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***Community
Association
Solutions***

Memo

To: Homeowners of ABC Homeowners Association
From: The Board of Directors

Fax: 555-1516

Pages: 10

Phone: 555-1515

Date: October 15, 2009

Re: 2010 Annual Budget

CC: Board of Directors

Enclosed, please find a copy of the proposed 2010 Operating and Reserve Annual Budget for the ABC Homeowners Association as required by NRS 116.31151.

The Board, in working with existing contractors, contacting the public entities and review of the reserve study have determined that there will be no increase in the monthly assessment needed in 2010. They anticipate that there should be no special assessments levied in 2010 as well.

You will note that the actual budget consists of two parts; the operating budget for the day to day costs for the operation of the Association and the reserve budget, which provides for long term maintenance of our common elements over a period of 30 years.

The Board will set up an automatic transfer from the Operating Account to the Reserve account \$3,333.00 per month as recommended in the reserve study, which is part of the \$39,996.00 shown in the reserve study to be transferred in 2010.

We have attached the Executive Summary from the reserve study, which is a general summary of our current position. You will note that we are 99% funded based on the most conservative Full Funding Method. An additional page has been added that shows those things that the Board is required by law to include with the budget, which shows the qualifications of the person preparing the study.

In these unsettled times, the Board is pleased that prior Boards and this Board have continued to be conservative in their reserve funding, which has allowed us to be funded adequately while not relying on special assessments to keep afloat as in some communities with the high foreclosure rates, etc.

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November 15, 2009

Nevada law changes in 2009 require that the adopted Collection Policy be included with the budget. The board is advising owners of what they propose for a budget and how the assessments will be collected from the owners.

At the last meeting of the Board of Directors, an Investment Policy was adopted as well as required by Nevada law. This has been included as well as we are required to provide a copy to all owners within 30 days of adoption of any rule or resolution. You can see from the resolution that we are taking our job as fiduciaries seriously to ensure that all accounts are Federally insured and in safe accounts.

There will be a vote of the owners to ratify this enclosed proposed budget on 11-15-09 at 5:30 p.m. In wishing to make it convenient for the owners to attend and hear the Treasurer review each line item, the Board has reserved the Guinn Library located at 555 Convention Way, Multipurpose Room.

The Board of Director's meeting will immediately follow the owner's ratification meeting, which is estimated to be at 6:00 p.m.

Please be advised that owners have a right to speak at the beginning and the end of the Board meeting, but comments at the beginning are limited to those items on the agenda. This was as a result of 2009 legislation.

If you wish to get a copy of the agenda, please contact Mary Jones at (702) 555-1515 or E-mailing the following E-mail address. info@TheBestManagementCo.com Every attempt will be made to get you a copy as soon as possible. You may also request a copy of the minutes of any Board of Director's meeting from Mary should you be unable to attend. The cost is \$.25 for the first 10 pages and \$.10 for each additional page.

We look forward to seeing you there.

Sincerely,

Board of Directors

ABC Homeowners Association

Enclosures: Operating Budget, Reserve Budget, Executive Summary of the Reserve Study , the Investment Policy, Collection Policy and the Reserve Study disclosure page.