BORDEAUX VILLAGE HOMEOWNERS ASSOCIATION, INC.
2011 BUDGET NARRATIVE

INCOME

Association Dues: Income derived from the monthly homeowner assessments.

Special Assessment: Income derived from special assessments to pay loan for renovation project.

Bad Debt: To allow for uncollectible assessments due to foreclosure at $50.00 per month.

Late Fees: Estimate for late fees charged by the Association.

Clubhouse Rental: Estimated income from use of clubhouse.

Miscellaneous Income: Estimated income from maintenance charge backs, keys, etc.

EXPENSES

ADMINISTRATIVE/GENERAL

Audit: To provide for the annual audit as required.

Legal Fees: To provide for legal fees to pursue liens, foreclosures and personal money judgments.

License Fees and Permits: City of Dallas Easement for alley, alarm and pool permit.

Management Fees: Provide for contract with CCMC for property management services.

Meeting Expense: To provide for expenses related to the annual meeting in February and monthly board meetings. Also includes meeting notice postage cost.

Office Supplies: Covers monthly cost estimate for copies, postage, special notices, newsletter printing, etc. 2011 Expense anticipated to be lower than 2010 actuals since 2010 reflects additional notices mailed and printed due to project renovation.

Professional Fee: Allows for reserve study update.

Telephone: To provide for the emergency service telephone line for pool area. Reflects 2010 actuals and allows for phone line repair.

Social Events: To provide funds for social events during the year.

Miscellaneous: Reflects rate for quarterly alarm monitoring provided by Protection Networks. Also reflects quarterly expense to have Merry Maids professionals clean the clubhouse.

CONTRACT SERVICES

Garbage Removal: To provide for garbage removal from the community. Rate increase associated with adding a second location for recycling.

Landscape Maintenance: To provide for the landscape maintenance for the community.

Pest Control: Provides for pest control as needed.

Pool Service: Provides for cleaning the pool three times a week during summer months and twice a week during winter months.

Guard Service: Provides for the off-duty Dallas Police officers and use of marked Police car. Also, provides for contract with Protection Networks for the alarm system in the clubhouse. 2011 Rates include a $420 payment to City of Dallas for the patrol cars used under their Extended Neighborhood Protection Program plus a .62 an hour fee. Also reflects a $1.50 per hour increase paid to Officer Ned who oversees the program.

REPAIRS AND MAINTENANCE

Building Maintenance: To provide for 8 hours per week of routine maintenance at a billing rate of $51.50, 8 more hours at $56.50 per hour for supervisory or in-depth repairs. Small increase associated with pay increase for select maintenance staff who is billed out at a higher rate. Additional hours provide for routine pool, safety, and annual inspections to be performed periodically.

Painting Labor: To provide funds for painting labor and minor carpentry repairs. These are usually interior repairs due to roof leaks. Now reflects carpentry expense and 20 hours for painter in March to make minor repairs and painting to new front porch columns.

Carpentry Labor: Is now reflected in the same line item as painter.

Porters: To provide for 20 hours per week of porter labor at estimated cost of $27.70 per hour to clean the common areas. Reflects a 3 % increase.

Note: All billing rates include salary, social security taxes, state unemployment taxes, federal unemployment taxes, worker's compensation insurance, health insurance, life insurance, uniforms, pagers, vacation time, sick pay, holidays and payroll administration costs. The months of April and October have 3 payroll periods.

Electrical Repairs: Estimated costs to maintain and repair common area. Allows 40 hours for maintenance to support porter to install front proof covers and foundation vents as part of the winterization process.

Irrigation Systems: Provides for the maintenance of the irrigation system. Based on historical figures.

Plumbing Repairs: Costs to clean sewer lines and repair common area plumbing. 2011 Budget allows for some minor preventative maintenance to take place in interior units in an effort to reduce community water expense.

Pool Repairs: Costs to maintain the pool equipment as needed.

Roof Repairs: Provides for roof leak repairs. Lower than 2010 budgeted since screens installed on gutter during renovation project eliminate the need to have this done community wide.

Signage: Provides for miscellaneous site signage.

Fence Repairs: Major repairs or staining to fence will be expensed through he reserve fund as needed.

PARTS AND SUPPLIES

Carpentry Supplies: To provide materials for repair and replacement of wood trim, gates and doors.

Cleaning Supplies: Miscellaneous cleaning supplies needed for the cleaning of the common areas.

Electrical Supplies: Primary costs covered are light bulbs, fixtures and photocells.

Hardware: Provides for locks, keys, mail slots, etc.

Paint Supplies: Provides for paint, drop cloths, brushes, etc. for common area and interior leak damage repairs.

Plumbing Supplies: Minor plumbing parts to maintain common area plumbing such as sewer caps, faucets, etc.

Pool Supplies: Includes chemicals (chlorine, acid, algaecide).

Tools & Equipment: Provides for power washer rental, welder rental and gas for blower, etc.

UTILITIES

Electrical, Common Area: Based upon historical cost estimate of prior year normal consumption.

Water/Sewer: Based upon 2010 actuals plus 6% increase per Dallas Water Utilities.

INSURANCE

Insurance: To provide for the Director's & Officer's liability premium, the all risk property and liability coverage, the umbrella liability, the hired and non-owned auto liability, the fidelity bond coverage and the workers compensation premium.

REPLACEMENT RESERVES

Reserves will be funded at $9,000.00 per month. For 2011, reserve study recommends pool resurfacing and fence repairs.