



March 6, 2020

Dear Homeowner,

I would like to provide you with an update from the recent Board of Directors meeting. All entities (HOA, Lodging and Club) are currently performing at, or better than budget and fiscal year-end projections are positive. March is always an important month for determining the fiscal year-end results and, fortunately, Vail has received great snowfall in February and the snowpack is above the 30-year average. That said, concerns over the Coronavirus may influence reservations and the final outcomes, so we'll be cautious in our projections as the season progresses.

During our meeting, we reviewed the preliminary budget outlook and planning factors for next fiscal year. Of concern, the water and sanitation district has had unusually large rate increases which we anticipate will be equal to about a 2 percent monthly assessment increase. Additionally, the Association is experiencing some inflationary pressures in all operations due to general inflation, utilities and wage pressures brought on by the valley-wide employee shortage. During the upcoming months these pressures will be further analyzed as the budgets for each operation are finalized for the next fiscal year which begins on June 1st.

The preliminary Capital Plan for 2020/21 and the 10 Year Capital Plan were presented and reviewed. The projects planned for this season are the deck replacement and stair tower refurbishment at Building 14, Townhomes A, B, C and E building exteriors, and the natural gas conversions at the condominiums will begin, among others.

This spring, we expect the major projects to start early to mid-April, weather dependent, with preliminary deck project work to begin on April 13th. The demolition of the decks on all levels of Building 14 is scheduled for April 20th and there will be no access to units after that date. The objective is to provide only owners access to their units by July 1st with the understanding that construction work and disturbances will continue through the summer for stucco restoration, painting, partition installation, trim work and landscaping.

Due to the disturbance, safety concerns and staging, the Association will not be renting any short-term units in Buildings 13 and 15 during the major construction (until mid-June) and October for Building 14. If you rent on your own, any rentals in Building 14 should be suspended from April 13th - October 1st and in the surrounding buildings we strongly recommend that you do not rent during the major construction timeframe, or if you choose to, you should fully disclose the construction impacts to your guests.

Likewise, the Townhome project will commence on April 6th and is expected to run through the fall depending on weather and contractor scheduling. Short term rentals will be suspended during this time in the units affected by the construction.



Owners should be aware that the construction projects will create significant noise and disturbance. Also, please be observant of potential hazards (materials, heavy equipment and construction activities) in the area and maintain a safe distance. The normal major project construction work hours will be Monday – Friday from 7:00 am to 5:30 pm and Saturdays will be added as needed to maintain the schedule. More information regarding the construction dates will be provided to homeowners over the next few months.

During our meeting, the Board received several other operational updates from management and committee chairpersons. These included a discussion about instituting a management plan for the bike storage building since it is currently fully subscribed and there is a wait list of owners who wish to store their bikes. The Board is looking into alternatives that may include a registration and bike tag system, as well as charging a bike storage fee for owners with multiple bicycles. This topic will be on our agenda at the April Board meeting and a management plan may be implemented for this summer.

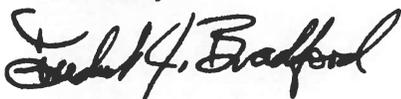
Additionally, in an effort to become more “green”, the rental committee is exploring options for new bathroom amenities which will come in large, multiuse containers similar to the new ones in the locker rooms.

Also, we reviewed real estate sales which have continued at a strong pace. Units are selling quickly and very few have been on the market at any one time; in fact, there are currently no units listed for sale. This trend, along with the significant property improvements over the last few years, has helped push our average sales prices to new historical highs.

In closing, our Annual Homeowners Meeting is scheduled for Saturday, August 15, 2020 at 2:00 PM. At the meeting the fiscal year-end financial results will be presented, the Board of Directors election will take place and we plan to provide a progress report on the major capital projects.

Thank you for your support.

Sincerely,

A handwritten signature in black ink that reads "Fred Bradford". The signature is written in a cursive, slightly slanted style.

Fred Bradford
President