

XYZ HOMEOWNERS ASSOCIATION
c/o Best Management Company
555 Cozy Street
Las Vegas, NV 89148

November 10, 2015

To All Homeowners:

This letter comes to you on behalf of the Board of Directors of our XYZ Homeowner's Association, "Association".

Included with this letter, for your records, is the proposed 2016 budget. The Board of directors reviewed and adopted the Budget at the November 9, 2015, regular Board of Director's meeting. There will be an increase in the monthly assessment as shown below to comply with Nevada law.

Nevada Revised Statutes (NRS 116) requires that the adopted Budget be ratified by the General Membership of the Association. The budget, as presented, will automatically take effect on January 1, 2016, unless a majority of the overall Membership attends the below meeting, votes, and OPPOSES the attached budget.

This letter serves as notice that the Budget Ratification Meeting will be held:

Date: Tuesday, November 26, 2015
Location: William V. Wright Elementary School
8425 Bob Fisk Avenue
Las Vegas, NV 89124
Time: 6:30 p.m.

Included with this mailing is the Reserve Study Executive Summary, which includes financial information as required in NRS 116. The reserve study was prepared by ABC Company and their qualifications are included in this mailing.

The board has reviewed and adopted the reserve study and determined that the Association's reserves are underfunded by 40% as compared to the required amounts in the study. The underfunding was a result of over 50% of our homes being vacant over the last 5 years. The board has therefore increased the assessments over the next 5 years to be adequately funded as shown in the reserve study and comply with Nevada law. The Board is following the funding guidelines (full funding method) as recommended in the reserve study. A complete copy of the reserve study is available on the Association's website – www.XYZHomeowners.com The board has not used any of the reserve funds for operating expenses.

As our community manager is required under NRS 116A.630, Section 14 to provide notice to all of the owners that the board is aware of all legal requirements pursuant to the applicable laws and regulations. This is that notice that the board has fulfilled this duty by complying with the legal requirements and signing the Ombudsman's Form No. 602 declaring under penalty of perjury under the law of the state of Nevada that they have read and understand to the best of their ability, the governing documents of the association and the provisions of Chapter 116 of the Nevada Revised Statutes and Chapter 116 of the Nevada Administrative Codes.

We have also include a copy of the Association's collection policy as required by NRS 116 and a copy of the Investment Policy.

Sincerely,
Board of Directors

Enclosures
Revised 5/18/2015