



INNSBROOK
Owners' Association

Thanksgiving Morning, 2011

Dear Innsbrook Property Owner,

Time passes so very fast,
now, Innsbrook's first forty years are past.
When we started it was a mystery....
that what was to be, is now our history!
Our future is behind a mask,
and, forty years' more, is a lot to ask!
So let's have fun completing the task,
While in the spirit of community,
.....we all can bask!

It's Thanksgiving morning and the aroma of 380+ pounds of roasting turkey wafts through the Lodge like a culinary aphrodisiac causing anticipatory salivation.....but, it's not just about the food.....it's about the tradition, the coming together of families and friends in our community to share the blessings of living where we live, and, in this time of world history. Those of you, who have ventured to some foreign lands, have seen and experienced the feeling of despair and lack of hope that affects probably at least half of the world's seven billion people. Not a pretty picture to those of us fortunate to enjoy our life and freedoms here in the U.S. We do not live in a perfect world, or a perfect country....but it sure beats the alternatives, and for this we can all be thankful. I sure am!

With my annual "big picture" soliloquy having been given, we can dive into the annual "State of Innsbrook" report of what we did with your/our money, what we accomplished in the last 12 months, and what we plan to do in the coming fiscal year of December 1st, 2011 – November 30th, 2012.

Accomplishments in 2010 – 2011:

- ✓ Overlaid approximately another 4 miles of asphalt road and re-rocked many miles of limestone roads, replaced many culverts and applied CaCl for summer dust control.
- ✓ Fish stocking in Lakes Innsbrook, St. Gallen, Sonnenalp, Turrach and Silvretta.
- ✓ Silt removal in Lakes Trinity & Wanderfern, new boat storage racks at Geneva, Corlina and Seebach beaches along with lots of loads of new sand on all the beaches.
- ✓ Constructed a new "Dog Park" (with its own fire plug) and parking area.
- ✓ New gate system at the original "West Gate" on Highway F.
- ✓ Purchased several pieces of equipment to replace worn-out equipment.
- ✓ Hired an independent accounting firm for the Owners' Assn. bookkeeping and accounting.
- ✓ Replaced and upgraded our security systems.
- ✓ Additional hose bibs and rock paths at the Community Garden, improved soil.
- ✓ Produced more than 150 events: activities, races, concerts, kids' programs, etc., etc.
- ✓and hundreds of little things, day after day to keep Innsbrook looking good and functioning smoothly....in good weather and bad, day and night, 24/7/365!

If you check this list against what we promised last year at this time.....we completed last year's list with the exception of silt removal on lakes Foxtail and St. Gallen. Last year's horrible spring weather precluded

lowering lakes for that work before summer. The cost of cleaning up the storm damage mess was in excess of \$20,000 as we had to bring in additional crews to help with the cleanup. We had record rains last spring and then record heat with non-rains up till Thanksgiving week. The drought has played havoc with lake levels and the heat nailed the golf course. The golf course is healing and the lakes will come up with the rains.....and life goes on!

Year after year, the fine spirit of our community is shown by those property owners who volunteer their time and use of their homes and chalets, serve on committees, organize various clubs and community service organizations that enhance the quality of life here....and the list grows every year. These contributions and participations are vital to our community at Innsbrook AND in surrounding Warren County. As Innsbrook goes...so does Warren County and visa-versa! A perfect example of community spirit is exemplified by The Innsbrook Historical Society in the preservation work on our 170-year-old log house below Alpine Dam. Under the leadership of John Welter and Wayne Edwards, more than 50 property owners are working together, accomplishing the impossible, enjoying the camaraderie there, preserving our heritage, and establishing a new high in community spirit. Anyone who can, but doesn't participate, is missing a lot.

We made our budget work this year and had a surplus of \$3,163. Considering the CPI index increased 3.5% and so did certain costs, we are proud that we still provided more activities and features to enhance the place. Every year Innsbrook must improve..... maintaining the status-quo is unacceptable.

We have 19 uncollected assessments from the past five years, that total \$35,548 and interest is accruing on those unpaid fees. The reserve account grew \$79,105 and now stands at \$468,952 which is 20% of our total annual expenditures. This reserve is for sudden unbudgeted, unexpected major expenses which can and do happen, but unlike the federal government we cannot run deficits from bad business behavior. Good practices include adequate funding, and not spending more than we have....and we have practiced this for our entire history. Our goal is to increase this fund slowly to 25% of the annual expenditures over the next five years at about 1% per year.

So here is the news on this year's assessment fees. The general maintenance fee will increase \$14, water will increase \$9, and security system fees will increase \$8 making the total increase \$31...that is about a 1.5% increase – with CPI last year being 3.5%, we are pretty proud of this.

And there is more good news: We are decreasing the amount of the reserve fund fee from \$50 per lot last year to \$25 this fiscal year. So with the projected budget for 2011-2012 the net increase will be only \$6 per lot for the coming fiscal year....or 0.3% (three-tenths of a percent).

There are couple other factors that have gone into this increase. Innsbrook's cost of providing water has increased this year as has those of Alliance, our water service provider. But, our water is still cheap compared to St. Louis County....and everywhere else!

Our security systems have been upgraded to provide more detailed information and reliable service that gives us the ability to integrate with "smart" security panels – with those systems, we can tell if an alarm is due to a smoke detector, freeze alert or a sewer pump going out...which helps us respond appropriately! We work to troubleshoot problems quickly, so, if you are having trouble with your alarm system, or need it checked... please call security at ext. 400 to make sure it is operating properly. That system is unique to Innsbrook as every residence is monitored...but you have to activate it to make it work...so please turn it on when you leave.

Our staff does a good job of keeping to their budgets although we are sometimes accused of being penurious and striking a happy medium gets tougher every year. The budget numbers are included in this letter for your perusal.

Annual assessment payments are due and payable by December 31st and unpaid or late payments are subject to a 1.5% finance charge, and per our Trust Indenture, unpaid assessments will constitute a lien on that property. Payments should be by check. Credit cards cannot be accepted. If you have a bank or escrow arrangement, please let them know the due date of these payments. Some banks and lending institutions pay

slowly, (shame on them!) and like to make a little extra on your money over the year end. It is your bill, so you may have to monitor a third-party payer. Please do not include payment for Innsbrook Corporation bills with your Innsbrook Owners' Association assessment....we keep these two entities, books and accounts.... separate.

What we hope to accomplish in 2012:

- ✓ Silt removal for lakes Whitetail, Foxtail and St. Gallen.
- ✓ Overlay another 4 miles of asphalt roads.
- ✓ Additional rock on main and secondary roads, replace aged culverts.
- ✓ Continue fish stocking program.
- ✓ Continue dust control programs for gravel roads.
- ✓ Remove old boat houses on Lake Lucern and replace with boat storage racks.
- ✓ Seal cracks and paint 3 tennis courts at Farmhouse area.
- ✓ Re-sand beaches.
- ✓ Purchase a few pieces of equipment to replace the worn-out ones.
- ✓ Continue our horticulture and landscaping programs.
- ✓ Continue our activities programs.
- ✓ Continue working on our nature trail program.
- ✓ And do many, many little improvements that become day-to-day projects.

Once again we have had very few security problems this year. Every year I hear at least one: "Last week I saw a bunch of kids etc., etc....and you aren't doing your job letting this or that happen." When asked if they called security the answer is usually: "I didn't have time" or; "I didn't want to complain about my neighbors." Truthfully, our security forces can't catch ALL the miscreants but we do follow up on all calls and "Incident Reports" are made out on every contact after a reportable incident. Report suspicious activity immediately! If you see people breaking the rules....let us know! If you have noisy neighbors...talk to them politely...and if that doesn't work call security. All cars and trucks should have a sticker or hang-tag visible...all others should be reported immediately and get the license number if you can.

One important way we can all be more secure: DO NOT lend your gate card or "fob" to anyone as the computer and cameras store each opening by lot#, AND, those who do lend their gate devices will find that they suddenly lose gate privileges with unauthorized entries. Our security patrol is instructed to stop any car or truck that does not have a sticker or hang-tag and inquire as to how they got into the property and then the unauthorized are escorted back out. This happens more than it should and others follow authorized cars through the gates before they close....and they are also captured "on camera." Innsbrook is not an armed fortress, but we do like our privacy.

Our Real Estate division reports we had a pretty fair year with a total of 62 sales vs. 71 sales in 2010. There were 11 new chalets and 51 re-sales to date vs. 15 and 56 in 2010. The economic picture has definitely had its effect but next year is an election year and we always have seen an upturn in those years. Every once-in-a-while someone says: "THEY don't care about re-sales.... Only new sales!" Tain't true....can't sell new sales if you don't sell the re-sales....and speaking of re-sales, out of 1,424 developed, sold lots we have 90 properties available for resale which is 7.4% of the total. Specifically at this date we have for sale: 54 chalets (out of 1046 or 5.1% of total), 16 condos (out of 103 or 15.5% of total), 20 homes (out of 272 or 7.4% of total) which is a bit higher than last year but also a way lower "For Sale" ratio than just about anywhere in the surrounding St. Louis Metro area. Prices have stayed higher than other comparables and we have realized about 90+ percent of asking price on signed contracts. Not bad for a place in the woods, and the people are definitely coming out and looking and buying. There were also a couple of record re-sales at Innsbrook and most of the property is in strong hands, which helps in maintaining price stability.

Our activities program is one of the reasons our property values have remained consistently high and the high property owner participation in these events set records again this year.... Notably: the Memorial weekend party (2500+), the Fireworks Show (12,000+), the Concerts and movies in the Farmhouse Pasture, Trunk or

Treat (400+), Weeklong Camp Innsbrook was sold out, Schutzenfest was very well attended, Triathlon had 600+, and in the Community Garden we had 60 people gardening 85 of the 88 available plots....AND in producing 151 events we came within less than 1% of our goal budget.

The Activities Program is not all about the numbers...it's about the people! A survey was taken of property owners, and we found 97% of owners were satisfied or very satisfied with our community events and although that too, is a number, it shows that people like these programs and activities...a lot! It certainly defines Innsbrook contrasted with any other recreational community. Times have changed, people like to have options to do different things and we sure have lot of those options here.

The Fireworks Show was definitely our signature event of the year and owners, sponsors and vendors donated some \$114,000.00 to produce that show....and it fully covered the costs. Unheard of!... a private fireworks show of this magnitude funded by donations of the viewers and friends. Think of this.....all big shows are sponsored by large corporate donations.....ours is grass-roots, do it yourself, and we are repeatedly told it is the best show anywhere in a many-state region. Thanks for your generosity, support and enthusiasm. I guess we should have another show next year.

The Innsbrook Institute has completed its 11th season and it was also a big success judged by the program, attendance, talent, participation, volunteerism and enthusiasm. David Halen has produced many magical, memorable, musical moments from the Civil War Music concert at the Log House to the Bach to the Beatles fundraiser concert. It has been a spectacular season, we met our financial goals, had fun, were entertained, educated and came back for multiple courses of fine music. David is working on next year's program and the concert/school will be from June 8 to June 16, 2012. Knowing David always outdoes himself, don't miss this coming season.

There are certain rules and regulations at Innsbrook but the most important one is the Golden Rule.... Treat others as you would wish to be treated. We still see careening golf carts of kids on the roads, speeding where people are walking or running, dogs on beaches, loud guests, and the list goes on. If you are having trouble next door, please use your most diplomatic skills and talk directly with your neighbor about your concerns. Some folks let it fester and let it all out at once and that is never a successful communication tactic. Eyeball to eyeball....with a smile and soft talk usually works....sometimes over a cup of coffee or glass of wine or cold beer. If you cannot resolve the matter you can always call security on a noisy party or fireworks....likely that might cause still more fireworks, but it is an option. Sending e-mails can backfire very easily....especially if they get forwarded to others not directly involved and it goes viral. Yes, free speech is your constitutional right, but think twice before getting an adrenalin rush from pounding the "send" or "forward" button, and yes, it is a form of empowerment, but don't burn your finger on "that" button. Finally, your Trustees are sometimes a resource when nothing else works...not that we are looking for that kind of work, but sometimes that might be what it takes.

Thanks for all your support, comments, suggestions, constructive criticisms, kind comments, notes, letters, donations, pictures and referrals... it makes us very happy to have this kind of appreciation and support, and, with our hard-working staff it helps our community run smoothly. At the end of this letter for all these years we have written: "We don't know all the answers and so many of the improvements and programs you see at Innsbrook are a direct result of your suggestions. Questions? Call us anytime."

We wish you all the best for the coming holiday season and a healthy, happy and prosperous 2012.

Sincerely,
Your Trustees



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Les Buechele
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Warren Wobbe
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Charlie Boyce
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