

**THE FOOTHILLS at MacDONALD RANCH MASTER ASSOCIATION  
2013 ADOPTED BUDGET - 445 HOMES**

	2011	2012	2013	2013	
	BUDGET	BUDGET	BUDGET	Monthly	
<b>INCOME</b>					
Association Assessments	\$1,742,400.00	\$1,742,400.00	\$1,742,400.00	\$145,200.00	\$330.00 per Month
Design Review Fees	\$0.00	\$0.00	\$0.00	\$0.00	
Fines	\$0.00	\$0.00	\$0.00	\$0.00	
Gate Transponder Income	\$12,250.00	\$15,000.00	\$10,000.00	\$833.33	
Collection Fees	\$0.00	\$0.00	\$3,450.00	\$287.50	
DragonRidge Transponders	\$2,500.00	\$2,500.00	\$2,500.00	\$208.33	
Interest	\$2,000.00	\$2,000.00	\$2,000.00	\$166.67	
	\$1,759,150.00	\$1,761,900.00	\$1,760,350.00	\$146,695.83	
<b>EXPENSES</b>					
<b>GENERAL &amp; ADMIN</b>					
Audit & Tax Preparation	\$3,250.00	\$3,250.00	\$2,175.00	\$181.25	
Bad Debt Expense	\$86,130.00	\$86,130.00	\$86,130.00	\$7,177.50	
Insurance	\$10,494.00	\$10,891.00	\$13,505.00	\$1,125.42	
Legal Fees	\$5,000.00	\$11,000.00	\$19,000.00	\$1,583.33	Increased based on actuals
Management Fees	\$55,440.00	\$58,740.00	\$58,740.00	\$4,895.00	No Increase in 2013
Misc. Management Fees	\$3,000.00	\$2,850.00	\$3,450.00	\$287.50	Fees billed back to owners
Meeting Expense	\$500.00	\$250.00	\$250.00	\$20.83	
Secretary of State/Ombudsman Fees	\$1,345.00	\$1,710.00	\$1,710.00	\$142.50	
Permits/Licenses	\$1,000.00	\$1,000.00	\$1,000.00	\$83.33	
Copies & Office Supplies	\$7,000.00	\$8,000.00	\$9,000.00	\$750.00	Increased based on actuals
Postage	\$4,000.00	\$4,600.00	\$4,800.00	\$400.00	Increased based on actuals
Newsletter Expense	\$3,000.00	\$4,000.00	\$14,000.00	\$1,166.67	Increased based on actuals
Community Events	\$20,000.00	\$20,500.00	\$27,000.00	\$2,250.00	Fourth of July/social events
Income Tax	\$8,000.00	\$5,000.00	\$3,000.00	\$250.00	Reduced based on actuals
<b>TOTAL GEN &amp; ADMIN EXPENSE</b>	<b>\$208,159.00</b>	<b>\$217,921.00</b>	<b>\$243,760.00</b>	<b>\$20,313.33</b>	
<b>LANDSCAPE</b>					
Landscape Contract	\$380,000.00	\$363,650.00	\$353,400.00	\$29,450.00	
Landscape Misc.	\$30,000.00	\$30,000.00	\$30,000.00	\$2,500.00	
Plant/Tree Replacement	\$30,000.00	\$30,000.00	\$20,000.00	\$1,666.67	Reduced based on actuals
Tree Contract	\$30,400.00	\$33,400.00	\$38,000.00	\$3,166.67	Increased to 25 days per year
<b>TOTAL LANDSCAPE EXPENSE</b>	<b>\$470,400.00</b>	<b>\$457,050.00</b>	<b>\$441,400.00</b>	<b>\$36,783.33</b>	
<b>MAINTENANCE</b>					
Gate Repairs & Maintenance	\$14,500.00	\$12,250.00	\$10,000.00	\$833.33	Reduced based on actuals
Gate Software and Passes	\$48,500.00	\$50,000.00	\$50,000.00	\$4,166.67	
Gate System Repairs	\$2,500.00	\$1,000.00	\$1,000.00	\$83.33	
Gate Transponder Expense	\$15,000.00	\$14,500.00	\$10,000.00	\$833.33	
General Maintenance	\$20,000.00	\$40,000.00	\$55,000.00	\$4,583.33	Increased based on actuals
Holiday Decorations	\$13,000.00	\$13,000.00	\$13,000.00	\$1,083.33	
Janitorial & Janitorial Supplies	\$25,000.00	\$5,000.00	\$5,000.00	\$416.67	No increase in 2013
Lighting Miscellaneous Repairs/Painting	\$40,000.00	\$30,000.00	\$30,000.00	\$2,500.00	Reduced based on actuals
Lighting Contract	\$30,000.00	\$17,700.00	\$18,585.00	\$1,548.75	
Pest Control	\$1,500.00	\$1,500.00	\$1,500.00	\$125.00	
Playground Equip Maint Contract	\$4,200.00	\$4,200.00	\$4,200.00	\$350.00	No increase in 2013
Gate Officer Contract	\$620,000.00	\$618,235.00	\$614,475.89	\$51,206.32	
Fire System Monitoring/Inspection	\$1,000.00	\$500.00	\$500.00	\$41.67	
Street Sweeping	\$6,000.00	\$6,000.00	\$6,000.00	\$500.00	
Park Improvements	\$15,000.00	\$5,000.00	\$30,000.00	\$2,500.00	Shade Structure/Dog Park
Contingencies	\$10,000.00	\$25,894.00	\$21,268.00	\$1,772.33	
<b>TOTAL MAINT &amp; REPAIRS</b>	<b>\$866,200.00</b>	<b>\$844,779.00</b>	<b>\$870,528.89</b>	<b>\$72,544.07</b>	
<b>POOL/FOUNTAIN</b>					
Pool/Fountain Contract	\$6,000.00	\$6,000.00	\$6,000.00	\$500.00	No increase in 2013
Pool/Fountain Misc. Repairs	\$2,500.00	\$6,000.00	\$6,000.00	\$500.00	
<b>TOTAL POOL/FOUNTAIN</b>	<b>\$8,500.00</b>	<b>\$12,000.00</b>	<b>\$12,000.00</b>	<b>\$1,000.00</b>	
<b>UTILITIES</b>					
Electric	\$52,000.00	\$61,500.00	\$65,278.40	\$5,439.87	Based on actuals plus 10%
Telephones	\$6,700.00	\$8,650.00	\$7,000.00	\$583.33	Based on actuals
Sewer/Water	\$93,300.00	\$100,000.00	\$120,382.71	\$10,031.89	Based on actuals plus 15%
<b>Total Utilities</b>	<b>152,000.00</b>	<b>170,150.00</b>	<b>192,661.11</b>	<b>\$16,055.09</b>	
<b>RESERVES</b>					
Reserve Transfer	\$60,000.00	\$60,000.00	\$60,000.00	\$5,000.00	
<b>TOTAL EXPENDITURES</b>	<b>\$1,765,259.00</b>	<b>\$1,761,900.00</b>	<b>\$1,820,350.00</b>	<b>\$151,695.83</b>	
<b>NET INCOME/LOSS</b>	<b>(\$6,109.00)</b>	<b>\$0.00</b>	<b>(\$60,000.00)</b>	<b>(\$5,000.00)</b>	
<b>Application of Operating Surplus</b>	<b>\$6,109.00</b>	<b>\$0.00</b>	<b>\$60,000.00</b>	<b>\$5,000.00</b>	

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		2011	2012	2013	2013
	INCOME	BUDGET	BUDGET	BUDGET	Monthly
<b>Reserve Budget</b>					
Anticipated Reserve Money 12-31-12	\$ 967,728.86	A reserve study was performed in November 2008.			
Transfer from Operating 2013	\$ 60,000.00	The reserve study shows that \$629,753.00 is the current estimate of the amount			
Interest-Reserve Account 2013	\$ 5,360.57	of cash reserves that are necessary at the end of 2013. The Executive Board does not anticipate			
<b>Total Expenses 2013</b>		that a special assessment will be required to repair, replace, or restore any major component			
Barrier Arm Operators **	\$ (13,113.00)	of the common elements or to provide adequate reserves for that purpose.			
Park Furniture - Replace **	\$ (21,855.00)	The current estimated replacement cost, estimated remaining life and estimated useful life			
Asphalt Slurry Seal **	\$ (160,248.00)	of each major component of the common elements is attached.			
Gate Operators - Replace (Stephanie)	\$ (14,632.00)	Component procedures were used in the reserve study for the estimation and accumulation of			
Gate Operators - Replace (Valle Verde)	\$ (7,316.00)	cash reserves. A statement of qualifications of the person responsible for the preparation of			
<b>Anticipated Reserve Money 12-31-13</b>	<b>\$ 815,925.43</b>	the reserve study is also enclosed.			
<b>Reserve Cash Required by 12-31-13</b>	<b>\$ 629,753.00</b>				
<b>Percent Funded</b>	<b>129.56%</b>				

Note: All items marked with "\*\*\*\*" were items scheduled for completion in 2012, but expense was moved forward to the 2013 reserve budget

<b>LAIRMONT</b>					
	16 Homes @ \$45.00				
	2011	2012	2013	2013	
REVENUES	Budget	Budget	Budget	Monthly	
Assessments- Lairmont	\$8,640.00	\$8,640.00	\$8,640.00	\$720.00	
	\$8,640.00	\$8,640.00	\$8,640.00	\$720.00	
<b>TOTAL REVENUES</b>					
<b>EXPENSES</b>					
Entry Gate Phone	\$450.00	\$360.00	\$360.00	\$30.00	
Nevada Power	\$360.00	\$300.00	\$300.00	\$25.00	
Entry Gate Maintenance	\$240.00	\$240.00	\$200.00	\$16.67	
Common Water - Irrigation	\$300.00	\$130.00	\$300.00	\$25.00	8% of meter total use
Landscape Maintenance	\$2,400.00	\$2,400.00	\$2,400.00	\$200.00	Approx. 3,000 sq. ft.
Reserve Transfer-Lairmont	\$4,890.00	\$5,210.00	\$5,080.00	\$423.33	plus annual flowers
<b>TOTAL EXPENSES</b>	<b>\$8,640.00</b>	<b>\$8,640.00</b>	<b>\$8,640.00</b>	<b>\$720.00</b>	
<b>REVENUES OVER EXPENSES</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$83.33</b>	

<b>Reserve Budget</b>					
Anticipated Reserve Money 12-31-12	\$ 38,833.82	A reserve study was performed in November 2008.			
Transfer from Operating 2013	\$ 5,080.00	The reserve study shows that \$37,307 is the current estimate of the amount			
Interest-Reserve Account 2013	\$ 102.39	of cash reserves that are necessary at the end of 2013. The Executive Board does not anticipate			
<b>Total Expenses 2013</b>		that a special assessment will be required to repair, replace, or restore any major component			
Asphalt Slurry Seal	\$ (7,567.00)	of the common elements or to provide adequate reserves for that purpose.			
<b>Anticipated Reserve Money 12-31-13</b>	<b>\$ 36,449.21</b>	The current estimated replacement cost, estimated remaining life and estimated useful life			
<b>Reserve Cash Required by 12-31-13</b>	<b>\$ 37,307.00</b>	of each major component of the common elements is attached.			
<b>Percent Funded</b>	<b>97.70%</b>	Component procedures were used in the reserve study for the estimation and accumulation of			
		cash reserves. A statement of qualifications of the person responsible for the preparation of			
		the reserve study is also enclosed.			

Note: Slurry seal scheduled for completion in 2012, but expense was moved forward to the 2013 reserve budget

<b>LEIGE</b>					
	14 Homes @ \$188				
	2011	2012	2013	2013	
REVENUES	Budget	Budget	Budget	Monthly	
Assessments- Leige	\$31,584.00	\$31,584.00	\$31,584.00	\$166.67	
	\$31,584.00	\$31,584.00	\$31,584.00	\$166.67	
<b>TOTAL REVENUES</b>					
<b>EXPENSES</b>					
Entry Gate Phone	\$500.00	\$600.00	\$360.00	\$30.00	
Nevada Power	\$360.00	\$600.00	\$1,000.00	\$83.33	
Entry Gate Maintenance	\$220.00	\$150.00	\$150.00	\$12.50	
Common Water - Irrigation	\$4,000.00	\$4,000.00	\$5,000.00	\$416.67	
Landscape Maintenance	\$22,200.00	\$22,200.00	\$22,200.00	\$1,850.00	Approx. 74,000 sq. ft.
Reserve Transfer-Leige	\$4,304.00	\$4,034.00	\$2,874.00	\$239.50	
<b>TOTAL EXPENSES</b>	<b>\$31,584.00</b>	<b>\$31,584.00</b>	<b>\$31,584.00</b>	<b>\$2,632.00</b>	
<b>REVENUES OVER EXPENSES</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$83.33</b>	

<b>Reserve Budget</b>					
Anticipated Reserve Money 12-31-12	\$ 69,392.61	A reserve study was performed in November 2008.			
Transfer from Operating 2013	\$ 2,874.00	The reserve study shows that \$48,299 is the current estimate of the amount			
Interest-Reserve Account 2013	\$ 246.86	of cash reserves that are necessary at the end of 2013. The Executive Board does not anticipate			
<b>Total Expenses 2013</b>		that a special assessment will be required to repair, replace, or restore any major component			

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			2011	2012	2013	2013	
	<b>INCOME</b>		<b>BUDGET</b>	<b>BUDGET</b>	<b>BUDGET</b>	<b>Monthly</b>	
Asphalt Slurry Seal	\$	(12,402.00)	of the common elements or to provide adequate reserves for that purpose.				
<b>Anticipated Reserve Money 12-31-13</b>	\$	<b>60,111.47</b>	The current estimated replacement cost, estimated remaining life and estimated useful life of each major component of the common elements is attached.				
<b>Reserve Cash Required by 12-31-13</b>	\$	<b>48,299.00</b>	Component procedures were used in the reserve study for the estimation and accumulation of cash reserves. A statement of qualifications of the person responsible for the preparation of the reserve study is also enclosed.				
<b>Percent Funded</b>		<b>124.46%</b>					
Note: Slurry seal scheduled for completion in 2012, but expense was moved forward to the 2013 reserve budget							

# THE FOOTHILLS at MACDONALD RANCH MASTER ASSOCIATION

*Professionally Managed by: Real Properties Management Group, Inc.*

## ASSESSMENT COLLECTION POLICY

WHEREAS the Board of Directors of the Association is charged with the responsibility of collecting assessments for common expenses from HOMEOWNERS; and

WHEREAS from time to time HOMEOWNERS become delinquent in the payment of these assessments and fail to respond to the demands from the Board to bring their accounts current; and

WHEREAS, the Board deems it to be in the best interest of the Association to adopt a uniform and systematic procedure for dealing with delinquent accounts in a timely manner, and further believes it to be in the best interest of the Association to promptly refer delinquent accounts for collection so as to minimize the Association's loss of assessment revenue; and

WHEREAS the Board may retain an agent or several agents for their experience in representing homeowners' associations in collections; and

WHEREAS the Board may direct such agent or agents to represent the Association on the terms outlined in this resolution;

NOW THEREFORE, BE IT RESOLVED that the Board of Directors of the Foothills at MacDonald Ranch Master Association (The Association) adopts the following policy and practice effective thirty (30) days after distribution to OWNERS. Upon the effectiveness of this policy, all other previous collection policies shall be null and void.

This document sets forth the Association's policy regarding the collection of assessment pursuant to the Association's Declaration of Covenants, Conditions and Restrictions and Nevada Revised Statute Chapter 116.

The Board establishes the Association's fiscal year, January 1 to December 31, as the Regular assessment period. Payments are due on the first day of the month and are delinquent on the thirtieth (30<sup>th</sup>) day of the month, unless a Special Assessment or Capital Improvement Assessment is levied and the Board establishes a different due date for such Assessment.

- 1.0 Assessments in General: The Association has a duty to levy regular and special assessments sufficient to perform its obligation under the governing documents and Nevada law. Regular assessments are levied annually and are payable during the year in monthly installments.
- 2.0 Obligation to Pay Assessments: Each assessment or charge is an obligation of the OWNER at the time an assessment or other sums are levied. Each assessment or charge is also a lien on the OWNERS' lot from and after the time the Association causes a Notice of Delinquent Assessment to be recorded with the County Recorder's Office.
- 3.0 Notice of Assessments: The Association will give the OWNERS notice before any increase in the annual assessment or any special assessment. Notice will be sent by first-class mail to addresses on the membership register as of the date of the notice. It is the responsibility of each OWNER to advise the association of any mailing address changes. The Board of Directors may elect from time to time to provide additional periodic statements of assessments and charges; lack of such statement does not relieve the OWNERS of the obligation to pay assessments.
- 4.0 Designation of Agent: The Board of Directors may designate an agent or agents to collect assessment payments and administer this Assessments Collection Policy. Such designated agent may be an officer of the Association, manager, bookkeeper, banking institution, Trustee Company, law firm or other appropriate agent. Delinquent assessment accounts will be turned over to such Agent for collections when assessments are not paid by the Delinquent Date.
- 5.0 Due Date/Delinquency Amounts: Unless otherwise specified by the Board, an assessment is due on the first day of the month for which it is due beginning on January 1. An assessment or any portion thereof, is delinquent if it is not received as directed by the Board or its designated agent by the thirtieth (30<sup>th</sup>) day of the month in which it is due.

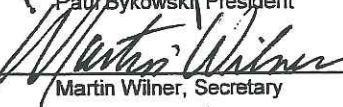
- 6.0 Charges on Delinquent Accounts: On the thirtieth (30<sup>th</sup>) day of the month, an assessment, or any portion thereof that is delinquent shall incur a late charge of ten dollars (\$10), retroactive to the initial delinquent date. Any collection charges, if any, will also be added at that time.
- 7.0 Collection Charges: Any costs and fees incurred in processing and collecting delinquent accounts, including, without limitation, late and interest charges, charges for preparation of the delinquency notices or referral for collection, postage and copies, and attorney's fees and costs, shall be an additional charge against the OWNER and the OWNER'S lot and shall be subject to collection action pursuant to this Policy.
- 8.0 Application of Payments: Payments shall be applied first to assessments unless instructed otherwise.
- 9.0 Delinquency Notices: Once an assessment, or any portion thereof, has become delinquent, the OWNER shall receive an initial delinquency notice stating all amounts past due and any known collection charges imposed as of the date of the notice, which may be in the form of a letter, statement, past due notice, or any other form of writing or notice from the Association or its designated agent. If an assessment account remains unpaid sixty (60) days after it is due, the Association's designated agent may, but is not required to, send the OWNERS a further notice, by first class mail, that the account will be referred to the Association's collection agent if the account is not paid in full within an additional thirty (30) days.
- 10.0 Notice of Intent to Record a Lien: If an assessment account remains unpaid for ninety (90) days after is due, the Association or its designated agent will issue an intent to lien letter to the OWNER at his address, if know, and at the address of the unit in accordance with NRS 116.3116(2). The Association's agent for collection shall notify the OWNER by certified mail that a lien will be recorded against the OWNER'S lot unless the entire balance of the account is paid in full within an additional thirty (30) days and shall provide an itemized statement of the charges owed as of the date of the notice, including the costs of the notice of intent. The agent for collection may require that the payment be made in certified funds.
- 11.0 Recording a Lien: A lien shall be recorded if, within the time period allowed the OWNER fails to pay the entire balance of the account or to petition the Board of Directors in writing a payment agreement pursuant to Paragraph 14.0 of this Policy.
- 12.0 Notice of Default: A Notice of Default and Election to Sell shall be executed and recorded with the County Recorder which will contain the same information as the Notice of Delinquent Assessment, but will also describe the Deficiency of Payment and the name and address of the person authorized by the association to enforce the Lien by Sale.
- 13.0 Foreclosures: The Association may proceed with foreclosure proceedings on any delinquent account, which has been properly notified in accordance with the foreclosure proceedings described in detail in the Nevada Revised Statute 116. All costs, fee and charges associated with the process will be assessed as additional assessments and must be paid in full prior to the lien being released.
- 14.0 Payment Agreement: An OWNER may petition the Board of Directors in writing for a payment agreement to allow the OWNER to make periodic partial payments on the entire balance of the assessment account, in addition to the ongoing assessment payments, in amounts and on a payment schedule agreed to by the Board of Directors. The Association has no obligation to enter into such a payment agreement. Any agreement entered into with the OWNER shall be reasonable, as determined by the Board in its sole discretion, and for the sole purpose of assuring that the best interests of the Association are served. The payment agreement shall be in writing and a provision shall be included that failure to meet any term of the agreement shall give the Board the right to immediately continue the collection process without further notice to the OWNER.
- 15.0 Interest Charges: The unpaid balance of the OWNER'S assessment account may bear interest at the maximum rate of the prime plus two (2%) percentage points per annum above the prime rate charged by the largest bank chartered in the state of Nevada. The prime rate must be adjusted accordingly on January 1 and July 1 of each year.

- 16.0 Recording of Release of Lien: A release of lien will not be recorded until the entire balance of the OWNER'S account is paid. All charged incurred in recording a Release of Lien, including reasonable attorney's fees, will be charged to the account.
- 17.0 Dishonored Checks: At any time that the Association or its designated agent received a check dishonored by the bank for any reason, a charge of fifty-five dollars (\$55) shall be imposed. The Board of Directors may immediately proceed with the collection process if the assessments are not paid within ten (10) days after notice of the dishonored check is sent to the OWNER. The Association may also seek damages in accordance with Nevada Revised Statutes.
- 18.0 Dispute of Charges: If the OWNER questions the accuracy of the calculation of an account or the amount charged to the assessment account, a written objection to the specific charges must be made (received) by the Board of Directors within thirty (30) days of the date notice is sent to the OWNER of the charge or balance. A telephone call will not reserve any rights. The disputed amount may remain unpaid during the investigation, but undisputed portions of the account must be paid before the delinquency date in order to avoid collection charges. No action will be taken to collect the disputed amounts until completion of the investigation and a decision is made by the Board of Directors. The OWNER must provide the following information in writing regarding any dispute:
- The OWNER'S name, mailing address, and account number.
  - The exact dollar amount in dispute or in error.
  - For each charge or payment in dispute, an explanation of the reasons the OWNER believes there is an error, with sufficient detail such as dates, names and check numbers, so that the dispute may be investigated efficiently and effectively. If the OWNER does not know how the error was made, that statement may be made, but the dates and check numbers, etc., must be given.
  - Copies of checks (both front & back), letters or other documents referred to or claimed must accompany the written objection.
- 19.0 Other Remedies: The Association reserves the right to avail itself of any other remedy permitted by law and the Association's governing documents to collect assessments and related costs and charges, including but not limited to bringing an action in Small Claims, Municipal or District Court. Such remedies may be taken in addition or in lieu of any action already taken, and commencement of one remedy shall not prevent the Association from electing at a later date to pursue another remedy.
- 20.0 Address of the Association and the Board of Directors: OWNERS should respond in writing or make payments to the address as directed by the designated agent. If no address is given, responses and petitions should be mailed to the Association at the following address:
- THE FOOTHILLS at MacDONALD RANCH MASTER ASSOC.  
c/o RPMG, Inc.  
P.O. Box 95606  
Las Vegas, NV 89193
- 21.0 Sufficiency of Notice: Except for notice that under Nevada law which must be sent by certified mail, notice is sufficient if either hand delivered or mailed first class, postage prepaid, to the OWNER at the address on the membership register at the time of notice.
- 22.0 Void Provisions: If any provision of this Policy is determined to be null and void, all other provisions of the Policy shall remain in full force and effect.

This Resolution adopted by the Board of Directors of The Foothills at MacDonald Ranch Master Association at the Organizational Board of Directors meeting held on January 26, 2011 as evidenced by the signatures below:

THE FOOTHILLS AT MACDONALD RANCH MASTER ASSOCIATION:

By:   
Paul Bykowski, President

By:   
Martin Wilner, Secretary

  
Date

  
Date

# THE FOOTHILLS at MACDONALD RANCH MASTER ASSOCIATION

*Professionally Managed by: Real Properties Management Group, Inc.*

## INVESTMENT POLICY AND PROCEDURES

WHEREAS, The Foothills at MacDonald Ranch Master Association (the "Association") is a Nevada nonprofit corporation organized under Chapter 82, and

WHEREAS, the Association is subject to the Uniform Common Interest Ownership Act, Chapter 116 of the Nevada Revised Statutes, and

WHEREAS, the Association is subject to Chapter 116A of the Nevada Revised Statutes, and

WHEREAS, the Association is subject to the Declaration of Covenants, Conditions, Restrictions, Reservations of Easements, recorded in Clark County on August 20, 1997 and the Bylaws of the Association, duly adopted by the Board of Directors on August 29, 1997, and

WHEREAS, the Association Bylaws Article VIII, Section 8.2(b), gives the Board rule making authority, and

WHEREAS, NRS 116.3103 establishes that in the performance of their duties, the members of the executive board are fiduciaries, and

WHEREAS, NRS 116A, as amended by AB 350, requires the executive board to establish and adopt written investment policies and procedures, and

WHEREAS, NRS 116, as amended by AB 350, establishes the required insurance for association funds, and

WHEREAS, the association's management company has advised the Board of Directors of the association that the management company does not have the expertise to provide investment advice and has not provided investment advice, and whereas the manager has further advised the board to seek any and all investment advice from qualified professional experts in the investment industry on any matters regarding the investment of association funds.

NOW THEREFORE, BE IT RESOLVED:

All funds of the Association shall be maintained and invested in a financial institution whose accounts are insured by the Federal Deposit Insurance Corporation, National Credit Union Share Insurance Fund, Securities Investor Protection Corporation, or a private insurer approved pursuant to NRS 678.755, or in government securities that are back by the full faith and credit of the United States Government.

All funds of the Association shall be in the Association's name and will be accessible only to members of the Board of Directors.

All checks from the Association accounts will be signed by two members of the board of Directors or an officer and a member of the Board of Directors. The manager will not be a signor on any account maintained by the Association.

Investment decisions will be made by the Board of Directors and the Board of Directors may authorize the Treasurer to renew CDs and transfer funds in accordance with the investment decision. Two signatures will be required if transferring funds, in accordance with NRS. Investment advice will be obtained from an expert in the field of investments within the limitation of NRS and NAC.

- No individual investment will be placed in any instrument that will exceed the \$250,000 per account Federal Insurance and steps will be taken to calendar each account to ensure that any interest obtained over a specific investment period will not exceed the maximum as well.
- No accounts will be authorized to be covered by private insurance to allow the investment to exceed the \$250,000 Federal protection.

The goals of the investment policy for all accounts of the Association are in order of priority:

1. Security: All money deposited into all accounts will be adequately insured to avoid loss of any principal.
2. Liquidity: All money will be deposited and invested to ensure that funds are available to pay for authorized expenses.
3. Cost of Investment: All deposits and investments will be made with minimal costs of investment.
4. Yield: Return on investment should be maximized within the parameter of goals 1 through 3.

**OPERATING FUNDS**

All operating funds will be maintained in a manner that conforms to the General Policy stated above. No accounts will be allowed to exceed the maximum amount that is protected by the insurers itemized above.

All checks for disbursements from the operating account will be provided by the contracted management company in a timely manner to avoid late charges.

**RESERVE FUNDS**

All reserve funds will be maintained in a manner that conforms to the General Policy stated above. No accounts will be allowed to exceed the maximum amount that is protected by the insurers itemized above.

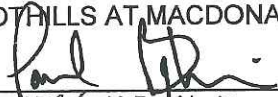

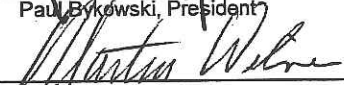
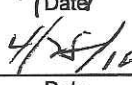
Money deposited in the designated reserve funds will be invested to ensure liquidity at the time of the major replacement, restoration, or repair of the common element or other maintenance item is scheduled in the reserve study, or upon a schedule as decided by the Board of Directors.

At least once every 100 days, unless the declaration or bylaws of the association impose more stringent standards, the executive board shall review, at a minimum, the following financial information at one of its meetings:

1. current year-to-date financial statement of the association;
2. A current year-to-date schedule of revenues and expenses for the operating account and the reserve account, compared to the budget of those accounts;
3. A current reconciliation of the operating account of the association;
4. A current reconciliation of the reserve account of the association;
5. The latest account statements prepared by the financial institutions in which the accounts of the Association are maintained; and
6. The current status of any civil action or claim submitted in arbitration or mediation in which the association is a party.

This Resolution adopted by the Board of Directors of The Foothills at MacDonald Ranch Master Association at the Organizational Board of Directors meeting held on October 28, 2009 as evidenced by the signatures below:

THE FOOTHILLS AT MACDONALD RANCH MASTER ASSOCIATION:

By: 	
Paul Bykowski, President	Date
By: 	
Martin Wilner, Secretary	Date



# THE FOOTHILLS at MACDONALD RANCH MASTER ASSOCIATION

Professionally Managed by: Real Properties Management Group, Inc.

## COMPLIANCE FINE SCHEDULE

WHEREAS, there is a need to establish a consistent compliance fine schedule for the enforcement of the Covenants, Conditions, and Restrictions, and

WHEREAS, it is the intent of the Board of Directors to implement such a procedure for the enforcement of the Covenants, Conditions, and Restrictions, and Restrictions,

NOW, THEREFORE BE IT RESOLVED that the following policy has been adopted by the Board of Directors to be in effect thirty (30) days from adoption of the resolution. Upon effectiveness of this policy, all other previous fine policies shall be null and void.

The following is the fine schedule to be followed when a HOMEOWNER is found in violation of the CC&R's, Rules and Regulations or Architectural Guidelines:

The following is a list of fines for the most frequent types of non-compliance issues of the Governing Documents of The Foothills at MacDonald Ranch Master Association. All violations of the association's governing documents generally fit within the categories listed below. The Board of Directors reserves the right to increase the fine amount for more serious or continuing violations in accordance with NRS 116.

INFRACTION	1 <sup>ST</sup> OFFENSE	2 <sup>ND</sup> OFFENSE	3 <sup>RD</sup> OFFENSE	CONTINUING
Dogs/Cats Failure to clean droppings Non-Compliance of Clark County Leash law	Courtesy Notice	Formal Notice	Hearing Notice	\$50 fine every seven (7) days
Unkempt Exteriors Including home exteriors, front & sides of property, landscaping, exposed trash cans, storage of unsightly objects	Courtesy Notice	Formal Notice	Hearing Notice	\$50 fine every seven (7) days
Violation of Common Area Rules Oil spill/fluids, speeding, misconduct in park area	Courtesy Notice	Formal Notice	Hearing Notice	\$50 fine every seven (7) days
Damage to Common Area	Cost to Repair			
Parking Violations/ Speeding Fines	Courtesy Notice	Formal Notice	Hearing Notice	\$50 fine every seven (7) days
Nuisances Noise, noxious or offensive activities	Courtesy Notice	Formal Notice	Hearing Notice	\$50 fine every seven (7) days
Prohibited Vehicles Fine RV's Boats, ATVs, Trailers, unlicensed vehicles, etc.	Courtesy Notice	Formal Notice	Hearing Notice	\$50 fine every seven (7) days
Architectural Violations	Courtesy Notice	Formal Notice	Hearing Notice	\$50 fine every seven (7) days
Health/Safety Violations	Immediate Hearing - Fines will be commensurate with the infraction			

This Resolution adopted by the Board of Directors of The Foothills at MacDonald Ranch Master Association at the Organizational Board of Directors meeting held on October 28, 2009 as evidenced by the signatures below.

THE FOOTHILLS AT MACDONALD RANCH MASTER ASSOCIATION:

By:

Paul Bykowski, President

7/20/10

Date

By:

Marlin Wilner, Secretary

4/28/10

Date

## ASSESSMENT PAYMENT INFORMATION SHEET

### Payment of Assessments:

**Coupons:** Coupons are enclosed for your use to mail your payments to the lockbox at the bank. You may send a check with the coupon directly to the address on the coupon. It is critical that a coupon accompany the payment to ensure credit to the proper account. Do not send correspondence with your payment.

Mail all correspondence to:  
The Foothills at MacDonald Ranch Master Association  
c/o RPMG  
P.O. Box 95606  
Las Vegas, NV 89193

Using this bank gives homeowners the option of having payments deducted directly from their individual checking accounts to pay their assessments. This process, called **ACH**, is available the month following sign up. If you are interested in using this service, please contact the accounting department at RPMG at 702-933-7764.

If you use **on-line bill pay**, please mail the payments to the address listed above. **REFERENCE THE ACCOUNT NUMBER OR PROPERTY ADDRESS.** This will ensure proper credit to your account. No coupon is needed if this method is used.

**Payment in person:** If you pay your assessments in person at the management company, be aware that only checks or money orders are acceptable. **No cash payments** will be accepted at the management company.

**Online Payment:** Visit our website at [www.rpmginc.com](http://www.rpmginc.com). On the left side of the webpage, scroll to your association name and click on the link. On the following webpage, click on "Online Assessment Payment". You will be redirected to Alliance Association Financial Services website. Follow the prompts to make a payment with your credit card or an E-check.

**Real Properties Management Group, Inc.**

**ACH Authorization Form**

***Worried you will forget to pay your HOA Assessment?  
Looking for a quick and easy way to process your HOA Assessment?  
Then look no further, we proudly provide ACH Assessment Payment!***

Preauthorized Electronic Assessment Payment Services Authorization Card (please print)

Association Name:	Unit ID:
Name(s) Last:	First:
Name(s) Last:	First:
Daytime Phone Number:	

I (we) herby authorize Real Properties Management Group Inc, hereinafter referred to as RPMG Inc., as agent for the association named above to initiate debit entries to my (our) checking/savings account at the depository named below, hereinafter referred to as DEPOSITORY, to debit the same to such account.

**DEPOSITORY NAME:**

This authority is granted in accordance with the terms and conditions of the RPMG Inc. Preauthorized Electronic Assessment Payment Service Agreement & Disclosure Statement receipt of which I hereby acknowledge. This authority is to remain in full force and effect until RPMG Inc. has received written notification from me (or either of us) of its termination in such mean as to afford RPMG Inc. a reasonable opportunity to act on it.

\_\_\_\_\_  
Signature Required

\_\_\_\_\_  
Date

**PLEASE RETAIN A COPY FOR YOUR RECORDS**

**Preauthorized Electronic Assessment Payment Service Agreement & Disclosure**

Preauthorized charges to your account will be processed, when due, for the amount of your regular assessment payment. Payments so collected will be deposited to the operating account of your ASSOCIATION, maintained with Bank of Nevada.

There may be changes to the assessment amounts and/or due dates in accordance with the ASSOCIATION'S governing documents and applicable statutes including notification requirements of the ACH (Automated Clearing House) rules.

We reserve the right to make changes in the agreement at any time. We may cancel Preauthorized Electronic Assessment Payments at any time without cause and you can terminate this agreement at any time by giving sufficient written notice or by closing the designated accounts.

**To Enroll: ATTACH A VOIDED CHECK WITH THIS FORM AND MAIL TO:**

**Real Properties Management Group Inc.**  
**P.O. Box 95606**  
**Las Vegas NV 89193-5606**  
**FAX: 702-933-7774**

Authorization must be received by the 15<sup>th</sup> day of the current month for processing to start the following month and your account must have a -0- balance.

THE FOOTHILLS AT MACDONALD RANCH MASTER ASSOCIATION  
 FEES CHARGED TO OWNER BY  
 ASSOCIATION AND THIRD-PARTY

Association

- Late Fee on Assessments - \$10.00
- Interest on past due balances may be charged at the prime rate of the largest bank in Nevada plus 2% adjusted each Jan. 1 and July 1
- NSF Charge - \$20.00
- Intent to Lien - \$50.00
- Violation Fines – As outlined in the Compliance Fine Schedule as they may be amended from time to time.
- Architectural Application Fees/Deposits – As outlined in the Architectural Design Guidelines as they may be amended from time to time.
- Records Inspection - \$10.00 per hour
- Copies of Records & Minutes - \$.25 per page
- Hard Copy of Audio Recording of meetings - \$25.00
- Gate Remotes/Transponders - \$50.00 (Windshield) or \$75.00 (Bumper)
- Replacement Remotes/Transponders - \$50.00 (Windshield) or \$75.00 (Bumper)
- Park Reservations - \$100.00

Management Company

- Account Set-up Fee - \$250.00
- Demand Fee - \$100.00
- Expedited (Less than 48 hrs.) Demand Charge – Additional \$50.00
- Updates to Demand after 15 days – \$50.00
- Re-sale package - \$160.00
- Expedited (Less than 72 hrs.) Re-sale package – Additional \$125.00
- Account to Collection Company - \$200.00

Third Party Collection Costs For Collection of Delinquent Assessments Cannot Exceed the Rates Established by the Regulation adopted by the Commission For Common Interest Communities and Condominium Hotels, LCB File No. R199-09 as noted below.

a) Demand or Intent to Lien Letter	\$150.00
b) Notice of Delinquent Assessment Lien	\$325.00
c) Intent to Notice of Default Letter	\$ 90.00
d) Notice of Default	\$400.00
e) Intent to Notice of Sale Letter	\$ 90.00
f) Notice of Sale	\$275.00
g) Intent to Conduct Foreclosure Sale	\$ 25.00
h) Conduct Foreclosure Sale	\$125.00
i) Prepare and Record Transfer Deed	\$125.00
j) Payment Plan Agreement – One Time Fee	\$ 30.00
k) Payment Plan Breach Letter	\$ 25.00
l) Release of Notice of Delinquent Assessment Lien	\$ 30.00
m) Notice of Rescission Fee	\$ 30.00
n) Bankruptcy Package Preparation and Monitoring	\$100.00

- o) Mailing Fee Per Piece, Subsections (a), (b), (d), (f) hereof only \$ 2.00
- p) NSF Fee \$ 20.00
- q) Escrow Payoff Demand Fee \$150.00
- r) Substitution of Agent Document Fee \$ 25.00
- s) Postponement Fee \$ 75.00
- t) Foreclosure Fee \$150.00
- u) Reasonable Management Company Fees not to exceed: \$200.00
- v) Reasonable attorney's fees and actual costs
- w) Additional costs include, but are not limited to, the cost of a trustee's sale guarantee, Recording costs, posting and publishing costs, sale costs, mailing costs, express delivery costs and skip trace fees, which may be charged at the actual cost incurred.

# Master

Category	ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Best Cost	Worst Cost
Roofing	102	Flat Roof - Replace	15	5	\$4,900	\$5,650
	108	Pitched Roof - Metal - Replace	N/A		\$0	\$0
Painted Surfaces	207	Wrought Iron Fencing - Repaint	4	1	\$6,000	\$8,000
	210	Tennis Court Pole Lights - Repaint	5	2	\$2,000	\$2,500
	211	Street Lights - Repaint	5	0	\$6,200	\$7,300
	212	Bollard Lights - Repaint	5	0	\$1,935	\$2,795
Drive Materials	401	Asphalt - Overlay (I)	24	27	\$640,000	\$752,900
	401	Asphalt - Overlay (II)	24	23	\$748,700	\$880,900
	402	Asphalt - Slurry Seal	6	3	\$132,000	\$161,300
Property Access	505	Vehicle Gate Hinges - Replace	8	6	\$4,000	\$4,800
Mechanical Equip.	705	HVAC Condensers - Replace	15	7	\$3,250	\$3,750
	706	HVAC Furnace - Replace	20	10	\$2,000	\$2,500
Prop. Identification	803	Mailboxes - Replace	15	5	\$13,800	\$18,400
Security	903	Security Camera Systems - Replace	10	8	\$16,000	\$20,000
	904	Barrier Arm Operators - Replace	7	3	\$11,000	\$13,000
	906	Gate Operators - Replace (Stephanie	8	4	\$12,000	\$14,000
	906	Gate Operators - Replace (Valle Verd	8	4	\$6,000	\$7,000
Fencing	1002	Wrought Iron Fencing - Repair/Repla	20	10	\$18,300	\$21,900
	1003	Chain Link Fencing - Replace	25	13	\$13,000	\$15,600
Courts	1201	Tennis Courts - Resurface	8	2	\$8,650	\$11,500
	1202	Tennis Court Windscreen - Replace	4	2	\$5,200	\$6,250
Recreation Equip.	1301	Play Structure - Replace	16	8	\$30,000	\$35,000
	1301	Spring Toys - Replace	4	2	\$6,000	\$7,200
	1302	Safety Padding - Replace	6	1	\$15,800	\$20,300
	1303	Swing Set - Replace	N/A		\$0	\$0
	1304	Drinking Fountain - Replace	12	6	\$2,000	\$2,500
	1306	Park Furniture - Replace	7	3	\$18,000	\$22,000
	1309	Gazebo - Refurbish	15	8	\$3,000	\$5,000
	1312	Awnings - Replace	5	3	\$1,300	\$1,500
Interiors	1414	Guard Building Interiors - Remodel	12	6	\$13,000	\$17,000
Light Fixtures	1605	Bollard Lights - Replace	16	6	\$32,250	\$40,850
	1606	Tennis Court Light Fixtures - Replace	20	15	\$14,400	\$18,000
	1609	Street Light Fixtures - Replace	20	10	\$54,800	\$73,000
Landscaping	1809	Water Feature - Refurbish	18	8	\$15,000	\$20,000
	1810	Fountain Equipment - Partial Replace	2	1	\$2,000	\$2,500
	1812	Landscaping - Renovate	10	5	\$75,000	\$100,000



# Lairmont Place

Category	ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Best Cost	Worst Cost
Painted Surfaces	207	Vehicle Gates - Repaint	4	1	\$1,250	\$1,750
Drive Materials	401	Asphalt - Overlay	24	20	\$38,500	\$46,200
	402	Asphalt - Slurry Seal	6	3	\$6,150	\$7,700
Property Access	505	Vehicle Gates Hinges - Replace	10	8	\$2,000	\$2,400
Security	905	Phone Entry System - Replace	12	7	\$4,000	\$5,000
	906	Vehicle Gate Operators - Replace	10	5	\$6,000	\$7,000
Fencing	1002	Vehicle Gates - Repair/Replace	20	15	\$3,000	\$5,000
Light Fixtures	1609	Street Light Fixture - Replace	20	15	\$1,000	\$1,250
Landscaping	1812	Landscaping - Renovate	10	8	\$5,000	\$8,000

# Liege Drive



Category	ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Best Cost	Worst Cost
Painted Surfaces	207	Vehicle Gates - Repaint	4	1	\$1,000	\$1,250
Drive Materials	401	Asphalt - Overlay	24	21	\$63,000	\$75,600
	402	Asphalt - Slurry Seal	6	3	\$10,100	\$12,600
Property Access	505	Vehicle Gates Hinges - Replace	10	7	\$2,000	\$2,400
Security	905	Phone Entry System - Replace	12	9	\$4,000	\$5,000
	906	Vehicle Gate Operators - Replace	10	8	\$6,000	\$7,000
Fencing	1002	Vehicle Gates - Repair/Replace	20	17	\$3,000	\$5,000
Landscaping	1812	Landscaping - Renovate	10	8	\$15,000	\$20,000





### **Preparer's Credentials**

After working for a notable national reserve study provider Mr. Fomey started Complex Solutions Ltd. in 2001. Complex Solutions provides reserve study consulting services to clients primarily in California, Nevada and Utah. Mr. Fomey holds a Bachelor of Science degree in Business Administration from Pepperdine University.

- Conducted over 1,000 reserve studies
- Created the proprietary software and databases used to prepare Complex Solutions' reserve studies. This proprietary software gives Complex Solutions the freedom and ability to create reports tailored to the individual clients needs.
- Projects have ranged in size from small apartment-style condominium communities to 1000+ Planned Unit Communities (PUD).
- Clients have ranged from developers interested in setting initial reserve accounts for communities under construction to high-rise communities, even an aero park (small airport).
- Active member of three local chapters of CAI (Nevada, Utah, and Channel Islands, CA).
- (3) Articles published in Community Interests.