

QUAIL CROSSING HOMEOWNERS ASSOCIATION, INC.

NOTICE

ANNUAL/BUDGET RATIFICATION MEETING

WEDNESDAY, NOVEMBER 14, 2007

7:00 PM – 8:30 PM

FIRE STATION #3 on PACE STREET

Complete the proxy below if you are unable to attend the Annual Meeting.

The items to be discussed and voted on at the Annual Meeting are as follows:

Ratification of the Proposed 2008 Operating Budget

Election of NGLA Representative

Election of Two Board Member Positions.

If you are unable to attend the Annual/Budget Ratification Meeting, please complete the following proxy and give it to the person you are authorizing to vote for you. You must designate a specific person and not leave the space blank or open-ended. The person you designate must be at the meeting in order for your vote to be cast. If you wish, you may designate the following Board Members to cast your vote: **Linda Arnold, Patrick Hughes, Sara Kerlee, Cory Nicholas, or Nathan Smith**. The proxy must be signed and dated. Only those homeowners who are current in their assessments will be allowed to vote. **The Annual Meeting can only take place if a quorum (96 homes) is obtained, so please attend or send your proxy in.**

----- PLEASE DETACH AND RETURN TO FOSTER MANAGEMENT -----

Quail Crossing HOA
C/O Foster Management
PO Box 6125
Longmont, CO 80501
PH:(303) 532-4148 FAX:(303) 651-2674

I hereby authorize (**CIRCLE ONE**) **L. Arnold, P. Hughes, S. Kerlee, C. Nicholas, or N. Smith** as a Board Member **OR**

Designate _____ to cast ballots and/or vote on my behalf at the 2007 Annual / 2008 Budget Ratification Meeting of Quail Crossing HOA. This proxy and appointment includes the right of the proxy to substitute a successor proxy and the right of the proxy to vote at all adjourned meetings of the Annual/Budget Ratification Meeting as presently scheduled.

Unit Owner Name

Unit Owner Signature

Unit Address

Date

NOTE: THIS PROXY MUST BE SIGNED IN ORDER TO BE VALID

If you cannot attend this meeting and would like to have another represent your vote, please insert the name of the attending Homeowner or Board member you would like to represent your interests. Please mail or fax your completed proxy to the address listed above no later than 11/14/07.

Quail Crossing Residential Association
Notes on 2008 Proposed Operating Budget

Uses of Reserves

Landscape Replacement

\$5000 for 10 trees throughout community

Contingency/Miscellaneous

1% of budgeted costs from Reserve Analysis

Sources of Operating Cash

Association Dues

Revenue based on 381 homes paying dues on a quarterly basis. Receipt of 100% of dues.

Late Fee Income

Not Budgeted - Assume all payments received in time on a monthly basis.

Lien Fee Income

Not Budgeted - Cost of lien initially paid by association, but billed back to Homeowner (offsets corresponding expense)

Fine Income

Not Budgeted - Assume no fines will be assessed

Miscellaneous Revenue

Not Budgeted - Assume no miscellaneous revenues

Operating Expenses

Water / Sewer

Based upon prior year's expenditures

Insurance

Based upon prior year's expenditures

Landscape Maintenance Contract

Based upon current contract with CoCal Landscaping that expires in 10/2009.

Fert/Weed/Insect

Based upon current contract with CoCal Landscaping that expires in 10/2009.

Tree Repair & Mentance

Replacement of 2 trees at a cost of \$500/tree

Fence Repair & Maintenance

Misc. Repairs to fence budgeted at \$2000/yr

Irrigation Repair & Maintenance

Based upon 2007 expenditures. Sprinkler system is 5+ years old and in need of continuous repairs.

Grounds Repairs & Improvements

\$250 budgeted for monument foliage in early spring.

Snow Removal

Based upon current contract with CoCal Landscaping that expires in 10/2009. No increase expected on next contract.

Pet Wast Cleanup

\$100 per month service, plus \$250 per quarter for purchase of bags

Community Events

Annual Association BBQ, Ice Cream Social late in year

Legal Fees - General

Not Budgeted - Cost of collections billed back to homeowner resulting in no effect on association

Management Fee

Foster Management agreement to be renewed 11/08 - Assume no increase in fee

Legal Fees - General

\$500 Budgeted for general legal services throughout the year

Accounting / Tax Preparation

Based upon Foster Mgmt fee to prepare annual tax return. Audit was performed in 2005, no need for annual audits

Postage

\$75/month postage plus \$150/qtr for newsletter (381 homes @ \$.41/newsletter = \$156.21 ~ \$150)

Bad Debt

Assume no bad debt will be incurred - All assessments billed will be 100% collectable

Miscellaneous Operating Expenses/Contingency

0.66% Contingency fee based upon monthly expenditures

Transfer to Reserves

\$3500 per quarter to be transferred to reserves to cover Loan Repayment and future capital replacement items