

2012 Meeting Call to Order 6:30 pm, December 5, 2012:

Frank Geraci, President, called the 2012 meeting to order at 6:30 pm. Sixteen (16) homeowners present, (19) proxies were in hand, representing the homeowners not present, for a total homeowner count of (35). A quorum was reached the official business for 2013 was conducted. Five (5) no proxy/no show fines will be sent to the following homeowner addresses: 3062, 3096, 3061, 3035 and 3071.

2011 Meeting Minutes:

The 2011 annual meeting minutes were emailed to all homeowners with the first quarter's dues invoice. An open forum discussion was held on the 2011 minutes. There were no questions, concerns, or changes. The minutes were accepted.

Summary of Budgets, Projects and Financial Decisions:

- A set of forty-nine slides were presented and discussed in detail during the meeting and are included as part of the official meeting minutes.
- Building 18, street addresses 3055, 3057 and building 22, street addresses 3056, 3058, will be re-roofed, deteriorated siding replaced, and painted in the spring or summer of 2013. This will complete the reroofing for all buildings in the association. See slide 12 for additional information.
- Future driveway replacement will be evaluated each year. Five driveways out of fourteen have been replaced. See slide 14 and supplemental slides 4, 5, 10 through 17 for additional information.
- The Board has updated the master policy insurance coverage to comply with the new Utah State legislation. See slides 18 through 25 for additional information.
- The Board has completed the "Reserve Study for 2012" to comply with Utah State legislation. See slides 25 through 36 for additional information.
- The Board created and sent a RFP to 12 HOA management companies. Three companies did not respond, seven were not interested, and two supplied bids. See slides 37 through 41 and 46 through 49.
- The Board purposed that the basic dues remain at \$1000 per quarter for 2013. A special assessment of \$2000 (\$500 per quarter) would be necessary to complete the last two roofs scheduled for replacement in 2013. The total assessment for 2013 will be \$6000 (\$1500 per quarter). The proposal passed with without objection. See slide 43 for dues and assessment payment breakout and schedule.
- Voting on disposition of year end residual funds: It was unanimously approved that the funds that remaining at year end will be deposited into the "Driveway Reserve #403 Contributions" account.
- Voting on disposition of the "General Contributions Reserve": It was unanimously approved that the line item on slide 8 "General Contributions" will be removed for 2013 and all funds in that reserve will be deposited into the "Driveway Reserve #403 Contributions" account.
- Voting on funding the "Future Roofing Reserve Account #105": It was unanimously approved that the "Future Roofing Reserve Account #105" will be funded to the extent of \$1000 for the 2012 and 2013 calendar year. See slides 18 through 22 and 26 through 36.

The following homeowners nominated and agreed to serve as board members for 2013:

Tina Coombs, tinacoombs@comcast.net , Dave Lentz, dlentz1@san.rr.com , Chip Ritter, ritterland@frontiernet.net, Don Crim, dcrim4@cs.com
Frank Geraci, fdgeraci@comcast.net , Joan Ziter, joancz@comcast.net , Justin Larson, freeturn919@yahoo.com

The 2012 Annual Members Meeting adjured at 8:30 pm.

The presentation is available in its entirety. To receive a copy, please contact a Board member and provide your email so it can be emailed to you. If any homeowner would like to attend the monthly Board meetings or would like to read the monthly meeting minutes please contact a Board member and provide your email address.

Elk Run Phase IV
Home Owners Association
Annual Members Meeting
December 5, 2012

2012 Annual Members Meeting
2013 Plan, Budget, and Projections
6:30 PM

Elk Run Phase IV HOA

Annual Members Meeting

December 5, 2012

2013 Plan, Budget, and Projections

- Elk Run Phase IV HOA
 - Was Constructed Between
 - 1990 to 1992
 - Consists of
 - 11 Buildings
 - 9 – Four plexus Buildings
 - 2 – Duplex Buildings
 - 14 Driveways
 - 40 Individual Units Total



Elk Run Phase IV HOA

Annual Members Meeting Agenda for 2012

- **6:30 pm call to order**
- **Determination of Quorum**
- **2012 Minutes Approval**
- **Treasurer's Report**
 - Balance sheet
- **Old Business 2012**
 - Recurring Annual Expenses
 - 2012 Budget vs. Actual
 - Major Projects for 2012 Roofing
 - Budget vs. Actual
- **New Business for 2013**
 - Recurring Annual Expenses 2012 vs. 2013
 - Insurance Coverage and Changes
 - Utah State Legislative Activity
 - Elk Run Phase 4 Reserve Study - 2012
- **Budget Plan & Projections for 2013 & Beyond**
 - Major Projects with Special Assessment
 - Roofs
 - Driveways
 - Maintenance and Painting Plan
- **Dues & Assessment Payment 2013 Schedule**
- **2013 HOA Meeting Schedule**
- **Election of New Board Members**
- **8:00 pm Open Forum and Adjournment**

Elk Run Phase IV HOA

Annual Members Meeting

Goals and Strategy

- Goals and Strategy
 - Fund the Annual Recurring Expense Budget
 - Through Quarterly Dues/Fees
 - Use proceeds to pay recurring annual expenses
 - Continue to reserve \$42,000/ year for maintenance/paint program
 - To be indexed 3% annually for inflation beginning in 2013
 - Continue to reserve \$5,000/ yearly for the General Reserve Fund
 - Dependent on direction from unit owners vote to be taken December 5, 2012
 - 75% of annual funds remaining at the end of the year are moved to a reserve fund
 - Re-evaluate HOA Dues requirements annually
 - Fund Non-Recurring Expenses Through Special Assessments
 - Complete roofing replacement program in 2013
 - Annually evaluate the condition of driveway deterioration
 - Special Assessments
 - For identified specific needs
 - » Roofing Replacement Program
 - » Driveway Replacement
 - » Other Upgrades and one time events
 - In the year they are to be repaired / replaced / upgraded
 - Complete the roofing replacement program in 2013 through a special assessment
 - Driveway Replacement will require specific future special assessments
 - Remain in Compliance with new Utah State Legislation

Elk Run Phase IV HOA

Annual Members Meeting

Goals and Strategy

- Current Situation
 - The forecasted annual recurring expense budget ranges from \$120,000. to \$140,000.
 - Annual costs for building maintenance ~\$42,000.
 - Based on 11 buildings, \$19K painting and \$4K carpentry per building
 - Based on a 6 year paint cycle
 - Costs approximately \$260. per quarter per homeowner unit (~\$1000 annually)
 - Reserve Contribution to be indexed 3% annually beginning in 2013 for inflation
 - Replacement Roofing Costs per building ~\$46,000.
 - Two buildings (duplexes) remain to be roofed to complete the program in 2013
 - Above cost includes \$6K for carpentry on each building
 - 75% of unspent funds from the Annual Recurring Budget
 - Are moved to a major projects reserve account (driveway replacement)
 - These funds are subsequently used to offset the size of future special assessments

Elk Run Phase IV HOA

Annual Members Meeting 2012

Budget

Elk Run Phase IV HOA

Annual Members Meeting 2012

Elk Run Phase IV H.O.A. Balance Sheet				
	1/12/2012		12/1/2012	
Assets				
Operating Accounts				
Checking/Savings	\$ 24,260		\$ 14,023	
Total Operating Accounts		\$ 24,260		\$ 14,023
Reserve Accounts				
Insurance Deductible (CD)	\$10,000		\$10,000	
Emergency Reserves (CD)	\$15,277		\$15,277	
Building. Maint. Paint # 217	\$42,000		\$84,000	
General Contributions			\$5,000	
Future Roofing # 105			\$1,000	
Driveway # 403			\$1,000	
Fence # 1001			\$2,000	
Total Reserve Accounts		\$67,277		\$118,277
Accounts Receivable				
Dues, Assessments	\$9,347		\$1,300	
		(\$9,347)		(\$1,300)
Total Assets		\$82,190		\$131,000
Liabilities	\$0		\$0	
Total Liabilities		\$0		\$0
Total Reserve Accounts		(\$67,151)		(\$118,151)
Total Working Funds		\$15,039		\$12,849

Elk Run Phase IV HOA

Annual Recurring Expenses for 2012 Budget Plan and Projections for 2013

Annual Recurring Expense Budget			
Recurring Annual Expense Items	2012 Projected	2012 Actual*	2013 Projected
Grounds Maintenance Yearly Contract	\$ 31,000	\$ 31,325	\$ 33,000
Grounds, Lawn Sprinklers, Tree Spraying, Fertilization, etc.	\$ 5,300	\$ 7,910	\$ 5,300
General Grounds Improvements (Small Non Assessed Projects)	\$ 5,000	\$ 1,320	\$ 5,000
Grounds, Loader, Driveway Clearing Snow Season Only	\$ 3,000	\$ -	\$ 3,000
Grounds Water and Electric	\$ 1,500	\$ 1,499	\$ 1,600
Tennis Court Grounds	\$ 700	\$ 500	\$ 600
Driveway Sealing	\$ 4,000	\$ 2,000	\$ 5,000
Legal Fees	\$ 5,000	\$ -	\$ 5,000
Taxes, Federal & Local	\$ 1,000	\$ 521	\$ 750
Insurance Premium	\$ 10,500	\$ 10,325	\$ 10,500
*H.O.A. Operating Costs, Administration, Office, Management	\$ 10,000	\$ 9,989	\$ 12,000
State Required Expenses (Comply with Legislative Requirements)	\$ 2,500	\$ 2,930	\$ 3,000
Fire Sprinkler Systems	\$ 4,000	\$ 815	\$ 4,000
General Building Maintenance (Small Non Assessed Projects)	\$ 3,000	\$ 800	\$ 3,000
General Reserve Contributions	\$ 5,000	\$ 5,000	\$ 5,000
Roofing Reserve #105 Contributions		\$ 1,000	
Driveway Reserve #403 Contributions		\$ 1,000	
Building Painting Maintenance Reserve Contributions #217	\$ 42,000	\$ 42,000	\$ 43,300
Fence Along Pinebrook Blvd. Contributions	\$ 2,000	\$ 2,000	\$ 1,000
Contingency Expense	\$ 24,500	\$ 39,066	\$ 18,950
TOTALS	\$ 135,500	\$ 120,934	\$ 141,050

*Projected for month of December

Elk Run Phase IV HOA

2013 Plan, Budget and Projections

- Grounds Maintenance Schedule

Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
											Snow
Contract 11-15 to 4-15 (5 months)											
				Landscape Contract 5-1 to 10-31 (6 months)							

- The snow removal contract begins on November 15th and finishes on April 15th.
 - A total of 5 months
- The landscaping contract begins on May 1st and finishes on October 31st.
 - A total of 6 months
 - Leaves fall in Elk Run Phase 4 after November 15th usually with the first winter snows.
- The HOA does not contract for any services for two weeks in April and two weeks in November
 - This timing was a conscious decision to keep recurring expenses as low as reasonably possible.
 - Grounds maintenance is the HOA's second largest annual expense.
 - Monthly Cost \$2818. (1.9%)

Elk Run Phase IV HOA

Annual Members Meeting 2012

Projects

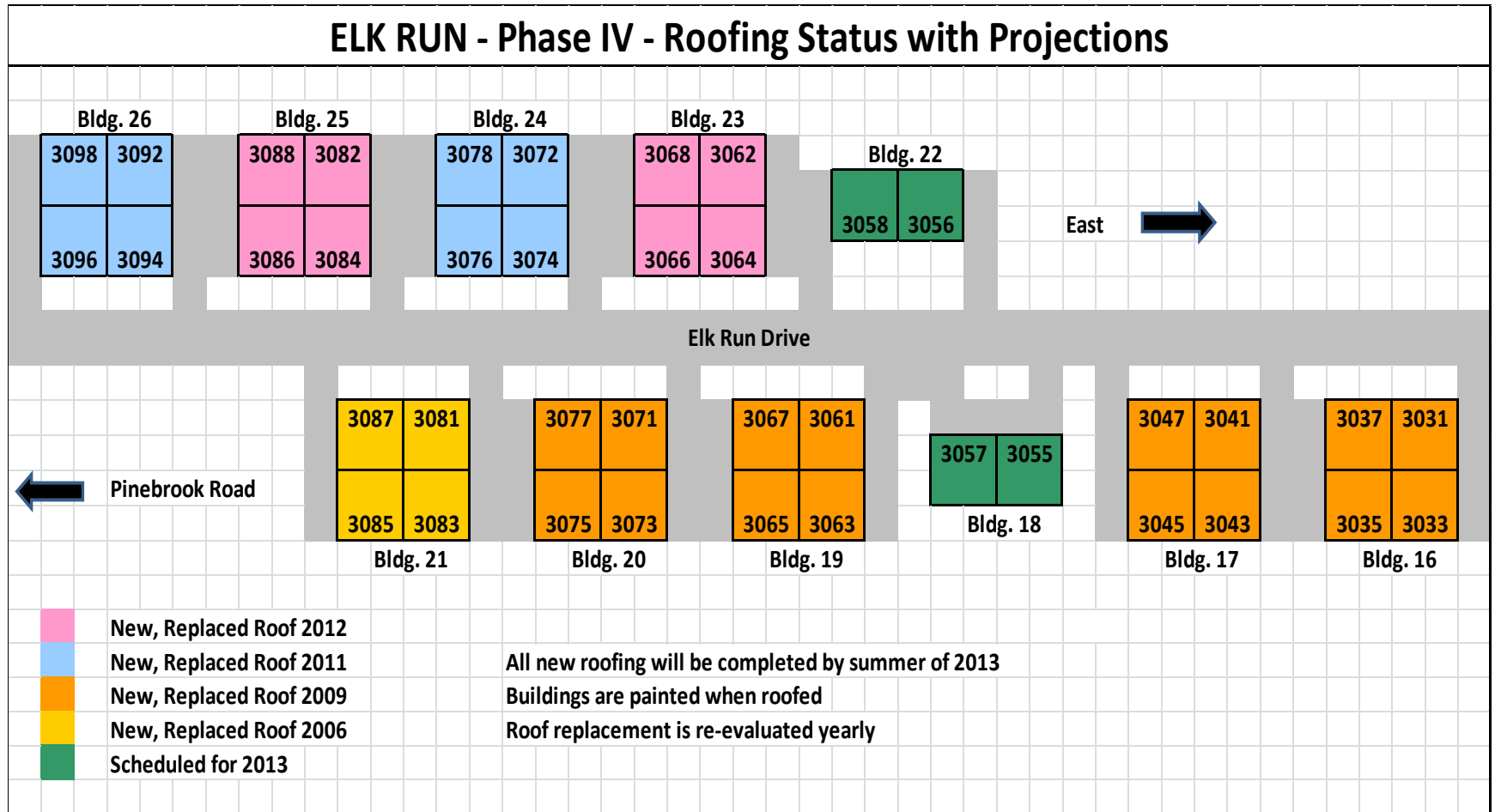
Elk Run Phase IV HOA

2013 Plan, Budget and Projections

- Roof Replacement Plan
 - Continue Roof Replacements begun in 2006
 - Roofing Consultant
 - Inspected all remaining buildings with original roofs – August 2010
 - Received report and recommendations – September 2010
 - Remaining life expectancy projected to be 2 to 3 years
 - HOA Plan
 - Complete the replacement of roofs in 2013
 - 2013 - Buildings, duplex 18, 22
 - All Building Roofs will be/were replaced between 2006 and 2013
 - With 40 Year Service Life Shingles and Water Shield Membrane
 - Repaired or Replaced Upper Building Siding as Needed
 - Buildings Painted when Roofed

Elk Run Phase IV HOA

2013 Plan, Budget and Projections



Elk Run Phase IV HOA

Major Projects in 2012 - 2013

Driveway Replacement Project	2012 Budget	2012 Actual	2013 Budget	2013 Actual
Concrete	Project Not Funded		Project Not Funded	
Grounds				
Total				
Roof Replacement Project	**2012 Budget	** 2012 Actual	**2013 Budget	**2013 Actual
Roofing	\$62,000	\$51,000	\$50,000	
Carpentry	\$14,000	\$16,416	\$12,000	
Painting	\$38,000	\$45,913	\$30,000	
Total	\$114,000	\$113,329	\$92,000	

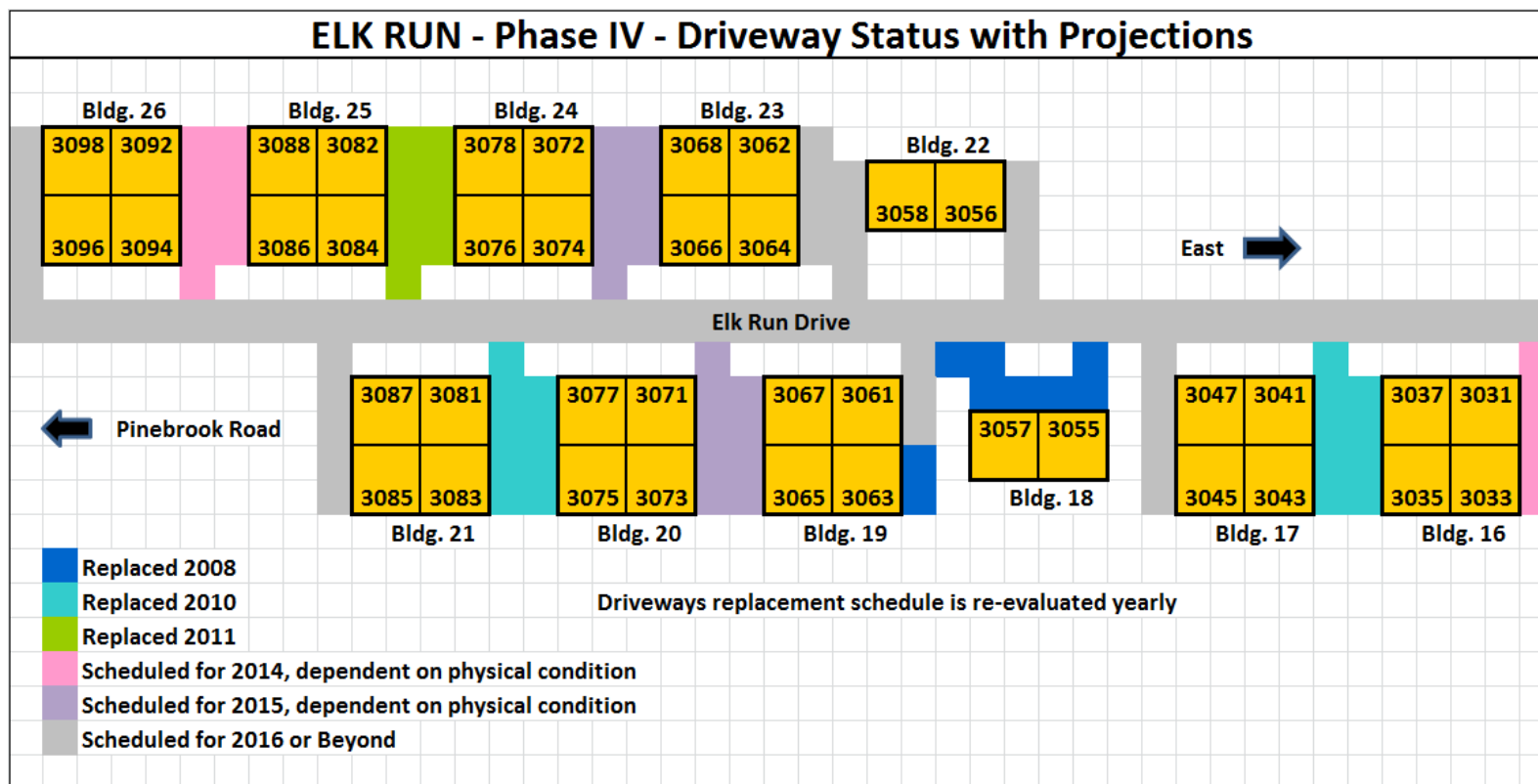
2012 Actual Painting includes an additional 24 Garage Doors and Trim on 3 Buildings painted in 2011

** Roofing, Carpentry and Painting Costs are for two buildings

2013 Completes the Roof Replacement Project for Elk Run Phase 4

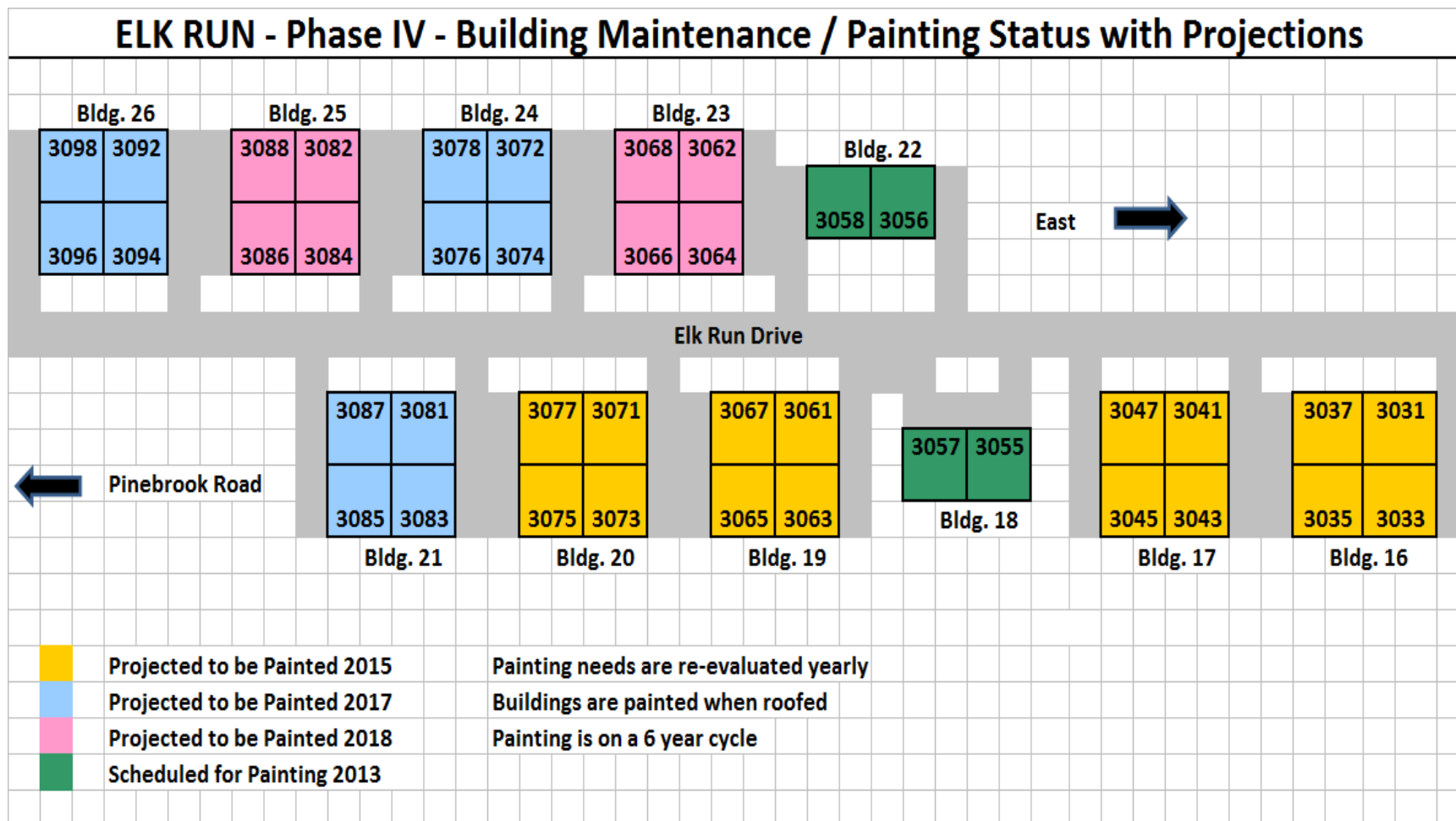
Elk Run Phase IV HOA

2013 Plan, Budget and Projections



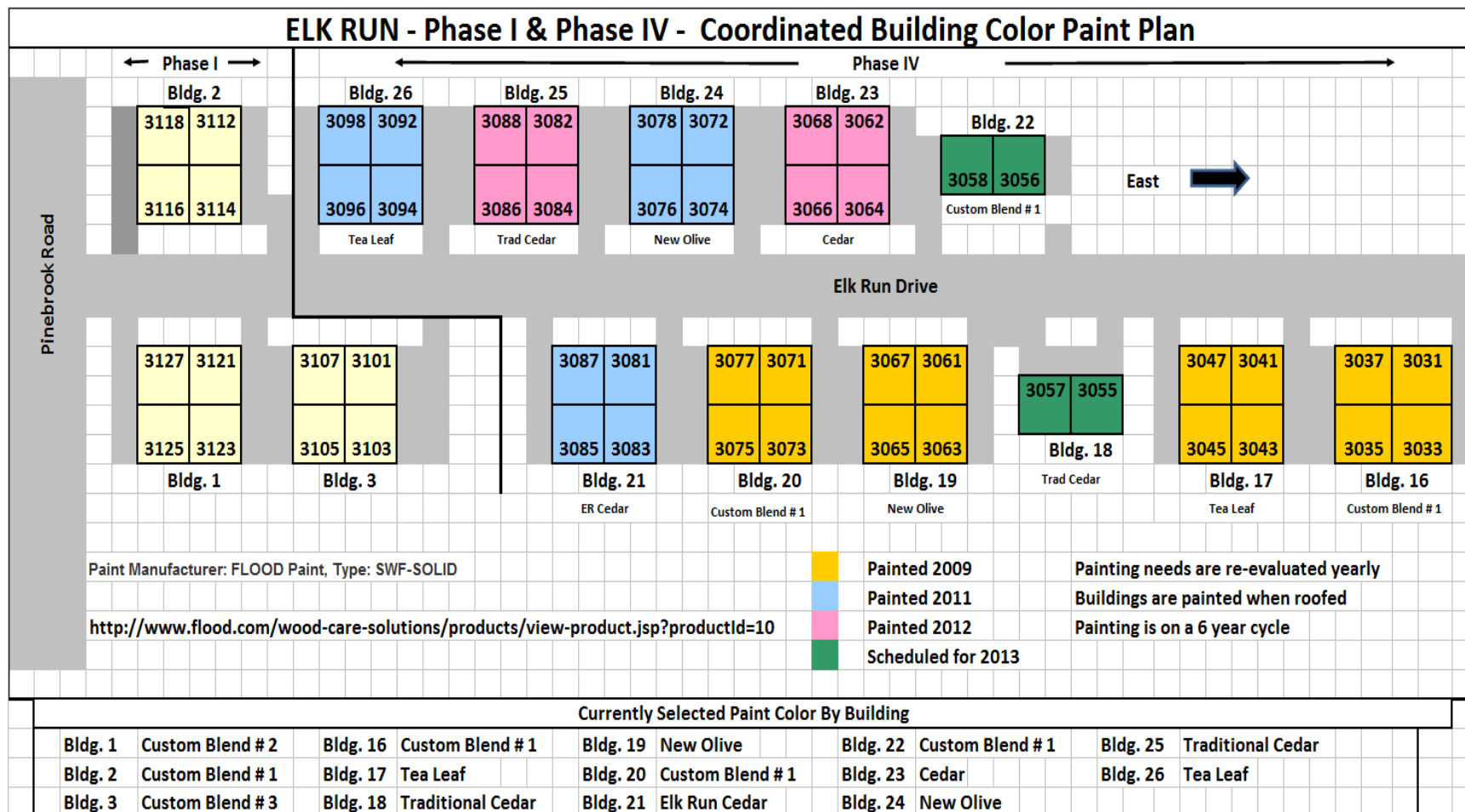
Elk Run Phase IV HOA

2013 Plan, Budget and Projections



Elk Run Phase IV HOA

2013 Plan, Budget and Projections



Major Maintenance Cycles and Project Schedules

Bldg. #'s	Project	Year 2013	Year 2014	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	Year 2021
16	Painting			\$ 20,157						\$ 24,069
Painted 2009	Carpentry			\$ 4,244						\$ 5,067
Roofed-2009	Roofing									
	Driveway		\$ 40,000							
17	Painting			\$ 20,157						\$ 24,069
Painted 2009	Carpentry			\$ 4,244						\$ 5,067
Roofed 2009	Roofing									
	Driveway									
18, Duplex	Painting	\$ 15,000						\$ 22,687		
Painted 2006	Carpentry	\$ 6,000						\$ 4,776		
	Roofing	\$ 25,000								
	Driveway									
19	Painting			\$ 20,157						\$ 24,069
Painted 2009	Carpentry			\$ 4,244						\$ 5,067
Roofed 2009	Roofing									
	Driveway					\$ 40,000				
20	Painting			\$ 20,157						\$ 24,069
Painted 2009	Carpentry			\$ 4,244						\$ 5,067
Roofed-2009	Roofing									
	Driveway									
21	Painting					\$ 21,385				
Painted 2011	Carpentry					\$ 4,502				
Roofed 2006	Roofing									
	Driveway									
22, Duplex	Painting	\$ 15,000						\$ 22,687		
Painted 2006	Carpentry	\$ 6,000						\$ 4,776		
	Roofing	\$ 25,000								
	Driveway									
23	Painting						\$ 22,026			
Painted 2006	Carpentry						\$ 4,637			
	Roofing									
	Driveway									
24	Painting					\$ 21,385				
Painted 2011	Carpentry					\$ 4,502				
Roofed 2011	Roofing									
	Driveway			\$ 40,000						
25	Painting						\$ 22,026			
Painted 2007	Carpentry						\$ 4,637			
	Roofing									
	Driveway		\$ 40,000							
26	Painting					\$ 21,385				
Painted 2011	Carpentry					\$ 4,502				
Roofed 2011	Roofing									
	Driveway			\$ 40,000						
Total	Cost	\$ 92,000	\$ 80,000	\$ 177,603	\$ -	\$ 117,660	\$ 53,327	\$ 54,926	\$ -	\$ 116,543
Special Assessment Funds		\$ 80,000	\$ 80,000	\$ 80,000		\$ 40,000				

Painting includes garage and pedestrian doors on driveway level

2013 Carpentry Costs are Estimated for Roofing Replacement. Subsequent Years are for Painting Associated Maintenance.

All maintenance and driveway projects are re-evaluated yearly

Selection of driveway replacement is dependent on physical condition

Driveway Replacement Costs are the Sum of Concrete Replacement and Grounds/Sprinkler Restoration

Driveway Replacement Costs are placeholder projections and are not modified for out years labor and materials changes

Paint and Maintenance Costs are Inflation Adjusted by 3% compounded annually to be in harmony with 2012 Reserve Study

Elk Run Phase IV HOA

Annual Members Meeting 2012

Utah State Legislation

Elk Run Phase IV HOA

Annual Members Meeting

Utah State Legislative Activity For Community Associations

- Utah State Legislative Activity For Community Associations
 - Utah State Legislature has been active in passing laws that impact the HOA
 - The Elk Run Phase 4 Board believes that it has:
 - Monitored Legislative Activity and Laws that Impact the HOA
 - Endeavored to Understand the new legal requirements
 - Endeavored to Implement the new Laws on a Timely Basis
 - Some Elk Run Phase 4 board members have:
 - Followed the State Legislature's in process activity
 - Read relevant laws and adjunctive information
 - Attended seminars to better understand the relevant laws
 - The following slides outline the newly implemented laws impacting community associations

Elk Run Phase IV HOA

Annual Members Meeting

Utah State Legislative Activity For Community Associations

- Utah State Legislative Activity For Community Associations
 - Utah State Legislature has been active in passing laws that impact the HOA
 - **H.B. 104, Homeowner Association Amendments - Utah Homeowner Associations**
Registration – Effective July 1, 2011
 - HB 104 - UCA 57-8-13.1 - UCA 57-8a-105 - Registration with Department of Commerce
 - By July 1,2011 all Associations must register with the Department of Commerce
 - Must provide all necessary information
 - Penalty for noncompliance - any lien in place for the nonpayment of assessments is invalid
 - **Elk Run P-4 Action – Registration completed May 2011**

Elk Run Phase IV HOA

Annual Members Meeting

Utah State Legislative Activity For Community Associations

- Utah State Legislative Activity For Community Associations
 - Utah State Legislature has been active in passing laws that impact the HOA
 - **S.B. 167, Homeowner Association Amendments - Utah Condo Insurance Changes - Effective July 1, 2011 or at next renewal**
 - Property insurance must provide full replacement costs of common areas, limited common areas and unit
 - "Any fixture, improvement or betterment installed by a unit owner to a unit or limited common area, including a floor covering, cabinet, light fixture, electrical fixture, heating or plumbing fixture, paint, wall, covering, window, and any other permanently part of or affixed to a unit or to a limited common element."
 - Association's policy is primary over a unit owner's policy.
 - Unit owner is responsible for the HOA's deductible, for their portion of the loss.
 - **Elk Run P-4 Action – Insurance needs re-evaluated and changes completed April 2012**
 - Details on changes and selection to follow in presentation

Elk Run Phase IV HOA

Annual Members Meeting

Utah State Legislative Activity For Community Associations

- Utah State Legislative Activity For Community Associations
 - Utah State Legislature has been active in passing laws that impact the HOA
 - **S.B. 278, Homeowner Association Amendments - Requiring Community Associations to conduct a Reserve Study - must have a Reserve Analysis completed by October 1, 2012**
 - **SB 89 - UCA 57-8-7.5 and UCA 57-8a-211 - Reserve Analysis Bill - 2012**
 - At the Annual Meeting or a Special Meeting the Association shall:
 - Perform and Present the reserve study; and
 - Provide an opportunity for unit owners to discuss reserves and to vote on whether to fund a reserve and, if so, how to fund it and in what amount
 - Reserve Funding must be discussed every year at the annual meeting, membership votes on whether to fund and at what rate, and you must keep minutes of the decision
 - **Elk Run P-4 Action – Reserve Study completed August 2012**

Elk Run Phase IV HOA

Annual Members Meeting 2012

HOA Master Insurance

Elk Run Phase IV HOA

Annual Members Meeting

Master Insurance Policy - Compliance, Process, and Change Implementation

- Elk Run P-4 HOA required to be in compliance with S.B. 167, Utah Condo Insurance Changes
- The Process Followed:
 - Understand the HOA's current Master Insurance Policy
 - Understand the HOA's present and future needs for the Master Insurance Policy
 - Developed a Request For Quotation (RFQ) that incorporates the HOA's Insurance requirements
 - Submitted the RFQ to a number of insurance companies/brokers
 - State Farm (current supplier)
 - Travelers
 - Farmers
 - American Family
 - Sentry West
 - Leavitt Group
 - Condo Association Insurance
 - Collected, collated, and compared quotations received
- HOA board reviews received quotations and selects best option - coverage verses cost
- New Insurance Implemented in April 2012

Elk Run Phase IV HOA

Annual Members Meeting

Master Insurance Policy - Compliance, Process, and Change Implementation

- Comparison of the Former and New HOA Master Insurance Policy in the Included Table
- New Policy is in compliance with Utah SB-167
- New Policy has enhanced coverage
- D&O coverage added
- New Policy Does Not Include Earthquake Coverage (no change)
- Earthquake Insurance can be added for ~ \$300. per homeowner per year (Total ~ \$12,000. per year of recurring cost)

Category	State Farm	Sentry West - Travelers
Date	Former Policy	Implemented 4/3/2012
General Aggregate	\$2,000,000	\$4,000,000
Products/Comp Ops Aggregate	\$2,000,000	\$4,000,000
Each Occurrence	\$1,000,000	\$2,000,000
Directors and Officers Liability		\$2,000,000
Building Coverage	\$11,393,400	\$14,000,000
Property Deductible	\$10,000	\$10,000
Earthquake Limit	No Earthquake	No Earthquake
Total Premium	\$8,537	\$10,325

Elk Run Phase IV HOA

Annual Members Meeting 2012

Elk Run Phase 4
Reserve Study
2012

Elk Run Phase IV HOA

Annual Members Meeting

Utah State Legislative Activity For Community Associations

Reserve Study

With the passing of SB 278 in 2010, the state of Utah now requires condominium and community associations to conduct and review reserve studies on a periodic basis.

The State Legislature has passed a law requiring Community Associations to conduct a Reserve Study. This will be a wonderful tool for HOA's to have at their fingertips. It will allow many decisions and future planning to happen now rather than when the emergency happens.

Below are a few of the main points of the bill.

- All associations must have a Reserve Analysis by July 1, 2012
- The Analysis must be reviewed at least every 2 years and updated no less than every 5 years
- Reserve funds must be spent on reserve items unless approved by association members
- A Reserve Funds must be established separate from the association's general operating account
- The reserve fund needs to accumulate money to cover the cost of repairing, replacing, and restoring common areas that have a useful life of three years or more
 - Accumulate funds to the appropriate amount of any reserve fund.
- A board may not use money in a reserve fund: for daily maintenance expenses, unless association members vote to approve the use of reserve fund money for that purpose
- An association of unit owners shall:
 - annually, at the annual meeting of unit owners or at a special meeting of unit owners :present the reserve study; and
 - provide an opportunity for unit owners to discuss reserves
 - and to vote on whether to fund a reserve fund and, if so,
 - how to fund it and in what amount;

Elk Run Phase IV HOA

Annual Members Meeting

Reserve Study

- **What is A Reserve Study?**
 - A reserve study is a detailed report that assists Common Interest Developments (CID)/HOA in planning for long-term common area repair and replacement expenses.
 - A CID/HOA exists when there is individual ownership of condominiums along with the shared ownership or right of use to common areas.
 - These common areas can include streets, roofs, recreational facilities and many other items.
- **A reserve study includes two parts:**
 - 1) The Physical Analysis contains information about the condition and repair/replacement cost of the components that the CID/HOA maintains.
 - The physical analysis should include a component inventory and quantity, estimated useful and remaining life, and estimated replacement cost.
 - 2) The Financial Analysis evaluates the CID's/HOA's reserve fund balance and income.
 - The financial analysis calculates a CID's percent funded by comparing the actual reserve balance to a fully funded balance.
 - The reserve study then estimates the total annual contribution necessary to defray the future costs.
- **Why Should a Reserve Study be performed?**
 - Utah State requires that reserve studies be completed and that the board of directors inform owners of the reserve status annually.

Elk Run Phase IV HOA

Annual Members Meeting

Reserve Study

Funding Summary

Beginning Assumptions

# of units	40
Fiscal Year End	31-Dec
Budgeted Monthly Reserve Allocation	\$3,500
Projected Starting Reserve Balance	\$84,000
Ideal Starting Reserve Balance	\$110,850

Economic Assumptions

Projected Inflation Rate	3.00%
Reported After-Tax Interest Rate	0.50%

Current Reserve Status

Current Balance as a % of Ideal Balance	76%
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Recommendations

Recommended Monthly Reserve Allocation	\$4,755
Per Unit	\$118.88
Future Annual Increases	3.00%
For number of years:	30
Increases thereafter:	0.00%
Minimum Recommended Monthly Reserve Allocation	\$4,305
Per Unit	\$107.63
Future Annual Increases	3.00%
For number of years:	30
Increases thereafter:	0.00%

Changes From Prior Year

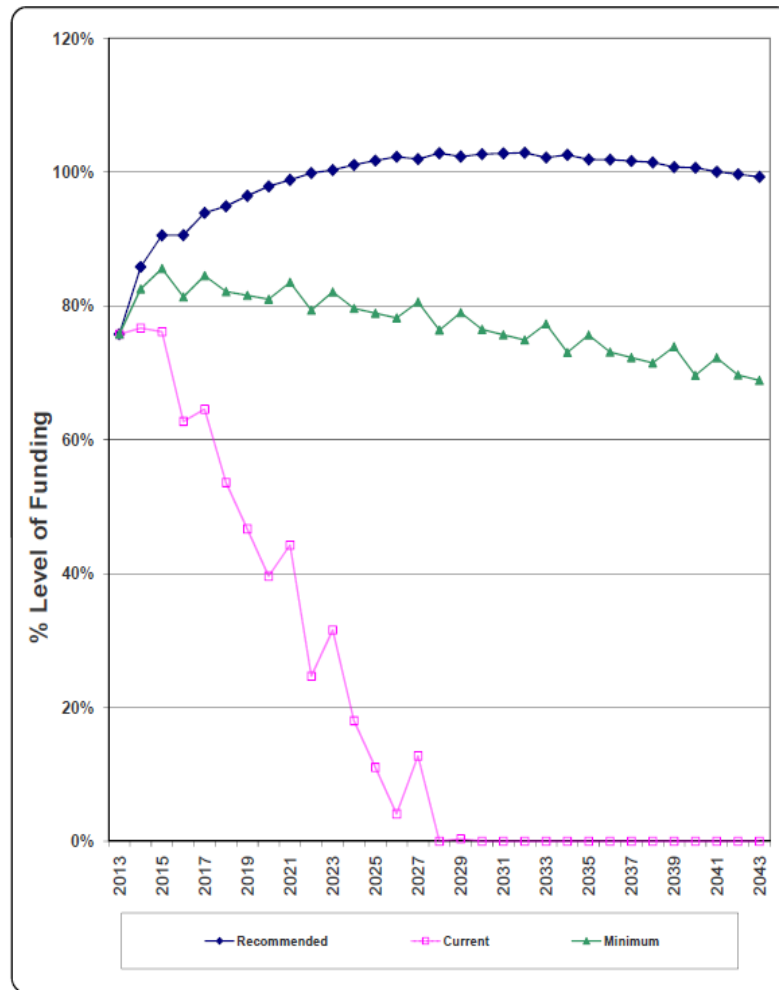
Recommended Increase to Reserve Allocation	\$1,255
as Percentage	36%
Minimum Recommended Increase to Reserve Allocation	\$805
as Percentage	23%

Elk Run Phase IV HOA

Annual Members Meeting

Reserve Study

Percent Funded - Graph



Elk Run Phase IV HOA

Annual Members Meeting

Reserve Study

Yearly Summary

Year	Fully Funded Balance	Starting Reserve Balance	% Funded	Reserve Contributions	Interest Income	Reserve Expenses	Ending Reserve Balance
2013	\$110,850	\$84,000	76%	\$57,060	\$564	\$0	\$141,624
2014	\$164,972	\$141,624	86%	\$58,772	\$857	\$0	\$201,253
2015	\$222,241	\$201,253	91%	\$60,535	\$916	\$97,603	\$165,101
2016	\$182,267	\$165,101	91%	\$62,351	\$984	\$0	\$228,435
2017	\$243,241	\$228,435	94%	\$64,222	\$1,111	\$77,660	\$216,108
2018	\$227,720	\$216,108	95%	\$66,148	\$1,115	\$53,327	\$230,044
2019	\$238,512	\$230,044	96%	\$68,133	\$1,186	\$54,926	\$244,437
2020	\$249,746	\$244,437	98%	\$70,177	\$1,401	\$0	\$316,014
2021	\$319,712	\$316,014	99%	\$72,282	\$1,473	\$116,543	\$273,226
2022	\$273,611	\$273,226	100%	\$74,450	\$1,556	\$0	\$349,232
2023	\$348,097	\$349,232	100%	\$76,684	\$1,710	\$92,730	\$334,896
2024	\$331,293	\$334,896	101%	\$78,984	\$1,717	\$63,675	\$351,922
2025	\$345,961	\$351,922	102%	\$81,354	\$1,803	\$65,585	\$369,494
2026	\$361,210	\$369,494	102%	\$83,795	\$2,062	\$0	\$455,350
2027	\$446,643	\$455,350	102%	\$86,308	\$2,150	\$139,158	\$404,650
2028	\$393,543	\$404,650	103%	\$88,898	\$2,251	\$0	\$495,798
2029	\$484,488	\$495,798	102%	\$91,565	\$2,437	\$110,725	\$479,075
2030	\$466,489	\$479,075	103%	\$94,311	\$2,447	\$76,031	\$499,802
2031	\$486,130	\$499,802	103%	\$97,141	\$2,552	\$78,312	\$521,183
2032	\$506,529	\$521,183	103%	\$100,055	\$2,863	\$0	\$624,100
2033	\$610,797	\$624,100	102%	\$103,057	\$2,970	\$166,162	\$563,964
2034	\$549,717	\$563,964	103%	\$106,148	\$3,092	\$0	\$673,205
2035	\$660,704	\$673,205	102%	\$109,333	\$3,316	\$132,211	\$653,643
2036	\$641,679	\$653,643	102%	\$112,613	\$3,330	\$90,785	\$678,801
2037	\$667,671	\$678,801	102%	\$115,991	\$3,458	\$93,509	\$704,742
2038	\$694,646	\$704,742	101%	\$119,471	\$3,831	\$0	\$828,044
2039	\$821,841	\$828,044	101%	\$123,055	\$3,961	\$198,406	\$756,654
2040	\$751,684	\$756,654	101%	\$126,747	\$4,110	\$0	\$887,510
2041	\$887,068	\$887,510	100%	\$130,549	\$4,379	\$157,867	\$864,572
2042	\$867,295	\$864,572	100%	\$134,466	\$4,398	\$108,402	\$895,033

Elk Run Phase IV HOA

Annual Members Meeting

Reserve Study

Short Term Source of Funds - 2013

Category	ID#	Component Name	Source of Funds
Roofing	105	Pitched Roof - Comp Shingle - 2013	Special Assessment
Painted Surfaces	217	Wood Siding - 2013 - Repair/Repaint	Special Assessment
Drive Materials	403	Concrete - Repair/Replace	Special Assessment
Fencing	100 1	Wood Fencing - Repair/Replace	Expense Budget
Fencing	100 3	Chain Link Fencing - Repair/Replace	Not Supported
Tennis Courts	120 1	Tennis Court - Resurface	Not Supported
Landscaping	181 2	Landscaping - Renovate	Expense Budget
Sprinkler System		Sprinkler Controllers, Heads, Pipes, etc.	Expense Budget

Long Term Source of Funds - Beyond 2013

Category	ID#	Component Name	Source of Funds
Roofing	105	Pitched Roof - Comp Shingle - Beyond 2013	Reserve Funds
Painted Surfaces	217	Wood Siding - Beyond 2013 - Repair/Repaint	Reserve Funds
Drive Materials	403	Concrete - Repair/Replace	Special Assessment
Fencing	100 1	Wood Fencing - Repair/Replace	Reserve Funds
Fencing	100 3	Chain Link Fencing - Repair/Replace	Not Supported
Tennis Courts	120 1	Tennis Court - Resurface	Not Supported
Landscaping	181 2	Landscaping - Renovate	Expense Budget
Sprinkler System		Sprinkler Controllers, Heads, Pipes, etc.	Expense Budget

Elk Run Phase IV HOA

Annual Members Meeting

Reserve Funds - Options

Elk Run Phase IV H.O.A. Reserve Accounts - Projects		
	2012	2013
Reserve Accounts - Projects		
Building. Maint. Paint # 217	\$84,000	\$43,300
General Contributions	\$5,000	?
Future Roofing # 105	\$1,000	?
Driveway # 403	\$1,000	?
Fence # 1001	\$2,000	\$1,000
Total Project Reserve Accounts	\$93,000	

Elk Run Phase IV HOA

Annual Members Meeting

Reserve Study

Annual Reserve Contributions					
Per the 2012 Reserve Study by Year					
Incremental Dues Changes by Year ^e					
Reserve Plan Recommended Funding					
Year	Total Reserve Cost ^a	Incremental Reserve Cost ^b	Current Dues Annual	Adjusted Dues Annual ^a	Dues Quarterly ^{c,d}
2013	\$57,060	\$377	\$4,000	\$4,377	\$1,094
2014	\$58,772	\$419	\$4,000	\$4,419	\$1,105
2015	\$60,535	\$463	\$4,000	\$4,463	\$1,116
2016	\$62,351	\$509	\$4,000	\$4,509	\$1,127
2017	\$64,222	\$556	\$4,000	\$4,556	\$1,139
a. Currently the HOA funds a reserve of \$42,000. annually for Painting & Maintenance					
b. The Annual Incremental Reserve Cost is for Future Replacement Roofing Costs					
c. Incremental Dues Adjustments for Expense Budget are <u>Not</u> Included					
d. Projected Incremental Quarterly Dues for 5 Years					
e. Assumes that plan requires revision and will be updated in 5 years					

Annual Reserve Contributions					
Per the 2012 Reserve Study by Year					
Incremental Dues Changes by Year ^e					
Reserve Plan Minimum Recommended Funding					
Year	Total Reserve Cost ^a	Incremental Reserve Cost ^b	Current Dues Annual	Adjusted Dues Annual ^a	Dues Quarterly ^{c,d}
2013	\$51,660	\$242	\$4,000	\$4,242	\$1,060
2014	\$53,210	\$280	\$4,000	\$4,280	\$1,070
2015	\$54,806	\$320	\$4,000	\$4,320	\$1,080
2016	\$56,450	\$361	\$4,000	\$4,361	\$1,090
2017	\$58,144	\$404	\$4,000	\$4,404	\$1,101
a. Currently the HOA funds a reserve of \$42,000. annually for Painting & Maintenance					
b. The Annual Incremental Reserve Cost is for Future Replacement Roofing Costs					
c. Incremental Dues Adjustments for Expense Budget are <u>Not</u> Included					
d. Projected Incremental Quarterly Dues for 5 Years					
e. Assumes that plan requires revision and will be updated in 5 years					

Elk Run Phase IV HOA

Annual Members Meeting

Reserve Study

Annual Reserve Contributions

Per the 2012 Reserve Study by Year

Incremental Dues Changes by Year

Reserve Plan Funding

2013 Potential Funding Options

Options	Year	Total Reserve Cost ^a	Incremental Reserve Cost ^b	Current Dues Annual	Adjusted Dues Annual ^a	Dues Quarterly ^c
1	2013	\$57,060	\$377	\$4,000	\$4,377	\$1,094
2	2013	\$51,660	\$242	\$4,000	\$4,242	\$1,060
3	2013	\$42000 ^a	Unfunded	\$4,000	\$4,000	\$1,000

a. Currently the HOA funds a reserve of \$42,000. annually for Painting & Maintenance

b. The Annual Incremental Reserve Cost is for Future Replacement Roofing Costs

c. Incremental Dues Adjustments for Expense Budget are Not Included

Elk Run Phase IV HOA

Annual Members Meeting

Reserve Funds – Vote

Elk Run Phase IV H.O.A. Reserve Accounts - Projects			
Reserve Accounts - Projects	2012	2013	Totals - 2013
Building. Maint. Paint # 217	\$84,000	\$43,300	\$127,300
General Contributions	\$5,000	To be moved to Driveway # 403	\$0
Future Roofing # 105	\$1,000	\$1,000	\$1,000
Driveway # 403	\$1,000	\$5,000	\$6,000
Fence # 1001	\$2,000	\$1,000	\$3,000
Total Project Reserve Accounts	\$93,000		\$137,300
Driveway # 403 - Total will not have residual amount until end of 2013			

Elk Run Phase IV HOA

Annual Members Meeting 2012

HOA Management

Elk Run Phase IV

HOA Management

- **MANAGERIAL SERVICES AND ACTIVITIES:**
 - Prepare Agendas for Board and Membership Meetings
 - Serve as a Consultant During Board and Membership Meetings
 - Provide Monthly Association Reports
 - Available On a Return Call Basis or by E-Mail
 - Conduct Monthly Inspections of Association Property
 - Supervise On-Site Maintenance Crews as Needed
 - Develop Specifications and Generate Requests for Quotations and/or Proposals for:
 - Lawn Care and Sprinkler Maintenance
 - Snow Removal
 - Building Maintenance and Painting
 - Roof Replacement and Maintenance
 - Driveway Replacement and Surface Maintenance
 - And other residual property maintenance as needed

Elk Run Phase IV

HOA Management

- **MANAGERIAL SERVICES AND ACTIVITIES (CONT.):**
 - Obtain and Provide Cost and Service Quotations for the Above
 - Participate in Selection of Quotation/Proposal and Service Provider
 - Supervise Service Provider as Needed
 - Inspect Finished Services for Content and Quality
 - Recommend Payment
 - Collect Homeowner Information and Requests for Board Review and/or Disposition
 - Collect Association Quarterly and Special Assessment Dues
 - Assist in Development of Rules and Regulations and Policies & Procedures
 - Provide for Rules, Regulations and Policies Enforcement
 - Provide for Fall Snow Stake Placement and Spring Retrieval
 - Develop and Maintain Annual Budgets
 - Develop Projected Annual Budgets for Five Years into the Future
 - Develop Unit Owners Annual Meeting Presentation
 - Monitor, Understand, and Comply with Utah State Legislation

Elk Run Phase IV

HOA Management

- **MANAGERIAL SERVICES AND ACTIVITIES (CONT.):**
 - Provide HOA documents, upon request to:
 - realtors, title companies, mortgage companies, homeowners, attorneys
 - Complete Documentation Requests to Facilitate the Purchase or Sale of Units for:
 - realtors, title companies, mortgage companies, homeowners, attorneys
 - Complete Financial Account Requests to Facilitate the Purchase or Sale of Units for:
 - realtors, title companies, mortgage companies, homeowners, attorneys
 - Provide new unit owners with the HOA's Documentation Package
 - Monitor All Unit Accounts and Provide Delinquent Account Information to Collection Attorneys
 - Create, process, and mail documents to all unit owners, as needed
 - Work with all Elk Run Boards (Phases I, II, & III) in addition to Elk Run IV Board to provide uniformity and consistency from properties policies

Elk Run Phase IV HOA

Annual Members Meeting

HOA Management

Comparative Costs for Professional vs. Self HOA Management			
	Management Companies		Self Managed
	Aspen	Compass	HOA Board
Yearly Base Rate	\$20,640	\$22,080	\$10K to \$12K
Labor	\$45	\$30	
Overhead Costs to Manage Vendor Contracts: GMS, Bldg. Maint., Manage Projects	10% of Contract \$1600	10% of Contract \$1600	No Additional Charge
Admin after 5:00 pm to 8:00 am	Not Available	\$75/hr	Included
Incremental Admin Office (Letters, Accounting)	Not Available	\$30/hr	Included
On Site Property Inspections	Not Available	\$30/hr	Included
Attend Meetings	Not Available	\$45/hr	Included
Reproduction Costs Plus Materials	Not Available	\$15/hr	Included
Creation of Website	Included	Not Available	
Conference Calls	Not Available	\$45/hr	Included
Total Yearly Cost* to Homeowners	\$22,240	\$23,920	\$10K to \$12K

* Dependent on Use of Incremental Services

Elk Run Phase IV HOA

Annual Members Meeting 2012

Dues and Assessment Payment Schedule for 2013

Elk Run Phase IV HOA

Annual Members Meeting 2012

Dues and Assessment Payment Schedule for 2013

2013 Dues and Assessment Payment Schedule				
Payment	Due Date	Dues	Assessment	Payment Amount
1st. Qtr.	1-Jan	\$1,000	\$500	\$1,500
2nd. Qtr	1-Apr	\$1,000	\$500	\$1,500
3rd. Qtr	1-Jul	\$1,000	\$500	\$1,500
4th. Qtr	1-Oct	\$1,000	\$500	\$1,500
Totals		\$4,000	\$2,000	\$6,000

Elk Run Phase IV HOA

Annual Members Meeting 2012

Board Meeting Schedule

- **Location:**
 - Contact a Board member for monthly meeting location
- **Time:**
 - 6:00 PM
 - Meetings are on Tuesday's

Note:

All meetings are open and anyone is welcome to attend.

If you provide the Board your email address we can send you the monthly meeting minutes.

- **2013 Board Meeting Schedule**
 - Tuesday, January 8
 - Tuesday, February 26
 - Tuesday, March 26
 - Tuesday, April 30
 - Tuesday, May 28
 - Tuesday, June 25
 - Tuesday, July 30
 - Tuesday, August 27
 - Tuesday, September 24
 - Tuesday, October 29
 - November TBD
 - December TBD

Elk Run Phase IV HOA

Annual Members Meeting 2012

End of Presentation

Elk Run Phase IV HOA

Annual Members Meeting

HOA Management - RFP

Section 12: Managerial Company Services and Activities:

- 12.1: Serve as a consultant and secretary during Board and membership meetings.
- 12.2: Participate in selection of all service provider quotations/proposals.
- 12.3: Assist in development of rules, regulations, policies and procedures.
- 12.4: Develop “RFP’s” for all service providers in conjunction with existing HOA documentation.

Section 13.0: Managerial Company Documentation Services

- 13.1: Prepare agendas for board and membership meetings
- 13.2: Provide monthly association reports financial or other.
- 13.3: Collect homeowner information and requests for board review and or disposition.
- 13.4: Provide new homeowners with specified package of documents (refer to list that will be provided).
- 13.5: Provide for rules, regulations and policies enforcement.
- 13.6: Provide HOA documents, as requested to: homeowners, realtors, title companies, mortgage companies, homeowners and attorneys.
- 13.7: Create/process/mail to all unit owners’ quarterly newsletters and other periodic documents (e.g., Basic Rules, etc.) as needed or requested by the Board.
- 13.8: Develop unit owners Annual Meeting Presentation and minutes

Elk Run Phase IV HOA

Annual Members Meeting

HOA Management - RFP

Section 14.0: Managerial Company and Homeowner Communications:

- 14.1: Create and maintain an email box for homeowner/other communications.
- 14.2: Create and maintain a website for use in homeowner/other communications.
- 14.3: Be available to answer phone calls from homeowners or others from 7:00 am to 7:00 pm, Monday through Friday. Answer/resolve all homeowner questions/issues. Consult with Board, as needed.
- 14.4: Respond to homeowner inquiries within 48 hours of receiving email message, Monday through Friday. Answer/resolve all homeowner questions/issues. Consult with Board as needed.

Section 15.0: Managerial Company Bookkeeping and Accounting

- 15.1: Maintain all billing records, balances and payments.
- 15.2: Generate various financial reports: accounts payable/receivable, register/transaction reports, using Quicken or Quick Books
- 15.3: Develop and maintain annual budgets
- 15.4: Develop and project annual budgets for seven years into the future, both major (e.g., roofs, driveways) projects and yearly operations
- 15.5: Complete financial account requests to facilitate the purchase or collect association quarterly and special assessment dues
- 15.6: Monitor all unit accounts and provide delinquent account information to collection attorneys
- 15.7: Process payments from homeowners, etc.
- 15.8: Make bank deposits.
- 15.9: Pay bills/ invoices.
- 15.10: Prepare and mail quarterly billing statements
- 15.11: Generate and provide to Board quarterly backup data files for all books, e-mails, documentation

Section 16.0: Managerial Company needs to be Knowledgeable with All HOA's Insurance Documentation:

- 16.1: Review and update policies, as needed/directed by Board.
- 16.2: Be familiar with Utah State law on HOA insurance requirements.
- 16.4: Do not process any claims initiated by homeowners.
- 16.5: Manage any claims approved by Board and report to same.

Elk Run Phase IV HOA

Annual Members Meeting

HOA Management - RFP

Section 17.0: Managerial Company needs to be Knowledgeable with all Elk Run Phase IV Governing Documentation:

- 17.1: CC&Rs, Bylaws, Articles of Incorporation
- 17.2: Basic Rules, Homeowner/Association Maintenance Matrix, etc...
- 17.3: Other policies to be provided

Section 18.0: Managerial Company needs to be Knowledgeable with all Legislation Pertaining to: condominiums, PUD's and HOA within the State of Utah

- 18.1: Review and update HOA board as needed or requested
- 18.2: Review and update homeowners as needed or requested

Section 19.0: Managerial Company will Provide On-site Service Supervision for:

- 19.1: Conduct Monthly Inspections of Association Property
- 19.2: Supervise On-Site Maintenance Crews as Needed
- 19.3: Inspect Finished Services for Content and Quality
- 19.4: Manage major maintenance projects
- 19.5: Perform daily on-site inspections with contractors for major projects (e.g., roofs, exterior painting, exterior carpentry work, other major projects, etc.).
- 19.6: Provide/manage handymen for minor external jobs, as needed/requested by Board.
- 19.7: Perform weekly on-site inspections with summer grounds crew

Section 20.0: Managerial Company will Develop Specifications and Generate Requests for Quotations and/or Proposals and Obtain and Provide Cost and Service Quotations for the below:

- 20.1: Lawn care and sprinkler maintenance
- 20.2: Snow removal
- 20.3: Building maintenance, carpentry and painting
- 20.4: Roof replacement and maintenance
- 20.5: Driveway replacement and surface maintenance
- 20.6: And other residual property maintenance as needed

Elk Run Phase IV HOA

Annual Members Meeting

HOA Management - RFP

Section 21.0: Managerial Company Grounds Maintenance Management – By Season:

21.1: Spring:

- 21.1-a: Do weekly property walk-a-rounds (inspections) with grounds crews.
- 21.1-b: Schedule and manage all spring grounds activities, debris cleanup (e.g., leave raking, flower bed and tree well cleanup, aeration, turning on grass sprinkler system, etc.).
- 21.1-c: Manage all small grounds improvements (e.g., tree removal or new plantings, bed creation or maintenance, wood chip placement, etc.).
- 21.1-d: Manage repairs needed for sprinkler and building damage done by snow plow crew.
- 21.1-e: Schedule the retrieval of snow stakes that were placed in fall.

21.2: Summer:

- 21.2-a: Do weekly grounds walk-a-rounds (inspections) with grounds maintenance crew.
- 21.2-b: Schedule and manage all grounds repairs, improvements, tree and grass spraying, pruning, flower beds and tree well as required.
- 21.2-c: Manage repairs and improvements of lawn sprinkler system.
- 21.2-d: Know where and how to use the grass sprinkler major shutoffs and valve boxes.
- 21.2-e: Know where and how to use the grass sprinkler control timer clocks.

21.3: Fall:

- 21.3-a: Do weekly property walk-a-rounds (inspections) with grounds crews until snow falls.
- 21.3-b: Schedule, raking and removal of leaves
- 21.3-c: Ensure that grass sprinkler system is shut down and winterized
- 21.3-d: Educate grounds crew on snow storage locations.
- 21.3-e: Install snow curb stakes along street and driveways.
- 21.3-f: Supply new/additional snow stakes, as needed.
- 21.3-g: Educate grounds crew on common property damage areas due to plowing.

21.4: Winter:

- 21.4-a: Do bi-weekly property walk-a-rounds (inspections) with snow plow crew.
- 21.4-b: Manage winter parking issues
- 21.4-c: Manage snow storage issues
- 21.4-d: Manage removal of excess snow using a loader, as needed (typically two per winter).
- 21.4-e: Manage snow shoveling around fire hydrants.
- 21.4-f: Maintain snow curb stakes along street and driveways as needed.