

Letter from the President
Skier's Edge Condominium Association, Inc.
 Board of Managers
 October, 2006

Dear Fellow Owners:

I am sure you are all aware by now that the billing for 2007 has gone out. I want to provide an update to all of you in the collection of 2006 fees. **This is good news**, although we are still running a 24.4% delinquency rate. See the breakdown below:

As of August 31st, 2006	
2006 Maint. Fees	\$771,840.88
2006 Replacements	\$ 35,364.35
2006 Special Assessments	<u>\$175,257.67</u>
Total	\$982,732.90

The total number of delinquent owners is 336⁽¹⁾ and represents 24.4% of the owner base 1,377. By year, this represents the following dollar amounts:

2006 Assessments/Replacements	\$232,105
2006 Special Assessments	103,935
2005 Assessments	81,025
2005 Special Assessments	71,986
2004 Assessments	50,250
2004 Special Assessments	15,825
2003 & Prior Assessments	<u>277,414</u>
Total	\$832,540

The amounts above include the following categories.

	<u>Intervals</u>	<u>Balance</u>
Bankruptcy	68	357,129
CCC	25	34,167
EMCC	136	289,561
Uncollectable ⁽²⁾	49	86,622
Other*	58	<u>65,061</u>
Total	336	832,540

Collections Update

The total amount received from CCC (Jan - July) is \$82,817.07.

The total amount received from EMCC (Jan - July) is \$714.30.

*There are currently 17 accounts that are in litigation with Madeline Duncan, Esq.

*There are currently 4 accounts in the deed back process.

*There are currently 37 accounts that are delinquent for 2006 S/A.

(1) All accounts that owe for 2006 & prior dues.

(2) Unable to collect due to previous Bankruptcy filing and/or Deceased.

There are currently 947 accounts that are paid in full for 2006 Assessments and Special Assessments.

There are currently 11 accounts that are on a payment plan for the 2006 Assessments and Special Assessment. There are 83 accounts owned by the HOA.

The 2007 annual assessments [Maintenance Fees] were mailed out on Sept. 1st.

- Studio Units \$ 580
- One Bedroom \$ 924
- Two Bedroom \$1,148

The payment is due by **November 1st** and will be delinquent if received after that date. You can pay in two equal payments for an additional \$25.00 processing fee. These equal half payments are due Nov. 1st and April 1st.

Legal Update

The vote to approve settlement rather than going to court passed, the vote results were as follows:

Settlement	VS.	Go to court
YES 324		NO 8

Agree to settle for a minimum amount as voted on or more.
YES 306 NO 25

*As of the writing of this update the settlement documents are in the process of being signed. We will disclose the outcome as soon as it is known and fully executed.

Rental Income Update

Mathias and the VRI Staff are doing a great job renting units and rooms open space.

	Gross	Net
November 2005	\$1,759.00	\$803.14
December 2005	\$2,810.50	\$1,398.85
January 06	\$10,014.00	\$4,631.94
February	\$15,794.61	\$4,979.91
March	\$21,835.50	\$7,537.96
April	\$8,436.47	\$4,529.40
May	\$2,414.00	\$1,326.83
June	\$2,165.20	\$992.46
July	\$6,223.61	\$3,041.57
August	\$5,769.20	\$2,320.89
September	\$1,880.00	\$830.68

	Gross YTD	Net YTD
Total	\$79,102.09	\$32,393.63

Construction Update

We have completed the loan process with Colebrook Financial. We now have a \$500,000 line of credit approved and available for us to use for the interior renovations. That coupled with the \$466,551 in our Special Assessment account gives us almost one million dollars available to complete the interior renovations.

We have signed the construction agreement with Reconstruction Experts and we are finalizing the plans to start demolition in October. We will be working with Granite States who is a design firm that has worked well with VRI on several other projects and will be helping us to configure and decorate the interior spaces. We look forward to great things this next year with a total interior face lift to the rooms at Skier's Edge facility.

Website Update

We have added new pictures to the website. These showcase the new exterior of the Skier's Edge facility. We hope to have the new interior pictures on the website soon.

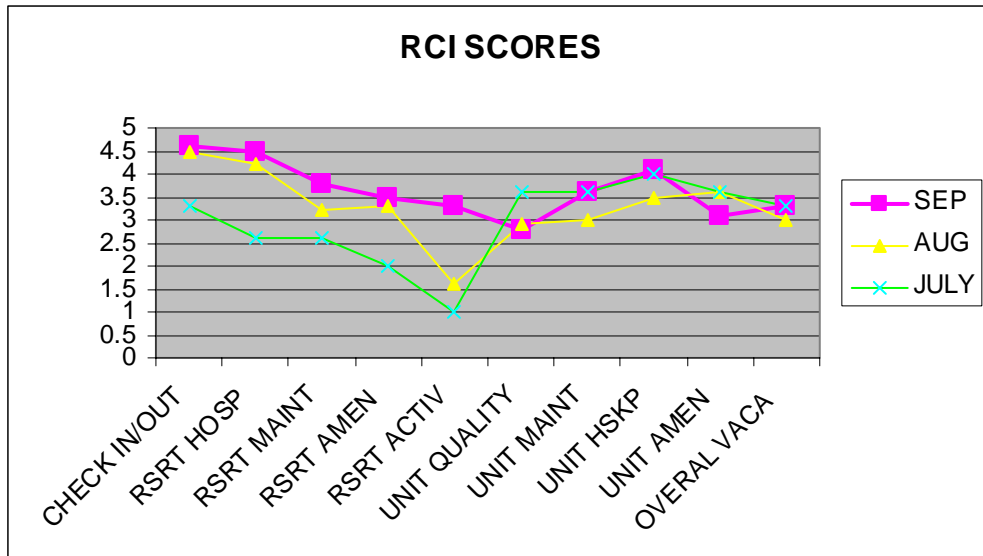
Facility Improvements Update

Some of the completed new projects, with thanks to VRI Maintenance and a special thank you to George Talbott, owner and Board Member who volunteered his free time are:

- Ansel Adams pictures now adorn the hallway of the lower level of the facility. These were placed to cover the unsightly fuse boxes that lined the hall and add a nice touch to the facility. Many are nature photos as well as some turn-of-the-century photos of Denver.
- New signs have been installed around the facility to help guide guests. at the facility.
- There have been some on-going improvements in the pool area. A second shower and bathroom is almost available for use to guests.

RCI and Units for Sale Update

For anyone interested, there are still unit weeks for sale. Some at rock bottom prices at the lodge on the owner's bulletin board and on the Skier's Edge website. Our RCI trading power is doing well and will only get better after the renovation is completed!



New Opportunities

Mathias is looking into the possibility of the Summit Stage coming out to the Blue River or Skier's Edge area. This would allow a convenience to our guests in getting back and forth into Breckenridge.

If you haven't visited the Skier's Edge facility in a while, I invite you to go and see the exciting changes and improvements that have been made and meet our friendly VRI staff!

Your continued support, as always, is greatly appreciated.

Sincerely,

Michael P. Monk

Michael P. Monk
Skier's Edge Condominium Association, Inc.
President