

Homestead Owners Association will be holding its annual meeting and election on February 15, 2016 at the Homestead Court Club. The agenda and a proxy form are on the back of this page. Minutes from last years meeting and the 2016 budget are posted on the Association website.

Here at Homestead we look at 2016 as an opportunity to accomplish new and exciting things and to take what we have learned in the past to create a continually improving future. Last year was a busy one in many respects, for both the Board and the Community. The items that were consistently discussed at the 2015 Board meetings were: finishing the remodel of our 28 year old community center, remodeling the locker rooms, and the resurfacing of the pool. We were also fortunate to hire new Directors of Tennis.

The following segments outline the 2016 budget, an explanation of the Homestead Court Club remodel financial items, and information from the Nominating Committee regarding the Board election. These are provided in an effort to clarify some points for the general meeting. If you have any questions please call 970-926-1067 or attend the upcoming Board meeting on February 12, at 9:00am.

The full pro forma operating budget for 2016 and a CPA reviewed financial statement is available at the general meeting and the Association office. Copies will be sent at Association expense, by first class mail to be delivered within five days of receipt of request. Call (970) 926-1067

Budget 2016

Homestead Owners Association prepares its annual revenue and expense budget within the directives of its own governing documents and budgeting policies and procedures. The process begins with general direction from the Board regarding influential factors such as services to be provided within the Association and changes to business operations. The operating budget is traditionally developed by the staff with attention to historical trends in revenue generation, consideration of recent economic factors that may influence revenue or expenses, achievable cost reductions in each department, service levels to be achieved, and staffing levels required. Methods for optimizing revenues while maintaining favorable property owner access and rates were also examined.

For 2016, the Board of Directors approved the budget with no increase to the Homeowners assessment, keeping the dues the same for the third year in a row. The capital improvement line item will go to fund the remodel bank loans monthly principle and interest payments and any capital improvements not listed on the reserve study. The budget for 2016 meets the funding obligation of the 2016 reserve study update.

Homestead Court Club Remodel

In 2014, the Board of Directors approved the budget with a \$15 monthly increase to the Homeowners assessments. This was the first increase in seven years. The Board took this measure to provide financing for a remodel of our club and many of its amenities. The remodel is complete and the Board feels confident all of us are proud of this long overdue project, which will certainly enhance the value of our neighborhood and homes.

The 2014-2015 Homestead Court Club remodel cost \$2.7 million dollars to complete. To pay for this project the Board of Directors analyzed our financial picture including existing reserve and capital account balances, 2014-2015 operating budgets, and the reserve study. Funding the project came from three sources: reserve fund, capital improvements fund and a bank loan.

Research for the 2016 reserve study found that the remodel will replace many items on the reserve study and move back their estimated replacement dates. This freed up money from the reserve fund for use on the remodel. In 2015 we also completed two major reserve study items outside the remodel, the locker room improvements and pool resurfacing.

While we had enough cash to complete the project, the Board of Directors felt that keeping the reserves properly funded would continue to keep the Association financially healthy for the future. This meant obtaining a bank loan for \$1.38 million dollars to complete the remodel. The terms are for a 15 year payback schedule. Homestead will work to shorten that schedule with future operating fund excesses.

The Board of Directors would like to thank the community, past Board members, and staff for making this amazing improvement to our neighborhood happen.

Nominating Committee—Board Candidates

There are three open positions on the Board of Directors up for election at the 2016 general meeting. Both Erin Allen and Matt Drummet (incumbents) are re-running. Bobby Ladd has chosen not to re-run.

The nominating committee asked the three candidates to submit short Bio's for the newsletter. They are listed below from the January newsletter:

Erin Allen:

My name is Erin Allen. I have lived in Homestead for the last 8 years, and my husband Chad and I just recently moved from Red Tail Townhomes to Creamery Trail. I work at US Bank in Avon as a commercial lender, and my experience with HOA loans helped serve our association when making financing decisions during the recent remodel. I have served on the board for the last 3 years and would love to be considered for another term. I have lived in the Vail Valley for almost 14 years and

really enjoy getting to be a part of the Homestead community and using our beautifully remodeled facility!

David Portman:

My name is David Portman. My wife and I have lived in Homestead since 2007. We are now raising our two kids and very much value everything our community offers. I have extensive HOA Board experience including the associations of our rental property in Avon and prior residences in Wildwood and the Riverwalk. I have worked at FirstBank in Eagle County for over 14 years, currently as a Senior Vice President. My financial management, budgeting, commercial and consumer lending, and HOA financing experience should hopefully contribute nicely to the other diverse backgrounds on the Board. I look forward to working with our neighbors to help keep Homestead a great place for our friends and families!

Matt Drummet:

My name is Matt Drummet. My wife, Amy, and I have lived in Homestead for 11 years, and we enjoy raising our children in this family neighborhood. I work at Vail's Mountain Haus as the Director of Sales and Marketing. This position has afforded me the experience of working with a diverse board of directors throughout the years. I have served on the Homestead Board for the last 3 years, and wish to continue my time serving the Homestead community.

Bobby Ladd —Board Member Thanks

A huge thanks to Bobby for his service of 12 years on the Board. During his 10 years of being President of the Board, Bobby's efforts have led the community to great improvements, including the County purchase of the "Homestead L" open space, increased children's programming, and the Court Club remodel. With his architectural background, Bobby has helped our Design Review Committee work to keep our community current and vibrant.

The management and staff of Homestead Owners Association would like to thank and commend the Board of Directors for their vision and their spirit to move our community toward continued excellence! - Tracy Erickson, Executive Director

**HOMESTEAD OWNERS ASSOCIATION INC.
GENERAL MEMBERSHIP MEETING
FEBRUARY 15, 2016
7PM**

Notice is hereby given that a general meeting and election of the Homestead Owners Association will be held at the Homestead Court Club located at 400 Homestead Drive on Monday, February 15, 2016 beginning at 7:00PM. The meeting will be held for the following agenda, election of Directors, and other matters that may come before the Board.

- I Roll Call
 - II Proof of Notice or Waiver of Notice
 - III Consideration of Minutes from 2015 - Posted Online
 - IV Officers' Reports
 - V Election of Directors
 - VI Matters Pending
Allen Lawsuits - Litigation Update
Membership Annual Education – HOA Attorney
 - VII New Business
Edwards Sales Tax Initiative – Edwards Metropolitan District Representative
 - VIII Adjournment
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**PROXY FOR GENERAL MEMBERSHIP MEETING
HOMESTEAD OWNERS ASSOCIATION
February 15, 2016**

The undersigned, being a recorded owner of property at the Homestead, Eagle County, Colorado, does hereby constitute and appoint _____ to act as their proxy and attorney, with full power of substitution, to vote for the undersigned at the General Membership Meeting to be held at Homestead Court Club located at 400 Homestead Drive on Monday, February 15, 2016 at 7PM, hereby granting the person mentioned above full power and authority to vote as they might desire, or in the event the undersigned has given written instructions below, then such person shall instead carry out the instructions. For a list of candidates, check the back side of this form or call the club. Written instructions of the undersigned to my proxy are as follows:

In the alternative, I hereby instruct my proxy to vote for the following candidates:

- 1. _____ 2. _____
- 3. _____

If no candidate is indicated above this proxy shall be general proxy.

Witness whereof, I have hereunto set my hand this _____ day of _____, 2016.

Signature: _____
Name: _____
Street Address: _____
Member # _____

Recorded owner of Unit # _____, _____ (Association), OR

Lot # _____, Block # _____, Filing # _____, The Homestead

This form must be completely filled out and signed by the RECORDED owner. This proxy will be considered void if illegible, incomplete, owner name does not match our records, or owner account is past due. Homestead is not responsible for distributing mailed/faxed in proxies to proxy holders. Please do not send in your proxy. Thank you.