

October 14, 2016

Dear Vistas Homeowners,

As I sit to write this letter I noticed the leaves on Los Altos Parkway are starting to show signs of change. This change marks the coming of fall and soon 2017 will be upon us. As your Board of Directors look to 2017 we have begun the budget process with great care and have drafted the enclosed budget for your review. Many of the categories and amounts are relatively the same, a small increase or decrease here and there. The most glaring change is the increase in the landscape contract amount. The current landscape contract with The Groundskeeper is set to expire at the end of the year. Eight landscape companies were sent the Association request for proposal and five companies submitted sealed landscape bids. These bids were opened at the September 22, 2016 Board of Directors meeting and reviewed at that time. The contract amounts varied from one landscape company to another, with the Groundskeeper being the low bidder. A three year contract with the Groundskeeper was approved by a unanimous vote of the Board. The increase in the landscape contract for 2017 was offset by a reduction in expenses, mainly utility expense.

The Board meeting held September 22, 2016 also approved Directors and Officers and Liability coverage from Community Association Underwriter (CAU) for another year. In addition Employment Practices Liability Insurance and Accidental Insurance for Community Association Volunteers were also approved. The costs for these three policies are reflected under Liability Insurance on the draft budget. The Association insurance agent, Ron Wright with Menath Insurance, recommended the Board stay with CAU and said renewals have been increasing in the 3% to 5% range and Associations with claims have been increasing a bit more. The Association premium increased due to the two pending lawsuits and one Alternative Dispute Resolution with the Ombudsman's office. Information on these lawsuits have been sent out and included in previous newsletters. If you would like additional information, please contact the Association office.

Also enclosed for your review is the 2017 updated Reserve budget which funds the repair, replacement, and restoration of major components of the "common elements". The Reserve budget is not designed to be used for the daily maintenance of the Association. Based on the report, the contribution for 2017 will be \$12,272. This contribution amount decreased slightly from the previous year.

The attached 2017 Reserve and General Operating Budgets were adopted at the September 22, 2016 board meeting. NRS 116 requires that the adopted budgets be ratified by the general membership of the Association. The attached budgets, as presented, will take effect January 1, 2017 unless a majority of the overall membership attends the meeting below, votes and opposes it. The membership meeting for ratification of the 2017 Operating and Reserve Budgets is scheduled for Thursday, November 10, 2016 at 10:00 a.m. in your Association office at 1281 Terminal Way, Suite 124, Reno. A copy of the agenda is included. A Board of Directors meeting will follow the budget ratification meeting in the Association office. The agenda for the Board of Directors meeting will be posted on the Association website at vistashoa.com and copies will be placed in the agenda boxes on Los Altos Parkway 10 days prior to the meeting.

Questions can be emailed to Info@vistashoa.com, or you can call the Association office at 775-786-0500.

Sincerely,

Dave Stefan, President