

MOUNTAIN PLAZA
Condominium Association
www.mountainplazacondominiums.com
Copper Mountain, Colorado

April 4, 2009

To: Mountain Plaza Owners
From: Lynn Paul, Treasurer

Please find enclosed a copy of the proposed 2009 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. (Please note: the Board budget minutes are pending approval. The Board did approve the enclosed 2009 Budget at their last meeting.)

One may obtain a copy of the 2009 Draft Budget at the Association's website at:
<http://www.mountainplazacondominiums.com/budgets.html>

You will note that total expenses are forecast to be down slightly from 2008. There is a modest dues increase of 1.6%. Our analysis is as follows:

Operating Budget. The operating budget is separated from the reserve fund assessments. Our resident Association Manager, Dave Cozby, has continued to make considerable progress in improving our common areas and reducing the total hours being charged to us for maintenance. This has been partially offset by increased per hour labor charges. Also, we will also assess those owners that extended their porches an additional assessment for approximately 96 square feet of additional space each at the rate provided in the budget. When additional porch modifications are completed, we will be modifying the declarations for the increased square footage as provided in our present Rules and Regulations.

Special Assessment for Gas Costs. We do not yet have final numbers for 2008, but a preliminary financial statement will be sent to you separately. However, due to a very cold winter in 2008, our gas costs exceeded the budget by about \$28,000. While we were covered for normal volumes by a gas contract, we were not covered for the additional volumes that were charged at very high prices. We cannot burden future years for this cost, hence a special assessment for this reason included in the 2009 budget

Special Working Capital Assessment. In order to repay loans from other funds and pay our bills currently, we need at least 3 months working capital. At year end, our working capital was almost \$100,000 negative. Accordingly, we are suspending the reserve fund assessment for 2009 and instead instituting a special working capital assessment of \$200,000, the amount we would have assessed for the reserve funds.

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. In order to resolve our needs for day to day working capital, we have elected to reduce the 2009 reserve fund assessment to zero. We will continue to build the reserve funds in future years as required by reviews and engineering studies of major components of the building. This year we will review the concrete structures and one other component.

Should any homeowner choose to vote to reject the Board's approved Annual Operating Budget including Reserve Funds and Special Assessments, a proxy has been enclosed for your vote and should be returned prior to the meeting unless you are planning to attend.

Should you have any questions or concerns, please contact me by E-Mail at lynnwpaul@aol.com

Best regards,
Lynn Paul, Treasurer