Thank you, Don (David?).

Good morning everyone.

I would like to add my warm welcome to our members and invited special guests joining us today for our annual meeting.

TODAYS' PRESENTATION OUTLINE

- Tahoe Donner Association at-a-glance
- Operating Performance Review: Fiscal 2020, and 2021 year-to-date
- Financial Condition & Investment Portfolio
- Future Opportunities and Challenges

President Don Koenes has asked me to provide a brief update on Tahoe Donner Association's operating performance and financial condition.

I will be happy to take any questions a little later in today's meeting during the member comments and Q&A session.

TAHOE DONNER ASSOCIATION – AT A GLANCE

- One of the largest HOAs in the USA – established in 1971
- 6,473 property owners with an estimated $4.3 Billion of owners' real estate value
- Structured as a 501(c)4 tax-exempt organization
- Fifteen distinct operating units
- Nearly 7000 acres of private and common space
- $27.8 MM Budget for 2021
- $75.8 MM of Association assets (12/31/20)
- Member's Equity of $67.4 MM (12/31/20)
- Strong financial position

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Long time Tahoe Donner residents know that there are a lot of new faces around here. Over the past six years there have been nearly 2500 home transfers.

The information on this slide is a snapshot of our association, presented for the benefit of new members and old.

We are in a strong financial position. Members' equity increased 6% percent last year. Member's equity represents the collective net worth of our association.

Homeowners would also know that the value of their property has increased substantially in the past year, too.

Since I became active in Tahoe Donner affairs about three years ago, I have been part of numerous conversations regarding the nature of our association.

The discussion often goes like this: “Are we an HOA, or are we a business? And if we are a business, then what business are we in?”

Well, the truth is that we are both. Our HOA is a rather large, small business. And, fundamentally, I believe that we are in the member enjoyment business.

Delivering member enjoyment at a reasonable cost is the lens through which I view every decision that comes before the Board.

OPERATING PERFORMANCE - BACKGROUND

- TDA uses fund accounting to track recurring operating expenses and revenue in our Operating Fund.
- Long term asset refurbishment, repair and replacement activity is conducted in our capital funds (Replacement Reserve, Development, and New Machinery & Equipment funds).
- A comprehensive budget (for all funds) is developed each year, approved by the Board, which sets the annual assessment.
- The Davis-Stirling Act (California HOA law) requires TDA to develop an Operating Fund budget with a $0 net result.

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Before reviewing our operating performance and financial condition, I'd like to offer a brief refresher about how our "fund" accounting system works.

The Operating Fund tracks annual operating expenses and revenues such as payroll, utilities, food and beverage revenues, golf green fees, etc.

We also have three capital funds that represent our savings for refurbishment, repair and future replacement of our existing assets and the development of new amenities.

Every year, portions of the Annual Assessment are allocated to each of these four funds.

OPERATING PERFORMANCE - FISCAL YEAR 2020

- The 2020 Operating Fund finished $696,534 *better* than budget as expenses were tightly controlled during a year when COVID-19 severely affected operations.
- This surplus is available to the Board for a potential transfer to our capital funds or to support current operations.
- Budget support of the 2020 Operating Fund by the TDA Annual Assessment was $5.89 Million, or $910 per homeowner.
- The ten-year (2010-2020) compound annual growth rate in the Operating Fund portion of the Annual Assessment is a quite favorable 2.7%.

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The Association faced enormous operational and financial pressures last years as a result of the Covid-19 pandemic. Despite these pressures, your association weathered the storm reasonably well.

We generated a small Operating Fund surplus by virtue of skillful expense control by our management team in the face of sharply declining revenues.

I would like to take this opportunity to thank our staff for their extraordinary dedication, and our general manager, David Mickaelian, for his steadfast leadership during the pandemic. Importantly, I would also like to thank the homeowners for their patience and support last year.

Significantly, the portion of our annual assessment that supports the Operating Fund, or the spending that we can control *right now*, has increased at a 2.7% rate over the past 10 years. This compares extremely well to the average inflation rate during the same time.

OPERATING PERFORMANCE – YEAR TO DATE 2021

- Strong start to fiscal 2021 as revenues have picked up nicely and expenses continue to be well managed.
- Through May 31, 2021, TDA is approximately $1.14 Million (or 49%) *ahead* of budget.
- This favorable budget variance likely will erode through the summer months as expenses increase to support a broader suite of programming activities post pandemic without a commensurate increase in revenues.
- Also expect upward pressure on wages/payroll expense as we compete for staff to fill key frontline positions.

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We are off to a good start in the 2021 budget year with a $1.14 MM positive budget variance through the first 5 months.

Revenues have picked up as we increased effective capacity at our amenities while staying fully compliant with State and Nevada County rules that address the safety of our employees, members and guests.

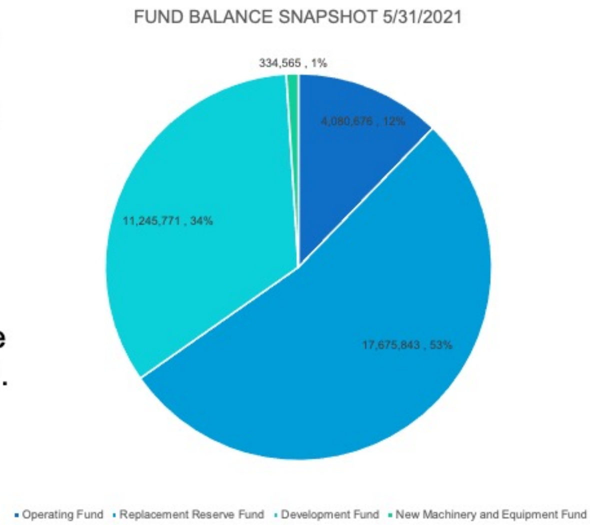
Management continues to focus keenly on expense control.

Like many businesses in the region, we are experiencing upward wage cost pressure especially in food and beverage operations.

Our positive budget variance will likely erode through the summer. Management's latest forecast is that we will be roughly $700,000 ahead of budget for the full year.

FINANCIAL CONDITION & INVESTMENT PORTFOLIO

- At May 31, TDA had over $33 Million available to support our Operating Fund activities and our Replacement Reserve, Development and New Equipment capital funds.
- Fund balances will decline through the year as we invest in key renovation and repair work during the summer/autumn construction season.
- At 12/31/20, our Replacement Reserve Funding Percentage stood at 35%, the highest level in 10 years.



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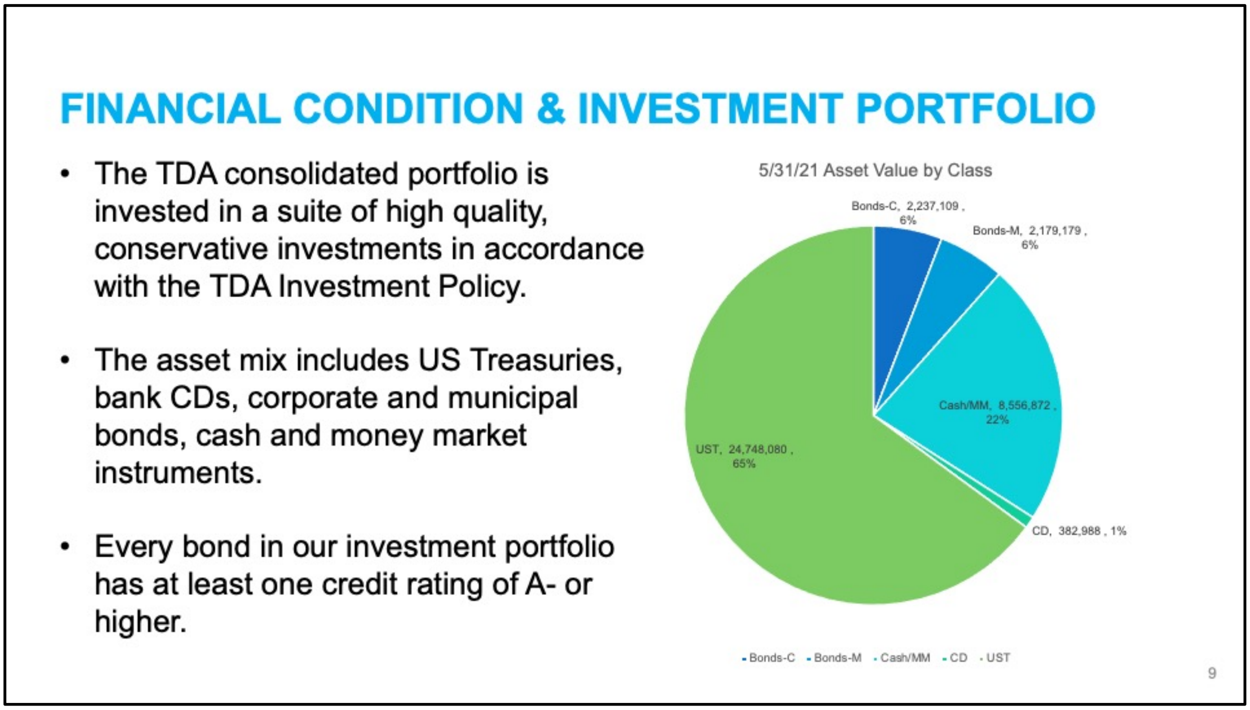
TDA has over $33MM of net funds available to support our operations and the repair, refurbishment and eventual replacement of our physical plant.

This year we expect combined Replacement Reserve and Development Fund expenditures to be approximately $8.0 - $10 MM depending upon weather and permitting.

One measure of our strong financial position is our Replacement Reserve Funding ratio. At 35%, it is at the highest level in the past 10 years. This is an indication of how well prepared we are to maintain our physical plant.

Keeping our assets in excellent shape reduces our long run operating costs, increases member enjoyment and contributes to stronger property values.



We do not take unnecessary risk in our investment portfolio for better returns. We do not invest in equities, commodities, or exotics like Bitcoin.

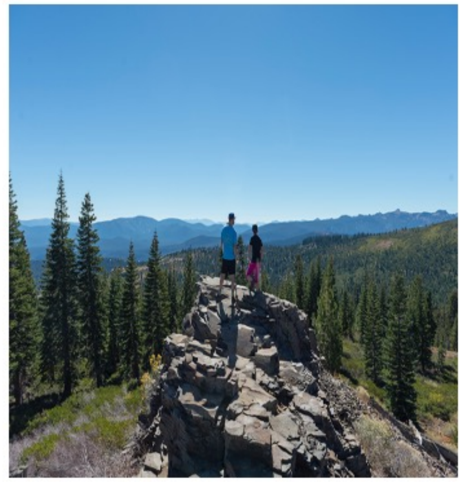
The vast majority of our portfolio is invested in highly rated US Treasury Securities which are rated Aaa by Moody's and AA+ by Standard & Poor's.

We also have smaller corporate and municipal bond portfolios. The securities in those portfolios each have at least one A3/A- quality credit rating.

We are doing our best to cope with a low interest rate environment. A few trusted advisory firms help us manage our portfolio.

FUTURE CHALLENGES & OPPORTUNITIES

- Begin long overdue work on creating a Building Replacement Fund.
- Refine our fiscally sound funding program for the new Lodge at Downhill.
- Manage responsibly the growth of the Annual Assessment; do so with discipline and attention to our fiduciary duty under Davis-Stirling.



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TDA has 10 or so buildings that will need to be replaced over the next 10-30 years. Creating a sound plan to address this need might be the Association's most important financial task over the next 12 months. Like a sound college savings program for our children, time can be our ally. We need to get started.

As identified in the current Draft 5-Year Capital Funds Projection, average annual increases in the Development Fund portion of the Annual Assessment of roughly $141 per year, or 39 cents per day, through 2024 will allow us to accumulate the necessary funding for the Lodge at Downhill. We will continue to refine this funding program as we obtain better cost information from the 30% design process.

Based upon the best information available to us today, that translates roughly to a 7-8% average annual increase in the total assessment from 2020 - 2025.

Most importantly, there has been no discussion of a "special assessment" to fund the new Lodge by the Finance Committee, the Lodge Task Force, or the Board.

You can find additional information about Tahoe Donner's operating performance and financial condition on our website under the "Members" tab.

I'll be happy to answer questions during the Q&A portion of the program.

Thank you for your attention.