

Welcome

*The Mountain Haus Condominium
Annual Home Owner Meeting*

December 5, 2020



The year of the Covid19 pandemic

1970 – 2020





*Mountain Haus Condominium Association
Owner Packet
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Section 1
Annual Meeting Agenda
December 5, 2020



*Mountain Haus Condominium Association
Annual Owners Meeting*

Agenda

*Saturday, December 5, 2020
8:00am
Via Zoom*



Invocation

~~*Roll Call*~~

Proof of Notice of Meeting

Approval of past year Minutes *(via on-line survey)*
(2019)

Reports of Committees

*Building & Grounds
Property Management
Finance*

Owner Education Presentation

General Manager's Report

Election of Managers *(via on-line ElectionBuddy platform)*

Applications Welcomed

MOTION: that the nominees for the Board of Managers election at the Mountain Haus Condominium Association's 2020 Annual Home Owner's Meeting be Chris Fluke owner of unit 571; John Wilcox owner of unit 556 & 558; and, Jenny Neill owner of unit 567 for three year terms of service to the Board of Managers beginning on December 5, 2020.

~~*Unfinished Business*~~

~~*New Business*~~

Motion to Adjourn *(via on-line survey)*



Section 2
Previous Year Annual Meeting Minutes
From December 7, 2019

**MINUTES OF THE ANNUAL MEETING
OF THE OWNERS OF
THE MOUNTAIN HAUS CONDOMINIUM ASSOCIATION**

December 7, 2019

The 48th Annual Meeting of the Owners of the Mountain Haus Condominium Association was called to order on December 7, 2019 at 8:03 a.m. by Jeff Fanyo, President of the Association. Bob Sinclair opened the meeting with an invocation. Mr. Fanyo then asked for the traditional Owner introductions. Jerry Orten, Association legal counsel, certified that notice of the annual meeting was mailed to all Owners in accordance with the Bylaws of the Association and that a quorum was present for the conduct of business.

As the first order of business, Mr. Fanyo requested the approval of last year's Minutes of the Annual Meeting. Upon motion duly seconded, the Owners approved the Minutes of the Annual Meeting of the Owners of the Mountain Haus Condominium Association of December 1, 2018.

As the next order of business, Don Peek gave the Building and Grounds Committee Report. Other committee members are Hamid Massiha, John Tunks and Andrea Rechichi. Mr. Peek reported on the 2019 fiscal year capital improvements, including; a) HVAC study for proposed building-wide air conditioning; b) indoor and outdoor spa tile; c) pool and spa covers; d) pool furniture; e) chimney screens, and; f) public area LED lighting. Additionally, Mr. Peek reported that unfinished projects funding has been rolled to the 2020 fiscal year in the amount of \$140,033 for continuation of those projects. Mr. Peek then reported on the 2020 capital improvements which are primarily focused on the guest elevator modernization project recently completed.

Mr. Peek also discussed the building's 20 year timeline for repairs and replacements, and invited member suggestions for any additional projects which should be added to the timeline. Mr. Peek then lead a discussion regarding the potential building-wide A/C project, detailing estimated project costs and benefits, and fielded questions from the membership. Mr. Peek concluded his report by reviewing the results of the recent ADA building survey that was commissioned by the Association.

As the next order of business, Katharine Roth gave the report of the Property Management Committee on behalf of Cynthia Gordon, Committee Chairperson. Other Committee members are Don Peek and Kathleen Macmenamin. Ms. Roth reported that 64 Units are currently in the rental program, down from 68 in the previous year, and she advised that the gross room revenue for fiscal year 2018/19 was (\$137k) under budget.

Ms. Roth continued by reporting that 22 nights were used in the Complimentary Rooms Program in the 2019 period. She also advised that the Units are staggered, so that if a Unit is used for a complimentary night, then the Unit will not be used again until its

turn in rotation. Ms. Roth also reported that there are two new managers on staff, Sasha Hickox who has been promoted to Assistant Front Desk manager, and Brian Jones who is our new Chief Engineer.

Ms. Roth then reported on several aspects of the Condotel program including that the building's overall average lodging unit quality assurance rating (LQA) went from 90.50% to 90.56% for the current period.

As the next order of business Mr. Fanyo introduced Chris Fluke, Chairman of the Finance Committee. Other committee members are Cynthia Gordon, Katharine Roth, and John Tunks.

Mr. Fluke opened by introducing Joe Adams of Plante-Moran to present the independent financial audit results. Mr. Adams reported that the audit report is a clean, unqualified opinion with the highest level of assurance. Mr. Adams reviewed the Association and Condotel reports and highlighted notes attached to the auditors' report. Mr. Adams also confirmed that management is in compliance with Association Rule 8 confirming that the units are rented fairly among the different categories. Mr. Fluke then thanked Mr. Adams for his work on the audit.

Mr. Fluke then announced a patronage dividend in the amount of \$4,819 be paid to Association owners of record as of October 31, 2019, payable no later than February 15, 2020; and a patronage dividend in the amount of \$74,758 be paid to Condotel owners of record as of October 31, 2019, payable no later than February 15, 2020.

Mr. Fluke also confirmed that Common Assessments will be raised 3% and that the rental split will revert to 50% to the Owners and 50% to the Condotel operation for the 2020 period. Mr. Fluke reminded the membership the annual budgets are posted on the Association's website each September for owners to review.

As the next order of business, Mr. Fanyo introduced Jerry Orton, of Orten, Cavanagh & Holmes, LLC, the Association's legal counsel to present the owner education segment for the meeting. Mr. Orten reviewed the legal rights and responsibilities of owners and general Robert's Rules of Order, the standard framework for meeting management.

Mr. Fanyo then called on Steve Hawkins to give the general manager's report. Steve began by recognizing the staff for their good work over the past year. Steve further noted that the management staff currently represents 148 years of service at the Mountain Haus. Steve introduced each staff member and outlined their function in management. Steve continued by noting that the Association maintains a web page dedicated to member related documents such as past President's Letters, Board Committee Assignments, Annual Association Budgets, Annual Meeting Owner Packets, and Annual Audit Reports from the current and previous years. The web page also provides a link to current staff pictures with first names for members use. Steve then noted that management was continuing to look at the HVAC project to potentially install A/C in all

units as noted in Mr. Peek's Building and Grounds report earlier in the meeting. Steve then introduced the "did you know?" segment of the meeting and discussed various trivia items about the Association's history in Vail. Steve then introduced Matt Drummet, Director of Sales and Marketing, and reviewed the Condotel's 2019/2020 winter rental pace graphs. Steve and Matt noted that the Condotel is currently tracking equal to the previous year's pace, which, like last year, indicates a late booking window for reservations. Steve and Matt then noted that November is in-the-books and achieved 136% of budget, or \$74k. Steve and Matt then reviewed the remainder of the Condotel pace graphs. Steve then offered tours of various units for those members interested in soliciting best-practices for layout, design, and LQA ratings with Lynette after the meeting. Steve then encouraged the members to call or stop by the offices anytime to give suggestions, ask questions of interest or just visit.

Mr. Fanyo then gave the report of the Nominating Committee. Other committee members are Katharine Roth and Andrea Rechichi. The slate of candidates nominated by the Committee consists of Jeff Fanyo of unit 331, Cynthia Gordon of unit 111, and Hamid Massiha of unit 554, each for a three-year term. Mr. Fanyo asked if there were any nominations from the floor; hearing none, Mr. Fanyo made a motion to close the nominations and to elect the slate of nominees by acclamation which was duly seconded and unanimously approved by the Owners.

There being no further business, the meeting adjourned at 9:37 a.m.

Respectfully submitted,

Dr. Kathleen MacMenamin
Secretary



Section 3
Operating Budgets 2020/2021
December 5, 2020

Vail's Mountain Haus at the Covered Bridge
2020 - 2021 Association Budget
Starting November 1, 2020; ending October 31, 2021
Page 1 of 1
Exhibit F

	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Proposed "20/21" Budgeted Totals
REVENUES													
Common Assessments	86,751	86,751	86,751	86,751	86,751	86,751	86,751	86,751	86,751	86,751	86,751	86,751	1,041,009
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	86,751	86,751	86,751	86,751	86,751	86,751	86,751	86,751	86,751	86,751	86,751	86,751	1,041,009
COMMON EXPENSES													
Utilities:													
Electricity	3,200	5,050	5,550	5,550	5,100	4,550	3,750	3,050	3,550	4,150	3,450	2,450	49,400
Gas (\$2.55/MMBTU) Through Oct 2021	3,432	4,442	6,665	7,383	5,870	5,216	4,067	3,566	2,806	3,125	3,051	2,639	52,262
<i>Volume *</i>	2,320	3,335	5,075	5,800	4,640	4,060	2,900	2,465	1,885	1,885	1,740	1,595	37,700
<i>Sales Tax</i>	312	407	590	658	530	476	367	326	271	290	279	244	4,750
<i>Delivery & Fees</i>	1,000	1,000	1,200	1,200	1,000	1,000	1,000	1,000	1,000	1,200	1,232	1,000	12,832
<i>Credit from Condotel</i>	(200)	(300)	(200)	(275)	(300)	(320)	(200)	(225)	(350)	(250)	(200)	(200)	(3,020)
Water & Sewer	6,180	6,180	5,665	7,416	6,489	5,768	5,768	6,180	5,665	7,313	6,180	6,180	74,984
Total Utilities	12,812	15,672	17,880	20,349	17,459	15,534	13,585	12,796	12,021	14,588	12,681	11,269	176,646
Maintenance:													
Elevator	1,870	1,870	1,870	1,870	1,870	1,870	1,870	1,870	1,870	2,057	2,057	2,057	23,001
Plumbing & Electrical	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Swimming Pool & Spa	500	400	400	400	500	500	500	500	400	500	200	-	4,800
General Maintenance	9,700	11,050	7,800	5,200	6,450	7,100	8,700	9,300	13,300	9,241	6,950	7,338	102,129
<i>Window cleaning</i>	3,500	-	-	-	-	-	-	-	3,500	-	-	-	7,000
<i>Carpet Cleaning</i>	-	4,600	-	-	-	-	-	-	4,600	-	-	-	9,200
<i>Fire Alarm Annual Testing</i>	-	-	-	-	-	-	-	-	-	3,041	-	-	3,041
<i>East & West Entrance Doors</i>	-	-	-	-	-	-	2,000	-	-	-	-	2,000	4,000
<i>Salt for Water Softner</i>	600	-	-	-	-	-	600	-	-	-	600	-	1,800
<i>Jetting & Back Flow Inspections</i>	-	-	1,600	-	-	1,000	-	2,950	-	-	-	-	5,550
<i>Home Depot</i>	1,100	1,200	1,200	1,200	1,200	1,100	1,100	1,100	1,200	1,200	1,100	1,100	13,800
<i>Local Maintenance Companies</i>	-	250	-	-	250	-	-	250	-	-	250	-	1,000
<i>Misc Expenses</i>	4,500	5,000	5,000	4,000	5,000	5,000	5,000	5,000	4,000	5,000	5,000	4,238	56,738
Trash Removal	1,823	1,950	2,000	1,900	1,900	1,900	1,800	1,800	1,900	1,950	1,800	1,700	22,423
Decorating	500	500	500	500	-	-	500	750	750	200	-	-	4,200
<i>Christmas</i>	-	500	500	500	-	-	-	-	-	-	-	-	1,500
<i>Spring Landscaping</i>	-	-	-	-	-	-	-	750	750	200	-	-	1,700
<i>Flags</i>	500	-	-	-	-	-	500	-	-	-	-	-	1,000
<i>Misc</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
Tools & Supplies	100	100	100	100	100	-	100	100	100	100	-	100	1,000
Snow Removal	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Repairs & Maintenance	14,593	15,970	12,770	10,070	10,920	11,470	13,570	14,420	18,420	14,148	11,107	11,295	158,753
General & Administrative:													
Legal & Accounting	760	9,810	9,810	760	860	760	860	2,760	860	1,310	1,310	860	30,720
<i>Legal</i>	550	1,100	1,100	550	650	550	650	550	650	1,100	1,100	650	9,200
<i>Legal Retainer</i>	210	210	210	210	210	210	210	210	210	210	210	210	2,520
<i>Annual Audit & Acctg Fees (50% Split)</i>	-	8,500	8,500	-	-	-	-	2,000	-	-	-	-	19,000
Directors Expenses	-	-	10,900	-	-	-	-	8,900	-	-	-	8,250	28,050
<i>Cocktail Party/Annual Meeting Bkkt</i>	-	-	2,000	-	-	-	-	-	-	-	-	-	2,000
<i>Dinners</i>	-	-	2,750	-	-	-	-	2,750	-	-	-	2,100	7,600
<i>Lunch</i>	-	-	400	-	-	-	-	400	-	-	-	400	1,200
<i>Board Member Travel Reimbursement</i>	-	-	5,750	-	-	-	-	5,750	-	-	-	5,750	17,250
Insurance (Building & Director Liability)	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	3,950	-	-	-	59,950
Condotel Reimbursement	43,702	43,702	43,702	43,702	43,702	43,702	43,702	43,702	43,702	43,702	43,702	43,702	524,420
Office Expense (allocation condotel)	600	600	600	600	600	600	600	600	600	600	600	600	7,200
Company Car (electric vehicle)	-	100	-	-	-	100	-	100	-	100	-	-	400
Cable Television Conference Room A&B	-	-	-	-	-	-	-	-	-	-	-	-	-
Cable Television Fitness Room	-	-	-	-	-	-	-	-	-	-	-	-	-
401 K Matching Program (50% Split)	550	1,200	2,300	550	550	2,300	550	550	2,300	550	550	2,300	14,250
<i>Matching Contributions (2% of Salary)</i>	550	1,200	550	550	550	550	550	550	550	550	550	550	7,250
<i>Advisor Fee (James O'Brien)</i>	-	-	750	-	-	750	-	750	-	750	-	750	3,000
<i>Administration Fee (Empower)</i>	-	-	1,000	-	-	1,000	-	1,000	-	1,000	-	1,000	4,000
Real Estate Taxes Unit 107	-	-	-	-	-	3,900	-	-	-	-	-	-	3,900
Postage (allocation condotel)	60	60	60	60	60	60	60	60	60	60	60	60	720
Telephone (allocation condotel)	410	410	410	410	410	410	410	410	410	410	410	410	4,920
Copying Expense (allocation condotel)	65	65	65	65	65	65	65	65	65	65	65	65	780
Parking Passes (Managers)	18,000	-	-	-	-	-	-	-	-	-	-	-	18,000
Computer (allocation condotel)	900	900	900	900	900	900	900	900	900	900	900	900	10,800
Computer Hardware & Software	-	-	-	-	-	-	750	-	-	-	-	750	1,500
Managers Incentive	-	-	-	-	-	-	-	-	-	-	-	-	-
Contingency/Others	-	-	-	-	-	-	-	-	-	-	-	-	-
Total General & Administrative	72,047	63,847	75,747	54,047	54,147	59,797	54,897	65,047	52,847	47,697	47,597	57,897	705,610
Total Expenses	99,452	95,489	106,397	84,466	82,526	86,800	82,051	92,262	83,288	76,433	71,385	80,461	1,041,009
Net Surplus (Deficit)	(12,701)	(8,738)	(19,646)	2,285	4,225	(50)	4,699	(5,512)	3,463	10,318	15,366	6,290	0



Section 4
Unit Revenue Activity Report
December 5, 2020

Mountain Haus Condo Assoc.
Unit Revenue Activity Report for
Fiscal Year 2019.20

November 1, 2019 thru October 31, 2020
 (Room Rating current as of June 2019)

Unit Type

1 BDRM VALLEY

Unit	Rating	Rating %	Revenue Days	Fiscal Year 2019.20	Own Days
451	Platinum	95%	127	\$42,970.23	48
337	Platinum	94%	112	\$40,187.08	4
567	Platinum	94%	156	\$54,025.90	3
221	Platinum	94%	108	\$34,241.83	38
217	Platinum	91%	152	\$49,576.59	2
329	Platinum	90%	177	\$45,094.08	2
335	Platinum	90%	137	\$51,289.55	12
331	Gold	89%	132	\$46,368.37	2
215	Gold	89%	173	\$43,117.79	20
Totals			1274	\$406,871.42	131
Averages		92%	142	\$45,207.94	15
Avg. Rev. per Rev. Day				\$319.37	

Unit Type

2 BDRM VALLEY

Unit	Rating	Rating %	Revenue Days	Fiscal Year 2019.20	Own Days
455	Platinum	95%	136	\$64,852.46	0
223	Platinum	93%	135	\$65,215.35	18
339	Platinum	93%	122	\$56,593.28	8
109	Platinum	93%	109	\$54,566.54	8
571	Platinum	92%	122	\$59,134.97	25
Totals			624	\$300,362.60	59
Averages		93%	125	\$60,072.52	12
Avg. Rev. per Rev. Day				\$481.35	

Unit Type**2 BDRM MOUNTAIN**

Unit	Rating	Rating %	Revenue Days	Fiscal Year 2019.20	Own Days
216	Platinum	94%	105	\$61,192.27	38
102	Platinum	94%	91	\$45,206.96	69
222	Platinum	94%	123	\$66,739.04	7
108	Platinum	93%	123	\$66,249.73	14
558	Platinum	92%	129	\$64,066.82	89
104	Platinum	92%	105	\$59,583.29	13
106	Platinum	92%	163	\$53,544.72	32
556	Platinum	92%	122	\$62,467.86	40
220	Platinum	92%	127	\$80,324.69	5
554	Platinum	92%	117	\$60,379.32	8
214	Platinum	91%	134	\$79,779.35	6
442	Platinum	90%	73	\$55,777.08	13
328	Gold	88%	102	\$51,193.23	22
440	Gold	88%	99	\$53,213.77	47
446	Gold	87%	99	\$54,089.93	4
330	Gold	87%	110	\$54,877.90	3
218	Gold	85%	111	\$70,214.32	14
444	Gold	83%	103	\$52,816.18	11
Totals			2036	\$1,091,716.46	435
Averages		86%	107	\$57,458.76	23
Avg. Rev. per Rev. Day				\$536.21	

Unit Type**3 BDRM VALLEY PENTHOUSE**

Unit	Rating	Rating %	Revenue Days	Fiscal Year 2019.20	Own Days
681 Pent	Platinum	95%	70	\$53,695.50	13
691 Pent	Platinum	94%	91	\$73,600.57	18
677 Pent	Platinum	93%	76	\$69,353.16	101
685 Pent	Platinum	92%	91	\$54,833.09	50
689 Pent	Platinum	88%	82	\$65,416.51	31
687 Pent	Gold	86%	103	\$75,135.44	20
683 Pent	Gold	86%	106	\$74,110.71	20
Totals			619	\$466,144.98	253
Averages		79%	77	\$58,268.12	32
Avg. Rev. per Rev. Day				\$753.06	

Unit Type**3 BDRM VALLEY**

Unit	Rating	Rating %	Revenue Days	Fiscal Year 2019.20	Own Days
561	Platinum	93%	78	\$60,808.12	47
573	Platinum	91%	119	\$79,708.10	14
111	Platinum	90%	110	\$84,852.72	0
225	Gold	89%	101	\$81,053.26	0
Totals			408	\$306,422.20	61
Averages			91%	\$76,605.55	15
Avg. Rev. per Rev. Day				\$751.03	

Unit Type**3 BDRM MOUNTAIN PENTHOUSE**

Unit	Rating	Rating %	Revenue Days	Fiscal Year 2019.20	Own Days
670 Pent	Platinum	97%	136	\$120,355.99	5
664 Pent	Platinum	96%	101	\$93,998.48	49
668 Pent	Gold	89%	107	\$77,447.79	22
672 Pent	Silver	77%	69	\$59,595.66	34
Totals			413	\$351,397.92	110
Averages			90%	\$87,849.48	28
Avg. Rev. per Rev. Day				\$850.84	

Unit Type**3 BDRM MOUNTAIN**

Unit	Rating	Rating %	Revenue Days	Fiscal Year 2019.20	Own Days
112	Platinum	93%	83	\$79,141.42	45
336	Platinum	90%	120	\$102,020.76	29
224	Platinum	91%	94	\$78,948.70	18
448	Gold	88%	108	\$96,993.68	18
Totals			405	\$357,104.56	110
Averages			91%	\$89,276.14	28
Avg. Rev. per Rev. Day				\$881.74	

Unit Type**4 BDRM MOUNTAIN**

Unit	Rating	Rating %	Revenue Days	Fiscal Year 2019.20	Own Days
550	Gold	89%	101	\$135,217.25	0
Totals			101	\$135,217.25	0
Averages			89%	\$135,217.25	0
Avg. Rev. per Rev. Day				\$1,338.78	

Unit Type**2.5 BDRM DELUXE**

Unit	Rating	Rating %	Revenue Days	Fiscal Year 2019.20	Own Days
333D	Platinum	94%	520	\$117,302.57	4
565D	Platinum	90%	417	\$96,806.65	74
Totals			937	\$214,109.22	78
Averages			469	\$107,054.61	39
Avg. Rev. per Rev. Day				\$228.51	

Unit Type**3 BDRM DELUXE**

Unit	Rating	Rating %	Revenue Days	Fiscal Year 2019.20	Own Days
569D	Platinum	93%	414	\$112,380.57	63
563D	Platinum	90%	382	\$104,512.66	140
Totals			796	\$216,893.23	203
Averages			398	\$108,446.62	102
Avg. Rev. per Rev. Day				\$272.48	

ALL UNITS**Avg. Rev. per Rev. Day****7613****\$3,846,239.84****1904****\$505.22****Total Rev Days 7613****Total Revenue \$3,846,239.84**

Non Rental Owner Days	
110	33
326	24
332	9
334	9
341	151
438	5
457	36
560	18
674/676	121
679	51
686	7
464	



Section 5
Sales & Marketing Report
December 5, 2020



Sales & Marketing Overview

Saturday, December 5, 2020

Past Season Re-Cap

Winter 2019/20

Budget:	\$3,600,000
Actual:	\$3,109,163
Variance:	(\$490,837)

Summer 2020

Budget:	\$775,000
Actual:	\$727,869
Variance:	(\$47,131)

Total Fiscal Year 2019/20

Budget:	\$4,375,000
Actual:	\$3,837,032
Variance:	(\$537,968)

Key Initiatives for 2020/21

Internet Marketing

Our guests will be looking to book very last minute this coming Winter, with this trend continuing into next Summer. Geo-targeting ads with Expedia, Google, as well as retargeting ads for drive markets will be forefront in our marketing plan. We plan to remain diligent and flexible to the changes we have been dealt with for this coming season.

Other Marketing

International visitors will be almost non-existent for us this winter season (or so we have been told). That alone would be a decline of +/- 25% for this winter. With each country having different rules, and changing every week, it's hard to market to one or another decisively. It is time to get personal. Traditional on-line marketing is at a standstill. Sending a personal note or a call to past guests is more likely to turn into a booking than hoping new guests will book a month or two prior to arrival. Continued focus will be on retaining our current levels of repeat business and developing further customer loyalty in a competitive market place.

Sources of Business

1. FIT (Frequent Independent Traveler) – Is our single largest revenue generator.
2. Wholesaler / Travel Agents – A major contributor to winter business and also a segment of our past guests.
3. Group Travel – Supplements need times.

Top Booking Channels (past 12 months)

<u>Segment</u>	<u>Revenue</u>	<u>% of Business</u>
Past Guest	\$1,400,809	36%
Internet (Sabre/Diplomat)	\$1,324,110	35%
Direct	\$492,261	13%
Wholesale (includes some past guest)	\$341,917	9%
VBCR (includes some past guest)	\$123,119	3%

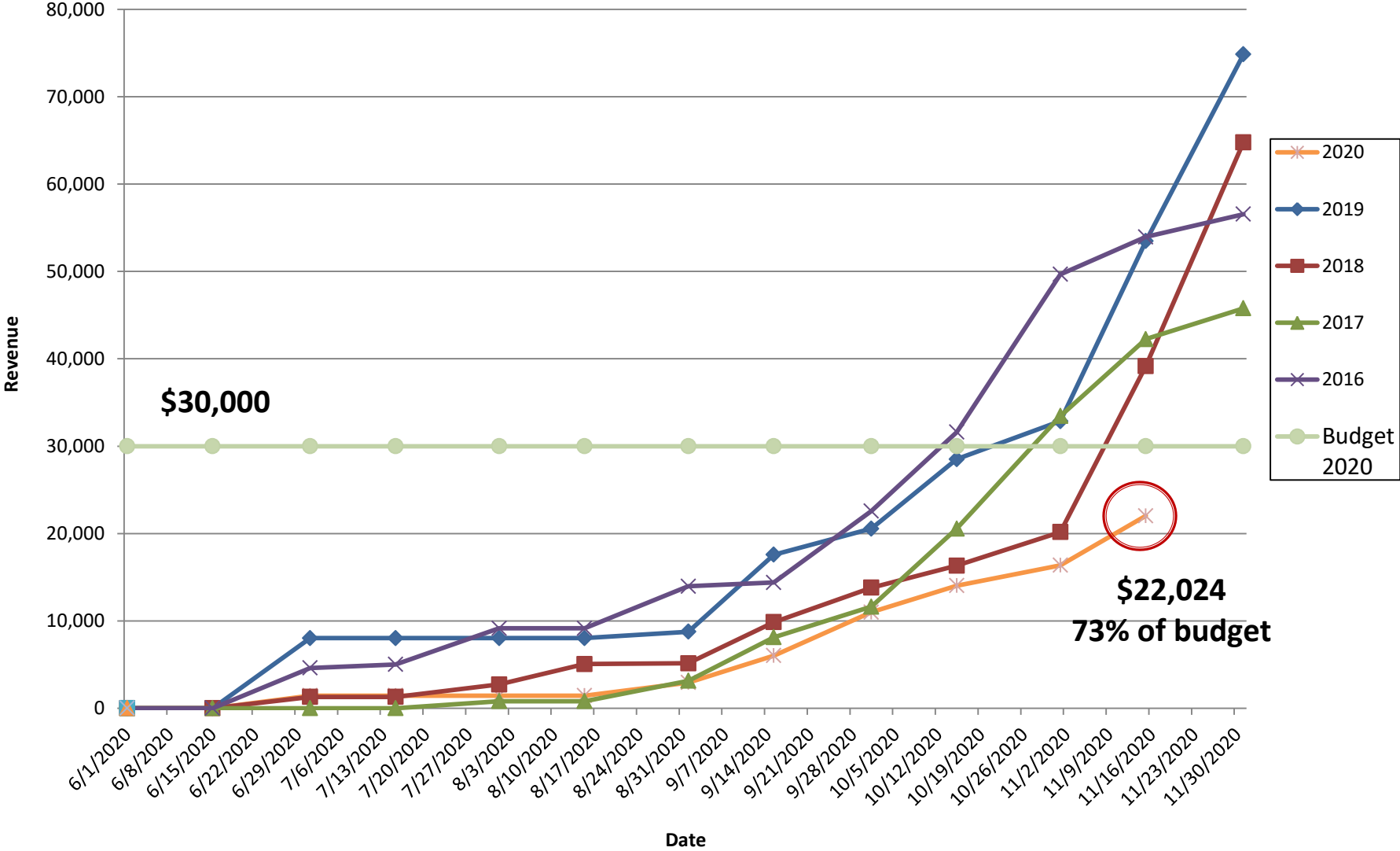
Market Drivers

Expedia continues to be the largest travel website operator in the world, acquiring Orbitz, Travelocity, Trivago, Hotels.com, VRBO as well as many other travel sites. As you can see Expedia has grown quickly, almost overtaking our past guests in revenue this past year. This is mostly due to losing half our March and all April 2020 revenue, and that most of our Summer business, which was very good, and is booked through Expedia last minute.

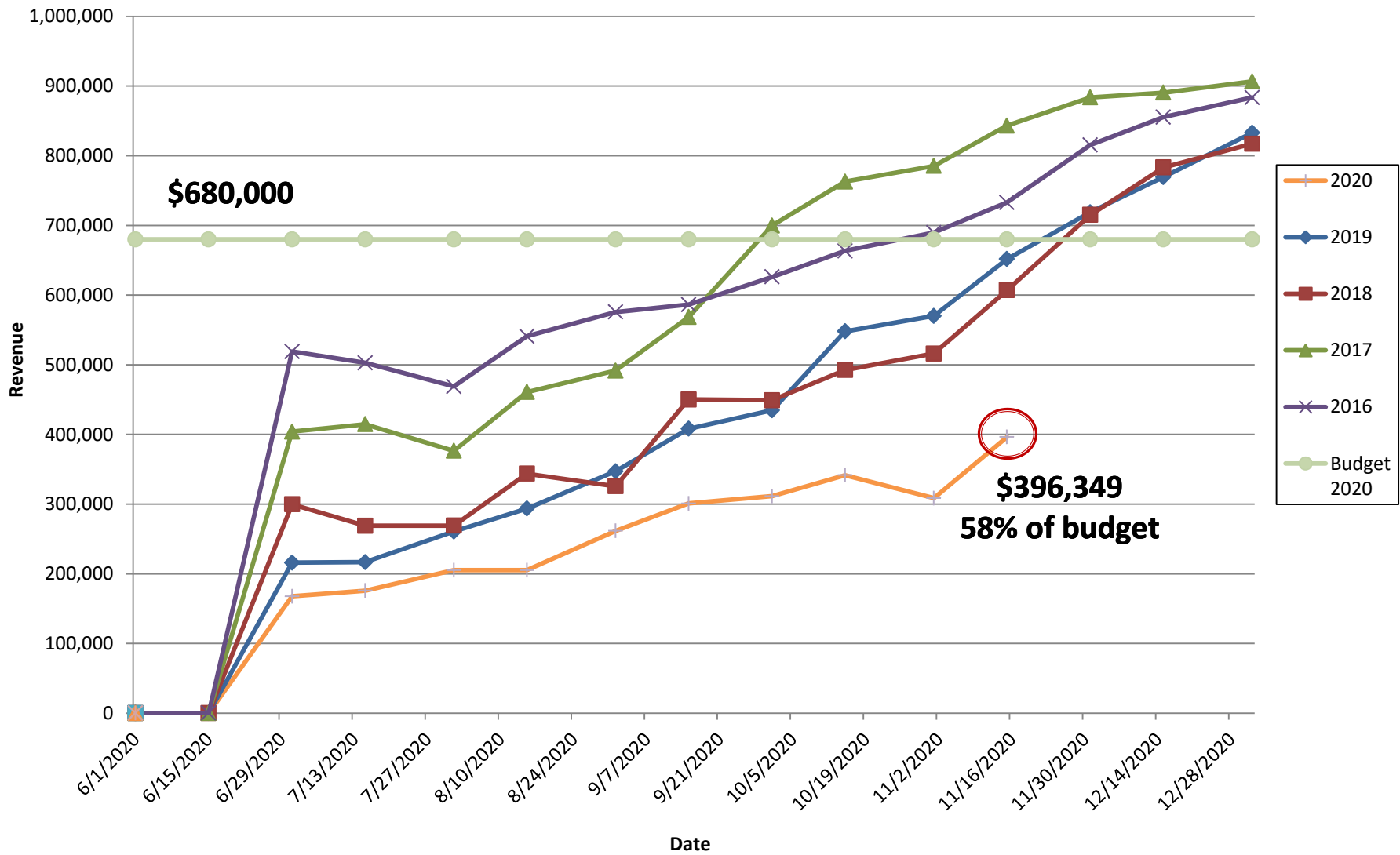
Rental Pace

Please refer to the rental pace graphs.

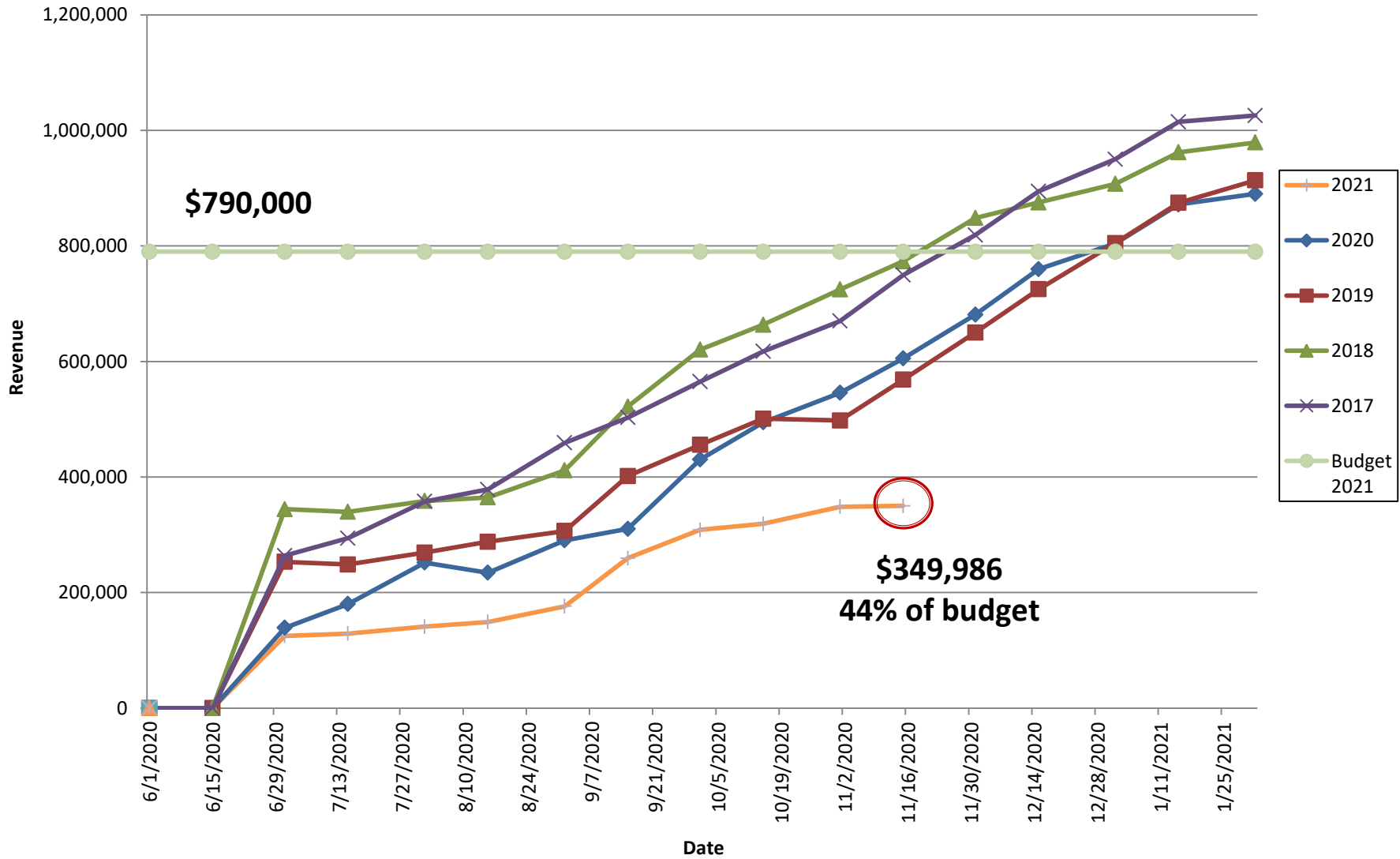
November 2020 Projected Revenue as of November 15, 2020



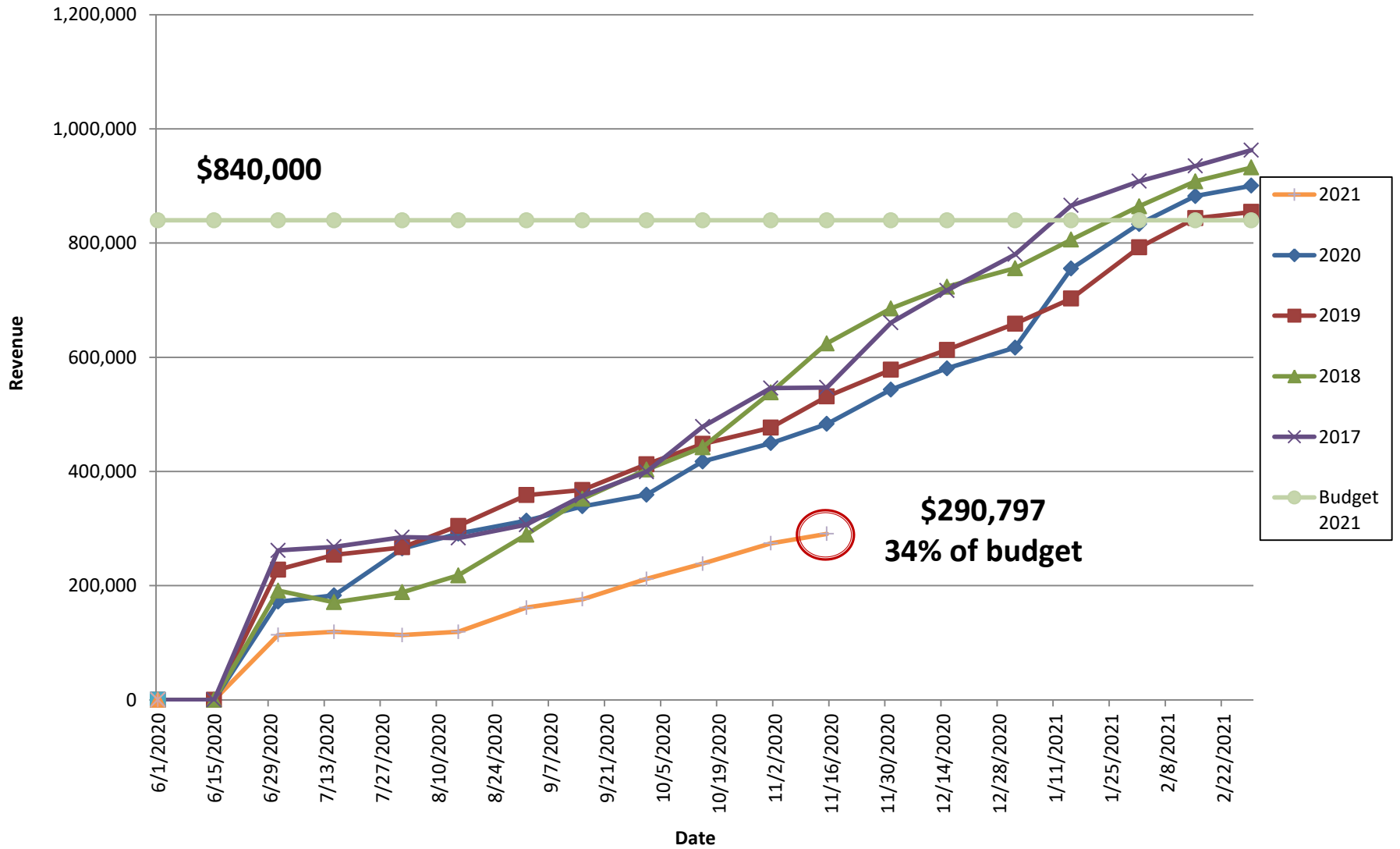
December 2020 Projected Revenue as of November 15, 2020



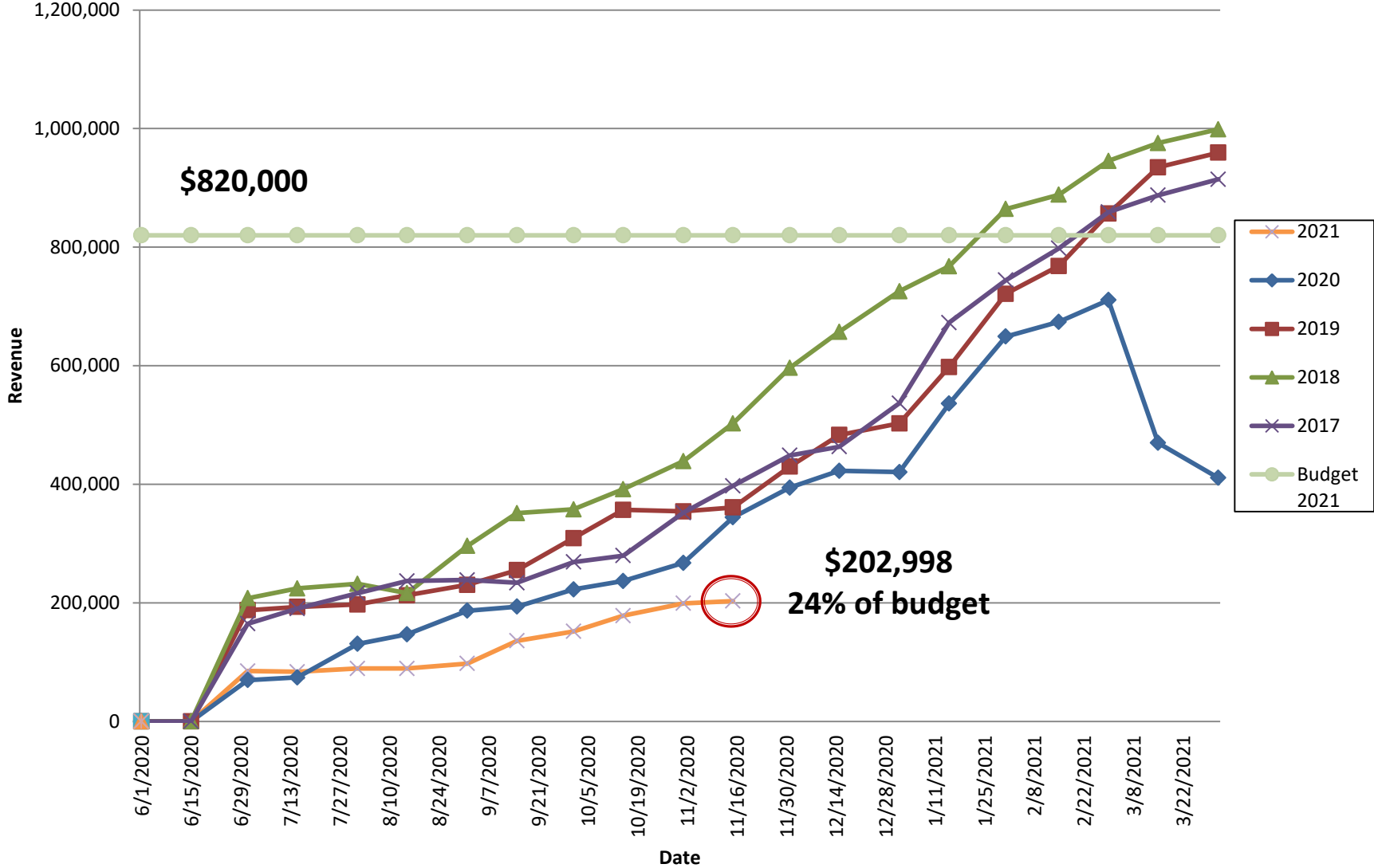
January 2021 Projected Revenue as of November 15, 2020



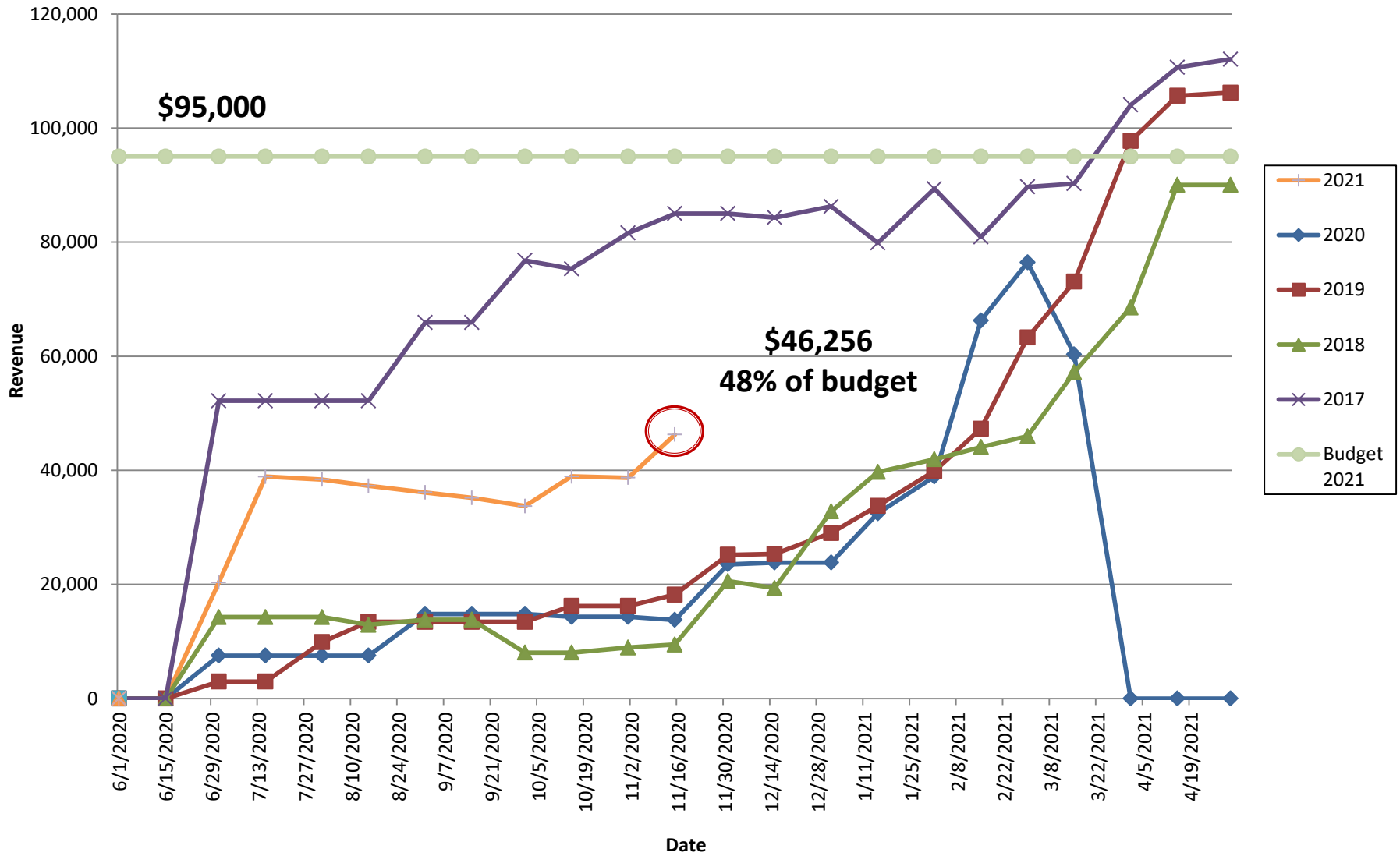
February 2021 Projected Revenue as of November 15, 2020



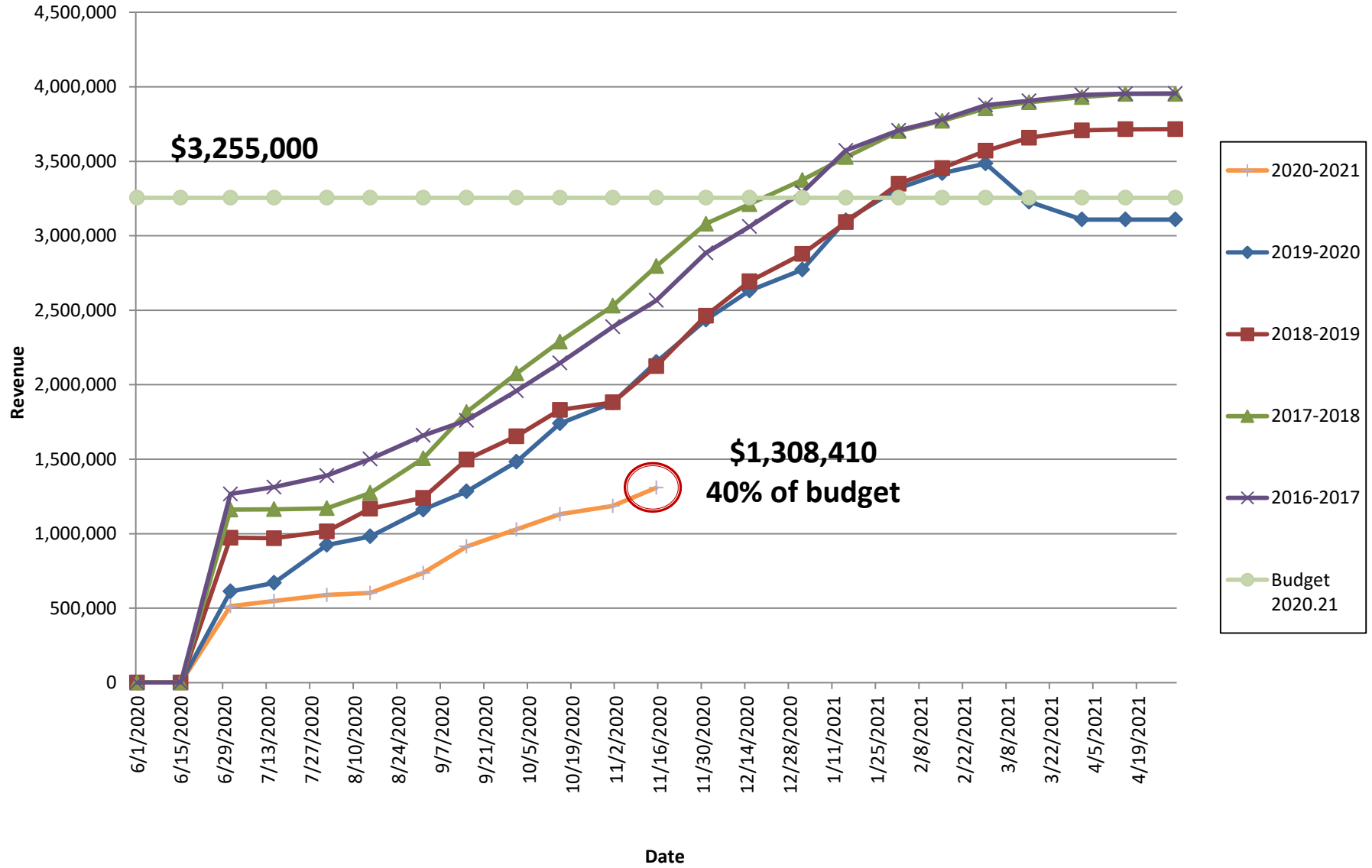
March 2021 Projected Revenue as of November 15, 2020



April 2021 Projected Revenue as of November 15, 2020



Winter 2020-2021 Projected Revenue as of November 15, 2020






Section 6
Lodging Rates:
Current Year & 2021/2022
December 5, 2020

Vail's Mountain Haus at the Covered Bridge


Condotel Room Rates 2021/2022

Last Year -- Lodging Rates -- 2020.2021

	Summer Season	Early Season	Holiday Season	Value Season	High Season
	06.04.20 through 09.20.20	11.13.20 through 12.18.20 & 4.05.21 through 4.11.21	12.19.20 through 01.03.21	01.04.21 through 02.10.21	02.11.21 through 04.04.21
Lodge Room Valleyside 2 people (max)	\$250	\$290	\$530	\$410	\$455
Studio Room Valleyside 4 people	\$300	\$360	\$750	\$535	\$620
1 Bedroom Valleyside 4 people	\$350	\$415	\$970	\$635	\$755
2 Bedroom Valleyside 6 people	\$440	\$535	\$1,400	\$830	\$1,070
2 Bedroom Mountainside 6 people	\$475	\$610	\$1,600	\$930	\$1,180
3 Bedroom Valleyside 8 people	\$565	\$740	\$1,850	\$1,090	\$1,360
3 BDRM Valleyside Penthouse 8 people	\$585	\$780	\$2,050	\$1,140	\$1,460
3 Bedroom Mountainside 8 people	\$625	\$870	\$2,250	\$1,290	\$1,560
3 BDRM Mountainside Penthouse 8 people	\$660	\$920	\$2,450	\$1,390	\$1,660
4 Bedroom Mountainside 10 people	\$825	\$1,100	\$3,370	\$1,775	\$2,960
5 Bedroom Mountainside 10 people	\$925	\$1,190	\$3,900	\$2,100	\$3,200


Room Nights by Season	109	43	16	38	53
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Next Year -- Lodging Rates -- 2021.2022

	Summer Season	Early Season	Holiday Season	Value Season	High Season
	06.03.21 through 09.20.21	11.12.21 through 12.22.21 & 4.02.22 through 4.18.22	12.23.21 through 01.05.22	01.06.22 through 02.16.22	02.17.22 through 04.1.22
Lodge Room Valleyside 2 people (max)	\$260	\$300	\$540	\$420	\$465
Studio Room Valleyside 4 people	\$310	\$370	\$760	\$545	\$630
1 Bedroom Valleyside 4 people	\$360	\$425	\$980	\$645	\$765
2 Bedroom Valleyside 6 people	\$450	\$545	\$1,410	\$840	\$1,080
2 Bedroom Mountainside 6 people	\$485	\$620	\$1,610	\$940	\$1,190
3 Bedroom Valleyside 8 people	\$585	\$760	\$1,870	\$1,110	\$1,380
3 BDRM Valleyside Penthouse 8 people	\$605	\$800	\$2,070	\$1,160	\$1,480
3 Bedroom Mountainside 8 people	\$645	\$890	\$2,270	\$1,310	\$1,580
3 BDRM Mountainside Penthouse 8 people	\$680	\$940	\$2,470	\$1,410	\$1,680
4 Bedroom Mountainside 10 people	\$845	\$1,120	\$3,390	\$1,795	\$2,980
5 Bedroom Mountainside 10 people	\$925	\$1,190	\$3,900	\$2,100	\$3,200


Room Nights by Season	109	57	14	42	44
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Rate Variance (\$) from Last Year to Next Year

	Summer Season	Early Season	Holiday Season	Value Season	High Season
	06.03.21 through 09.20.21	11.12.21 through 12.22.21 & 4.02.22 through 4.18.22	12.23.21 through 01.05.22	01.06.22 through 02.16.22	02.17.22 through 04.1.22
Lodge Room Valleyside 2 people (max)	\$10	\$10	\$10	\$10	\$10
Studio Room Valleyside 4 people	\$10	\$10	\$10	\$10	\$10
1 Bedroom Valleyside 4 people	\$10	\$10	\$10	\$10	\$10
2 Bedroom Valleyside 6 people	\$10	\$10	\$10	\$10	\$10
2 Bedroom Mountainside 6 people	\$10	\$10	\$10	\$10	\$10
3 Bedroom Valleyside 8 people	\$20	\$20	\$20	\$20	\$20
3 BDRM Valleyside Penthouse 8 people	\$20	\$20	\$20	\$20	\$20
3 Bedroom Mountainside 8 people	\$20	\$20	\$20	\$20	\$20
3 BDRM Mountainside Penthouse 8 people	\$20	\$20	\$20	\$20	\$20
4 Bedroom Mountainside 10 people	\$20	\$20	\$20	\$20	\$20
5 Bedroom Mountainside 10 people	\$0	\$0	\$0	\$0	\$0

Room Nights by Season	109	57	14	42	44
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Rate Variance (%) from Last Year to Next Year

	Summer Season	Early Season	Holiday Season	Value Season	High Season
	06.03.21 through 09.20.21	11.12.21 through 12.22.21 & 4.02.22 through 4.18.22	12.23.21 through 01.05.22	01.06.22 through 02.16.22	02.17.22 through 04.1.22
Lodge Room Valleyside 2 people (max)	3.8%	3.3%	1.9%	2.4%	2.2%
Studio Room Valleyside 4 people	3.2%	2.7%	1.3%	1.8%	1.6%
1 Bedroom Valleyside 4 people	2.8%	2.4%	1.0%	1.6%	1.3%
2 Bedroom Valleyside 6 people	2.2%	1.8%	0.7%	1.2%	0.9%
2 Bedroom Mountainside 6 people	2.1%	1.6%	0.6%	1.1%	0.8%
3 Bedroom Valleyside 8 people	3.4%	2.6%	1.1%	1.8%	1.4%
3 BDRM Valleyside Penthouse 8 people	3.3%	2.5%	1.0%	1.7%	1.4%
3 Bedroom Mountainside 8 people	3.1%	2.2%	0.9%	1.5%	1.3%
3 BDRM Mountainside Penthouse 8 people	2.9%	2.1%	0.8%	1.4%	1.2%
4 Bedroom Mountainside 10 people	2.4%	1.8%	0.6%	1.1%	0.7%
5 Bedroom Mountainside 10 people	0.0%	0.0%	0.0%	0.0%	0.0%

Room Nights by Season	109	57	14	42	44
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Section 7
Unit Real Estate Sales History
December 5, 2020



**Unit Real Estate Sales Activity History
as of September 29th, 2020**

Date of Sale	Unit #	Unit Type	Unit Rating	Selling Price	Square Footage	Price per Foot
2020						
October 6, 2020	336	3 BR MOUNTIAN	Platinum	\$2,000,000	1470	\$1,360.54
August 18, 2020	442	2 BR MOUNTIAN	Platinum	\$1,240,000	1040	\$1,192.31
June 25, 2020	440	2 BR MOUNTIAN	Platinum	\$1,200,000	1100	\$1,090.91
June 25, 2020	674	5 BR MOUNTAIN	n/a	\$3,000,000	2990	\$1,003.34
2019						
June 14, 2019	110	2 BR MOUNTIAN	Platinum	\$1,250,000	1088	\$1,148.90
June 7, 2019	221	1 BR VALLEY	Platinum	\$737,500	800	\$921.88
March 25, 2019	218	2 BR MOUNTIAN	Gold	\$1,070,000	1036	\$1,032.82
March 15, 2019	679	3 BR VALLEY	Platinum	\$2,100,000	1560	\$1,346
January 25, 2019	561D	3 BR VALLEY	Platinum	\$1,825,000	1625	\$1,123.08
2018						
September 19, 2018	561D	3 BR VALLEY	Platinum	\$1,147,813	1620	\$708.53
2017						
December 12, 2017	683	3 BR VALLEY PENT	Gold	\$1,750,000	1530	\$1,143.79
2016						
December 5, 2016	217	1 BR VALLEY	Platinum	\$815,000	825	\$987.88
2015						
August 12, 2015	337	1 BR VALLEY	Gold	\$783,500	825	\$950
August 21, 2015	339	2 BR VALLEY	Platinum	\$1,225,000	1050	\$1,167
2014						
November 13, 2014	556	2 BR MOUNTAIN	Platinum	\$1,508,000	1040	\$1,450
October 2, 2014	679	3 BR VALLEY PENT	Gold	\$1,755,000	1530	\$1,147
September 16, 2014	223	2 BR VALLEY	Gold	\$1,020,000	1040	\$981
2013						
May 30, 2013	670	3 BR MOUNTAIN	Platinum	\$2,500,000	1750	\$1,429
April 9, 2013	341	3 BR VALLEY	Platinum	\$1,415,000	1700	\$832
March 28, 2013	339	2 BR VALLEY	Gold	\$845,000	1040	\$813
2012						
June 20, 2012	670	3 BR MOUNTAIN	Platinum	\$2,300,000	1750	\$1,314
March 5, 2012	216	2 BR MOUNTAIN	Gold	\$850,000	1100	\$773
January 27, 2012	341	3 BR VALLEY	Platinum	\$2,200,000	1700	\$1,294
January 27, 2012	339	2 BR VALLEY	Gold	\$1,220,000	1040	\$1,173

2011

October 21, 2011	554	2 BR MOUNTAIN	Platinum	\$1,025,000	1040	\$986
August 10, 2011	329	1 BR VALLEY	Platinum	\$725,000	797	\$910
March 3, 2011	558	2 BR MOUNTAIN	Platinum	\$1,340,000	1100	\$1,218
February 28, 2011	455	2 BR VALLEY	Silver	\$945,000	1040	\$909

2010

-	-	-	-	-	-	-
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2009

December 28, 2009	339	2 BR VALLEY	Gold	\$1,220,000	1040	\$1,173
December 15, 2009	101 & 103	COMMERCIAL	-	\$1,000,000	1650	\$606
August 13, 2009	102	2 BR MOUNTAIN	Silver	\$1,263,000	1250	\$1,010
July 28, 2009	569D	3 BR VALLEY	Silver	\$1,165,000	1620	\$719
July 20, 2009	558	2 BR MOUNTAIN	Platinum	\$1,550,000	1100	\$1,409

2008

December 22, 2008	451	1 BR VALLEY	Silver	\$860,000	910	\$945
August 1, 2008	102	2 BR MOUNTAIN	Silver	\$1,825,500	1250	\$1,460
June 26, 2008	221	1 BR VALLEY	Gold	\$800,000	840	\$952

2007

October 5, 2007	110	2 BR MOUNTAIN	EXE	\$1,572,000	1100	\$1,429
October 1, 2007	101 & 103	COMMERCIAL	-	\$2,245,000	1650	\$1,361
April 22, 2007	670	3 BR MOUNTAIN	EXE	\$3,250,000	1750	\$1,857
April 23, 2007	225	3 BR VALLEY	EXE	\$2,030,000	1700	\$1,194
April 6, 2007	108	2 BR MOUNTAIN	EXE	\$1,800,000	1100	\$1,636

2006

December 1, 2006	556	2 BR MOUNTAIN	EXE	\$1,665,000	1040	\$1,601
November 2, 2006	341	3 BR VALLEY	EXE	\$2,200,000	1700	\$1,294
November 1, 2006	451	1 BR VALLEY	DLX	\$975,000	910	\$1,071
October 31, 2006	337	1 BR VALLEY	DLX	\$897,000	840	\$1,068
July 28, 2006	216	2 BR MOUNTAIN	DLX	\$1,750,000	1100	\$1,591
April 26, 2006	221	1 BR VALLEY	EXE	\$900,000	840	\$1,071
April 24, 2006	558	2 BR MOUNTAIN	EXE	\$1,600,000	1100	\$1,455
February 27, 2006	681	3 BR VALLEY	STD	\$1,550,000	1355	\$1,144

2005

December 16, 2005	448	3 BR MOUNTAIN	EXE	\$1,870,000	1470	\$1,272
October 20, 2005	339	2 BR VALLEY	EXE	\$1,125,000	1040	\$1,082
August 9, 2005	329	1 BR VALLEY	EXE	\$757,000	797	\$950
June 15, 2005	106	2 BR MOUNTAIN	EXE	\$1,140,000	1040	\$1,096
June 15, 2005	440	2 BR MOUNTAIN	DLX	\$1,200,000	1100	\$1,091
April 29, 2005	216	2 BR MOUNTAIN	DLX	\$925,000	1100	\$841
April 15, 2005	108	2 BR MOUNTAIN	STD	\$985,000	1100	\$895
April 12, 2005	674 & 676	5 BR MOUNTAIN PENT	EXE	\$4,000,000	2884	\$1,387
February 24, 2005	224	3 BR MOUNTAIN	EXE	\$1,412,000	1550	\$911

2004

October 1, 2004	446	2 BR MOUNTAIN	EXE	\$975,000	1100	\$886
September 27, 2004	101 & 103	COMMERCIAL	-	\$1,000,000	1650	\$606
May 18, 2004	341	3 BR VALLEY	EXE	\$1,400,000	1700	\$824
April 6, 2004	442	2 BR MOUNTAIN	EXE	\$805,000	1040	\$774
February 27, 2004	329	1 BR VALLEY	DLX	\$475,000	797	\$596



Section 8
Condominiums For Sale
December 5, 2020

Mountain Haus Condominiums Available For Sale

as of November 27, 2020

UNIT #214**LIST PRICE: \$1,875,000**

TWO BEDROOM, TWO BATH, MOUNTAINSIDE

1,250 SQ FT

Listing Office: Slifer Smith & Frampton
Listing Agent: Led Gardner 970-376-0223

UNIT #333**LIST PRICE: \$1,975,000**

THREE BEDROOM, THREE BATH, VALLEYSIDE

1,560 SQ FT

Listing Office: Slifer Smith & Frampton
Listing Agent: Hillary McSpadden 970-390-7632

UNIT #444**LIST PRICE: \$1,425,000**

TWO BEDROOM, TWO BATH, MOUNTAINSIDE

1,036 SQ FT

Listing Office: The Kleimer Company
Listing Agent: Ben Kleimer 970.471.1425

UNIT #556**LIST PRICE: \$1,350,000**

TWO BEDROOM, TWO BATH, MOUNTAINSIDE

1,036 SQ FT

Listing Office: Ron Byrne & Associates
Listing Agent: Alitza Vagenknechtova 970.471.5505

UNIT #558**LIST PRICE: \$1,425,000**

TWO BEDROOM, TWO BATH, MOUNTAINSIDE

1,036 SQ FT

Listing Office: Ron Byrne & Associates
Listing Agent: Alitza Vagenknechtova 970.471.5505

UNIT #685**LIST PRICE: \$2,100,000**

THREE BEDROOM, THREE BATH, VALLEYSIDE PENTHOUSE

1,487 SQ FT

Listing Office: LIV Sotheby's International Realty
Listing Agent: Barbara Scrivens 970.471.1223

Note: In addition to the offices listed above, other members of the Vail Board of Realtors are available to assist you with showings through multiple listing services. Please contact any member office for further information.

If you have any questions regarding the Mountain Haus, please contact **Steve Hawkins, General Manager** or **Tiffany Boeh, Controller** via the Mountain Haus front desk or at 970.476.2434.



Section 9
Association Rules
December 5, 2020

MOUNTAIN HAUS CONDOMINIUM ASSOCIATION RULES

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MOUNTAIN HAUS CONDOMINIUM ASSOCIATION RULES

Effective April 14, 2018

1. CONDOMINIUM DECLARATION AND BY-LAWS

Each Owner shall comply strictly with the provisions of the Declaration, the Articles of Incorporation and Bylaws of the Association and the decisions, resolutions, rules and regulations (including but not limited to these Rules) of the Association. The Owner shall likewise cause each Family Member, Owner-Guest, Tenant and Invitee to comply with all such provisions applicable to him/her/it and shall be responsible for any violations or noncompliance by any such Family Members, Owner-Guests, Tenants or Invitees.

2. DEFINITIONS

OWNER is the person, persons, firm, corporation, partnership, association or other legal entity, or any combination thereof owning one or more Condominium Units according to the records of the Clerk and Recorder of Eagle County, Colorado.

FAMILY of an Owner consists of the spouse and children of the Owner and any other persons occupying a Condominium Unit when the Owner or Family member is in occupancy.

OWNER-GUEST is any person not paying rental rates who occupies or proposes to occupy a Condominium Unit when the Owner or Family member is not in occupancy, including, in the case of a Residential Condominium Unit owned by an entity, the managers, members, partners, officers, directors, beneficiaries and trustees of such entity Owner. Reciprocal guests, Owners trading Condominium Units in vacation pools and beneficiaries of charitable donations are Owner-Guests.

DESIGNATED REPRESENTATIVE is defined in Rule 28

TENANT is one who leases or rents a Condominium Unit directly from the Owner and not through the Association in the performance of its function as a rental agent. The term 'Tenant' includes, but is not limited to, a Renter of a Residential Condominium Unit directly from the Owner.

OWNER USE includes use by the Owner, Family of an Owner and Owner-Guests.

ASSOCIATION is the Mountain Haus Condominium Association, Inc. which has delegated to its Managing Agent all authority necessary under these Rules and which is not specifically herein reserved by the Board of Managers.

RESIDENTIAL CONDOMINIUM UNIT is a Condominium Unit that is used and occupied by the Owner, Family, Owner-Guests or Tenants only for residential or lodging purposes.

COMMERCIAL CONDOMINIUM UNIT is a Condominium Unit that is used only for the maintenance of offices, health club, restaurant or other use permitted by the Town of Vail, County of Eagle, State of Colorado.

CONDOMINIUM UNIT is a Residential Condominium Unit or a Commercial Condominium Unit.

RENTAL UNIT applies to all Residential Condominium Units that are available for rent through the Association's rental program.

NON-RENTAL UNIT applies to all Residential Condominium Units that are not available for rent through the Association's rental program.

WINTER SEASON begins on the day preceding the scheduled opening of ski lift operation on Vail Mountain and ends on the day following the announced closing of ski lift operation on Vail Mountain.

SUMMER SEASON begins no earlier than the Friday of Memorial Day Weekend and no later than June 15th of each year, as determined by the Association, and ends near the middle of October, when the Association determines that the building must be closed for maintenance.

SPRING PERMITTED WORK PERIOD" AND "FALL PERMITTED WORK PERIOD" are defined in Rule 17.

RENTAL RETENTION is the amount of the estimated assessments imposed by the Board of Managers of the Association to meet the hotel operations expenses, as provided in Paragraph 19A of the Declaration, which estimated assessments are to be withheld from the revenues produced from the rental of Residential Condominium Units in accordance with the percentage of withholding established from time to time by the Association in the performance of its function as a rental agent.

RACK RATE is the highest published rental rate, as indicated on rate sheets printed by the Association.

RENTER is a person or entity renting a Residential Condominium Unit through the Association in the performance of its function as a rental agent.

INVITEE means one who is invited (whether expressly or impliedly, directly or indirectly, by specific, general, limited or public invitation or advertising) by the Owner or its Family Members, Owner-Guests or Tenants into the Owner's Condominium Unit or the General or Limited Common Elements.

Capitalized terms not otherwise defined in these Rules are used as defined in the Declaration and in the Bylaws of the Association, as same may be amended from time to time.

3. CHANGES IN RENTAL STATUS

The rental status of a Residential Condominium Unit may be changed if the Owner so desires by notifying the Association in writing of the specific change. To avoid conflict with the rental program, such notice must be received on or before June 1st to be effective for the following Winter Season and on or before November 1st to be effective for the following Summer Season. The Association will acknowledge such timely request in writing within 15 days of receipt of the request. It is the responsibility of the Owner to notify the Association if such acknowledgement is not received. Any rental status change shall be effective for a minimum of 12 months.

Upon the sale of a Residential Condominium Unit, the new Owner shall be bound by the status applicable to the Residential Condominium Unit prior to the sale unless a change is requested on a timely basis as specified above.

If a rental has been confirmed by the Association for a specific Residential Condominium Unit, either after receipt of that Owner's usage calendar or after the deadline for receipt of the Owner's usage calendar has passed, as provided for in Paragraph 4, the Owner is bound to honor such rental.

If timely notice of a change in rental status is not received and acknowledged, the Association shall assume that the Owner has elected not to change the rental status of that Residential Condominium Unit.

When a Condominium Unit is rented or leased by the Owner, the Owner shall provide a copy of the current Association Rules to the Tenant and shall cause the Tenant to comply with all applicable Rules. If in writing, the lease shall contain a specific acknowledgment by the Tenant of receipt and review of the Association Rules and the Tenant's agreement to comply therewith, and a true, correct and complete copy of the lease shall be furnished to the Association before the commencement date of the lease.

4. OWNER RESERVATIONS

An Owner may reserve a Residential Condominium Unit for Owner use by indicating the days of Owner use on the Owner calendar and returning it to the Association so that it is received no later than March 1st for the Summer Season and no later than June 1st for the Winter Season. The Association will mail the calendar for the Summer Season no later than February 1st and no later than May 1st for the Winter Season. Any Owner intending to make an Owner usage reservation is responsible for receiving and returning the Owner usage calendar by the deadlines specified above. The Association will confirm in writing all Owner usage reservations promptly after the above-mentioned deadlines. If such confirmation is not received or is not correct, the Owner must contact the Association's reservation department. The Association will begin renting a Residential Condominium Unit as soon as the Owner usage calendar for that Unit is received. If the calendar is not received by the above-mentioned deadlines, the Association will assume that the Owner does not intend to use the unit and will begin renting that unit on March 2nd for the Summer Season and on June 2nd for the Winter Season.

Mailed February 1st returned March 1st for summer.

Mailed May 1st returned June 1st for winter.

If a Residential Condominium Unit is not rented, and was not reserved for Owner use by so indicating on the Owner usage calendar, the Owner may make a reservation for Owner use by contacting the Association's reservation office between 9:00 a.m. and 5:00 p.m., Monday through Friday.

All reservations not made by utilizing the Owner usage calendar must be made through the Association's reservation office and must contain:

- A. The name of the party occupying the Residential Condominium Unit;*
- B. The number in the party;*
- C. The arrival and departure dates;*

- D. *When the Owner is not the party occupying the Residential Condominium Unit, the Owner must specify if the Rack Rate is to be charged or if the reservation shall count as Owner usage; and*
- E. *Who shall pay the appropriate charges.*

The Owner is responsible for any fees, charges, fines or other expenses incurred by the Owner's Family Members, Owner-Guests or Tenants.

In accordance with Paragraph 19A of the Declaration, any Owner of a Rental or Non-Rental Residential Condominium Unit who rents or agrees to rent its Unit to a Tenant without using the Association as a rental agent (i) shall immediately notify the Association of the rental period to be reserved for such Tenant and the name, address and phone number of the Tenant and (ii) shall forthwith at the same time pay to the Association the then applicable Rental Retention based upon the full Rack Rate then applicable to such Unit if it were rented by the Association in the performance of its function as a rental agent. The Owner shall be responsible for and shall pay all applicable taxes and fees (state, local or otherwise) applicable to such rental and for adherence by the Owner and the Tenant to all applicable laws and regulations. The Owner shall indemnify the Association against and hold it harmless from any and all losses, costs, liabilities, damages, penalties and expenses (including reasonable attorneys fees) arising from or resulting from the Owner's agreement to rent or rental of its Unit and the actions or omissions of the Tenant (including but not limited to violations of Association Rules) during or related to its occupancy of the Owner's Unit.

The Rental Retention is intended to provide for the payment of all estimated expenses of the Association growing out of or connected with the operation of Residential Condominium Units as rental Condominiums, whether rented through the Association or without Association assistance.

Confirming a long standing practice Owners who occupy their units during the spring or fall closure periods should expect interruptions in building services, including sewer, water, electric, gas, heat, ventilation and other services for lengths of time up to the entire closure period. Additionally, amenities, including front desk, housekeeping, maintenance, pool, spa, and others are traditionally suspended over closure periods for repairs, capital improvements and/or cost savings activities.

5. RENTAL RATES

Published Rental Rates for each Condominium Unit type; e.g., two-bedroom mountain view, shall be set and revised from time to time by the Board of Managers. Rental rates will differ between units of different sizes (i.e., 1, 2, 3, 4 bedroom), and between Mountain View and Valley View.

The General Manager may negotiate, at his/her discretion, lower rates for groups or for individual reservations during slow rental periods, subject to review only by the Board of Managers.

No Rental Unit may be utilized for any purposes at less than the prevailing applicable Rate except as follows:

- A. *Owner usage and Owner-Guest usage in accordance with these Rules and Regulations;*
- B. *Discounted rates as modified by the General Manager for groups or during slack periods as described above;*
- C. *Usage for sales and marketing, contractors, employees, corporate use, group use and other uses approved by the General Manager; provided, however, that (i) each such use*

shall be approved by the General Manager; (ii) such use shall not occur during periods_of high occupancy; or

- D. General Manager may invite specific travel agents, travel editors, group tour and meeting planners and other similar hospitality industry representatives to occupy Rental Units without charge for promotional purposes if, in General Manager's judgment, future rental income of Rental Units will be enhanced; provided, however, that (1) no Rental Unit shall be so occupied for more than five days in any calendar year and normally not during periods of high occupancy, and (2) the cleaning expenses of such occupancy shall be borne by the Association in its capacity as the manager of the rental operations.
- E. Owners may rent the units of other Owners through the rental program at the prevailing rate as long as the proposed rate falls within established rental strategies for the applicable time period. Discounts from the prevailing rate can be offered to Owners when like discounts are offered to the renting public or are available through the net rate program at the sole discretion of management.

6. COMMISSION EXPENSES

All travel agency and tour operator commissions on rentals through the Association are part of the hotel operation expenses and will be paid by the Association other than when rates are negotiated on a net-net basis with wholesalers or other third party suppliers.

7. RENTAL RATINGS, CATEGORIES

CATEGORIES

All Rental Units will be placed into one of the following six categories:

Presidential Suites: Those very few large, extraordinary Rental Units in the Building which (i) are designated as Presidential Suites by the Board of Managers; (ii) are located on the fifth or sixth floor on the Mountain side of the building; and (iii) are determined by the Board of Managers of the Association to be clearly extraordinary in design and finish. The General Manager shall have the authority to establish the applicable rental rates for each Presidential Suite in consultation with the Owner of such Presidential Suite, subject to approval by the Board of Managers of the Association.

*P: Platinum
90%-100%* A unit with this rating represents the finest accommodations in the area. The furnishings and appointments are superior, as are all other aspects of the interior. First impressions are "WOW!" Everything in the unit is first rate and coordinated. Style and design are unsurpassed. These properties are the best of the best and are not lacking in any area.

*G: Gold
80%-89%* A unit with this rating reflects recent interior design motifs and coordinated decorating efforts. Inventory contained within each room of the home or unit is upscale and in excellent condition. In short, a gold unit is comfortable and stylish with the feeling of home.

*S: Silver
70%-79%* A unit with this rating reflects a nice accommodation with quality furniture that is gently used. A consistent style is apparent throughout, although unit is a bit older and lacking in thoroughness and finishing touches.

*B: Bronze
60%-69%* A unit with this rating reflects a more sterile environment. Personality and decorating motifs are present, albeit not fully coordinated; there may be a "pieced together" feel.

First impressions are "OK". Inventory contained in each room of the home or unit is mostly utilitarian and meets minimum expectations. In short, a bronze unit offers a no frills, but acceptable lodging experience.

*0: Substandard
Below 60%*

A unit with this rating does not meet minimal rating standards. First impressions are generally, "I won't stay here!" Inventory contained in each room of the home or unit is sparse, mismatched, and/or severely worn or broken. In short, a substandard unit does not reflect first class resort lodging to destination vacationers. We will not rent substandard properties in the Vail Valley.

A. ANNUAL REVIEWS

Each Rental Unit will be reviewed annually in the Spring. A review report for each Rental Unit will be prepared by the rater and sent to the Rental Unit's Owner. The review report will:

- (i) Indicate that the Rental Unit contains all of the Required Amenities, in good working order, if that is the case. If that is not the case, the report will specify which Required Amenities are missing and/or are not in good working order.*
- (ii) Identify those items in the Rental Unit which are in poor condition and which need repair, refinishing or replacing.*

Identify the Category into which the Rental Unit should be included for the next ski season, based solely on the criteria described above for each Category.

The review report may include a section in which the rater makes recommendations as to additional items or improvements for rated units; provided however, that the review report must make it clear that the recommendations contained in such section are not required to maintain a rating.

B. APPEAL

An Owner shall have the right to appeal the rater's Categorization of such Owner's Rental Unit to the Property Management Committee. In the event of an appeal, the Committee will render its decision no later than the Wednesday following the next Board Meeting scheduled to occur after receipt of the appeal by the Chair of the Property Management Committee.

An Owner who adds missing Required Amenities or who does the suggested work to improve the condition of his or her Rental Unit may petition to have the Unit reviewed again. Owners are encouraged to complete such work in a timely manner so as to allow such re-review to be completed before the start of the ski season.

Each Rental Unit will be included in the Category finally determined by the review report or the Property Management Committee, as applicable; provided however, that an Owner may elect to have such owner's Rental Unit rented in a lower category than that assigned by the rater by written notice to the Property Management Committee.

Given the number of unique Condominium Units within the building, the Property Management Committee or building management may, from time to time, make exceptions to the applicability of specific items on the list of Required Amenities to specific Units; provided, however, that any such exceptions made by building management shall be approved by the Property Management Committee.

8. RENTAL PRIORITIES

In renting Rental Units of each Rental Unit type (i.e., 1, 2, 3 or 4 bedroom and Mountain or Valley view), the Association shall rent the highest rated units first, then the middle rated units, and the lowest rated units last, subject at all times to Renter preferences and Owner usage. During the Winter Season and again in the Summer Season, the Association will assign Rental Unit rentals within each Rental Unit rating Category so as to equalize rental revenues as nearly as practicable during such Season among similar Rental Unit types (i.e., 1, 2, 3 or 4 bedroom, Mountain or Valley view) within each rating Category. Many factors, including Renter preferences and Owner usage, will influence each Rental Unit's revenues.

Should an Owner return their calendar beyond the dates specified in Rule 4 their unit(s) will be subject to the lowest priority rental rotation regardless of the unit's current rating category.

The General Manager will report to Owners after the Winter Season and again after the Summer Season the gross room revenues, revenue days and Owner usage days for each Unit during each such Season.

9. OCCUPANCY FEES – RENTAL STATUS

SUMMER SEASON: There will be no charge for the first 75 days of usage by the Owner, Family or Owner-Guests of the Owner. Beginning with the 76th day, the charge for such usage will be the full Rental Retention applied to the Rack Rate for that unit type. Owner-Guest use will count as Owner Usage.

WINTER SEASON: There is no charge for the first 50 days of usage by the Owner, Family or Owner-Guests of the Owner. Beginning with the 51st day, the charge for such usage will be the full Rental Retention applied to the Rack Rate for that unit type. Owner-Guest use will count as Owner usage.

There will be no charge for usage between the Summer and Winter Seasons other than the normal check out fee, if any.

Owner usage includes all days for which an owner reserves their unit, whether it is actually used or not, or otherwise causes the unit not to be available for rental to the public. This would include the practice of regularly reserving a unit and then canceling the reservation just before the scheduled arrival date so as to prevent the unit from being available for rental to the public. When a reservation for Owner usage is made but not used, and no notice of cancellation is given, that reservation will be counted as Owner usage days.

10. OCCUPANCY FEES - NON RENTAL STATUS

There is no charge for usage by the Owner, Family or Owner-Guests of the Owner.

11. REGISTRATION

All occupants, including Owners and Owner-Guests of Owners are required to register at the front desk upon arrival. The full occupancy fee (Rental Retention applied to the Rack Rate) will be charged if the occupying Owner, Family member or Owner-Guest fails to register.

12. KEY CARDS AND ENTRY

No Owner, Family member or Owner-Guest is permitted to enter a Residential Condominium Unit when that Residential Condominium Unit is occupied by a Renter. All entry key cards to Residential Condominium Units are the property of the Association. All key cards must be returned to the front desk upon departure. The Association will re-program entry locks from time to time, but at least twice a year. Keys to Owner's closets will only be given to the Owner of a Residential Condominium Unit unless the Owner specifically designates otherwise.

13. MAID SERVICE AND CHECK OUT FEES

Maid service will be provided for rental Owners upon request between the hours of 8:00 a.m. and 4:00 p.m., provided that housekeeping staff levels are adequate. Charges for maid service will be a fee determined by the General Manager, based on the size of the Residential Condominium Unit and the cost of such service, and subject to review by the Board of Managers. When demands are made of the housekeeping staff by an Owner or Owner-Guest for service that exceeds the level on which standard fees are based, the charge shall be increased proportionately.

The housekeeping staff is supported entirely by those Residential Condominium Units participating in the Association rental program. Those Residential Condominium Units whose status is non-rental are not entitled to housekeeping services. On certain occasions, when the needs of all rental Residential Condominium Units have been fully met, as determined by the General Manager, the Association may provide housekeeping services to non-rental Residential Condominium Units at the regular established fee.

Residential Condominium Units that participate in the Association rental program are eligible for a 50% discount off the regular established fees on housekeeping services including 1) daily full service, 2) towels & trash service 3) check-out service, and 4) bi-annual deep cleaning service.

Owner and Owner-Guest occupied unit(s) are responsible for a departure/check-out service at the prevailing fee plus a 5% surcharge for any occupied days where no-service was requested.

Owners or Owner-Guests who remove housekeeping items or linens from maid carts or the housekeeping area will be charged for full maid service.

14. COMPLAINTS AND DIRECTIONS

All complaints regarding building facilities, services, and personnel shall be made directly to the General Manager and not to other building personnel or Renters. Directions and instructions to Association employees shall be given only by the General Manager and not by Owners or others.

15. FURNISHINGS

Each Owner is responsible for the maintenance and condition of the Owner's Condominium Unit and furnishings, including but not limited to breakage, theft, vandalism and mysterious disappearance.

The Owner, while occupying the Rental Unit, is responsible for inspecting the Unit and reporting any maintenance needs in writing to management personnel at the front desk in the main lobby. Such maintenance needs are to be expected, since work in the Unit during the off seasons (including annual painting and cleaning, etc.), and normal wear and tear during the rental seasons, may necessitate some maintenance work. The Mountain Haus management and staff will find and fix most maintenance items, but may be expected to miss some. Each Owner should inspect its Unit to identify any needed maintenance items, and report them as soon as possible.

In order to participate in the rental program, the Owner is responsible for spring and fall cleaning (carpet cleaning, dry cleaning and deep cleaning), as well as painting and other requirements for Unit rentability designated and carried out by management (subject to review by the Board of Managers).

The Association provides to Rental Units certain standard items (such as linens, silverware, china, alarm clocks, etc.), as listed in Exhibit A, and these items remain the property of the Association. Such items must be returned to the Association when a Unit is removed from the rental program or prior to the date on which a Unit is transferred to a new Owner. If such items are not timely returned to the Association, the Association shall be permitted to enter the Unit without liability to the Owner for the purposes of retrieving these items.

16. INSURANCE

Insurance coverage on furnishings and other items of personal property belonging to an Owner, as well as casualty and public liability coverage within each individual Condominium Unit, is the responsibility of the Owner. Refer to rule #16 in the Mountain Haus declaration.

17. REDECORATING AND REMODELING

Condominium Unit redecorating and remodeling may be done only upon notice by the Owner to the General Manager and in accordance with the provisions of this rule number 17 and rule number 26, below. Substantial redecorating and remodeling which involves odors (paint and glue fumes) hammering, nailing, cutting, pounding, beating or other loud noise, as determined by the General Manager in the General Manager's sole discretion ("Renovation Work"), may only be done during the periods provided below (a "Permitted Work Period" or the "Permitted Work Periods") each Spring and each Fall, except by special written arrangement with the Association or in the case of an emergency, as determined by the Association in its sole discretion.

The Spring Permitted Work Period each year shall begin on the day after the end of the Winter Season and end on June 30 of such year, subject to any changes in such Period which may be approved by the Board and notice of which is given to Owners no later than the date of the Annual Meeting immediately preceding such Period. The Fall Permitted Work Period shall begin on the day after Labor Day and end on the Friday before Thanksgiving, subject to any changes in the beginning and end dates of such Period which may be approved by the Board and notice of which is given to Owners no later than the May 31 immediately preceding such Period.

No contractor, workman or other person performing any Renovation Work in a Condominium Unit will be permitted in the General Common Elements during any time other than the Permitted Work Periods.

An Owner may have furniture delivered and installed at any time when the building is closed to the general public and between the hours of 10:00 AM and 3:00 PM when the building is open to the general public, so long as such installation does not involve hammering, nailing, cutting, pounding, beating or other loud noise, as determined by the General Manager in the General Manager's sole discretion. The General Manager may, in the General Manager's discretion, open the building to the general public before said cut-off date if the General Manager causes full disclosure to be made in writing to every potential Renter that Renovation Work is being or may be performed in the building and if the General Manager attempts to locate all Renters away from Condominium Units where such Renovation Work is being performed.

Each Owner who performs any Renovation Work which alters the location of any interior non-supporting wall, door, room, major fixture or major appliance in such Owners Condominium Unit shall deliver to the Association a copy of as-built plans for such work, in computer CAD format, if available, or, if not so available, in drawing form. For purposes of Renovation Work, maintenance, repair, alteration and remodeling, an Owner shall be deemed to own the interior non-supporting walls, the materials making up the finished surfaces of the perimeter walls, ceilings and floors within the Condominium Unit and the Condominium Unit doors and windows. An Owner shall not make alterations to Limited or General Common Elements, as defined in the condominium declaration, without first receiving the written approval of the Board of Managers. The Board of Managers shall be notified in writing of the intended modifications to the Limited or General Common elements through the Managing Agent. Any deviation must have prior Board approval.

17 A. REMODELING INVOLVING STRUCTURAL AND COMMON ELEMENT CHANGES

In order to ensure that the structural integrity of the building is not impaired or adversely affected, no interior modifications to a Unit shall make or cause structural modifications to the building itself.

The expansion of exterior windows is subject to approval by the Board of Directors. The Association conducted an exterior window expansion structural survey in 2006 which may allow expansion of certain exterior windows reflected in the structural survey under the following conditions:

- A. All of the Owners in the vertical stack above and below the windows to be expanded must agree with the Association in writing to expand their respective windows in the vertical stack in the same manner at the same time, so that the exterior appearance of the building is coordinated and consistent on all floors in the stack, avoiding an inconsistent, uncoordinated appearance of the exterior of the building; and such agreements by all Owners in the vertical stack shall be binding upon the heirs, legal representatives, successors and assigns of such Owners.*
- B. The Owners in the vertical stack shall furnish to the Association stamped structural plans and specifications prepared by a licensed and insured (at minimum for Errors and Omissions coverage) structural engineer covering all of the windows in the stack and a written certification from the engineer that the structural integrity of the building will not be affected by the proposed expansion of the windows in the entire vertical stack of Units.*
- C. All Owners in the vertical stack shall employ a single Contractor for all of the work in all Units in the vertical stack. Such Contractor shall furnish to the Association a copy of the written contract or contracts with all Owners in the vertical stack, together with full and complete plans and specifications for the proposed work, subject to approval*

of the Association.

- D. *All owners and the Contractor for all Units in the vertical stack shall agree with the Association that the project work shall be started and completed within a single shut-down period and, at least three months prior to commencement of the work, shall furnish a written work schedule and timeline for the construction project.*
- E. *The Town of Vail Design Review Board and Planning & Environmental Committee shall have issued written approvals of the construction project before it commences.*
- F. *Final Certificates of Completion issued by the Town of Vail shall be furnished to the Association, as well as any other documentation requested by the Association.*

The Association desires to maintain the original configuration of the Units and discourages combinations of Units. In particular, the installation of staircases, elevators or other passageways between floors is not permitted. Likewise, the installation of hallways, doorways or other openings for ingress and egress between side-by-side Units, which openings intrude upon, disturb or adversely affect the Common Elements between Units, is not permitted.

18. CONTRACTING FOR OUTSIDE SERVICES

Contracting for outside services in a Condominium Unit may be done only with the consent of the General Manager.

19. GAS FIREPLACES

Gas fireplaces must be checked and cleaned by a professional a least once a year at the owners' expense.

20. FRONT DESK

Owners and other persons not employed by the Association are not permitted behind the front desk at any time.

21. PARKING

Vehicles may be parked in the loading zone in front of the building and the parallel parking spaces along the side of the building for no more than 15 minutes.

22. LUGGAGE CARTS

All luggage carts must be returned to the lobby immediately after use.

23. PETS

Pets must be leashed when in the common areas of the building. Each Owner shall ensure that their pet(s) do not bite, bark, or otherwise disturb the peaceful enjoyment of others within the building. Owners shall clean-up any pet messes and properly dispose of same in and around the building.

24. CONDUCT AND USE

No Mountain Haus Condominium Unit or interest therein shall be sold as a Time Share Estate as that term is defined in C.R.S. Section 38-33-110, and no Owner of a Mountain Haus Condominium Unit or interest therein may permit the use and occupancy of such unit on a license or "club" basis which provides for the rotation of use and occupancy of the unit among a group of licensees or "members" who are not also co-Owners of the Condominium Unit in fee simple title as tenants in common or joint tenants. However, this Rule shall not be construed to prohibit the ownership of a Condominium Unit by a limited liability company, limited partnership, general partnership, limited liability limited partnership, corporation, trust or other entity authorized to hold title to real estate under Colorado law, even though more than one person has an ownership interest in such entity. If a limited liability company, limited partnership, general partnership, limited liability limited partnership, corporation, trust or other entity authorized to hold title to real estate under Colorado law is vested with fee simple title to a Condominium Unit, then the Condominium Unit may be used and occupied by no more than five (5) unrelated managers, members, partners, officers, directors, beneficiaries or trustees, as applicable, of such ownership entity as Guests; or, in the case of a family owned entity, the Condominium Unit may be used and occupied by any number of managers, members, partners, officers, directors, beneficiaries or trustees, as applicable, who are related by blood, legal adoption or marriage as Guests.

The Owner, Family Members, Owner-Guests, Tenants and Invitees shall use, occupy and conduct themselves within the Owner's Condominium Unit and within the General and Limited Common Elements so as to comply with all applicable laws and not to commit an unlawful or criminal act or create a nuisance or unreasonably disturb or interfere with other Owners, Family Members, Owner-Guests, Tenants or Invitees, as well as Renters and Association employees. The Owner of a Condominium Unit is responsible for the conduct and behavior of each Family Member, Owner-Guest, Tenant and Invitee, whether within the Owner's Condominium Unit or within the General or Limited Common Elements. An Owner shall reimburse the Association promptly for any damages to any General or Limited Common Elements or other items of Association property caused by such Owner, Family Member, Owner-Guest, Tenant or Invitee. An Owner shall indemnify the Association and its managers, officers and employees (the "Indemnitees") against liability, damages, costs and expenses (including reasonable attorneys fees) arising from or growing out of personal injuries, death or property damage within the Owner's Condominium Unit or within the General or Limited Common Elements caused by such Owner, Family Member, Owner-Guest, Tenant or Invitee (except, as to each Indemnitees, to the extent caused by the negligence of such Indemnitees). An Owner is not responsible for the conduct or behavior of or damages caused by a Renter who rents a Rental Unit through the Association.

The Owner and its Family Members, Owner-Guests and Tenants and their respective Invitees shall keep all skis, snowboards and other items belonging to any of them inside the Owner's Unit or the locker assigned to such Owner and not in the hallways or other areas of the General Common Elements. The Owner shall indemnify the Indemnitees against liability, damages, costs and expenses (including reasonable attorneys fees) caused by or resulting from such skis, snowboards or other items when placed in the hallways or such other areas of the General Common Elements by such Owner, Family Members, Owner-Guests, Tenants or

Invitees. All Renters who rent Rental Units through the Association shall likewise be required by the Association to keep skis, snowboards and other items inside the Rental Unit.

Confirming a long standing Mountain Haus policy this overview is intended to clarify guidelines for amenity usage within the Mountain Haus building for the following Owner categories.

1. Non-Rental Units
2. Condotel Rental Units
3. Commercial Units

The Mountain Haus operates two separate and distinct enterprises within our building with varying Owner usage guidelines; each has its own budget and funding source. The first is the "Association" which comprises all units and the building. The second is the "Condotel" or hotel / rental program which comprises various guest services and amenities. The following are some of the Condotel amenities that are exclusively funded by units that are participating in the Condotel rental program for the benefit of rental guests who are residing therein:

- a) Breakfast Services
- b) Coffee, Cookies, Fruit and Movie Services
- c) Concierge Services
- d) Newspaper Services

The following usage eligibility examples are organized by Non-Rental, Rental, and Commercial designations:

If you are an Owner residing in a non-rental unit Condotel amenities are not available for your use at any time as they are funded entirely by other Units. They are not offered on an a-la-carte fee basis for use at any time.

If you are an Owner residing in (visiting) a normally rented unit Condotel amenities are extended to you when you are in residence in your normally rented unit. Through your participation in the Condotel program you are directly funding these amenities and may utilize them as a benefit of participation when in residence, subject to Association Rule #9.

If you are an Owner who has multiple units where some units are Rental and some are Non-Rental, Condotel amenities are available only when you are residing in your normally rented Unit, and not available when you are residing in your Non-rental unit. [Note: ten (10) Owner's currently have interests in 23 multiple units].

If you are an Owner who is visiting Vail, or has family, relatives, or friends visiting Vail, and you or they are not staying at the Mountain Haus in a normally rented unit, Condotel amenities are not available for your or their use. These amenities are not offered on an a-la-carte fee basis for use at any time.

If you are a Commercial Unit Owner Condotel amenities are not available to you, your staff, or your customers at any time. They are not offered on an a-la-carte fee basis for use at any time.

These guidelines are intended to ensure that the units that are funding Condotel amenities are receiving the full and equitable financial return due them for their investment in these amenities.

In order to preserve and enhance the peaceful enjoyment of units in the building and to maintain a uniform closed appearance of doorways in hallways throughout the building, all hallway entry

doors to Condominium Units shall either be kept closed or slightly ajar but in any event shall not permit direct views from the hallways into the units.

Installation and/or use of gas or charcoal barbecue grills is prohibited on the balcony of any Condominium Unit.

25. SHOWING OF UNITS AVAILABLE FOR SALE

When Condominium Units are made available for sale and it is necessary for the Condominium Unit to be shown to real estate agents and prospective purchasers, the following rules shall apply:

- A. An owner must notify the Association in writing if a Condominium Unit is to be made available for showings.*
- B. Occupied Condominium Units will be shown between 10:00 a.m. and 2:00 p.m. unless the occupant requests otherwise.*
- C. Access will be granted only with the permission of the occupant. A Condominium Unit will not be shown if the occupant so chooses.*
- D. Appointments for access must be made at least 24 hours in advance with Mountain Haus management to allow time for permission to be obtained from the occupant.*
- E. Unoccupied Condominium Units may be shown between the hours of 9am and 5pm.*

Any party who believes that such party was wrongfully denied access to a Unit may file a complaint with the Property Management Committee.

26. ASBESTOS-CONTAINING MATERIALS

All Owners are advised that the Mountain Haus at Vail contains asbestos-containing building materials ("ACBM's"). The exact content and location of all ACBM's in the Building has not been identified, but the following materials have been identified as containing ACBM's or are assumed to contain ACBM's: popcorn ceiling texture, drywall and plaster finishing and wall texture, thermal pipe insulation, boiler and heat exchanger insulation, ceiling panels, sheet flooring products, vinyl cove base trim, duct work connection gaskets, and other miscellaneous materials such as floor tiles, wall papers, carpet backing, and oven gaskets. Asbestos may be undetected, especially if it is located within or behind existing structures. The identified and assumed ACBM's are located in various places throughout the Building.

In general, there are no health risks or abatement requirements so long as the ACBM's are encapsulated or are not friable and are left undisturbed. Airborne asbestos fibers are released when ACBM's are improperly handled or are disturbed. A release of airborne asbestos fibers can present a health risk. In addition, a release of asbestos fibers can create certain legal obligations and possibly substantial monetary liability both to the Owner who causes such release and to Owners whose Units become contaminated and to the Association, if Common Areas are contaminated. Monetary liability can include, but is not limited to, costs of testing, costs of remediation, consequential damages, and potential damages to persons injured by such release and/or to guests in the Building. If airborne asbestos fibers are released, they can spread throughout the Building, causing substantial damage to the Building, Owners, the Association, Owner-Guests, Tenants, and other occupants of the Building.

ACBM's must not be disturbed, intentionally or accidentally. Materials in the Building which might be ACBM's must not be cut, sanded, scraped, gouged, marred, dropped, or forcefully contacted in any way. In the event any materials in the Building which might be ACBM's are

disturbed, or if damage to such materials is observed, the Mountain Haus Asbestos Program Manager (the "Program Manager") must be informed as soon as possible. The current Program Manager is the General Manager of the Mountain Haus, Steve Hawkins. The Program Manager may be reached in the Association's office on the first floor of the Building or at (970) 476-2434. If you have any questions concerning asbestos in the Building, please contact the Program Manager.

Notwithstanding anything contained in these Rules to the contrary, no alteration, repair, maintenance, remodeling, redecorating, renovation, or demolition ("Work") may be undertaken in any Condominium Unit (these activities also include, but are not limited to, work such as moving large furnishings, fixtures, equipment or supplies; painting walls or ceilings; and cleaning which physically contacts walls or spray on ceiling texture) or elsewhere in the Building except as follows:

- A. The Owner or the Owner's contractor, agent, employee or other person who will be supervising such Work must complete and sign a Work Request (the "Work Request") on a form approved and provided by the Association and as may be amended by the Association from time to time. The Work Request must set out in detail all Work to be done. Work Request Forms may be obtained at the Association office on the first floor of the Building.*
- B. The Work Request must be signed and approved by the Program Manager before any Work may begin.*
- C. All Work must be limited to the activities and locations described in the Work Request as specifically approved. Any changes to the approved Work and/or any subsequent or additional Work must be submitted for written approval as provided above. No Work may be performed at any time which has not been specifically approved in writing as herein provided. Every person or entity performing any Work in the Building must sign and deliver to the Program Manager a Contractor Notification and Agreement, for each job, before such person or entity will be permitted to work in the Building.*
- D. Wherever this rule 26, provides for the approval of the Program Manager, the Program Manager shall provide notice of written approval or disapproval within ten (10) business days of the date request for approval was received by the Program Manager. In the case of disapproval, or in the case the Program Manager imposes any additional condition or conditions on which approval is based, the Program Manager's notice shall include all reasons for such disapproval or additional condition(s). If the Program Manager's approval or disapproval is not sent to the requesting party within the time period herein provided, or if the requesting party believes that approval was improperly withheld or conditioned, the requesting party may appeal to the Board of Managers acting through the Building and Grounds Committee (the "Building Committee") by filing a written request for appeal directly with the Chairperson of the Building Committee. The Building Committee will render a decision within sixty (60) calendar days of the date the request for appeal is received by the Chairperson, and the decision of the Building Committee will be final. The request for appeal should be clear and complete in stating the appellant's arguments for appeal, including all necessary background information and supporting facts. The Building Committee may use its sole discretion in deciding whether to consider additional information provided by the appellant after the Building Committee has reached its decision.*
- E. Each and every contractor, agent, employee, Owner or other person or entity who engages in the disturbance, removal and/or disposal of ACM's from any part of the Mountain Haus, including any Unit therein, must: (i) be licensed by the State of Colorado for the removal, transportation and disposition of ACM's; and (ii) meet such requirements as may be established by the Board of Managers from time to time. In the event any Work includes the disturbance, removal and/or disposal of ACM's, the Work Request required hereunder must include such information as may be reasonably necessary to determine if the person or entity engages in such activities meets the*

requirements established by the Board as provided just above. The Program Manager will make the determination of qualification as part of the approval or disapproval of the Work Request. The determination of the Program Manager is appealable as provided in sub-paragraph D., above.

- F. In the event any Work includes the disturbance, removal and/or disposal of ACBM's, the Association has the right to hire an oversight contractor to monitor such Work in order to insure that no asbestos fibers are released into any part of the Building. The Owner responsible for such Work shall bear the reasonable cost of any such oversight contractor hired by the Association. If such Work results in the unauthorized or uncontrolled disturbance of any ACBM's, the mishandling of any ACBM's, or the release of asbestos fibers, the Association may hire its own contractor to correct such disturbance, mishandling, disposal or release, all at the responsible Owner's sole cost and expense.
- G. Notwithstanding anything contained in these Rules to the contrary, in the event any Work done by or on behalf of any Owner: (i) results in the unauthorized or uncontrolled disturbance of any ACBM's, the mishandling of any ACBM's, the improper transportation or disposal of any ACBM's, or the release of asbestos fibers; (ii) leads to any damage, cost, liability, judgment, claim or other expense to the Association; or (iii) subjects the Association to any expense associated with regulatory compliance; then such Owner shall indemnify the Association and hold the Association harmless against all such conduct, costs and expenses, including court costs and attorneys' fees. Any amount owed to the Association hereunder and not paid within twenty (20) calendar days of written demand therefor by the Association shall become lien on the Unit upon which said work was done as provided in paragraph 21 of the Declarations.

27. VIOLATIONS

In the event of a breach or violation of these Rules by an Owner, Family Member, Owner-Guest, Tenant or Invitee, which breach would cause the Association or one or more of its Members irreparable harm, then in addition to other remedies available at law or in equity or under these Rules, the Declaration or the Bylaws, the Association shall be entitled to injunctive or other equitable relief as a remedy for such breach.

In any proceeding between the Association and an Owner involving violation or alleged violation of these Rules (including but not limited to a violation of the Declaration or Bylaws) or enforcement thereof by the Association or a dispute as to the interpretation of these Rules, the Declaration or the Bylaws, the prevailing party shall be entitled to recover reasonable attorneys' fees.

A violation of these Rules by an Owner, Family Member, Owner-Guest, Tenant or Invitee shall subject the Owner of the Condominium Unit to suspension of voting rights and/or a daily fine, payable as a common assessment or as a deduction from amounts otherwise payable to the Owner, at the Association's option, calculated as follows:

<i>First Violation</i>	<i>Up to \$500</i>
<i>Second Violation</i>	<i>Up to \$1,500</i>
<i>Third Violation</i>	<i>Up to \$2,500</i>

The Board shall not impose a fine on or suspend voting rights of an Owner for any violation (other than failure to pay Assessments) unless and until the following procedures are followed:

- (a) Demand. *A written demand shall be served upon the Owner by or at the direction of the Board or the Property Management Committee directing the Owner to cease and desist or cause the alleged violator to cease and desist from an alleged violation, specifying (i) the alleged*

violation; (ii) the action required to abate the violation; and (iii) a time period, not less than ten (10) days, during which the violation may be abated without further sanctions, if such violation is a continuing one, or, if the violation is not a continuing one, a statement that any further violation of the same rule or rules may result in the imposition of sanctions after notice and hearing.

(b) Notice. At any time within twelve (12) months after such demand, if the demand is not complied with, written notice may be served by or at the direction of the Board or the Property Management Committee of a hearing to be held by the Board of Managers in executive session. The notice shall contain (i) the nature of the alleged violation; (ii) the time and place of the hearing, which time shall be not less than ten (10) days from the giving of the notice; (iii) an invitation to attend the hearing (with counsel, if desired) and to present to the Board any statement, evidence and/or witnesses on the Owner's behalf; and (iv) the proposed fine and any other sanction to be imposed.

(c) Hearing. The hearing shall be held in executive session of the Board of Managers pursuant to the notice referred to in subparagraph (b) above. Prior to the effectiveness of any fine or any other sanction hereunder, proof of such notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, manager or agent (including but not limited to the General Manager) who actually delivered such notice. The notice requirement shall be deemed satisfied if such Owner or its counsel appears at the meeting. The Board, within 30 days after the conclusion of such hearing, shall issue and deliver to the Owner or its counsel a written decision, certified by the Secretary of the Association, stating the results of the hearing and, if applicable, the fine and other sanctions, if any, imposed. Such decision shall be final and binding upon the Association and the Owner unless appealed by the Owner as provided in subparagraph (d) below.

(d) Appeal. If the Owner desires to appeal from such decision of the Board, then the Owner, within 30 days after the Board's written decision is delivered to the Owner, shall submit such decision to binding arbitration before and in accordance with the commercial arbitration rules of the American Arbitration Association, and judgment upon the award in such arbitration shall be final and binding upon the Association and the Owner and shall be enforceable in any court of competent jurisdiction. Any such arbitration shall be held in Vail, Colorado before one arbitrator.

(e) Deliveries. Service or delivery of the demand, notice or any other document or communication in connection with the foregoing proceedings shall be sufficient if delivered (i) to the Owner in the same manner as notice of a meeting of the Members of the Association; and (ii) to the Association or Board by delivering same personally or by certified mail or overnight courier (with delivery confirmed) to the Mountain Haus, 292 East Meadow Drive, Vail, Colorado 81657, Attention: General Manager.

28. ASSOCIATION ACCOUNT AND DESIGNATED REPRESENTATIVES

Each Mountain Haus Condominium Unit shall have a single account with the Association. When a Condominium Unit is owned by more than one person, then the co-Owners among themselves must notify the Association of the identity of one natural person (the "Designated Representative") and address to be used for Association notices, statements and other business transactions, and if no designation is made, then the Association may use the first name appearing on the deed as the Designated Representative and the local Vail address for the Unit as the address for such purposes. When a Condominium Unit is owned by an entity, then the entity must notify the Association of the identity of one natural person (the "Designated Representative") and address for Association notices, statements and other business transactions, and if no designation is made, then the Association may

use the entity's registered agent as the Designated Representative and registered office as the address as disclosed in the records of the Colorado Secretary of State, if any, or may use the name of the entity and the local Vail address for the Condominium Unit as the address for such purposes.

Only the Designated Representative shall have the right to: (1) change the rental status of the Residential Condominium Unit pursuant to Rule 3; (2) make reservations for Owner use of the Residential Condominium Unit pursuant to Rule 4; (3) deliver the Owner use calendar pursuant to Rule 4; (4) appeal a rater Categorization of a Rental Unit, petition to have the Rental Unit reviewed again or elect to have the Rental Unit in a lower category than assigned by the rater, all pursuant to Rule 7; and (5) notify the Association that a Condominium Unit is to be made available for showings pursuant to Rule 25.

With the written consent of the Association, the Association and the Designated Representative may agree upon the designation of a alternate Designated Representative to represent a group of owners or an entity Owner ("Alternate Designated Representative"); however, in the event of inconsistent instructions from the Designated Representative and Alternate Designated Representative, the Association shall terminate its consent to the alternate Designated Representative and will abide only by the instructions of the Designated Representative.

A group of Owners or entity Owner may change its Designated Representative only by a written request signed by all Owners, or in the case of an entity, signed by the legal representatives of the entity who are authorized to legally bind it.

29. COLLECTION OF ASSESSMENTS AND OTHER AMOUNTS DUE

The annual common assessments and, if applicable, the annual condo-tel assessments for hotel operations expenses levied by the Association against a Unit for any fiscal year (collectively, the "**Assessments**") constitute an immediate lien on such Unit effective the first day of such fiscal year on November 1. Assessments shall be payable in monthly installments, except as provided below. If the Association does not receive payment in full of any monthly Assessments, fines or other charges assessed or charged to a Unit Owner on or before forty-five (45) days after the date of the Owner's monthly billing statement, such amounts shall be deemed delinquent ("**Delinquent Amounts**"), and the Owner shall pay a late fee to the Association in the amount of five percent (5%) of such Delinquent Amounts. All unpaid Delinquent Amounts shall bear interest at the rate of 10% per annum from the date originally billed to the Unit Owner until paid in full together with all expenses incurred by the Association related to such late payment, including recording fees, the lien release fee set out below, court costs and reasonable attorney's fees whether or not a lawsuit is filed ("**Collection Costs**"). Delinquent Amounts, late fees, interest and Collections Costs shall be deducted from an Owner's credit balance, to the extent thereof. Collections Costs, late fees, interest, fines or other charges assessed or charged to a Unit shall be treated in the same manner as Assessments and shall entitle the Association to the same benefits related to lien rights and other collection and enforcement procedures.

If The Association does not receive payment in full of any Delinquent Amounts on or before sixty (60) days after the date of the Owner's original monthly billing statement, the Association through its managing agent, shall at any time thereafter send a notice to the Unit Owner via both certified mail and regular mail. Such notice shall set

forth the Condominium Unit number, the Delinquent Amounts, and a statement that if the Delinquent Amounts are not paid in full within ten (10) days after the date the notice is mailed, (1) the Association may file a lien against the Owner's Unit and pursue litigation, foreclosure, the appointment of a receiver and/or any other remedy permitted under Colorado law; (2) the Association may suspend the Owner's and Owner's family members', guests' and tenants' privileges to use the pool, spa area, weight room, breakfast service, complimentary movie program and any other Owner amenities which are paid for by Assessments; and (3) the Association may terminate services to the Unit which are paid for by Assessments, including without limitation cable, telephone, internet, water and heat. If a lien statement for the Delinquent Amounts is recorded in the real estate records as provided in the Condominium Declaration, the Association will collect a fee of \$500 to release such lien.

If an Owner incurs Delinquent Amounts on its Unit account during any fiscal year, the remaining unpaid annual Assessments for such fiscal year may be accelerated by the Association ("**Accelerated Assessments**") effective on the date such Delinquent Amounts were posted to such Unit Owner's account or at any later time. Accelerated Assessments shall be immediately due and payable in full effective the date of acceleration. Notice of acceleration shall be given to the Unit Owner, which notice may be included in such Owner's monthly billing statement. Accelerated Assessments shall be deducted from an Owner's credit balance, to the extent thereof. Any remaining balance of the Accelerated Assessments shall be payable in full by the Owner within thirty (30) days after the date of the notice of acceleration. Any Accelerated Assessments not paid within such thirty day period shall become Delinquent Amounts which shall not be subject to a late fee, but which shall be subject to interest from the date of the notice of acceleration until paid in full together with Collection Costs.

Under no circumstances shall the Association receive from an Owner interest exceeding the maximum rate of interest permitted by applicable law (the "**Maximum Rate**"), and in any contingency whatsoever, if the Association shall receive anything of value deemed interest under applicable law which causes the interest paid or agreed to be paid to exceed the Maximum Rate, the excessive interest shall automatically be applied to the reduction of unpaid obligations of the Owner to the Association, with the balance, if any, refunded to the Owner.

Owners should also review the Condominium Declaration for the Mountain Haus (A Condominium) which sets out additional provisions related to Assessments and collection matters, including without limitation, Sections 19, 19A, 21, and 22. Copies of the Condominium Declaration and the Rules are available on the Mountain Haus website <http://new.mountainhaus.com/mountain-haus-governing-document> .

30. DEFINED OWNER PERCENTAGES, FEES and TIMETABLES

In reference to Section 22 of the Declaration of Condominium the applicable interest due shall be set at 10% per annum.

In reference to Section 23 of the Declaration of Condominium the applicable not-to-exceed dollar value in sub-paragraphs 1 and 2 shall be set at \$250.00 per request.

In reference to 2018 C.C.I.O.A. guidelines the applicable timetable for distribution of proposed Association Budgets for consideration of and comment by the Membership be after the regularly scheduled September Board meeting of each year and prior to the beginning of the upcoming fiscal year.

31. NO INTERFERENCE

The Board of Managers has exclusive authority to manage and conduct the business and affairs of the Association pursuant to the Declaration, Articles of Incorporation and Bylaws of the Association. Accordingly, unless duly authorized in writing by the Board of Managers, an individual Board member or Owner has no authority to and shall not speak or act or purport to speak or act or expressly represent or imply that he/she/it has authority to speak or act for or on behalf or as agent of the Association or the Board of Managers.

EXHIBIT "A"

REQUIRED AMENITIES FOR RENTAL UNITS

The following criteria shall be the minimum furnishings to be contained within all Rental Units.

- I. The kitchenware/houseware (kitchen utensils, flatware, dinnerware, glassware, blender, coffee maker, toaster), 2) linen packages (bed linens, blankets, pillows and terry), 3) alarm clocks, and 4) space heaters (in winter) and circulation fans (in summer); as provided by the rental program. A microwave is required. The addition of other kitchen appliances such as mixers and extra baking dishes is encouraged.*
- II. One telephone for the main living area and one for each bedroom. Message light capacity is required on at least the living area telephone and can be provided by the rental program upon request.*
- III. One color television in each main living area and one for each bedroom. Televisions should be equipped with remote controls. A VCR/DVD is required for the television in the main living area.*
- IV. Internet and wifi access via the building-wide system as designated by the rental program.*
- V. The selection of the actual items in each room within a condominium is left up to the discretion of the unit's owner. However, the items must meet the rental standards established by the independent rater, who will be identified by the Board of Managers.*

In addition, furnishings, wall coverings, carpeting, and other floor coverings should be a complement to the established high standards and quality of the property. The owner should keep in mind durability, ease of maintenance, availability for replacement, and style when choosing any furnishings. The location of electrical outlets should also be considered when selecting lighting and electrical equipment. In order for a unit to properly accommodate Renters luggage, only one closet should be left locked as an "owners' closet" unless remodeling has included the addition of cabinets and closets.