

Pinon Ranch HOA - 2016 Year end letter and important announcements

2016 was a banner year that saw our HOA homes' values reach record highs, thanks to all that did their part to maintain, protect, and enhance the image of their homes and our HOA neighborhood as a whole. We would also like to welcome the 7 new families that purchased homes in our neighborhood.

In addition, we would also like to recognize the efforts of all the current and past board members that have done their part to preserve and enhance our neighborhood image. Lastly, we would like to give special recognition to Vince Maione for over 12 years of devoted service on our HOA Board of Directors.

Please welcome Amanda Brush as our new hospitality chairperson, we would like to thank her and Bradley Gildin for their efforts in organizing our Christmas decoration competition and Social gathering. Congratulations to the Schleiker family for winning our first community event! Please email Amanda at AmandaPinonRanch@gmail.com if you would like to receive information regarding upcoming social events.

As we start the new year, we want to provide an accounting of last year's expenses and income. On the back of this page is a comparison of the 2016 budget to actual revenue and expenses. Also included is the budget for 2017.

HOA dues for 2017 will be \$340, which includes insurance for the HOA as mandated in the covenantsⁱ. Statements for the HOA Dues are included in this mailing.

HOA Reserves for the year ending December 31, 2016, stood at \$3,831.34 (\$3,031.34 in Operational reserves and \$800.00 in Replacement reserves).

The purpose of the Operational Reserves is to cover unexpected budget overages and/or revenue shortages, unforeseen legal expenses, and insurance deductibles.

The purpose of the Replacement Reserves is to set aside money for large expenses that don't happen on a yearly basis, such as repairing or replacing parts of the HOA fence, periodic fence re-staining, repairing /replacing sections of the HOA sidewalks due to tripping hazards and/or damages, and landscaping or major irrigation system repairsⁱⁱ. *The estimate of repairs needed in the next couple of years is \$5000 to \$6000ⁱⁱⁱ. Currently, we don't have the funds available in our replacement reserve account to pay for repairs and will not in the near future due to our budget limitations and assessment cap. In an effort to find a way to pay for this, The HOA board is considering a covenant amendment to add a special assessment provision, for the purpose of funding these capital repairs. The board is still gathering information, will be seeking advice of legal counsel, and is looking to call a special meeting of the members to have an open house discussion on this issue some time in 2017.*

Thank you all for making our neighborhood a desirable place to live.

ⁱ As per Sections 1.8(e), and 4.8 of the covenants'.

ⁱⁱ We are referring to the sidewalks, fences, irrigation and landscaping in the HOA Commons area (the 15,852 square foot property that runs along the South side of Mule Deere, adjoining the Pinon Ranch Subdivision) that is the responsibility of the HOA to repair and maintain.

ⁱⁱⁱ Based on estimate received for repair and re-stain the fence, and what we spent in 2014, along with the estimate that we received for the replacement of the broken sections of sidewalk and grinding down the tripping hazards.