

Dear Marley Park Homeowner,

In compliance with Marley Park's governing documents, the Marley Park Community Association, Inc., (hereinafter, referred to as "MPCA") produces an annual governance package to share with all Marley Park homeowners. Enclosed – and also available on marleypark.net – please find copies of the following:

- 1) 2012 Notice of Budget
- 2) 2012 Budget Summary
- 3) 2012 Marley Park Governance Overview
- 4) 2012 Assessment & Fee Schedule
- 5) Noncompliance Enforcement Guidelines

In addition, the Community Association wanted to share some additional details about two fee changes noted in the 2012 Marley Park Community Association, Inc., Assessment & Fee Schedule:

- **Rental Setup Fee:** Effective January 1, 2012, homeowners that rent their Marley Park home will be charged \$100.00 for each new lease agreement (no retroactive charges). Following best practices in community management and in accordance with Marley Park's governing documents and Arizona state law, these renter fees ensure that the MPCA has current records for all residents in order to protect the assets of the community and engage with residents about community news and events.
- **Retroactive Design Review Application Fee:** Effective January 1, 2012, homeowners who do not adhere to the Community Association's Design Review process for exterior home modifications are subject to a \$250.00 Retroactive Design Review Application Fee that may be removed if the approved modifications are made within 30 days to meet Community Standards.

It is the goal of the MPCA to work in partnership with residents to protect Marley Park's unique Community Standards. Currently, Design Review is a free and mandatory approval process for residential homeowners that want to change or modify the exterior of their home. Established to ensure the character of Marley Park remains true to its vision, and to maintain consistency in the quality of improvements within Marley Park, Design Review requires prior approval of the Design Review Committee, as outlined in the Charter, before any exterior changes or modifications are made. This includes, but is not limited to, the addition of structure(s), modification of front-yard landscaping (and back-yard landscaping for lots with view fencing), for example, sunscreens, painting, security and screen doors, and solar systems.

To submit a Design Review Application in advance of exterior home modifications, visit marleypark.net and select the *Apply to Modify Your Home Exterior* Quick Link.

For any questions regarding the information enclosed in this correspondence, please contact the MPCA at communityassociation@marleypark.net or 623-466-8820. We also invite you to join us at the MPCA Annual Membership Meeting slated for March 2012; date TBD. Please visit marleypark.net for Annual Meeting details and to RSVP.

By order of the Board of Directors,
Marley Park Community Association, Inc.



Marley Park Community Association, Inc.
Notice of 2012 Budget
MPCA Special Service Area
November 15, 2011

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

Enclosed – and also available on marleypark.net – please find a copy of the 2012 budget. The 2012 budget reflects the Community Association's efforts to continue to responsibly and sustainably manage our resources, prioritizing protection of Marley Park's long-term vision. This includes the Community Association's priorities for maintaining important community gathering spaces such as the Heritage Pool House and the Heritage Club; for increasing care and attention of our distinguishing community features such as community parks, common areas, and tree-lined streets; and also for supporting our unique community programs such as community events, leadership programs, and club and group activities.

In that spirit, the Board of Directors has found it necessary to set the Community Association base assessment to \$92.00 and to set the Marley Park Community Association Special Service Area assessment to \$69.00; in addition, the separate, mandatory Telecommunications Fee is \$39.99* for a total monthly amount of \$200.99 per month.

Please remember: Assessments are due in full on the 1st of each month; late charges will be assessed after the 15th of the month. If you use an Online Bill Pay service with your bank or credit card, please adjust the withdrawal amount for your monthly assessments beginning January 2012 (and please confirm your account number and mailing address ensuring proper and timely payment). You may pay for the entire year in advance by submitting payment in January; there are no discounts available for full-year payments.

The Marley Park Community Association, Inc. offers homeowners secure and convenient opportunities to access your account and to make assessment payments online, including scheduling recurring and making one-time payments. For details, visit marleypark.net and select the *Assessments* option from the *In My Home* navigation menu.

In 2012, DMB Associates, Inc. will continue to prudently manage its business to meet the ongoing and changing needs of the market. DMB remains committed to moving Marley Park forward for long-term success. The Community Association staff is well positioned to support Marley Park's community life for a sustainable, legacy community.

By order of the Board of Directors,
Marley Park Community Association, Inc.

*The separate, mandatory monthly Telecommunications Fee for Cox High-Speed Internet – a special discount rate for Marley Park residents – is a pass-through fee facilitated by the Community Association. Telecommunications Fees are determined by Cox Communications, and in accordance with Marley Park's governing documents, fee increases are passed directly to residential property owners.



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**MARLEY PARK COMMUNITY ASSOCIATION, INC.
2012 BUDGET**

FEES

Marley Park Community Association Assessment	\$	92.00
Mandatory Telecommunity Fee*	\$	39.99

REVENUE

Community Association Assessment	\$	1,434,096
Telecommunity Fee	\$	374,706
Special Service Area Assessment	\$	107,640
Legal, Collection & Compliance Fees	\$	96,775
Transfer & Disclosure Fees	\$	150,016
Interest	\$	3,754
Events & Amenity Revenue	\$	31,875
Other Revenue	\$	9,540
Gross Revenue	\$	2,208,402

Bad Debt	\$	117,816
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NET REVENUE	\$	2,090,586
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OPERATING EXPENSES

Administrative	\$	707,535
Utilities	\$	138,503
Landscaping	\$	631,581
Community Building	\$	88,315
Repair & Maintenance	\$	30,260
Telecommunity	\$	374,706
Special Service Area	\$	107,894
Facilities	\$	94,855
Communications	\$	24,400
Other Expenses	\$	10,000

TOTAL OPERATING EXPENSES	\$	2,208,049
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INCOME BEFORE RESERVES & SUBSIDIES	\$	(117,463)
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TOTAL RESERVE DISTRIBUTIONS	\$	(18,949)
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TOTAL SURPLUS (DEFICIT)**	\$	(136,412)
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Developer Subsidy	\$	-
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*This is a separate, mandatory monthly Telecommunications Fee for COX High-Speed Internet – a special discount rate for Marley Park residents and is an exact-cost pass-through fee facilitated by the Community Association.

Telecommunications Fees are determined by COX Communications, and in accordance with Marley Park's governing documents, property fee increases are passed directly to residential owners.

** 2012 budgeted deficit will be covered with 2011 surplus



2012 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 issues such as governance, assessments and fees, landscape and general maintenance of community common areas and parks, community guidelines including compliance issues and design review applications, and facility reservations; as well as programs issues such as events and activities, Marley Park Leadership™, clubs and groups, volunteer and philanthropic opportunities, and marleypark.net 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 Statement*.* The Community Association is also responsible for maintaining (1) the Heritage Club – a 6,000-square-foot private, recreational facility for all residents to enjoy that includes indoor and outdoor areas, catering kitchen, and flexible meeting spaces; and (2) the Heritage Pool House – a two-acre private, recreational facility for all residents to swim, play, and relax year-round that includes a recreational and fitness pool, multi-purpose indoor gathering space, and 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 predetermined mandatory monthly fee collected from all residential property owners. The monthly fee as of January 1, 2012 is as follows:

\$92.00 – Community Association Base Assessment **plus** a separate mandatory monthly Telecommunications Fee

The mandatory monthly Telecommunications Fee for residential property owners in Marley Park is currently \$39.99 per month for Cox High Speed Internet capability – a special bulk-rate discount off the regular retail price for Marley Park residents. Other services provided by Cox Communications, such as telephone and cable TV, are separate and determined by each resident's unique needs; arrangements for additional services must be made directly with Cox.



In addition to the above fees, 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, 2012, 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. Please see the 2012 MPCA Assessment & Fee Schedule.**

DESIGN GUIDELINES

To ensure 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 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, *The Guide for Personalizing Your Home.** Prior approval must be obtained from the Design Review Committee, as outlined in the Charter, before any exterior changes or modifications are made.

Note: It is the goal of the Community Association to get all exterior home modifications in compliance. Effective January 1, 2012, homeowners who do not adhere to the Community Association's Design Review process for exterior home modifications are subject to a \$250.00 Retroactive Design Review Application Fee that may be removed if the approved modifications are made within 30 days to meet our community standards.

GOVERNING DOCUMENTS

The Charter for Marley Park has been drafted 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 a fine. The *Bylaws** outline the manner in which the Community Association should be overseen and govern internal affairs such as voting, elections, and meetings.

*All current governing documents, including amendments and supplements, and also all current financial documents, including budgets, fee schedules, and financial statements, are available on marleypark.net.

CONTACT INFORMATION

Please refer to the current Community Association governing documents for more information or visit the Community Governance section on marleypark.net. You may also contact the Community Association at communityassociation@marleypark.net or 623-466-8820, 15210 W. Sweetwater Avenue, Surprise, AZ 85379 during normal business hours.

This promotional material is not intended to constitute an offering in violation of the law of any jurisdiction. No binding offer to sell or lease may be made or accepted prior to issuance of the final Arizona Subdivision Public Report for the property. These materials are the features and amenities depicted herein and are based upon current development plans effective as of January 2012, which are subject to change without notice and should not be relied upon as a commitment by the developer to complete the amenities as proposed or the time when such will be completed, if at all. No guarantee is made that the features and amenities depicted by artist's renderings or otherwise described will be built, or, if built, will be the same type, size, or nature as depicted or described. © January 1, 2012, Marley Park Phase I LLC and Marley Park Phase II LLC. All rights reserved.



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Marley Park Community Association, Inc. 2012 Assessment & Fee Schedule

Monthly Assessments and Fees

Marley Park Community Association Assessment (Community Charter for Marley Park, Chapter 14, Section 14.5)	\$92.00
Tele-Community Fee (Community Charter for Marley Park, Chapter 12, Section 12.3)	\$39.99
Marley Park Community Association Special Service Area Assessment (Community Charter for Marley Park, Chapter 14, Section 14.5)	\$69.00

Delinquency and Legal Fees

(Community Charter for Marley Park, Chapter 14, Section 14.6)
(Marley Park Community Association Delinquency Policy & Guidelines – Adopted January 21, 2008)

Late Fee	Assessed monthly on the 16 th	\$15.00
Demand Fee	Assessed after the 2 nd month Delinquent	\$35.00
Pre-Lien Fee	Assessed after the 3 rd month Delinquent	\$70.00
Collection Agent Fee		\$89.00
Payment Agreement Default Letter		\$85.00
Record Notice of Lien		\$185.00
Delinquency Lawsuit		\$275 & up
Post-Judgment Collection Service		\$135 & up

Property Transfer and Setup Fees

(Board of Directors Meeting [November 1, 2011], unless otherwise stated)
(ARS 33-1806 Resale of units; information required; fees; civil penalty; definition)

Rental Setup Fee	\$100.00
First Time Home Buyer Transfer Fee per Lot	\$100.00
Resale Transfer Fee	\$300.00
Resale Disclosure Fee	\$100.00
Resale Rush Fee – 72 hours	\$100.00

Resale Update Fee – After 30 days	\$50.00
Foreclosure Setup Fee	\$400.00
Builder to Builder Transfer Fee per Lot	\$50.00
Community Enhancement Fee (Covenant for Community for Marley Park, Chapter 14, Section 14.11)	¼ of 1% of the Gross Sales Price
Working Capital Fee – ½ of the Annual Assessment (Community Charter for Marley Park, Chapter 14, Section 14.9)	\$552.00
<i>Non-Compliance Monetary Penalties</i>	
(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))	
Unapproved Architectural Modification(s)	\$200.00
Landscape Maintenance Violation(s)	\$150.00
Commercial Vehicle, Recreational Vehicle, Inoperable Vehicle Violation	\$50.00/day
Trash / Recycling Container Violation; Unapproved Signage; Unapproved Exterior Ornamentation	\$25.00/day
Specific Assessment – Self-Help	\$150.00 & up
<i>Design Review Submittal Fees</i>	
(Community Charter for Marley Park, Chapter 6, Section 6.2(d))	
Retroactive Design Review Application Fee	\$250.00
Residential Application	\$0.00
Commercial Application	\$0.00
Custom Home Application	\$TBD
<i>Facility Rentals</i>	
Heritage Club – Interior	\$40.00/Hour
Heritage Club – Exterior	\$40.00/Hour
Heritage Club – All	\$80.00/Hour
Heritage Club – Weddings	Double/Hour
Heritage Pool House – Multipurpose Room (40 Guest Maximum)	\$200.00/4 Hrs
<i>*Heritage Pool House reservations are limited to Memorial Day – Labor Day</i>	

Key Fobs – Per Lot

First Fob – Supplied as a Courtesy to Owners & Tenants	\$0.00
Second Fob	\$25.00
Third Fob +	\$50.00



Marley Park Community Association, Inc.
Noncompliance Enforcement Guidelines
Adopted November 1, 2011

1. First Written Notice

Courtesy Notice informing the homeowner of the noncompliance issue and requesting corrective action be taken.

2. Second Written Notice

Advises homeowner they have ten (10) business days to remedy the noncompliance issue, except for trash/recycling container(s), which is immediate, or further enforcement action will be taken.

3. Hearing Notice

Advises homeowner if the violation is not corrected within ten (10) business days, a monetary penalty may be imposed and provides the homeowner an opportunity to be heard in accordance with Arizona State Law.

4. Monetary Penalty Notice

This letter states the nature of the violation, stipulates the monetary penalty (fine) to be imposed. The homeowner is also advised that if the violation is not corrected within ten (10) business days, additional monetary penalties may be imposed every ten (10) days until the violation is corrected.

Note: When a violation of the Community Charter, Exhibit "B", Initial Rules, is noted, the Board may take whatever enforcement action necessary to remedy the violation without adherence to the above procedures (e.g., impose monetary penalty, exercise self-help, suspend privileges, proceed with legal action, etc., at the owner's expense).

Marley Park Community Association, Inc.
Schedule of Monetary Penalties

In accordance with the Community Charter for Marley Park, Chapter 9, Compliance and Enforcement, paragraph 9.1(a), the following schedule of monetary penalties may be imposed for violations of the governing documents was approved by the Marley Park Community Association, Inc. Board of Directors.

Violation	Monetary Penalty
Unapproved Architectural Modification(s)	\$200.00
Landscape Maintenance Violation(s)	\$150.00
Commercial Vehicle/Recreational Vehicle/Inoperable Vehicle	\$50.00 per day
Trash/Recycling Container Visible on Non-Collection Days	\$25.00 per day

If you require further information, please contact the Marley Park Community Association, Inc. at 623-466-8820. Management does not act on anonymous information.