

March 30, 2021

Dear Rio Del Sol HOA Members,

This letter is to inform you of important matters discussed at the March 23rd, 2021 Special Meeting. Please refer to the minutes for complete meeting details.

The first matter of importance to owners was the selection of the Secretary position. The board received one nomination letter from owners. The board voted to elect Trudy Nelson as the new secretary. Trudy began work immediately and had the special meeting minutes up and posted in the RDS website within 1-2 days. Trudy brings many skills to the table and most importantly, she cares a great deal about the RDS community. Please welcome Trudy to her new position.

The second matter of significance was the selection of a new association manager to replace Amy Telnes property management services. The board selected Todd Sullivan of Mad Viking Properties as the new association manager effective March 26th, 2021. Todd has picked up all association files, keys, codes, and will be working with Amy and the board during the transition. Amy's last day will be March 31st and we ask that you contact Todd during this transition period and if necessary, he will work with Amy to resolve your problem until the 31st.

The board felt that it was important to delineate Secretary and Treasurer duties from the previous association managers duties as these are designated board positions and duties as outlined in our by-laws.

1. Todd will not be handling any bookkeeping duties. This means that any questions surrounding HOA dues, payments and billing, Automated Clearing House (ACH) set-up, and financial reports should be directed to the association Treasurer Neal Anthony. **NOTE: AMY Telnes will no longer be processing HOA dues through ACH. If you are currently set-up on automatic payments for your HOA dues, you will need to complete and submit a new ACH form which lists Neal Anthony at the bottom of the form. The bank will not process ACH payments through Amy Telnes. The new form is available on the website and MUST be filled out and returned to Neal Anthony as soon as possible to avoid interruption of your automatic payment. The board encourages everyone to sign up for ACH payments if possible to streamline bookkeeping. Please fill out the form with the \$168 payment amount and either fax, sign and scan and send to Neal Anthony. Neal's contact information is at the bottom of the form. You may also mail the form to the association P.O. box, but this may delay processing.**

Neal Anthony will be handling all accounts payable/receivables and we have added independent quarterly reports and annual audits to third parties to ensure fiscal checks and balances are in place.

2. Todd should be called anytime there is a maintenance or repair problem involving the common or limited common elements of the association complex. Todd should also be called if there is a general complaint regarding violations of association by-laws that may need immediate attention. Minor annoyances and potential changes to rules and by-laws should be directed to the board to address. During business hours, Todd's number is 928-706-5543. An after hour 24/7 emergency number will be available on the voice message. Please add Todd's number to your contacts. The mailing address for the association has not changed and will remain P.O. Box 1905 Lake Havasu City 86405.

The third item of significance was the 2019 financial audit. The audit highlighted the lack of a comprehensive reserve study as well as insufficient funds to address capital projects and major repairs. At the March 5th special meeting, the board approved Reserve Advisors out of Phoenix to conduct a reserve study. This initial draft of this study was completed and sent to the board for review today. We will make the final version available for owners prior to the April 13th quarterly meeting. This study will help drive financial decisions and provide a framework for future assessments and possible increases in HOA dues. Nobody likes hearing the fact that we will need to consider special assessments and/or an increase in dues to fill a large gap in reserve funds. Unfortunately, it is the reality of where the association is financially and this board will not ignore the fiduciary responsibility to correct it.

Please continue to check the website for updates.

Regards,

Greg Befort

President RDSHOA