

October 23, 2012

Dear Vistas Homeowners,

Attached for your review is the 2013 operating budget which covers the income and expenses for the day-to-day costs of operation for the association. This budget was adopted at the September 27, 2012 Board meeting. It was important, as we drafted the budget for 2013, to continue to make sure the association's current assessments were able to adequately meet the needs, policies and goals of the association. We have also been exploring legal options in an effort to curtail the neglect of property owners who have either vacated the home, rented out the property or are living there and not paying their assessments.

As each of us individually has seen the cost of water, food and gas increase, the association has seen increases as well. The 2013 budget contains an increase in the utility expense due to the increase in the cost to water Los Altos parkway and the surrounding areas. Over the last several years improvements to Los Altos Parkway have been made in an effort to use water more efficiently. This year we did however look into converting the irrigation system to reclaimed water. What we found was that the requirements to add a new irrigation system, install a new pump house, and have everything engineered would be costly to the association. We will continue to look for ways to be efficient and improve water use on the parkway in the coming year. Additional increases in expenses were to the landscape maintenance contract, which will increase by 3% next year and the insurance category will also see an increase. All-in-all we were able to put together a budget for 2013 keeping assessments at their current amount without a need for an increase.

Nevada law allows homeowner associations to foreclose on any property for non-payment of assessments. Nevada law also allows the use of civil action to enforce collection of assessments and other charges. The Board is seeking expert advice from industry professionals and legal council to determine the best and prudent course of action for each delinquent property. A Board workshop will be held November 14, 2012 at 11:00 a.m. in the association office to discuss these issues and more.

Also enclosed for your review is the 2013 Reserve budget which covers the repair, replacement, and restoration of major components of the common elements. As in years past, Resource 1 has provided the association with the Reserve Update for 2013 and we have included the expense item summary from their update for your information. The reserve budget is not designed to be used for the daily maintenance of the association and based on the updated information the contribution for 2013 will be \$15,948.

NRS 116 requires that the adopted budgets be ratified by the general membership of the association. The attached Budget, as presented, will take effect January 1, 2013 unless a majority of the overall membership opposes it. The meeting for ratification of the 2013 operating and reserve budget is scheduled for Wednesday, November 14, 2012 at 10:00 a.m. in the association office at 1281 Terminal Way, Suite 124, Reno. Also, we have included a copy of the association's collection policy as required by law.

Any questions can be emailed to Info@vistashoa.com or you can call the association office at 786-0500.

Regards,

James Baldwin, President