

tahoe seasons

R E S O R T

October 1, 2009

Dear Fellow Owners,

Please find the enclosed 2010 Operating budget and the Assessment Billing and Collection policy. As Per the 2010 Operating budget, please note the 2010 maintenance fees for C units are \$755.00, F units \$969.00 and R units \$1,135.00.

No one wants to raise the dues especially in this economy. Most of the Board felt it prudent to raise the dues 3.53 percent to help maintain the reserve fund. Management had proposed a budget with a 6.5% increase however the Board decided to reduce the level of funding going into the reserve fund in an effort to minimize the increase we all have to pay. This reduction in contribution to the reserve fund will push back our goal of attaining 50 % of ideal funding in the reserve fund by approximately one to two years.

In light of this increase Tahoe Seasons Resort owners should note that the Board has made some operational changes that have made some significant fiscal improvements. The decision to move housekeeping services in house realized a savings of \$325,000 in 2008. Commercial subsidy (restaurant/bar, Gift Shop and Ski Shop) was lower than in prior years. The major increases for the 2010 budget centered on our increased delinquency, which was increased in the 2010 budget by 3%. Converting our Association owned inventory into timely dues paying owners is more critical than ever. If you know anyone that wants to purchase another week, please contact our management staff at the resort.

We have two large projects ongoing right now. One had to do with the water intrusion into our parking garage. Water has slowly crept in the garage via the foundation wing walls and has eroded some of the supporting steel. By the time you get this letter the construction crew should have most of the demolition done in the garage and we can then determine what the best fix will be to mitigate the water intrusion. We needed to do the demo work to fully understand the scope of the repairs needed to stop the water infiltration.

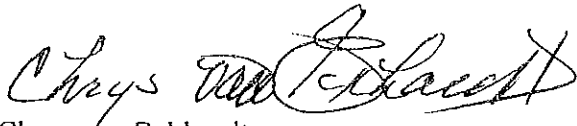
The other project has to do with the repairs to the cracks on the concrete slabs that cover the roof. These slabs protect the roof membrane and need to be repaired and sealed to protect the integrity of the rest of the roof system. The Association would like these two projects finished before winter gets here and we have more water to deal with. These are

unbudgeted expenses that may further delay reaching our goal of attaining a reserve fund that is to be 50% funded.

And for those of you that take interest in these things, Pacific Monarch Resorts has been making their monthly purchase obligation payments as promised and the assessment payments made by Monarch Grand Vacation have also been received.

In these economically challenging times I hope that you all find time to schedule and use your Tahoe Seasons timeshare interval; we all need a break now and then and I can't think of a better place than this resort to get away from it all. We thank you for your input over this past year and look forward to a much better year next year!

Sincerely,

A handwritten signature in black ink, appearing to read "Chrys van Eckhardt". The signature is written in a cursive style with a large, stylized initial "C".

Chrys van Eckhardt

President

Tahoe Seasons Resort Board of Directors