

MEMORANDUM

To: Caledonian Home Owners Association (HOA)

From: Caledonian HOA Board (Board) and All Seasons Resort Lodging (ASRL)

Date: August 1, 2019

Re: Special Assessment

The Caledonian was built a little over 20 years ago and many of the components of the building have needed repair over the last few years. We have come to a point now where some rather expensive things are no longer responding well to repairs and need to be replaced. Specifically, to avoid costs associated with their abrupt failure and the damage that might arise from such an experience, in the next year the Caledonian will need to replace the roof, the decks on most balconies, and the boiler and the chiller along with the wiring and piping from our obsolete system. These are high cost items and our reserve funds are not able to cover them. For the integrity of the building, a special assessment is necessary.

As a result of this circumstance, we are issuing an assessment to all members of the Caledonian HOA. The total amount assessed will be \$1,250,000. It will be split among HOA members in accordance with the percentages outlined in the Caledonian CC&Rs. Letters detailing the specific amounts owed per unit will go to each member of the HOA later this month.

We will be splitting the assessment into two payments. The first assessment will be issued September 1, 2019 in the amount of \$500,000 to be paid by October 31, 2019. The second assessment for \$750,000 will be issued January 1, 2020, to be paid by March 31, 2020.

In addition to this assessment, we anticipate the need to ultimately replace all balconies. Most of the cost associated with the balcony replacement will be billed to the individual owners for their units over the next 1-2 years on an as needed basis, but we will be starting with one of the fourth-floor balconies this fall. Additional information will be sent to owners regarding this project, including start date and estimated duration of project.

We believe these replacements are necessary for the continued operation, use, and enjoyment of the entire complex, and anticipate that the new roof, balconies, and equipment will offer improved performance and life over the roof, balconies, and equipment they are replacing due to improved materials and technology available today.

ASRL has worked hard on these issues and the Board has consulted with them as well as outside vendors in making these decisions. If you have any questions, please reach out to the HOA manager Carissa Nosack at cnosack@asrlodging.com or (435)200-8102.