

Brown Homestead Owners Association

c/o Full Circle HOA Management
560 Mountain Village Blvd., Suite 102B
Mountain Village, CO 81435
P: (970) 369-1428 F: (970) 369-1429
Mail@FullCircleHOA.com

May 28, 2010

Dear Brown Homestead Owners,

As you may have heard, Alpine Bank has denied the loan for the remodel. The Board has directed Full Circle to continue to work with Alpine on this loan, plus a number of other banks. There is a board meeting on June 9, 2010, at which time the Board will determine whether to proceed with the remodel this year or not. If financing this summer is still possible, we believe that the bank would require another owner vote, which is the purpose of the enclosed Notice & Agenda for a June 28, 2010, special owners meeting.

If the project does not proceed in 2010, then the goal is to be ready to start in the Spring of 2011. So the Board intends to complete all of the pre-construction planning, including finalizing plans and specifications, in the next month.

To better position the association to qualify for a loan in 2011, the Board has passed a supplemental budget and an increase in assessments starting July 1 as follows:

Lower Unit	\$426
Upper Unit	\$574

This way, the association will have a remodel savings fund of \$120,000 a year from now (in addition to the current \$100,000 foreclosure contingency fund). Meanwhile, the board is also working on getting the "Red House" property under contract to sell to the Boyds, which should add about another \$100,000 to the remodel kitty.

Also starting July 1, all Brown Homestead assessments will be payable monthly. The new total monthly assessment amount for the remainder of 2010 will be as follows:

Lower Unit	\$811.83	(\$385.83 + \$426.00)
Upper Unit	\$1,093.87	(\$519.87 + \$574.00)

As always, please contact us or your board members if there are any questions.

Regards,
Full Circle HOA Management

BROWN HOMESTEAD CONDOMINIUMS HOMEOWNERS ASSOCIATION, INC.

NOTICE & AGENDA SPECIAL OWNER MEETING

Date: Monday, June 28, 2010, at 5:00 p.m. MT

Location: Full Circle HOA Management
560 Mountain Village Blvd, #102B, Mountain Village, CO

By Phone: Toll Free 800-977-8002 Code: 24428655#

Roll Call

Proof of Notice of Meeting

Determination of Quorum

Approval of March 12, 2010, Special Owner Meeting Minutes

Vote on remodel project scope and costs, remodel association bank loan, and authorization to assign assessments

Vote on proposed changes to declaration and bylaws

Adjourn

MINUTES OF SPECIAL OWNERS MEETING

Association: Brown Homestead Condominiums Owner's Association

Date: Friday, March 12, 2010

Location: Full Circle HOA Management
560 Mountain Village Blvd, #102B
Mountain Village, CO 81435
and via conference call

Owners Present: See attached spreadsheet

Others Present: Diane Wolfson (Full Circle)

Meeting called to order at approximately 5:00 p.m., MST

Roll call. Determination of a quorum (yes, 81.48%).

Motion by Len Rybicki, second by Steve Holve, to approve minutes of the September 12, 2009, owners meeting. *Motion passed by unanimous vote.*

Discussion regarding remodel and several straw polls were held on the scope of work.

Motion by Scott Deasy, second by Pat O'Conner that:

The Brown Homestead Condominium Association will a) proceed with a comprehensive remodel project with a total project budget of \$1.3 million, and b) establish bank loan of up to \$1.255 million to finance the foregoing project, such loan to be secured by the association's receivables.

If any of the work involves limited common elements such as windows and doors, then the costs of that work will be separately allocated to those owners based on the actual work performed consistent with the provisions of the association's Declaration. Otherwise, the costs of the project will be allocated according to the percentages in the Declaration.

Owners will have one opportunity to pay in full a lump sum in 2010 for project costs. Those Owners who do not pay in full will be subject to an increased regular common expense assessment so that the association can repay the bank line of credit. The 2010 approved budget is hereby amended accordingly.

The general scope of the remodel project will be:

- Replace roof and add snow melt, retention, gutters and downspouts
- Project will include shed roofs above upper decks
- Replace all siding and trim
- Replace windows that need to be replaced
- Replace exterior doors that need to be replaced

- Replace all South patio doors
- Replace all North patio doors that need to be replaced
- Add new window to back bedrooms as required by code
- If owners want to add other windows as part of this project, they can, subject to board approval
- Reframe the North and South decks
- Remove chimney boxes

The final specific approved scope and cost of the remodel project shall be subject to the approval of the Board of Directors with no further owner vote. The specific timing and amounts of owner payments and assessments may be approved by the Board of Directors with no further owner vote.

The association will reallocate its reserve fund for 2010 into foreclosure contingency fund.

Any unused project budget will not be spent on other items, and any unused lump sum owner payments will be returned to those owners.

Motion passed by a vote of 54.26% in favor, 27.22% against.

Marissa Lee left the meeting at 6:10 p.m.

The meeting was adjourned at 7:05 p.m.

THE FOREGOING MINUTES WERE APPROVED BY THE OWNERS AT ITS MEETING HELD _____, 2010.

Signed: _____, Manager

BROWN HOMESTEAD HOMEOWNERS ASSOCIATION, INC.
2010 SPECIAL OWNER'S MEETING
Monday June 28, 2010
5:00 p.m. MT

RESPONSE FORM

_____ I will attend the Special Owners meeting in person

_____ I will attend the Special Owner's meeting by conference call

_____ I will NOT be able to attend the Special Owner's meeting, **however please see PROXY below.**

BROWN HOMESTEAD HOMEOWNERS ASSOCIATION PROXY

The undersigned, a member of the following nonprofit corporation homeowners association, does hereby appoint and authorize the person named below to act and to vote, on behalf of the undersigned on all matters presented for action or vote by the owners at the meeting to be held on the following date:

ASSOCIATION: Brown Homestead Homeowners Association, Inc.

DATE OF OWNER MEETING: Monday, June 28, 2010, at 5:00 p.m. MT

PERSON APPOINTED BY THIS PROXY: _____

This proxy may not be revoked except by actual notice of revocation to the person presiding over the meeting of the association for which this proxy is given. This proxy terminates eleven (11) months from the date hereof.

PRINT YOUR NAME

YOUR SIGNATURE

DATE

UNIT

Please return this proxy form to Full Circle HOA Management prior to the start of the meeting via facsimile to (970) 369-1429, email to Mail@FullCircleHOA.com or via mail to Full Circle HOA Management, 560 Mountain Village Boulevard, Suite 102B, Mountain Village, CO 81435.

BROWN HOMESTEAD APPROVED 2010 BUDGET
Revised As Of 5-26-10

	A	B	C
1		2010 Budget	Notes
2	Starting Assets-Liabilities	\$ (4,488)	
3	INCOME		
4	Operating Income		
5	Operating Assessments	\$ 76,483	
6	Painting Savings Fund Assessments	\$ 15,000	
7	Remodel Assessments a/o 7.1.10	\$ 60,000	Per 5-26-10 Board Vote
8	Painting Savings Fund Liquidation	\$ 68,388	Per 3-12-10 Owner Vote
9	Finance Charges to Owners	\$ -	
10	Interest Income-Operating	\$ 600	
11	Total Operating Income	\$ 220,471	
12	Foreclosure Contingency Fund Income		
13	Assessment	\$ 17,200	Formerly Reserve Fund Assessment
14	Interest Income	\$ 1,000	
15	Total Fund Income	\$ 18,200	
16	TOTAL INCOME	\$ 238,671	
17			
18	OPERATING EXPENSES		
19	Administrative Expenses		
20	Administrative/Accounting	\$ 10,925	
21	Facilities Management Fee	\$ 7,433	
22	Additional Fee for Monthly Assessments	\$ 640	
23	Supplemental Services	\$ 300	
24	Legal Fees & Costs	\$ 2,000	
25	Total Administrative Expenses	\$ 21,298	
26	Maintenance Expenses		
27	Maintenance	\$ 4,000	
28	Maintenance Parts and Supplies	\$ 1,200	
29	Landscaping	\$ 5,000	
30	Snow Removal - Ground (Nov - April)	\$ 6,300	
31	Snow Removal - Roof (Nov - April)	\$ 4,000	
32	Hot Tub - Servicing & Repair	\$ -	
33	Roof Maintenance	\$ 2,000	
34	Common Janitorial	\$ 912	
35	Pest Control	\$ 1,032	
36	Backflow Preventor Maintenance	\$ 1,000	
37	Total Maintenance Expenses	\$ 25,444	
38	Reimbursed Expenses		
39	Reimbursable Unit Expense	\$ -	Invoice paid by HOA and then invoiced to owners
40	Collection Costs	\$ -	Invoice paid by HOA and then invoiced to owners
41	Water/Sewer 5 units	\$ -	Water invoices paid by HOA and then invoiced to owners
42	Total Reimbursed Expenses	\$ -	
43	Utility Expenses		
44	Water and Sewer Hot Tub	\$ -	
45	Water and Sewer Irrigation	\$ 1,552	
46	Electricity	\$ 200	
47	Natural Gas-Hot Tub	\$ -	
48	Trash	\$ 4,783	
49	Total Utility Expenses	\$ 6,535	
50	Tax and Insurance Expense		
51	Insurance	\$ 5,000	
52	Tax Preparation	\$ 675	
53	Taxes	\$ -	
54	Total Tax and Insurance Expenses	\$ 5,675	
55			
56	Special Expenses		
57	Unit C-1Unpaid Assessments	\$ 14,522	
58	Water and Sewer Irrigation 2009	\$ 1,445	FC negotiated surprise bill from \$8,282 to \$2,890; \$1,445 is payable in 2010, \$1,445 is payable in 2011
59	Sale of property to Boyds	\$ 5,000	Legal fees, owner vote, surveying, SMC application fees
60	Total Special Expenses	\$ 20,967	
61			
62	Remodel Expenses		
63	Architect	\$ 1,346	
64	Full Circle pre-construction planning, bookkeeping, and bank applications	\$ 7,600	
65	Extra meetings and mailings	\$ 5,000	
66	Plans and Specifications	\$ 25,000	Includes services of owner's representative, contractor, CAD
67	Engineer	\$ 5,000	
68	Legal Fees	\$ 10,000	Contracts for architect, contractor, owner's representative, engineer, and bank loan legal work
69	Total Remodel Expenses	\$ 53,946	
70			
71	TOTAL OPERATING EXPENSES	\$ 133,865	
72			
73	Foreclosure Contingency Funding		
74	Assessment Funding	\$ 21,394	
75	Interest Funding	\$ 1,000	
76	Total Reserve Funding Expense	\$ 22,394	
77			
78	Painting Savings Funding		

BROWN HOMESTEAD APPROVED 2010 BUDGET
 Revised As Of 5-26-10

	A	B	C
1		2010 Budget	Notes
79	Assessment Funding	\$ 27,000	
80	Painting Savings Interest Funding	\$ 600	
81	Total Painting Savings Funding	\$ 27,600	
82			
83	TOTAL FUNDING	\$ 49,994	
84			
85	RETAINED EARNINGS BEG. OF YEAR	\$ (4,488)	
86	NET INCOME/LOSS	\$ 54,812	
87	RETAINED EARNINGS END OF YEAR	\$ 50,324	RE to be saved for remodel in 2010 (plus another \$70,000 through 2011)
88	Ending Assets-Liabilities	\$ 50,324	
89			
90	FORECLOSURE CONTINGENCY FUND (formerly reserve fund)		
91	Beginning Balance	\$ 85,000	
92	Deposits		
93	Funding	\$ 21,394	
94	Interest	\$ 1,000	
95	Total Deposits	\$ 22,394	
96	Withdrawals		
97	Unit E-1 Foreclosure	\$ 8,000	
98	Total Withdrawals	\$ 8,000	
99	Balance	\$ 99,394	
100			
101	PAINTING SAVINGS FUND		
102	Beginning Balance	\$ 40,788	
103	Deposits		
104	Funding	\$ 27,000	
105	Interest	\$ 600	
106	Total Deposits	\$ 27,600	
107	Withdrawals	\$ -	
108	Move to Operating Income	\$ 68,388	Per 3-12-10 Owner Vote
109	Total Withdrawals	\$ 68,388	
110	Balance	\$ -	