

December 1, 2003

Re: Vail Townhouses Condominium Association

Dear Homeowner:

I am enclosing a copy of the budget notes that were distributed at the annual meeting in October. If you were unable to attend the meeting, these notes should help you understand your current dues billing. We are planning on assessing the homeowners once per year.

At the annual meeting the membership voted to adopt the \$83,000 budget for 2004. The only changes to the budget related to the new construction. Pan Eagle was approved to receive an \$8,500.00 discount on their dues for their three units in 2004. Pan Eagle also paid a one time special assessment of \$2,000 in 2003. The rest of the budget notes accurately reflect the plans for your association in 2004.

You are being assessed on your current pro-rata share of the association. In 2005 you will be assessed on the new percentages that will be formally adopted. Please pay your dues within 45 days of the December billing date so that we can meet our obligations as they come due.

I hope you have a joyous holiday season.

Sincerely,

Dale Bugby
Vistar Real Estate, Inc.
Vail Resort Rentals, Inc.
President/GM