

MOUNTAIN PLAZA
Condominium Association
Copper Mountain, Colorado

January 7, 2008

To: Mountain Plaza Owners
From: Lynn Paul, Treasurer

Please find enclosed a copy of the proposed 2008 Annual Budget, Notice of Special Owners Meeting, Proxy and Ballot, and the Minutes of the Board of Directors meeting reviewing and approving the new budget. As provided by the Colorado Common Interest Ownership Act ("CCIOA") the Budget is ratified unless a majority of the Unit owners reject it. The by-law proposed modifications are detailed in a separate letter. You will note that there are significant budget increases from the previous year. Our analysis is as follows:

Operating Budget. The operating budget is separated from the reserve fund assessments. With the addition of a resident Association Manager, Dave Cozby, there has been considerable progress in improving our common areas and reducing the total hours being charged to us by Property Management. However, we believe there is another year of extra work to bring our facility up to a proper level, so we are going to have to budget accordingly. We are also faced with higher labor and management charges. Copper Mountain Property Management has increased their benefit cost allocations to include several items not previously charged and also has increased their management and accounting charges by \$7,575. After extensive review in two board meetings, we have concluded that the increases are justified.

Reserve Funds. We will need to continue to build our reserve funds to provide for future renewals and replacements. Reserve assessments are placed in separate funds for commercial and residential as required by our declarations and provide for current projects as detailed in the budget.

Special Assessment. For those owners that elected to pay their Fire Safety Assessment over time, the last payment has been billed to you in January. This includes coverage of higher interest rates on the loan during the past two years. Also, we will also assess those owners that extended their porches a special assessment for approximately 96 square feet of additional space at the rate provided in the budget. When additional porch modifications are completed, this year, we will be modifying the declarations for the increased square footage as provided in our present Rules and Regulations.

Should any homeowner choose to vote to reject the Board's approved Annual Operating Budget including Reserve Funds, you may attend the special owners meeting noted above. A proxy has been enclosed for your vote and should be returned as noted therein. ~~prior to the February 25th meeting.~~

Should you have any questions or concerns, please contact me by E-Mail at _____ or phone _____

Best regards,

Lynn Paul, Treasurer