-000 CICB Fees (5)  | \$0                        | \$0                        | \$142                      | \$500                      | \$178                       | \$300                      | -40.0%                               |
| 07285-000 Taxes - Federal  | \$900                      | \$696                      | \$1,000                    | \$1,200                    | (\$788)                     | \$1,000                    | -16.7%                               |
| 07286-000 Taxes - State  | \$500                      | (\$19)                     | \$400                      | \$600                      | (\$711)                     | \$400                      | -33.3%                               |
| 07295-000 Non-Insurable Losses                                     | \$100                      | \$0                        | \$0                        | \$100                      | \$0                         | \$100                      | 0.0%                                 |
| 07300-000 Insurance  | \$2,500                    | \$1,873                    | \$1,893                    | \$2,500                    | \$1,985                     | \$2,300                    | -8.0%                                |
| 07305-000 Legal - General  | \$3,500                    | \$5,017                    | \$4,275                    | \$4,500                    | \$6,678                     | \$4,500                    | 0.0%                                 |
| 07310-000 Legal-Collections  | \$4,500                    | \$5,553                    | \$6,294                    | \$6,000                    | \$8,917                     | \$7,000                    | 16.7%                                |
| 07320-000 Management Fee   | \$30,765                   | \$32,075                   | \$33,679                   | \$35,046                   | \$29,205                    | \$37,499                   | 7.0%                                 |
| 07330-000 Miscellaneous  | \$500                      | \$171                      | \$1,422                    | \$800                      | \$551                       | \$500                      | -37.5%                               |
| 07410-000 Office Supplies  | \$1,500                    | \$1,774                    | \$1,496                    | \$2,000                    | \$1,498                     | \$2,200                    | 10.0%                                |
| 07420-000 Permits/Licenses   | \$0                        | \$105                      | \$25                       | \$100                      | \$25                        | \$100                      | 0.0%                                 |
| 07425-000 Postage/Delivery   | \$1,500                    | \$2,520                    | \$1,904                    | \$2,800                    | \$1,020                     | \$2,500                    | -10.7%                               |
| 07430-000 Printing/Copying   | \$2,500                    | \$3,579                    | \$2,998                    | \$4,000                    | \$2,108                     | \$3,260                    | -18.5%                               |
| 07431-000 Resale Preparation                                       | \$0                        | \$0                        | \$0                        | \$250                      | \$0                         | \$250                      | 0.0%                                 |
| 07455-000 Secretarial  | \$3,500                    | \$4,499                    | \$4,440                    | \$4,500                    | \$3,236                     | \$4,500                    | 0.0%                                 |
| 07460-000 Social Programs  | \$100                      | \$0                        | \$0                        | \$100                      | \$0                         | \$100                      | 0.0%                                 |
| <b>Total Gen. &amp; Administrative</b>                             | <b>\$55,215</b>            | <b>\$60,384</b>            | <b>\$62,640</b>            | <b>\$67,296</b>            | <b>\$56,202</b>             | <b>\$68,809</b>            | <b>2.2%</b>                          |
| <b>UTILITIES</b>   |                            |                            |                            |                            |                             |                            |                                      |
| 08910-000 Electricity  | \$3,000                    | \$568                      | \$595                      | \$650                      | \$460                       | \$650                      | 0.0%                                 |
| <b>Total Utility Expense</b>                                       | <b>\$3,000</b>             | <b>\$568</b>               | <b>\$595</b>               | <b>\$650</b>               | <b>\$460</b>                | <b>\$650</b>               | <b>0.0%</b>                          |
| <b>MAINTENANCE</b>   |                            |                            |                            |                            |                             |                            |                                      |
| 09060-000 General Maintenance (1)                                  | \$1,000                    | \$1,921                    | \$3,483                    | \$2,000                    | \$2,138                     | \$2,000                    | 0.0%                                 |
| 09061-000 Grounds Maintenance (2)                                  | \$15,000                   | \$8,398                    | \$15,708                   | \$11,287                   | \$5,678                     | \$11,000                   | -2.5%                                |
| 09093-000 Tree Work  | \$3,000                    | \$5,288                    | \$7,238                    | \$10,900                   | \$8,685                     | \$10,000                   | -8.3%                                |
| 09135-000 Gen. Maint. Supplies                                     | \$0                        | \$0                        | \$0                        | \$0                        | \$0                         | \$0                        |                                      |
| <b>Total Maintenance Expenses</b>                                  | <b>\$19,000</b>            | <b>\$15,607</b>            | <b>\$26,429</b>            | <b>\$24,187</b>            | <b>\$16,501</b>             | <b>\$23,000</b>            | <b>-4.9%</b>                         |
| <b>CONTRACTS</b>   |                            |                            |                            |                            |                             |                            |                                      |
| 09630-000 Grounds Contract (3)                                     | \$28,000                   | \$28,050                   | \$30,466                   | \$30,600                   | \$25,907                    | \$31,212                   | 2.0%                                 |
| 09660-000 Snow Removal Contract                                    | \$6,000                    | \$1,361                    | \$7,928                    | \$5,000                    | \$10,355                    | \$5,000                    | 0.0%                                 |
| 09665-000 Trash Removal Contract                                   | \$34,905                   | \$38,571                   | \$38,396                   | \$40,124                   | \$31,996                    | \$38,500                   | -4.0%                                |
| 09670-000 Doody Calls Contract                                     | \$1,000                    | \$1,452                    | \$2,428                    | \$2,200                    | \$1,480                     | \$2,200                    | 0.0%                                 |
| <b>Total Contracts</b>   | <b>\$69,905</b>            | <b>\$69,434</b>            | <b>\$79,218</b>            | <b>\$77,924</b>            | <b>\$69,738</b>             | <b>\$76,912</b>            | <b>-1.3%</b>                         |
| <b>RESERVE DEPOSITS</b>  |                            |                            |                            |                            |                             |                            |                                      |
| 00000-000 Total Reserve Year End Balance                           | \$231,000                  | \$86,922                   | \$119,464                  | \$108,062                  | \$118,110                   | \$150,110                  |                                      |
| 09905-000 Replacement Reserve Contrib                              | \$31,444                   | \$33,073                   | \$34,000                   | \$31,700                   | \$31,700                    | \$32,000                   | 0.9%                                 |
| 09906-000 Int Cont Repl Res  | \$5,000                    | \$5,252                    | \$3,474                    | \$4,000                    | \$2,541                     | \$2,500                    | -37.5%                               |
| 09910-000 Operating Reserve Contribution                           | \$3,000                    | \$3,000                    | \$3,000                    | \$3,000                    | \$3,000                     | \$3,000                    | 0.0%                                 |
| <b>Total Reserve Contributions</b>                                 | <b>\$39,444</b>            | <b>\$41,325</b>            | <b>\$40,474</b>            | <b>\$38,700</b>            | <b>\$37,241</b>             | <b>\$37,500</b>            | <b>-3.1%</b>                         |

| MARSHALL HEIGHTS<br>HOMEOWNERS ASSOCIATION<br>2011 APPROVED BUDGET  | 2007<br>ACTUAL<br>YEAR END | 2008<br>ACTUAL<br>YEAR END | 2009<br>ACTUAL<br>YEAR END | 2010<br>APPROVED<br>BUDGET | 2010<br>AS OF<br>10/31/2010 | 2011<br>APPROVED<br>BUDGET | % DIFF.<br>10 VS. 11<br>APPR. BUDGET |
|---|----------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|----------------------------|--------------------------------------|
| TOTAL EXPENSES  | \$186,564                  | \$187,318                  | \$209,356                  | \$208,757                  | \$180,142                   | \$206,871                  | -0.9%                                |
| NET   | \$89                       | \$13,185                   | (\$276)                    | \$14                       | \$26,725                    | (\$0)                      |                                      |
| Association Fee Increase:   | 2007                       | 2008                       | 2009 Actual                | 2010                       |                             | 2011                       |                                      |
| C.P.I. % Increase from Previous Year  |                            | 4.0%                       | 5.4%                       | 2%                         |                             | 0%                         |                                      |
| Quarterly Fee   | \$250.21                   | \$260.30                   | \$274.36                   | \$279.85                   |                             | \$279.85                   |                                      |
| (1) General Maintenance Includes: expenses for maintenance of common elements (retaining walls, railing, etc) due to wear, age and abuse.               |                            |                            |                            |                            |                             |                            |                                      |
| (2) Grounds Maintenance Includes: expenses for improvements, enhancements of landscape not covered by Landscape contract.                               |                            |                            |                            |                            |                             |                            |                                      |
| (3) Grounds Contract Includes: expenses associated with the contract to maintain common area, turf, front yards, shrubs & trees (Valleycrt).            |                            |                            |                            |                            |                             |                            |                                      |
| (4) Total Reserve End Balance: includes \$20,000 estimated cost for retaining wall design & replacement (Dominion Way & Marshall Hts. Ct.) end of 2010. |                            |                            |                            |                            |                             |                            |                                      |
| (5) CICB annual fees paid to the Common Interest Community Board based on 2008 legislative changes.   |                            |                            |                            |                            |                             |                            |                                      |