

January 27, 2025

Dear Residential Unit Owners:

On December 30, 2024, the Services Unit Owner (New Suncadia Hospitality LLC) sent a letter to all residential unit owners advising that it had adopted an Amendment to the Shared Facilities Rules and Regulations that would take effect February 1, 2025. The Amendment imposes a host of new requirements on owners who rent their units themselves or through a third-party manager.

The LRCA Board reviewed the Amendment carefully. The Board is concerned about the new requirements the Services Unit Owner will impose on February 1. On January 22, 2025, at the Board's direction, LRCA's attorneys sent a detailed letter to counsel for New Suncadia Hospitality LLC identifying our primary objections, which include the following:

- The Amendment states that the Services Unit Owner is under no obligation to provide Basic Services to guests or tenants of a Residential Unit that is not managed by the Services Unit Owner. The LRCA Board disagrees; it believes the Services Unit Owner is obligated to provide Basic Services (as defined in the Declaration of Access and Services Covenant) to all residential unit owners.
- The Amendment states that the Services Unit Owner may remove or exclude any person who violates their newly amended Shared Facilities Rules and Regulations. The LRCA Board disagrees and believes that all unit owners have a right of access and use.
- The Amendment states that, as a condition of use of the Shared Facilities Areas by any guest or tenant of an owner who chooses to manage the rental of the unit itself or through a third-party manager, the owner must execute an Owner Rental Agreement in the form specified by the Services Unit Owner (attached to the Amendment as Attachment B). The LRCA Board does not believe the Services Unit Owner has this authority or that it can deny use of the Shared Facilities Areas to owners who decline to sign their rental agreement form. The Amendment also purports to require owners who rent their unit themselves or through third-party managers to bear other burdens, such as including a specific disclosure on any rental listing (Attachment C to Amendment), requiring a Condominium Access Form and limiting the hours that keys will be available for vendor access (Attachment D to Amendment), requiring a Reservation Request Form for each self-managed or third-party managed rental (Attachment E), and requiring contractors and vendors of self-managed or third-party managed rentals to comply with Suncadia Resort Appearance and Grooming Standards and laundry specifications (Attachment G). The LRCA Board objects to these burdens.

- The Amendment states that owners may not grant access to the Parking Area for guests or third-party managers without written approval from the Services Unit Owner, but no criteria for granting access are stated. The LRCA Board believes this rule, as applied, may impair the rights of self-managing unit owners who allow their vendors to use their assigned parking space while servicing the unit.
- The Amendment provides that owners may not grant access to the Pool Area to guests without written approval from the Services Unit Owner. The LRCA Board believes this is an improper burden on the rights of unit owners who choose to rent their units directly or through third-party managers.

In addition to stating these objections to the Amendment, the letter from LRCA's attorneys addressed the Board's concerns regarding the Shared Facilities Budget and in particular its imposition on the unit owners of what the Board believes are unauthorized and excessive fees for payroll costs, Master Association assessments, and other items.

The letter from LRCA's attorneys demands that New Suncadia Hospitality LLC immediately rescind the Amendment and the associated implementing documents or amend them to remove the objectionable provisions and requirements. The letter also demands that New Suncadia Hospitality LLC correct the Shared Facilities Budget to remove all cost items not properly chargeable to LRCA, credit the LRCA for all past overcharges, and provide a full accounting to confirm that these corrections have been made. LRCA's attorneys requested a response to their letter by January 31. A response has not yet been received.

The Board anticipates dialogue with the Services Unit Owner regarding these matters, hopefully leading to an agreeable resolution. We will update you as this matter develops and appreciate your patience as the process moves forward.

Sincerely,

The Board of Directors

Lodge at Suncadia Residential Condominium Association