

Upper Village Homeowners Association

P. O. Box 3661

Breckenridge, Colorado 80424

May 1, 2009

Dear Homeowner Association President:

Further to my April 23, 2009 letter setting a special meeting to consider a proposal to renovate the UVHOA pool, the meeting will be held in the Peak 17 Room, Beaver Run Resort beginning at 10:00 AM on May 23, 2009.

As we consider the cost of the pool renovation, we need to examine three categories of cost: general contractor, soft costs, and a contingency amount. We have received estimates from five contractors ranging from \$741,000 to \$872,000. After interviewing the contractors and discussing these costs with our architect, we believe we should budget \$850,000 for the general contractor. Soft costs such as architect and engineering fees, permits, utility connections, surveys, legal fees, etc. are expected to be about 10 per cent of the general contractor's fee. Finally, we believe on a project of this magnitude, a contingency of \$65,000 should be included. In total, we are looking at a total cost of \$1,000,000. Frankly, we hope each of these costs is a bit on the high side to avoid any additional special assessments. The Board is committed to upgrade the UVHOA Pool amenity to bring it into compliance with current safety, health and ADA code requirements at the best possible value to the member Associations.

The Board recommends a special assessment for the full cost of \$1,000,000 payable July 1, 2009. The amount of the assessment for each Owner is shown on Exhibit A. At the conclusion of the project any excess funds will be rebated to Owners on the same basis as the initial assessment.

Assuming approval of the project on May 23, 2009, construction is estimated to begin by August 1, 2009. Construction time is estimated to be five months, which would make the pool available for use about yearend. All of the contractors believe this to be a realistic, but tight schedule.

There has been considerable interest in how operating costs will be affected by the new facility. The Board has spent considerable time looking at the operating costs of the new pool facility. The Board has considered many factors involved in the additional two exterior Hot Tubs and the pool. Use of higher efficiency boilers should offset some of the additional costs of the new hot tubs. Solar heat for water is also being considered as an option and could help reduce energy expense. We have posted a 5-year operating cost estimate and 5-year reserve fund estimate on our website: www.uvhoa.com.

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The Upper Village Pool has a sister pool that was built in Breckenridge in the early 70's, by the same contractor using the same design in the Columbine Master HOA. The Columbine Pool has operated during the same time period and in the same environment as Upper Village Pool. The Columbine Pool operates two exterior Hot Tubs without the pool tent cover in the winter. The UVHOA Board has used the historical operating costs of the Columbine Pool as a model to project the future operating costs of the Upper Village Pool. The five year forecast projects a net reduction of the HOA annual operating assessment - by reducing the annual capital reserve replacement contribution with the completion of the new facility- taking into account higher chemical costs, energy and routine maintenance.

Your Board believes we have a well thought out plan for our new pool facility. This new facility can be built this year at as low a price as we are likely to see. We strongly believe that the current facility has reached the end of its useful life and should be replaced. Just as many of our member associations have done exterior remodels to upgrade their complexes, it is time to do the same with our pool.

Attached for your use is a proxy form to designate who will be representing your association if your current UVHOA representative will not be attending the meeting. Before the meeting, we will be providing a ballot for the proposed renovation.

Sincerely,

Wade Dover

President

281-728-1682 or wwdover@juno.com

UPPER VILLAGE HOMEOWNERS ASSOCIATION

NOTICE

SPECIAL MEETING
POOL RENOVATION

DATE: Saturday, May 23, 2009

TIME: 10:00 am

PLACE: Beaver Run Peak 17 Room
620 Village Road
Breckenridge, CO

PROXY

The undersigned hereby appoints _____ to
Represent Lot #/Association _____ with full power of
Substitution, the proxy of the undersigned to represent and vote the membership of the
Association which the undersigned would be entitled to vote, if then personally present,
At the meeting of members to be held on Saturday, May 23, 2009 and at any
Adjournments thereof on the special meeting for the purpose of a vote on the special
Assessment and the transaction of such other business as may properly come before said
Meeting or any adjournment thereof and hereby revokes any authorization to vote such
Membership heretofore given by the undersigned to anyone.

DATE SIGNATURE President

Name of Condominium Complex

Lot Number

Upper Village Homeowners Association, Inc.
P.O. Box 3661
Breckenridge, CO 80424

PLEASE NOTE *****

PROXIES, PROPERLY SIGNED AND DATED MUST BE FILED BEFORE THE
COMMENCEMENT OF THE MEETING. IT IS IMPORTANT THAT PROXIES BE
RECEIVED BY WEDNESDAY MAY 20, 2009. IF A QUORUM IS NOT MET, THE
MEETING CANNOT PROCEED. EACH ASSOCIATION IS RESPONSIBLE FOR ONLY
ONE PROXY, SIGNED BY THE PRESIDENT OF THE ASSOCIATION. MULTIPLE
PROXIES FROM AN ASSOCIATION WITH MULTIPLE APOINTEES WILL NOT BE
HONORED.

YOU MAY FAX PROXIES TO 970/453-7254. Please allow 5 days for USPS