

Date: November 13, 2008  
To: Shadowbrook Homeowners  
From: Board of Directors  
Shadowbrook at Town Center Community Association, Inc.  
Subject: 2009 Budget

Dear Fellow Homeowner,

It's budget time again! After preparing the 2009 Budget, your Board of Directors are happy to report that the community's financial situation has improved considerably from where we were in 2007. Most importantly, we will finish the year with over \$51,000 in reserve funds. This amount, with future annual contributions, puts us comfortably on-track to fund our future anticipated maintenance. Our newfound financial stability is a direct result of the significant (but necessary) increases we all had to bear in our 2008 assessments. The Board recognizes this was hard on everyone, and we appreciate those of you who continue to pay your assessments on-time each month, despite the increased burden.

At the same time, the Association has not been able to escape the reality of today's depressed economic situation. In 2008, our neighborhood saw an increase in homeowners delinquent in their assessments, and sadly, some foreclosures. It is our opinion that this situation is going to get worse in 2009.

As you might imagine, unpaid assessments create a budget shortfall for the Association. This can be very problematic as our budget requires everyone to pay their assessments for us to have enough to meet our operational expenses like landscaping, repairs, electricity, and insurance. When we don't receive enough money, we have to cut services. However, note that we never cut reserve funding; we deposit the same amount into reserves every month, regardless of how much we collect.

Because cutting services is not a good idea and could subject the association to liability (if, for example, that failure to maintain or repair caused damage or injury), we have added to our budget \$13,000 for "bad debt allowance" to compensate for the income that the association may likely not receive. In order to offset this, we looked for ways to cut in other areas. The largest savings we will realize will come from changing our landscaping vendor for a \$17,000 annual savings.

Unfortunately, there is still going to be a small increase in assessments for townhome owners. This is by design to adequately fund the reserve account. The community told us during last year's budget cycle that you would rather have small increases over time than one large increase. As a result, we lowered assessments in 2008, and are instead administering small increases in 2009 and over the next few years. This method still ensures we have enough reserve funds to maintain the neighborhood at a high-quality level and meet the capital

improvement needs of the future. The 2009 townhome assessment will be \$123, an \$8 increase over 2008.

If you have any questions or concerns, please e-mail the board directly anytime at shadowbrookhoa@gmail.com, or call or e-mail Jessica Mooney. Jessica is our property manager at G.W. Associates and she can be reached at (678) 407-6307 or jmooney@gwmgmt.com.

Sincerely,

Board of Directors,  
Shadowbrook at Town Center Community Association, Inc.

**SHADOWBROOK AT TOWN CENTER COMMUNITY ASSOCIATION, INC.  
2009 BUDGET (11/11/2008)**

	<u>COMMON</u>	<u>TOWNHOMES</u>	<u>SINGLE-FAMILY</u>	<u>TOTALS</u>
<b><u>INCOME</u></b>				
<b>OPERATING RECEIPTS</b>				
Townhome Homeowners Fees    116 Units	\$ 61,252.62	\$ 110,648.00	\$ -	\$ 171,900.62
Single-Family Homeowners Fee:    85 Units	\$ 44,883.38	\$ -	\$ 62,358.00	\$ 107,241.38
<b>TOTAL OPERATING RECEIPTS</b>	<b>\$ 106,136.00</b>	<b>\$ 110,648.00</b>	<b>\$ 62,358.00</b>	<b>\$ 279,142.00</b>
<b>TOTAL INCOME</b>	<b>\$ 106,136.00</b>	<b>\$ 110,648.00</b>	<b>\$ 62,358.00</b>	<b>\$ 279,142.00</b>
 <b><u>EXPENSE</u></b>				
<b>OPERATING EXPENSES</b>				
<b>GENERAL &amp; ADMIN EXPENSES</b>				
Bad Debt Allowance	\$ 13,000.00	\$ -	\$ -	\$ 13,000.00
Administrative Expense	\$ 3,200.00	\$ -	\$ -	\$ 3,200.00
Postage	\$ 1,200.00	\$ -	\$ -	\$ 1,200.00
Legal	\$ 13,000.00	\$ -	\$ -	\$ 13,000.00
Accounting	\$ 300.00	\$ -	\$ -	\$ 300.00
Insurance	\$ 3,000.00	\$ -	\$ -	\$ 3,000.00
Common Area Taxes	\$ 500.00	\$ -	\$ -	\$ 500.00
Management	\$ 25,780.00	\$ -	\$ -	\$ 25,780.00
Association Events	\$ 300.00	\$ -	\$ -	\$ 300.00
Website Maintenance	\$ 100.00	\$ -	\$ -	\$ 100.00
<b>TOTAL GENERAL &amp; ADMIN EXPENSES</b>	<b>\$ 60,380.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 60,380.00</b>
 <b>LAND MAINTENANCE EXPENSES</b>				
Electricity - Street	\$ 3,000.00	\$ -	\$ -	\$ 3,000.00
Electricity - Uplights	\$ 6,400.00	\$ -	\$ -	\$ 6,400.00
Water	\$ 1,000.00	\$ -	\$ -	\$ 1,000.00
Landscaping Contract	\$ 5,280.00	\$ 25,740.00	\$ 34,980.00	\$ 66,000.00
Pinestraw	\$ 2,376.00	\$ 5,616.00	\$ 13,608.00	\$ 21,600.00
Grounds Maintenance & Improvements	\$ 1,500.00	\$ -	\$ -	\$ 1,500.00
Uplights Maintenance	\$ 3,000.00	\$ -	\$ -	\$ 3,000.00
Detention Pond Maintenance	\$ 5,000.00	\$ -	\$ -	\$ 5,000.00
Irrigation Repair & Maintenance	\$ 1,000.00	\$ -	\$ -	\$ 1,000.00
<b>TOTAL LAND MAINTENANCE EXPENSES</b>	<b>\$ 28,556.00</b>	<b>\$ 31,356.00</b>	<b>\$ 48,588.00</b>	<b>\$ 108,500.00</b>
 <b>DWELLING EXPENSES</b>				
Sanitation	\$ -	\$ 18,792.00	\$ 13,770.00	\$ 32,562.00
Termite Bond	\$ -	\$ 10,000.00	\$ -	\$ 10,000.00
<b>TOTAL DWELLING EXPENSES</b>	<b>\$ -</b>	<b>\$ 28,792.00</b>	<b>\$ 13,770.00</b>	<b>\$ 42,562.00</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 88,936.00</b>	<b>\$ 60,148.00</b>	<b>\$ 62,358.00</b>	<b>\$ 211,442.00</b>
 <b>RESERVE FUNDING</b>				
Reserve Funding	\$ 17,200.00	\$ 50,500.00	\$ -	\$ 67,700.00
<b>TOTAL RESERVE FUNDING</b>	<b>\$ 17,200.00</b>	<b>\$ 50,500.00</b>	<b>\$ -</b>	<b>\$ 67,700.00</b>
<b>TOTAL EXPENSE</b>	<b>\$ 106,136.00</b>	<b>\$ 110,648.00</b>	<b>\$ 62,358.00</b>	<b>\$ 279,142.00</b>

Townhome Fee Per Month	116 Units	\$ 44.00	\$ 79.49	\$ -	\$ 123.00
Single-Family Fee Per Month	85 Units	\$ 44.00	\$ -	\$ 61.14	\$ 105.00