

Homestead Owners Association will be holding its annual meeting and election on February 18, 2019 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 2019 budget are posted on the Association website.

Here at Homestead we look at 2019 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 2018 Board meetings were: Continued community improvements including a new Pickleball court and tennis court improvements, speeding and traffic violations in the community, new fire station, open space areas including surrounding properties.

The following segments outline the 2019 budget and remodel loan, information from the Nominating Committee regarding the Board election and an explanation of the Fire Districts safety and wildfire preparedness plan. 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 8th, at 9:00am.

The full pro forma operating budget for 2019 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 2019

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 2019, the Board of Directors approved the budget with no increase to the Homeowners assessment, keeping the dues the same for the sixth 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, which included a new Pickleball court this year. The budget for 2019 meets the funding obligation of the 2016 reserve study update. A new reserve study will be completed in 2019 to be used for the 2020 budget.

Homestead Court Club Remodel Loan

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. 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 were for a 15 year payback schedule.

In 2016, Homestead paid down the loan to \$1.0 million, changed the term to 10 years (5 years shorter) and renegotiated the interest rate down. This will dramatically lower the total interest paid on the loan.

As of January 2019 the loan balance is \$725 thousand dollars. Homestead will work to shorten that schedule even further with future operating fund excesses including a proposed \$200 thousand dollar pay down with the 2018 operating budget surplus.

Nominating Committee—Board Candidates

There are three open positions on the Board of Directors up for election at the 2019 general meeting. Erin Allen and Cealy Fellman (incumbents) are re-running this year. Katherine Smith is a new candidate.

The nominating committee asked the three candidates to submit short bio's for the newsletter. They are listed below.

Erin Allen

My name is Erin Allen. I have lived in Homestead with my husband, Chad, for the last 11 years, and have served on the Homestead Board for the last 6, including the last few as the President. I have worked at US Bank in Avon for 16 years, and currently am the Commercial Team Manager for our mountain offices from Breckenridge to Aspen. I really enjoy being on the board because it gives me the opportunity to get to know people in this community better and to keep finding ways to improve the beautiful neighborhood we live in, and I hope to continue for another term.

Over the years, my contributions to the HOA include such things as the Clubhouse remodel, facility enhancements, and upgrades and designs to our neighborhood parks. I hope to be considered for another term. I would like to continue being a part of our great team of directors, the community, and its future enrichment.

Katherine Smith

My name is Katherine Smith. My husband and I have lived in homestead for the past 5 years. I am interested in serving on the Homestead Board because I have vested value in the community and want to do my part in protecting property value and making improvements that benefit members as a whole. I have 10 years of experience as an association and property manager for East West Resorts and my husband and I also own the Riverwalk Theater in Edwards. I currently manage three homeowner associations in Beaver Creek and believe that my experience in HOA management will be beneficial to the Homestead Association Board.

Cealy Fellman

My name is Cealy Fellman. I have lived in Homestead over 12 years with my husband Steve. I work in accounting and oversee the financials of many small businesses, including a few HOA's. My experience with budgeting, financial forecasting and HOA finances will hopefully prove useful to Homestead. I also have experience serving on the HOA board for Stonegate Village in Homestead. We enjoy raising our kids here and I want to contribute to serving this family-friendly community.

Wildfire Preparations and Safety Map

Representatives from Eagle River Fire Protection District will be present at the General Meeting to give a presentation on promoting community wildfire awareness and talk about their evacuation plans for Homestead.

HOMESTEAD OWNERS ASSOCIATION INC.
GENERAL MEMBERSHIP MEETING
FEBRUARY 18, 2019
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 18, 2019 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 2018 - Posted Online
- IV Officers' Reports
- V Election of Directors
- VI Matters Pending
Allen Lawsuits - Litigation Update
Membership Annual Education – HOA Attorney
- VII New Business
Fire Safety Map - Wildfire Plan for Homestead Community - Eagle River Fire Representatives
Highway 6 and Edwards Village Boulevard Roundabout - Edwards Metro Representative
- VIII Adjournment

PROXY FOR GENERAL MEMBERSHIP MEETING
HOMESTEAD OWNERS ASSOCIATION
February 18, 2019

The undersigned, being a recorded owner of property at the Homestead, Eagle County, Colorado, does hereby constitute and appoint _____ to act as their proxy, 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 18, 2019 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 _____, 2019.

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.