



July 21, 2025

Dear Arroyo Roble Resort Owners,

We want to first and foremost acknowledge the messages we have received from the interval owners in response to the board's special assessment notice. All your questions and concerns are completely valid. The board did not take lightly the decision to issue the notice, and we are not surprised by the feedback. We felt the most important thing to do was to inform the owners of the situation as soon as the scope and magnitude became clear to us.

We will do our best to address each and every comment we've received, but please be patient if you are not receiving a direct response to your message. There is simply not enough staff available to address each of you individually. Jolene Moya, the new General Manager (GM) has only been on the job for a few months, and we have her to thank for bringing the full scope of this situation into focus and she remains committed to seeing this solution through to the end. We will continue to update you collectively as we are doing in this message. We are also using the website to post any information requested that has not already been posted there.

A special meeting of the owners has been requested, and the board wholeheartedly supports this, and we are working to schedule one that will be available to attend virtually. We plan to have detailed answers available to you at that meeting and will do our best to provide time for all to voice their concerns. Furthermore, no action to cancel reservations due to non-payment of this special assessment will be enforced until we have concluded the special meeting of all the owners who attend.

We can assure you that the financial challenges are real and there is a dire need to address them, or we would not have issued the special assessment notice. The reality is that years of not collecting reserves on top of operational expenses left the resort without sufficient capital to address the myriad of issues that arose at the same time. This assessment, while painful, is intended to "right the ship" by restoring those accounts and providing the capital necessary to complete the renovations. While we can explore limiting the renovations, we as owners should consider that that will have its own cost. The units are in desperate need of upgrades and the failure to address them will continue to put downward pressure on the value of the intervals, the income that can be derived from our rental program and will erode your guest experience when staying here.

The Arroyo Roble Resort is a special place, beloved by families who have made memories here for generations. It is a property that could never be recreated today. The board, which is made up of volunteer owners, just like you, believes that a major investment in the property is not only warranted, but essential to protect its value, secure its future and our enjoyment.

Lastly, no one person or organization owns this place; we all own it, and the future is in our collective hands. The board works in earnest to do the best we can for all of you and the resort. We are as heartsick about the situation as any of you, but we also know the solution to the problems is in the owners accepting the responsibilities associated with ownership. We believe, even with the increased fees, staying at Arroyo Robles Resort represents a great value to the families who have done so for decades, and we would like to see us all come together to insure that the next generation can continue to create memories here.

We pledge continued communication and the aforementioned, Special Virtually meeting. Please be patient as we continue to endeavor in earnest on your behalf.

Thank you

The Board of Directors