



Dear Arroyo Roble Resort Homeowners,

We wanted to Update you on all that is going on at Arroyo Roble Resort.

As you remember from our Year-End letter that was sent out in November, we had a lot of unanticipated expenses (more than \$250,000) in 2023 plus the lost revenue of over \$200,000 from Maintenance Fees not collected for the resort owned inventory. These factors have significantly impacted our Reserves. However, we are continuing to move ahead and there is a lot of work going on this year – 2024. Here is what we have been working on:

1. **Villa Modernization/Renovation Project:**

The Board of Directors of the Arroyo Roble Resort have finalized plans for a “Special Assessment” for all homeowners of the resort in order to complete much needed upgrades to the villas. The upgrades discussed and approved include:

- Living room flooring – scheduled for completion in August 2024.
- Bathroom upgrades:
 - Replacement of cabinet fronts and vanity tops in all villas.
 - Replacement of all jacuzzi tubs with a smaller soaking tub
 - Retiling of all master bathrooms
 - Replacement of all shower doors
- Other scheduled upgrades include:
 - Installation of Back splashes in kitchens
 - Replacement of kitchen cabinet doors (soft close)
 - Replacement of front doors with energy efficient doors
 - Interior painting of downstairs areas
 - Replacement of sofa beds with new sectionals
 - Replacement of patio furniture
 - Addition of various decorative items

The renovation project discussed here will be funded by the “Special Assessment” as discussed in the year-end letter which you received last December. The “Special Assessment” invoice is on the final page of this letter to all the homeowners. Please mail the invoice back with your name, interval information, and payment prior to August 1, 2024.

The Board of Directors of the Arroyo Roble Resort voted in their April 24, 2024, meeting to institute a “Special Assessment” in the amount of \$975.00 per interval (\$325.00 per interval per year for the next three years starting this June). The initial \$325.00 assessment will be due immediately in June of this year and the remaining two assessments of \$325 per year will be in addition to the 2025 and 2026 maintenance fee billings. (Note: if a homeowner decides to prepay the entire assessment this year, they will receive a **\$50.00 discount and the total amount would be \$925.00 if paid now.**

The first \$350,000.00 of the special assessment monies received will be used to replenish the reserve accounts as stated in the year-end letter and then the remaining amount will be used toward the villa

modernization/renovations.

The resort will be renovating four (4) villas in August of this year with all the items mentioned above and you will be able see the results by September. Photos of the results will be posted in the Roca Room in a display for everyone to view at their convenience.

Please look for your invoice for the special assessment, which will be emailed, and USPS mailed to you in the next few days. The initial portion of the assessment will be due immediately and late fees will be incurred after August 1, 2024.

PLEASE NOTE: If the assessment is not paid, you will be unable to use your interval time at the resort per the CC & R's.

2. **Association Owned Interval Rentals:** Association Owned Intervals (200+): As mentioned in the Year-End letter, we have contracted with a company which specializes in renting out resort inventory to help reduce or eliminate lost revenue due to resort owned inventory. This process allows us to make the Association Owned Intervals available to rent on Booking.com, Expedia, etc. to bring in additional capital. The rental program started in February of this year and has produced approximately \$50K in net rental income through the end of April to help offset the Maintenance Fees (MF) not collected for the resort owned intervals. We will continue with the rental program and anticipate earning enough net revenue to completely eliminate the approximately \$200K MF shortfall this year. The program also offers rental guests the opportunity to see our wonderful Arroyo Roble Resort and possibly decide to purchase an interval(s) as a result.

3. **Online Reservations System:** The launch of our NEW Online Reservations System has been delayed due to final implementation of the Association Owned Interval Rental system mentioned above. With this new system, owners will be able to make your reservations online (based on current availability at that moment) including being able to select from which specific villa you reserve, or (i.e., New Creekside, Old Creekside, single level, etc.) (while following all our Reservation Rules). We anticipate this will be launched in June 2024 after completing final testing which is currently underway. Every homeowner will be required to register on the new system with their Email address and last name that is currently on file with the resort. You may then set up a password to use the new Reservations System to make your reservations immediately on-line. All current reservations you have will remain in place with the new system. You will see a summary of your existing reservations when you log in. As always, you must have paid your annual MF prior to making a new reservation. (Please note that Debra will still be available for reservations questions as always and her position is NOT being eliminated!) (Many homeowners have already asked.) All the current reservations rules will still apply. The Online Reservation System User Manual/Guide will be emailed to all homeowners and posted on the resorts website as well to ensure an easy transition to the system.

Sincerely,

Dave Brown

David C. Brown,
President of the Board of Directors

Ralph Woellmer

Ralph Woellmer,
General Manager/Dir. of Resort
Operations

Arroyo Roble Resort

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SPECIAL ASSESSMENT INVOICE

THE SPECIAL ASSESSMENT IS IN THE AMOUNT OF \$975.00 PER INTERVAL OWNED.

PER THE ATTACHED LETTER, THIS SPECIAL ASSESSMENT IS DUE UPON RECEIPT AND INSTALLMENT #1 IS DUE BY AUGUST 1, 2024. PAYMENT RECEIVED AFTER AUGUST 1, 2024 WILL INCUR LATE CHARGES.

If you pay the entire assessment prior to August 1, 2024, you may pay a reduced amount of \$925.00 per interval total instead of the \$975.00 per interval in installments.

INTERVAL #	NAME OF OWNER				

YEAR	ARR SPECIAL ASSESSMENT – DUE UPON RECEIPT	TOTAL	DUE
2024	Special Assessment – due by August 1, 2024	\$325.00	\$325.00
2025	Special Assessment – will be billed with annual Maintenance Fee	\$325.00	
2026	Special Assessment – will be bill with Annual Maintenance Fee	\$325.00	
	Total Special Assessment for Arroyo Roble Resort	\$975.00	
	If paid in full by August 1, 2024 = \$50.00 discount	\$925.00	
	Please make all checks payable to:		
	Arroyo Roble Resort, PO Box 2264, Sedona, Az 86339		
		SUBTOTAL	\$325.00