



October 7, 2008

Fellow Owners,

Enclosed are the 2009 Operating budget and Assessment Billing and Collection Policy. As per the 2009 Operating Budget, note the 2009 maintenance fees for C units are now \$729.00, F units are \$936.00 and R units \$1,097.00.

Our resort has seen many changes in the past 12 months. Most importantly, the refurbishment project is scheduled for completion by December of this year. The nearly \$3.2 million total cost of this project will be paid from your replacement fund. Then, we must, once again, focus on rebuilding our reserves so that we might adequately address our future replacements and major repairs.

In addition to the refurbishment in 2008, the Association has reached an agreement with an outside vendor (Fat City) to run the Food and Beverage operation. We are all hopeful that this endeavor proves to be successful. A successful operation will help reduce our operating expenses as well as provide a good service for our owners and visitors. Please help us support the new crew by taking in a meal or two on your next visit. You will be pleasantly surprised!

As all of us know, the market is unstable. Oil prices are still volatile which creates additional expenses with utilities, delivery of supplies and other costs associated with energy usage. The major focus of this budget is to ensure that it will get us through the year operationally and to aggressively rebuild the Replacement Fund to required levels. The increase to overall yearly assessments allows us to fully contribute to our reserves so as to reach the minimum levels required by law over the next 4 years.

As a final note, the Board of Directors, management staff and employees are very appreciative of your support over the last 12 months during our refurbishment. We thank you for your input and look forward to prosperous years ahead for our resort.

Most Sincerely,

A handwritten signature in black ink, appearing to read "Chrys van Eckhardt", written in a cursive style.

Chrys van Eckhardt

President

Tahoe Seasons Resort Board of Directors