



June 4, 2005

Dear SunVailer,

We have been producing a monthly Newsletter to keep you informed of the progress being made at Sun Vail, and have attempted to keep that letter positive and cheerful. Dale Bugby has been doing a superb job in editing and producing that letter for you.

I am compelled to write this letter to inform you of the other side of the picture. I walked the property on Friday June 3rd with Dale to see the progress being made, and we discussed the financial situation. The transition from Vail Management to Vistar Real Estate commenced on February 15th, and was to be completed by April 15th. As of this date, Vistar has still not received Sun Vail's financial records from Vail Management. This would make one wonder if there are not some improprieties. I have written a strong letter to Vail Management asking that these records be delivered to Sun Vail by June 15th, or we will have no choice but to initiate legal action.

In walking the property, and Dale is doing a great job in improving the grounds, there were several evidences of the poor management by Vail Management. For instance, several of the pillars around the pool have shifted, and one is leaning precariously and will have to be re-built on a new footing. We now know that when the stone mason reported that the footings were inadequate for his work, he was told to go ahead anyway by Vail Management, apparently because they were so far behind schedule. The metal fence around the pool was not primed. The paint is now flaking, allowing the metal to rust. That will have to be redone. Again, poor management.

Vistar Real Estate has only a vague idea of what our financial situation is without those records, and no doubt it isn't good. The majority of you voted to change management companies at our December meeting, and it becomes more evident that this was a timely and urgent need, but we are now in good hands.

Sincerely,

A handwritten signature in black ink that reads "Dr. Hal Magoun". The signature is written in a cursive, flowing style.

Dr. Hal Magoun, President  
Sun Vail Condominium Association