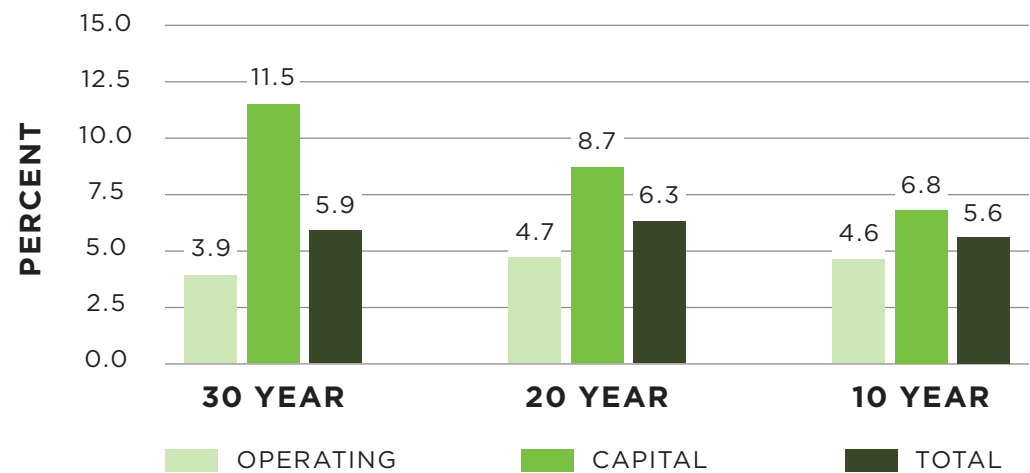


TAHOE DONNER ASSOCIATION AND THE 2018 BUDGET

The Association's budget cycle runs August through October, as indicated on the infographic to the right. The below information provides some historical perspective of your assessment. For updates on budget meeting dates, subscribe to the Tahoe Donner Member e-blasts. A subscribe button can be found at the bottom of every page on the Tahoe Donner website. You can also visit www.tahoedonner.com/financials for a wealth of in-depth information.

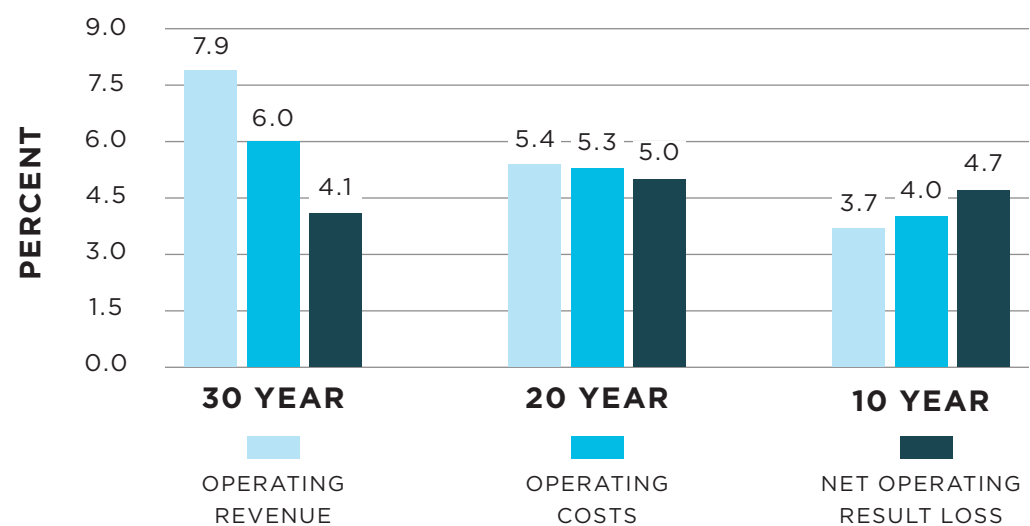
ANNUAL ASSESSMENT GROWTH RATE BY FUND TYPE AND TOTAL

1987 - 1997 - 2007 - 2017 BUDGET COMPOUNDED ANNUAL GROWTH RATE



OPERATING FUND GROWTH RATE BY COMPONENT

1987 - 1997 - 2007 - 2017 BUDGET COMPOUNDED ANNUAL GROWTH RATE



OPERATING COSTS TO OPERATING REVENUE RATIO

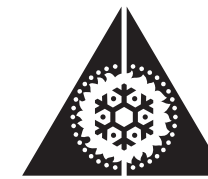
1987	266%	1997	162%	2007	152%	2017	157%
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ANNUAL ASSESSMENT NOTES

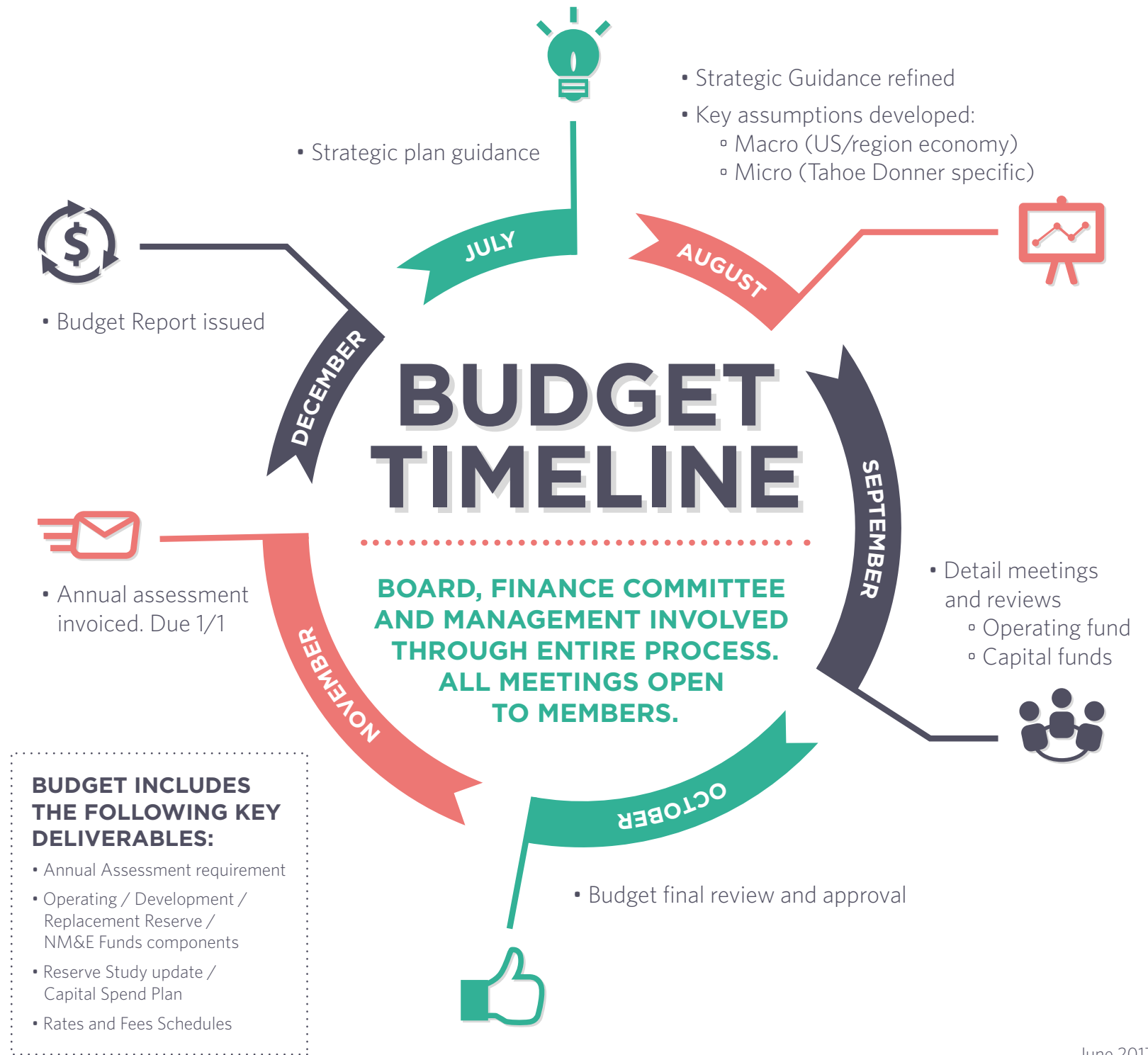
- In 2017, the \$1,900 total annual assessment was the same as 2016.
- From 2009 to 2012 (four consecutive years), the operating portion of annual assessment was held flat at \$695.
- Over the past 20 years (1996 to 2016), the association's replacement reserve fund balance has improved by over \$6 million, addressing past underfunding and an aging infrastructure of this now 45 year old association.

NOTABLE AMENITY FACILITIES GROWTH

- The Lodge Restaurant & Pub built in 2005
- Trout Creek Recreation Center built in 1994, expanded in 2005
- Alder Creek Adventure Center built in 2015
- Euer Valley, Trails, Bikeworks
- Cross Country Skiing added
- Concerts changed from outsourced to in-house production
- Number of Improved Lots has increased (fewer vacant lots now)



TAHOE DONNERSM



June 2017

RECENT CHALLENGES & OPPORTUNITIES:



Capital improvement reserve funds for aging facilities



Federal and state regulatory cost pressures (California minimum wage and sick pay mandate, federal affordable care act, workers compensation insurance)



Record revenues 2016/2017 winter and 2016 summer improve revenue estimates for 2018