

November 1, 2008

RE: Snowmass Mountain Condominium Renovation Project

Snowmass Mountain Condominium Homeowner:

This letter is an update from the Board of Directors to the Homeowners on the Snowmass Mountain Condominium Renovation Project. Since the Annual Homeowners' Meeting on September 6, the Board has met on October 23rd and October 29th to discuss the current state of the renovation project. During the conference call to delay the renovation project for one year, due to the current financial climate, and to give the contractor and engineers more time to gather information on the overall project.

The Board came to this conclusion after many hours examining the renovation project and looking at what has happened throughout Snowmass Village in the last few months. It was felt that asking the Ownership for another special assessment to help pay for the project would have been difficult given the current economic climate throughout the country at this time. The Board also looked at real estate prices in the Village, and felt that selling new condominium units associated with the project would have been difficult given the state of the real estate market throughout the valley currently.

The Board also had detailed conversations with the Contractor and Engineers working on the project. It was determined that waiting a year would give the development team more time to evaluate the existing tie wall and roadway structures. This will help the shoring and excavating contractors determine what is needed for future design of a new wall, and roadway, thus giving more time to design a better system.

The Board was also concerned with the overall timing of the project as well. Further review by the Town is needed and it was felt that this would not be completed in time for an April 2009 start date.

Those issues aside, the Board has directed the development team to keep working on the project, so all design, financial, and budgets are completed for review in the Spring of 2009. Then the Town can approve the project and work can move forward in the spring of 2010.

The Board hopes the Homeowners agree with its decision given all the uncertainty in the world today. We will provide updates to the Owners as we learn more details on the project throughout the year. We also ask that if you have any questions please do not hesitate to contact one of the members of the Board.

Snowmass Mountain Condominiums Board of Directors