



November 30, 2016

Dear Innsbrook Homeowner,

What an interesting year this has been! We began in full stride as we were racing towards the completion of the Charrette Creek Commons. The structures were taking shape as a beehive of carpenters, plumbers and tradesmen swarmed the construction site. The number of onlookers grew and a new pattern of “things to do” and “places to see” on a weekend began to emerge as we measured the progress between visits. It was exciting to see and feel the anticipation grow as families would gather to comment on the newest improvements. Lazy rivers and playgrounds for the kids. Swim lanes and fitness center for the active-minded. A new restaurant and bar for eats and drinks. Real bathrooms at concerts! It was all finally coming together and we couldn't wait for opening day. Our intent was to provide a common area for the Innsbrook community to gather, play and celebrate for years to come. We wanted to build a “game changer” and, by most accounts, it appeared that we were about to deliver.

Beginning with the 45th Anniversary Party over Memorial Day weekend, we began to celebrate with family and friends amidst much fanfare. It was a powerful moment to see so many from our Innsbrook community come together for the first time for the grand opening of our newest community jewel. New traditions were established and countless memories created. The 2016 season had begun in earnest, and we were poised to have our best season yet.

Activity in the real estate market has been fairly brisk with yearly sales equal to 2015, which was up 33 percent from 2014. New home construction increased back to the level we saw prior to the recessionary period of the not-so-distant past. There are 18 custom homes under construction and/or closed for 2016, compared to 8 in 2015. Total resale sales were down slightly in 2016 compared to 2015, based on available inventory of certain property types and locations; however, we did realize a higher average sale price of properties in comparison.

Lakefront resale chalets were in strong demand with an increase of 4 percent, while non-lake wooded locations were unchanged. We experienced an increase in the sale of properties on Lake Alpine with the greater percentage of new construction on those locations. Condominium sales were lower in volume, as less units were available for sale, while values held steady.

We are currently embarking on the Tyrol area south of the Commons with the addition of lakefront locations on Lake Tyrol and construction of a lake for new chalets. In addition, we will be introducing various new building concepts offering a greater selection of construction styles to meet the needs and desires of our customers. We feel 2017 will be a fruitful year for growth of our development as well as property values for our owners.

Once again, our crews did an outstanding job of maintaining the miles of roads and trails, acres of lakes, beaches, landscape beds and facilities. We stress to our crews that to progress is to improve and anything less is moving backwards. To that order, our development and its grounds have never looked better. It also

helps that many of you provide us with notes, calls and emails throughout the year for items that we may have missed or hadn't yet gotten to.

We would like to recognize the person that is tasked with overseeing this large and important responsibility. Over and above this extraordinary upkeep, Rick Schmitt also served as our construction and project manager for the Commons during the past two years. Many contributed to its success, but none more than Rick. He worked at an exhaustive pace and minded thousands of details. He was creative in vision and frugal with every dollar. Even the title, Charrette Creek Commons, is credited to Rick. As he enters his 35th year with us, we extend a heartfelt thank you for his priceless contributions to the betterment of our community.

With all of the activities, events, construction and improvements completed for fiscal 2016/17, we are happy to report that expenses were kept within revenues, our reserves were left untouched, and we present a solid budget for the coming year.

As we forecast for next year's expenses, some fees will see an increase while others will remain flat.

The maintenance fee will be increased \$97 for fiscal 2016/17. This is primarily for new items in our operating budget related to the Commons such as lawn maintenance, staffing, lifeguards and other pool-related expenses. Having half a year behind us, we believe that we have a good handle on what a full year's operating expenses will be, and we also have a few items on the "to do" list such as a shade pavilion for the playground and more shade structures for the pool area. For repayment of debt on our existing facilities and the addition of the Commons, the Facilities Capital Fund fee will be increased \$77 for fiscal 2016/17.

Along with the addition of the Charrette Creek Commons amenities, we also invested in new technology for our security entrances with the new RFID vehicle tags and its accompanying hardware and software systems. This has increased security for our community as they are tamperproof and non-transferrable. They're also more convenient as they do not need to be replaced annually. Once applied, they're impossible to lose and no batteries needed.

We are now funding for an overhaul of our communications system for our Security department. We have become too vast to effectively communicate with our patrol vehicles and we've been "making do" with an obsolete and antiquated system. For security and safety's sake, it is critical to address this issue. As a result, the Security Department fee is increasing \$25 for fiscal 2016/17.

While we're covering Security topics, we have a few more points that our Security Department asked us to include:

- In case of an emergency always dial 911 from either your cell phone or land line.
- For everyone's safety, dogs must be on a leash at all times.
- Surveillance cameras are being installed at the trash and recycling depots. Signage clearly lists permissible and prohibited items. Fines for violations will be assessed.
- Please remember, vehicle stickers are for immediate family only; stickers are not for friends, employees, contractors, debtors, etc. Fines for violations will be assessed.
- Golf carts and UTVs: Unfortunately, nothing can ruin a nice day out more than an accident. Recreational vehicle accidents often cause minor injuries and damage, but the worst accidents are catastrophic, even causing death. According to the Consumer Products Safety Commission, about 15,000 golf cart-related

injuries serious enough to merit an emergency room visit occur in the United States every year. These accidents can change a life in an instant. For the safety of our friends and family, do not allow underage and/or unlicensed drivers to drive your vehicle.

Deciding how and where we spend our down time has become increasingly important as life seems to move at an increasingly faster pace and technology detaches us from being present in the moment. For many, Innsbrook has become that refuge where they can disconnect from their everyday lives and reconnect with those most important to them.

Our events are an important part of building those connections. We strive to create opportunities that build a sense of community and exemplify the Innsbrook experience: family and friends enjoying time together in a beautiful, natural setting. In 2016, we celebrated the Innsbrook lifestyle with many such events including concerts, kids' camps and summer workshops; and holding them at the new Commons added a fun new vibe for all who attended.

The 2017 Summer Breeze line up will bring back some of the crowd favorites along with a healthy dose of new bands to keep the crowds dancing in the front and chilling in the back, or styling on the Summerhaus patio. Picking the bands is always a difficult task as taste in music is varied, but we do our best to vary the genres and styles and appreciate the suggestions we get throughout the year.

Other returning community favorites include the Sand Sculpture Contest, two week-long summer camps, the Cardboard Boat Races, Wolly's Watermelon Hunt, guided nature hikes and many, many more.

Thank you to all those that provide us feedback through our year-end surveys. The results directly impact our future planning and programming. Events, like our Independence Day celebration, have the greatest popularity, but we also look for ways to enhance the experience. Based on many of your comments, we've made improvements to the sound systems, guest authorizations, parking, traffic management and our VIP sponsors area. We look forward to an even greater celebration for everyone in 2017 (and maybe better weather!) and we thank you for your generosity in supporting this hallmark event.

For those who need to stay connected while at Innsbrook, high speed internet access has been a hot topic this year and we're excited to share that faster speeds are on the way! CenturyLink is currently installing fiber and hardware that will provide approximately 10MB download speeds for much of the development. Speeds will vary by location and, after the upgrades are complete, CenturyLink will be able to provide pricing and confirm the speed available at your property. Look for more comprehensive information on timelines and coverage areas in early spring (or sooner, if available).

The Innsbrook Institute Summer Music Academy and Festival will return for its 17th season. Once again, we will enjoy nine intensive days of the highest level of musical instruction and performance. David Halen, St. Louis Symphony concertmaster and Innsbrook Institute Artistic Director, has already confirmed a mix of returning featured artists and exciting new talent.

We applaud the individuals within Innsbrook that give back through volunteerism, for this is the heart of our community. New in 2016 is the Innsbrook fishing club. This group will be combining comradery, education, fishing quality and fun for IBK anglers of all ages and expertise. Other organizations and clubs that each play important roles include the Innsbrook Institute, Innsbrook Historical Society, Garden Club, Patriot Packages, IBK Nature Group and Book Club. In addition, we see members of our community volunteering on local school and fire department boards, churches and shelters.

Lastly, show your Innsbrook pride or memorialize a loved one! Custom commemorative bricks for the Charrette Creek Commons are still available. If you haven't yet ordered one, please check the link on our website or call the Commons at extension 9180 and order one today!

As we close out our 45th year, we are honored and appreciative to remain a part of the ongoing Innsbrook legacy, we look forward to the 46th...our best season yet!

As always, your comments, criticisms and feedback are always welcome.

Sincerely,

Your Trustees



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