

ANSWERS TO HOMEOWNER QUESTIONS FROM THE 2020 ANNUAL MEETING

HOA Board Member Positions

- When do the terms end for the current board members and when will us residents be able to run for these board seats?

The project's governing documents and Utah law empower a developer (the "Declarant") to appoint the board members for the HOA during the period that the Declarant is building out the project (the "Declarant Control Period"). Appointed board members serve at the pleasure of the Declarant. Upon completion of the entire project, governance of the HOA will be turned over to the HOA members. The Declarant is considering adding a resident to the board.

- Our HOA (Overlook Village) has been around for 13 years and has NEVER had ONE homeowner on the board. We understand what the CC&R states but REALLYis this the right thing for the homeowners? Honestly.... can you understand how this is really NOT good/right for homeowners? What does the board think of this idea to have homeowners on the board in 2021?

The HOA is currently under Declarant control and Board members are selected by the Declarant. There have been recent discussions of potentially adding a homeowner to the Board and these discussions will continue into 2021. The Board understands the interest in getting an owner position on the board.

Outlaw Golf Course

- Why has the CPA Board let the golf course pond fall into a blighted and unsightly state with almost no water in it? Will this finally be fixed and full of water throughout all of 2021?

The CPA HOA does not own or control the golf course pond or the golf maintenance area. However, the CPA Board has discussed the possibility of contributing funds toward aesthetic improvements to the pond with the developer.

- Do any of my dues go toward the golf course?

NO

- Are there any updates on improving the appearance of the golf course storage area on Longview Drive so it is more in keeping with our upscale neighborhood? This has been discussed at several prior meetings.

The CPA HOA does not own or manage the golf course and has no direct control over the maintenance area. However, we understand the concerns raised by the community and are exploring the possibility of contributing funds to make aesthetic improvements to both the golf course retention pond and the golf maintenance area. The Declarant is open to these possibilities and we will post updates on the CPA website as this develops.

- In addition, there is a motion light in the golf storage area that comes on whenever a car drives by. Can it be adjusted so it does not pick-up motion from so far away?

We will forward your request to the owners/managers of the golf course.

Reinvestment Fee

- What is the reinvestment fee?

All lots in the Project are subject to a reinvestment fee covenant. Per Utah law, reinvestment fees may be collected by a homeowner's association and can be used for reserves, open space, community programming, recreation amenities, operating expenses and other items detailed in Utah Code 57-1-46. The reinvestment fee is only collected on the sale or other transfer of ownership of a unit.

Overlook Village

- Overlook Village has outdated internet technology that is rarely used in today's communities. We have fiber NOW in the community, isn't it time we got rid of the Old outdated technology for internet and gave the homeowners the option? Why would anyone want to keep this old technology and force us to pay for it? The price for 300 mbps with All West is \$71.00. Utah Broadband, what Overlook village has is \$71 for 30 MBPS (Thirty).! This is crazy.

The Utah Broadband service is a part of the amenity package that has been in place since the inception of Overlook. All owners purchased their homes with this package in place and some owners have expressed support for the current internet service as meeting their needs. As previously stated, we will revisit this issue once we get closer to the build-out of Overlook.

- The Homeowners in Overlook Village are asking for transparency. We would like to know if the board will survey the homeowners that live in overlook village regarding what they would like to see happen now and in the near future for this community in areas concerning HOA extended services, Internet providers and other improvements? If the board is not able to do this with transparency, the homeowners would be happy to put out a survey for the board to review. Overlook homeowners have stated they do not trust the Board.

The HOA always strives to be transparent. As the HOA previously stated following recent survey requests submitted, we will revisit the internet service issue when we get closer to build-out of Overlook. We will consider surveying existing owners at that time on internet preferences.

HOA Fees

- At what point when Reserves exceed a certain dollar amount, is it expected that they be remitted back to the Members? Or, used to lower the next years Fees?

The HOA will continue to monitor Reserves annually as the various Reserve accounts get closer to recommended funding levels.

- Are there any industry “best practices” around the best utilization of “Reserves” as described above?

Ideally, the HOA wants to have a 100% funded reserve meaning that it has enough money to cover all anticipated costs. However, having at least 70% is a good start. Less than that and the HOA runs the risk of having to implement special assessments or raise association fees to cover costs. This can be a burden on homeowners who must come up with this money on short notice.

DRC

- Can the Design Review Committee meet more than once per month, and respond quicker than 45 days?

The DRC always responds within a few days after a meeting, never 45 days. A 45 - day response rate is not accurate. The Committee meets once a month formally and meets through email correspondence in between meetings if applications are close to being finalized and applicant submits items needed for final approval.

- We have spoken to multiple selling agents in the various communities in Hideout, and there appears to be a large backlog of lot owners wanting their plans reviewed, and they are experiencing 4-6 months to get plan approved, compared to 1-2 months in other communities. With over 100 people wanting to build homes in hideout, what can be done to expedite plan review?

The numbers listed above appear to be incorrect. There are not 100 people waiting to build homes in Hideout, and no backlog of owners waiting for plans to be reviewed. The DRC usually (and currently) has about 10-12 active applications at any given time. The DRC reviews all applications that are complete by owners that have

submitted all required items listed in the design guidelines, including fees. No one is denied or delayed a review unless they have not paid fees or submitted the required items, or if their application does not comply with required standards. If owners and their architect have reviewed the design guidelines and work to comply with them, as well as respond to DRC comments and concerns in a timely manner, they should get approval in 2-4 months, which is similar to surrounding communities. Plans not approved within 6 months are often delayed by owners unfortunately unwilling to abide by the design guidelines or respond to DRC feedback. The DRC will continue to try to expedite plans that are complete and compliant.

- Would it be possible to speak and email plan concepts directly to DRC members to fine tune plans before formal submittal? This may relieve some of the bottlenecks similar to how many building departments do preliminary “over the counter” review of plans to make sure things are headed in the right direction. This will help drastically reduce the timelines from start of process to final approval.

Thanks for the great suggestion. We are in the process of adding a DRC email link to the CPA website so plans and questions can be directly submitted to the DRC.

- What is the current pace (in 2020) in “weeks” that the full end-to-end Design Review process is averaging across all new builds?

Approximately 12-16 weeks.

- What length of time should a full review be expected to take?

2-4 months if your team is fully familiar with the design guidelines, your application is complete, and you are responsive to DRC comments and requests for changes.

- With the uptick of activity anticipated in 2021 and the associated fees charged to submit for a full DRC review (design/build), does it make sense to increase the frequency of the DRC committee’s review cadence to meet twice a month, instead of the first THURS of every month?

Please see responses listed above.

Financial

In reviewing the HOA's budget and actual for Jan-Aug 2020 as provided in "2020 Budget Vs Actual Q3" on the CPA website, can you please provide more clarity on the following:

- Why is the "Irrigation Water - Hideout Entrance" YTD thru Aug 2020 \$9,617 and Soaring Hawk \$8,642 if this is for the landscaped area around such entrances unless the rate is significantly higher than residential water or there is a massive leak somewhere. If the rate is

such that these areas regularly require approximately \$10,000 each in annual irrigation, we should be considering alternatives to vegetated landscape that requires such a massive expense on irrigation. Soaring Hawk's irrigation expense is \$8,642 and their Subdivision's annual HOA fees appear to be \$63,130 so the irrigation is consuming 13% of those HOA fees. It's a bit more difficult to identify the percentage for Hideout entrance as such entrance serves multiple Sub-Associations and Sub-Divisions, but spending \$10,000 on entrance irrigation is not prudent.

- The entry areas, round-a-bout and CPA pocket parks were always intended to be emphasized as focal points in the community with enhanced landscaping, in contrast with the general water-wise more minimal landscaping encouraged on residential lots. All of the pocket parks, trails, pathways and the entry area landscaping are meant to benefit all CPA members, regardless of where they live in the community.
 - Included in the \$9,607 irrigation figure is the roundabout and green space by the real estate center. Also, replacement trees were planted this spring/summer at both Hideout and Soaring Hawk entrances. The new trees required additional water so they could be established.
- Why are certain common area expenses allocated to specific sub-associations and but not all and why are other common area expenses not allocated at all?
 - For example, Common Area - Weed Control of \$10,428 is allocated to 4 subdivisions (Glistening Ridge, Golden Eagle, Silver Sky, & Soaring Hawk equally) but nothing is allocated to Overlook, Reflection Ridge or any of the 4 sub-associations (Deer Water, Shoreline -1, Shoreline 2A, Rustler)? I realize those sub-associations also have their own weed control expenditures likely included in their landscaping expenses, or in the case of Rustler they have their own HOA that takes care of weed abatement on their exclusive common areas. However, there are no common areas that the 4 subdivisions (GR, GE, SS & SH) benefit from that Reflection Ridge and the 4 sub-associations (Deer Water, Shoreline -1, Shoreline 2A, Rustler) don't also benefit from, is there? I feel this is important as the area specific allocations should be what drives the areas HOA dues and if allocations aren't being made to Overlook, Reflection Ridge or any of the 4 sub-associations (Deer Water, Shoreline -1, Shoreline 2A, Rustler) for the weed control and other common area costs that all can enjoy and benefit from, then it seems the dues for those that aren't currently being allocated anything might be too low and the 4 subdivisions (GR, GE, SS & SH) might be too high.
 - The properties that received weed control were required to do so by the Town of Hideout. The weed control at Overlook is included in their landscape maintenance expense line item. Developments like Shoreline 1 and 2 have yet to reach a point in their development where weed control is performed. Please know, expense allocation is reviewed annually. For items like weed control, the neighboring properties also benefit when a development controls their weeds from spreading. According to the landscape maintenance vendor, much of the weed control that was applied at Soaring Hawk, Glistening Ridge, etc. was at the common areas.

- It's not clear to me what the HOA fees are being spent on.
 - For example, Glistening Ridge/Forevermore & Rustler HOA dues comprise a total of \$202,000 for 2020 and there are very minimal common areas these neighborhoods benefit from and there are no significant amenities that require much in the way of reserves (concrete and paved sidewalks and a couple benches at the common areas by roundabout and by the golf course maintenance equipment storage area (I'm assuming the sidewalks are HOA maintained, both long-term maintenance, cutting back brush and snow removal). I'm not seeing how Glistening Ridge/Forevermore and Rustler are getting \$202,000 worth of benefit in services and amenities for their money. When I add up all actual expenditures YTD Aug. 2020 that aren't exclusive to Overlook, Reflection Ridge, Soaring Hawk, or Golden Eagle and that aren't Building/Construction (as those should be self-funded from fees for such activities) or items covered by specific pass thru items (merchant fees, new purchase setup fee, outlaw golf course) I only find expenditures of ~\$81,000 (see yellow highlights in attached .PDF) for all of Hideout Canyon and yet HOA due collected by the HOA for just Glistening Ridge/Forevermore and Rustler are ~\$202,000. This doesn't even take into account the HOA fee contribution from Overlook, Reflection Ridge, Silver Sky, or Shoreline who also should be contributing to those ~\$81,000 of expenses YTD thru Aug 2020 per Q3 financial info.
 - Again, the common areas (pocket parks, entry areas and CPA trails and paths) are for the benefit of all CPA members, not just the neighborhood they are closest to. We have assessed and allocated funds accordingly.
 - The P&L provides a very detailed breakdown of where the HOA's expenses occur. As the entire development is still under developer control, the association feels they have properly assessed and allocated accordingly.
 - Please provide clarity on how sub-association and subdivision HOA fees are determined. It seems there should be a pooling of all common area expenses that aren't associated with exclusive common areas that only specific sub-association or subdivisions benefit from for those in Hideout Canyon (on the south side of HWY 248 as we all enjoy the entrance roundabout/common areas - assuming the roundabout is maintained by HOA and not Town of Hideout) and then separately for each of Soaring Hawk and Golden Eagle as they don't really benefit from the Hideout Canyon common areas but they have their own entrances and common areas. Then an allocation based on lot size or just equally among all lots should occur. Then all expenses that solely benefit those sub-associations or subdivisions should be allocated exclusively to them. If something reasonably close to that method is being done, it would help to provide better transparency into the process.
 - The budgets for the sub associations can be found on the HOA's website: <https://communitypreservationassociation.com> and provide detailed information of how the HOA's fees are determined.
- Please provide reserve study and details of what common area assets are being reserved for in the Master Association that had \$148,322 contributed so far in 2020 per Q3 financial information as of August 2020 and how much is in the reserve fund along with a rollforward

of the reserves to see beginning balance + \$148,322 of contributions - spending (with details of expenditures) = ending reserve balance. Seems like a lot of reserve funding for concrete and paved sidewalks, roundabout landscaping, a couple benches and entrance landscaping/flagpoles/lights.

- The reserve funding and contributions made are in line with our reserve study recommendations.
- Please provide full financial statements, including balance sheet and statement of cash flows, at least annually but preferably for each quarterly financial reporting as the budget to actual spending only provides a fraction of the needed financial information to understand the financial health of the HOA.
 - Financials are provided on the HOA's website. The balance sheet is posted annually.

General

- Is there an online Owner directory or, portal (like "Next Door") available – or, planned to be made available to Members in the near future?

Not currently but we will look into it. We value Owner privacy so would need to get sign-off from each Owner that they give permission for their personal contact information to be released.