

MARLEY PARK™ 2019 ANNUAL GOVERNANCE PACKAGE





December 1, 2018

Dear Marley Park™ Special Service Area Homeowner,

On behalf of the Board of Directors and in compliance with our community's governing documents, the Marley Park Community Association, Inc., ("MPCA") produces an annual governance package to share with all Marley Park homeowners.

Enclosed in this 2019 governance package, please find the following:

- 1) Budget Summary
- 2) Budgets
- 3) Governance Overview
- 4) Marley Park Assessment & Fee Schedule

While this governance package is focused on the year ahead, there was important transitional groundwork in 2018, setting the stage for 2019 and beyond in Marley Park.

In September 2018 at Marley Park's third quarter board meeting, the Board of Directors transitioned from founder-control to resident-control in accordance with Marley Park's Community Charter. Homeowners elected two additional Owner Directors: Mark McCall and Lance Miyatovich will serve alongside previously elected Owner Directors, Donna Bronski and Valerie Jackson, and founder-appointed member, Dan Kelly.

Prior to transition and to inform the process, the Board of Directors convened two committees: (1) a 10-member Transition Committee to help guide the transition process for all community stakeholders; (2) a 10-member standing Landscape Advisory Committee to identify and prioritize landscape maintenance improvements to common areas for annual budgets. Both Committee's provided formal 2019 budget recommendations to the newly elected Board.

In addition, a standing Special Service Area Committee was formed to represent the interests of Special Service Area owners. This Committee meets quarterly and provides formal recommendations to the Board and staff regarding Capital Projects, including exterior painting and roof repairs within the Special Service Area. The Committee also identified and prioritized landscape and maintenance improvements for annual budgets.

As we look to 2019, the Board plans to continue to establish committees to support its work. All residents are invited to get involved in these important community leadership opportunities.

For questions regarding information in this annual governance package, please contact the MPCA at mpca@dmbcommunitylife.com or 623-466-8820. We also invite you to attend the Annual Membership Meeting slated for March 25, 2019. In addition to our usual Board business, two open Owner Director seats will be elected at the Annual Membership Meeting. Please watch for additional communication in early 2019 about this meeting and Board election.

Sincerely,

Marley Park Community Association, Inc.
Managed by DMB Community Life, Inc.: people and places with purpose



**Marley Park Community Association, Inc.
2019 Budget Summary
Special Service Area
December 1, 2018**

Annually, the Board of Directors for the Marley Park Community Association, Inc. ("MPCA"), prepares a budget for the upcoming fiscal year and sets an assessment level to meet the fiduciary requirements of the MPCA, ensuring that operating expenses and reserve allocations are adequately funded in accordance with Chapter 14 of the MPCA Charter.

This past year, the Board of Directors requested the Special Service Area Committee ("Committee")* to provide recommendations in setting the Marley Park Special Service Area base assessment for 2019. The Committee recommended increasing the Special Service Area base assessment to build up the Special Service Area Reserve Fund for capital projects including exterior painting, decomposed granite replenishment, roof repairs and replacements, and irrigation maintenance.

Based on the recommendation of the Committee, for 2019 the Marley Park Board of Directors found it necessary to increase the MPCA base assessment to \$110.00 and to increase the Marley Park Special Service Area base assessment to \$93.00 (a combined base assessment increase of \$6.00 from 2018); for a total monthly amount of \$203.00.

These budgets reflect the MPCA's efforts to responsibly manage our resources and protect Marley Park's long-term vision. This includes the MPCA's priorities to contribute to the reserve funds in accordance with the Marley Park and Special Service Area reserve studies; to maintain important community amenities such as the Heritage Pool House and the Heritage Club; to preserve special community landscapes such as community parks, common areas, and tree-lined streets; and to support unique community programs.

Please remember: assessments are due in full on the 1st of each month; late charges will be applied after the 15th of the month. If you use an Online Bill Pay service with your bank or credit card, please confirm the withdrawal amount of \$203.00 beginning January 1, 2019. To ensure timely receipt of assessments, the MPCA encourages enrollment in the Automated Clearing House (ACH) Direct Debit program. Enrollment authorizes the MPCA to withdraw the Board-approved assessment from your bank account between the 5th and 10th each month. For questions about your account, including enrollment to ACH and also to receive monthly statements by email, please contact accounting@dmbcommunitylife.com.

By order of the Board of Directors,

Marley Park Community Association, Inc.
Managed by DMB Community Life, Inc.: people and places with purpose

*Formed in 2006, the Committee is comprised of three (3) Special Service Area residents elected by Special Service Area owners to represent owner interests. The next election will be held in 2019 to fill Committee vacancies. The Committee meets quarterly to review the operating budget, reserve fund, capital projects, and landscape and maintenance projects; Committee meetings are open to all Special Service Area owners.



Marley Park Community Association, Inc. 2019 Budget

FEES

Marley Park Community Association, Inc. Assessment \$ 110.00

REVENUE

Community Association Assessment \$ 2,164,690

Legal, Collection & Compliance Fees 38,278

Events & Amenity Revenue 37,673

Transfer & Disclosure Fees 188,235

Special Service Area Assessment 117,180

Other Revenue 13,167

Gross Revenue \$ 2,559,223

Bad Debt (10,519)

NET REVENUE \$ 2,548,704

OPERATING EXPENSES

General & Administrative \$ 644,560

Utilities 217,665

Landscaping 924,464

Community Engagement 119,491

Repairs & Maintenance 37,699

Facilities 295,013

Communications 48,990

TOTAL OPERATING EXPENSES \$ 2,287,882

INCOME BEFORE RESERVES \$ 260,822

RESERVES (260,000)

TOTAL SURPLUS (DEFICIT) \$ 822



**Marley Park Community Association, Inc.
Special Service Area
2019 Budget**

FEES

Marley Park Special Service Area Assessment \$ 93.00

REVENUE

Special Service Area Assessment 117,180

Gross Revenue \$ 117,180

Bad Debt (586)

NET REVENUE \$ 116,594

OPERATING EXPENSES

Annual Flowers \$ 3,500

Administration Fee 1,890

Irrigation System 1,800

Landscape Maintenance 35,820

Roof Repairs 5,250

Tree Maintenance 2,600

Turf Maintenance 300

Unit Repairs 2,400

Water - Landscaping 12,250

TOTAL OPERATING EXPENSES \$ 65,810

INCOME BEFORE RESERVES & SUBSIDIES \$ 50,784

RESERVES (50,000)

DEVELOPER SUBSIDY -

TOTAL SURPLUS (DEFICIT) \$ 784



2019 MARLEY PARK™ GOVERNANCE OVERVIEW

Marley Park is a distinctive community in the growing City of Surprise. Built with a keen attention to detail, Marley Park emphasizes diverse and traditional architecture that fosters an active and caring community for residents today and in the future. Achieving our shared vision for Marley Park is facilitated by an Arizona nonprofit organization, known as the Marley Park Community Association, Inc. (the “Community Association”).

MARLEY PARK COMMUNITY ASSOCIATION, INC.

The Community Association provides spirited, dynamic leadership for the Marley Park community by cultivating a rich variety of activities and programs and by preserving special community landscapes and neighborhood settings. The Community Association works in partnership with residents to create a strong, active and caring community.

Please contact the Community Association for questions and suggestions about community life, including operations such as governance, assessments and fees, landscape and general maintenance of community common areas and parks, community guidelines including compliance and design review applications; as well as programs such as events and activities, Marley Park Matters, clubs and groups, volunteer and philanthropic opportunities, facility reservations, and marleypark.com and other communications tools.

The Community Association is responsible for maintaining the following common areas, unique to Marley Park: major thoroughfares and parkways, neighborhood parks, Arbor Walk path and trail system, and landscape tracts funded by the Marley Park Community Facilities District (“Marley Park CFD”). For more information on the Marley Park CFD, refer to the *CFD Disclosure Statement*.^{*} The Community Association is also responsible for maintaining the Heritage Club – a 6,000-square-foot private, recreational facility for all residents that includes indoor and outdoor areas, catering kitchen, and flexible meeting spaces; and the Heritage Pool House – a two-acre private, recreational facility for all residents to swim, play, and relax year-round that includes a recreation and fitness pool, multi-purpose indoor gathering space, an outdoor fire pit, ramadas and barbecue.

Governed by a Board of Directors, the Community Association’s responsibility is to implement and enforce the terms set forth in the *Community Charter* (the “Charter.”)^{*} The Charter establishes a flexible system of standards and procedures for the overall development, administration and preservation of the residential portion of Marley Park. All residential property owners are members of the Community Association.

ASSESSMENTS AND FEES

The Community Association is funded by a Board approved, mandatory monthly assessment collected from all residential property owners. As of January 1, 2019, the monthly assessment is:

\$110.00 – Community Association Base Assessment

In addition to the above assessment, homes in certain neighborhoods may be subject to additional monthly Service Area Assessments, as defined in the Charter and levied to pay expenses incurred for benefits or services provided by the Community Association for certain portions of the Community that are not common to all owners.

Note: Other assessments and fees may be applicable as delineated in the governing documents. All assessments and fees, as of January 1, 2019, are subject to change in accordance with the governing

*documents. Special use and consumption fees may be required for certain amenities, programs, events and activities. See the current years MPCA Assessment & Fee Schedule.**

DESIGN GUIDELINES

To ensure that the character of Marley Park remains true to its vision, and to maintain consistency in the quality of improvements within Marley Park, Design Review is a free and mandatory approval process for owners who want to change or modify the exterior of their home. Design Review in Marley Park is detailed in a document which may be amended periodically, Marley Park Residential Design Guidelines.* Prior approval must be obtained from the Design Review Committee, as outlined in the Charter, before any exterior changes or modifications are made.

*Note: Homeowners who do not secure pre-approval for Design Review are subject to a Retroactive Design Review Application Fee. See the current years MPCA Assessment & Fee Schedule.**

GOVERNING DOCUMENTS

The Charter for Marley Park is a document in accordance with Arizona regulations regarding the establishment of nonprofit organizations and cannot be changed without a specific vote by Marley Park property owners. If approved, these changes become amendments and are recorded with the Maricopa County Recorder's Office. Please be advised that failure to abide by the governing documents can result in specified legal remedies and/or fines. The *Bylaws** outline the manner in which the Community Association should be overseen and govern internal affairs such as voting, elections and meetings.

*Governing documents may be amended periodically. All current governing and financial documents are available on marleypark.com.

CONTACT INFORMATION

MPCA Operations team at mpca@dmbcommunitylife.com or 623-466-8820

MPCA Engagement team at mpengagement@dmbcommunitylife.com or 623-466-8820

MPCA Accounting team at accounting@dmbcommunitylife.com or 623-466-7008



Marley Park Community Association, Inc. Assessment & Fee Schedule

Adopted November 5, 2018 | Effective January 1, 2019

Monthly Assessments	
Marley Park Community Association, Inc. (Community Charter for Marley Park, Chapter 14, Section 14.5)	\$110
Marley Park Community Association Special Service Area Assessment (MP SSA) (Community Charter for Marley Park, Chapter 14, Section 14.5)	\$93
Property Transfer Fees	
(ARS 33-1806 Resale of units; information required; fees; civil penalty; definition) (DMB Community Life, Inc. Management Contract 2019, unless otherwise stated)	
Builder Transfer	
First Home Buyer Transfer Fee; per lot	\$100
Working Capital Fee – ½ of the Annual Assessment (Community Charter for Marley Park, Chapter 14, Section 14.9)	\$660
Upfront Monthly Assessments Collected at Closing – 2 mo.	\$220
Resale Transfer	
Resale Transfer Fee	\$300
Resale Disclosure Fee	\$75
Community Enhancement Fee (Community Charter for Marley Park, Chapter 14, Section 14.11)	¼ of 1% of Gross Sales Price
Prepaid Monthly Assessment Collected at Closing – 2 mo.	\$220
MP SSA Prepaid Monthly Assessment Collected at Closing – 2 mo.	\$406
Builder-to-Builder Transfer	
Builder-to-Builder Transfer Fee; per lot	\$50
Non-Exempt Transfer	
Any Non-Exempt Transfer Other Than a Sale (Covenant for Community for Verrado, Section 2.3(f))	¼ of 1% of the Estimated Fair Market Value
Delinquency & Legal Fees	
(Community Charter for Marley Park, Chapter 14, Section 14.6) (Current Delinquency Account Collection Process) (DMB Community Life, Inc. Management Contract 2019, unless otherwise stated)	
Late Fee (Assessed monthly on the 16th)	\$15
Demand Fee (Assessed after the 2nd month Delinquent)	\$35
Returned Check Fee	\$25
Pre-Lien Fee (Assessed after the 3rd month Delinquent)	\$70
Collection Agent Fee	\$125
Payment Agreement Default Letter	\$85

Record Notice of Lien	\$185
Delinquency Lawsuit	\$275 & up
Post-Judgment Collection Service	\$135 & up
Property Setup Fees	
(ARS 33-1806 Resale of units; information required; fees; civil penalty; definition) (DMB Community Life, Inc. Management Contract 2019)	
Tenant Account Set-up Fee	\$25
Foreclosure Set-up Fee	\$400
Administrative Transfer Set-up Fee (Applicable for Community Enhancement Fee Exempt Transfers)	\$75
Third-Party Disclosure Fee (homewisedocs.com)	\$25
Resale Rush Fee – 72 hours	\$100
Resale Update Fee – After 30 days	\$50
Lender Documentation Fee	\$100
Schedule of Monetary Penalties for Noncompliance	
(Community Charter for Marley Park, Chapter 9, Sections 9.2(a)(i) & 9.2(a)(vii)) (Community Charter for Marley Park, Chapter 14, Section 14.4(b))	
Amenity Violation	\$100
Animals & Pets	\$50
Commercial Vehicle, Recreational Vehicle, Inoperable Vehicle Violation	\$150
Exterior Architectural Maintenance; Missing/Damaged Elements	\$150
Landscape Maintenance Violation(s)	\$150
Short-Term Property Rental	\$500
Specific Assessment – Self-Help	\$150 & up
Trash/Recycling Container Stored in Unapproved Location / Unapproved Signage	\$25
Unapproved Architectural Modification(s)	\$200
Residential Design Review Submittal Fees	
(Community Charter for Marley Park, Chapter 6, Section 6.2(d))	
Residential Application	\$0
Commercial Application	\$0
Retroactive Design Review Application Fee (<i>non-refundable fee for work completed prior to Design Review Approval</i>)	\$50
Major Addition or Modification to Existing Home (<i>i.e. guest house, main home square footage expansion</i>)	\$1.00/sq.ft. under roof for each submission; minimum fee of \$500 & maximum

	fee of \$2,000
Custom Home Design Review Application Fee	\$3,300
Heritage Club & Pool House Facility Rentals	
Heritage Club – Keeping Room – 2 hour minimum	\$10/Hour
Heritage Club – Rose Room – 2 hour minimum	\$10/Hour
Heritage Club – Main Parlor & Back Lawn – Under 60 people - 2 hour minimum	\$80/Hour
Heritage Club – Main Parlor & Back Lawn – Over 60 people - 2 hour minimum	\$250/Hour
<i>Main Parlor & Back Lawn Reservations includes common parlor, kitchen & back lawn. During overseeding there is no access to the Back Lawn.</i>	
Heritage Pool House – Multipurpose Room Only Saturday & Sunday Only – 10am – 2pm (30 people maximum, including resident household)	\$250/4-Hours
Heritage Club & Pool House Facility Rentals Facility Violations & Fines	
Broken Glass In/Near Pool(s) Resulting in Pool Closure	Pass through cost from service provider
Facility Reservation Time Exceeded	\$25/15 minutes beyond scheduled start/end of reservation
Guest Count Exceeds Reservation	Difference in price/half-hour
Damage/Lack of Proper Cleaning	Pass through cost from service provider
Undisclosed/Unapproved High-Risk Vendor (i.e. bounce house, bartender)	\$500
Amenity Access Cards (A maximum of 3 Cards per Lot)	
First & Second Card – Supplied as a Courtesy for new Owners	\$0
Third or Replacement Card	\$25/Card

