

April 29, 2009

Re: Amended Budget / Change in Condo Fees (effective 6/1/09)

Dear Ritz Owner(s),

The Board met on Saturday April 18, 2009 with the main Agenda matter being the exterior building repairs needed at the Ritz.

Robert Nacheman PE of the Thornton Tomasetti engineering firm gave a lengthy presentation of the problems facing the Ritz exterior steel and masonry. He discussed work on the nearly completed Pacific / Belmont corner and laid out a 10 phase repair program for the additional work needed at various locations around the building.

The overall estimated time frame to accomplish the new 10 phases identified by Mr. Nacheman is in excess of 10 years with a total estimated cost of \$4,312,522.

The first phase (which includes the Pacific Avenue tower wall and the Iowa / Pacific Corner) has an estimated cost of \$1,212,900.

By resolution # 2009 - 1, the Board unanimously authorized the Phase 1 repairs to begin in March 2010 and authorized the funding of the Phase 1 project as follows:

- \$400,000 from current "Corners Account" (expected balance after full payment for current Pacific / Belmont corner restoration)
- \$300,000 from "Capital Reserve Account"
- The Raising of \$500,000 by amending the 2009/2010 Budget (effective 6/1/09) and future Budgets to include a line item for Exterior Building Repairs. The line item amount needed to raise the \$500,000 to cover the Phase 1 Construction estimate will be \$20,650 monthly which raises the monthly Budget amount and monthly Condo Fees approximately 14%.

The \$500,000 will be raised between 6/1/09 and the anticipated completion date of Phase 1 construction May 2011. (24 months)

The new amount of Condo Fees for **Unit** _____ is \$_____ with the new amount commencing June 1, 2009.

For those owners who are making a monthly pool project assessment payment, there is NO change in that amount or schedule.

Thank you for your attention to this matter as we continue to navigate through these difficult times.

Sincerely,

Brian Smith, General Manager