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July ____, 2008

Baldy Mountain Owners' Association
Attention: All Members

RE: Public Trustee's Foreclosure of Unit 14-5
Baldy Mountain Condominiums
Proposal to Assign Association's Lien and Right of Redemption
Our File No.: 2027-83

Dear Baldy Mountain Owner:

As you may be aware, our firm represents the Baldy Mountain Owners' Association (the "Association"), which has asked us to contact all owners concerning a currently pending Public Trustee's foreclosure sale which has occurred against the above property ("Unit") and the Association's proposal to assign its lien and redemption rights to any interested Baldy Mountain owner for the highest offer.

On July 11, 2008, a deed of trust foreclosure sale occurred through the office of the Summit County Public Trustee (PT 07-134) to foreclose a lien of a first deed of trust against the Unit in favor of US Bank National Association. The total amount bid at the foreclosure sale by a third party buyer was \$213,721.87. Under Colorado law, the owner of the Unit has a period of seventy-five (75) days from the date of the foreclosure sale within which to redeem the property (September 24, 2008). The law further provides that a party who holds a lien against real property which is junior to the first deed of trust, also has a right to redeem the property from the foreclosure sale if it files a notice of intent to redeem. In order to redeem the Unit, the junior liener has a period of ten (10) days after the expiration of the seventy-five (75) day

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redemption period by tendering cash or certified funds in the amount of \$213,721.87, plus per diem interest through October 4, 2008, and costs expended by the holder of the certificate of purchase, to the Public Trustee's office (October 4, 2008). These funds cannot be tendered prior to September 24, 2008 and no later than 5:00 p.m., October 4, 2008. Inasmuch as the Association has an assessment lien against the Unit and has filed an intent to redeem, the Association could redeem the property and, hence, end up with title to the Unit.

You should also be advised that there are two deeds of trust against the Unit that are junior to the lien of the Association. The holders of these junior liens also have the right to redeem from the Association if the Association redeems.

Although it appears that there may be around \$_____ of equity in the Unit before payment of amounts due the Association, the Association has determined that it is simply not in a position to try and obtain the necessary funds, redeem the Unit and subsequently resell it. Accordingly, the Board will agree to assign its lien and redemption rights to the Association member who makes the highest offer. **You should be advised that the Association makes no representations as to the value of the Unit and that prospective purchasers need to make their own independent analysis of its value.** Also, you need to discuss this with your own attorney. Because we represent the Association, we cannot advise you in this matter. Because the Association does not have the right to access the Unit except to make emergency repairs, a purchaser is advised that the Unit is being acquired in "as is" condition.

Between the date of this letter and September 1, 2008, we have been authorized to receive proposals from Association members who wish to acquire an assignment of the Association's redemption rights. In order to exercise this offer, the Baldy Mountain owner needs to send us a letter advising us as to the amount he wishes to bid for the redemption rights. The letter must be accompanied by a cashier's check payable to Letofsky & Dombrowski Trust Account in the

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amount of the offer. The minimum amount which the Association will accept for an assignment of its redemption rights is the entire amount owed including dues, assessments, costs, interest, late fees, etc., \$16,269.00 as of August 1, 2008. In the event that duplicate high offers are received, the party which will obtain the assignment will be determined by drawing lots. The Board reserves the right to decline all bids. All unsuccessful bidders will have their checks promptly returned to them. The successful bidder will be issued an Assignment of Lien and Redemption Rights, with a warranty, assigning the Association's lien and redemption rights. If a minimum offer is not received by September 1, 2008, the Association will solicit offers from non Baldy Mountain parties.

Because the entire foreclosure and redemption process is very technical and legally complicated, our office strongly recommends that any Baldy Mountain owner who is interested in obtaining an assignment of the Association's lien and redemption rights should first consult with his or her own independent legal counsel.

Any further questions concerning this matter should be referred to this office and not to the Association's managing agent or individual board members.

Very truly yours,

A handwritten signature in black ink, appearing to read "Steven F. Letofsky". The signature is written in a cursive, flowing style with a large, decorative flourish at the end.

Steven F. Letofsky

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