



July 12, 2022

Dear Homeowner,

The purpose of this letter is to apprise you of a recent action taken by the Board which we believe will help strengthen our reserves. As we have discussed, the Board is acutely aware that the oldest buildings in MH are 25 years old. Within the next 5 or 6 years we will need to begin replacing the roofs on all of the buildings. The Board estimates that the cost to replace all the roofs will be \$150,000 per year for ensuing 10 years for a total of \$1,500,000. With these substantial expenditures in mind the Board has been discussing how to increase our reserves in order to reduce the need for excessively large special assessments.

Currently, a reinvestment (transfer) fee of \$100 is paid to the HOA upon the sale of any unit. This has been in place since the first building at MH was completed in 2002. In 2010, the Utah Legislature passed a statute which gives an HOA board the ability to impose a Reinvestment fee (which MH referred to as a transfer fee) up to .5 of 1% of the sales price. For example, if a unit sells for \$600,000 the maximum reinvestment to be paid at the closing would be \$3000 to the HOA. Given the anticipated cost to replace all of the MH roofs the Board recently decided to impose the maximum amount permitted under Utah law. Although the parties can negotiate who is responsible for the payment of the fee, the ultimate responsibility for the payment of the fee will be on the buyer.

If any owner would like to discuss this matter the contact information of the board members is in the owner's section of the website.

Very truly yours,

Moose Hollow Board of Directors