

Amass, LLC

Association Management Analysis Systems

Member Analysis Summary Report

April 16, 2018

Pursuant to state statute, the Association has obtained a Reserve Analysis. The Board uses information derived from the Reserve Analysis to prepare annual operating budget, which includes reserve funding for capitol expenditures. This process will be followed moving forward by the current and future Boards, at least bi-annually as required.

For clarity, there are two accounts referred to in the CC&R's, the operating and the capitol reserve accounts. Funds allocated to the operating account are used for common annual operating expenses. Funds allocated to the capitol reserve account are used to preserve and replace common capitol assets of the Association. The state law now labels capitol reserve accounts as "reinvestment accounts."

The Reserve Analysis refers to the capitol assets as "components" and separates the components into two major categories; grounds, and streets and utilities. The Reserve Analysis is based on the assumption that the reinvestment account funding levels are sufficient to preserve and/or replace all of the components based upon their useful life. The Reserve Analysis does not include certain components, regarding which the present Board recommends replacement funding by future special assessment if and when the need arises. However, maintenance on most of these components was included in the reserve Analysis. Upon request, each Member may review the entire Reserve Analysis with a Member of the Board. To obtain a copy of the Reserve Analysis, Members must pay a reproduction cost of \$35.00 and sign a confidentiality agreement.

At the current assessment level, the 2017 budgeted assessments will total \$183,600.00. This amount is budgeted to fund 100% of the forecasted operational expenses. In addition, a portion of this total, \$18,310.00 (or 10% of the annual assessment), will be deposited into the reinvestment account. By budget year end 2017, the total amount in the reinvestment account is projected to be \$120,943*. These figures include the contributions to the monthly common assessment of approximately \$215.00 recommended by the Board. Any amount deposited into the reinvestment account moving forward, increases the percentage funding of the reinvestment account over time.

*(Assumes no significant non-budgeted capital expenditures during 2018/19 operating year.)

5383 South 900 East, Suite 205 Salt Lake City, Utah 84117