

Greetings from Peaceful Bay Resort.

Many good things are happening at the Resort. Before you read the list of good things and future plans for the Resort, please know this letter is an INVOICE for your MAINTENANCE FEES of \$285.00 payable on or before JANUARY 1, 2009.

Send your checks to PEACEFUL BAY HOMEOWNERS ASSOCIATION  
BOX 556  
LAKESIDE, MT 59922

If you plan to exchange with Interval International in 2009, you must have your Peaceful Bay maintenance fees for 2009 paid.

If you plan to purchase any of the for sale units listed in this letter, you will purchase your week and receive a winter week free. You will be responsible for maintenance fees on your free week. Please note Blacktail Mountain Ski Resort is growing by leaps and bounds and you may want to use your winter week or rent your winter week.

#### GOOD THINGS HAPPENING

1. Triplex and shed, attached to units, are gone. "The new view is beautiful."
2. Outside decks on units 101, 102, 103 are rebuilt and painted to match rest of decks
3. Two new Webber barbecues
4. Two beautifully refinished picnic tables
5. New 32" Vizio HD TV's in each unit
6. New Sony DVD players in each unit
7. New queen size hide-a-bed couches in each unit
8. Wireless available for all computer users
9. New pumps and filters working in swimming pool
10. Landscaping fed, watered and rejuvenated
11. Sold lot behind the Resort to help pay for much needed improvements

#### MAJOR ISSUES BEING ADDRESSED

1. New fencing around pool and deck area
2. Entryways being painted
3. Rotting floors on bottom level due to condensation beneath 1<sup>st</sup> floor
4. Opening windows in all 2<sup>nd</sup> bedrooms
5. Antiquated boiler room needs some new equipment
6. Old, outdated furniture in some units
7. Continued work to update pool system

Please send your e-mail address to JSherlock@bresnan.net. This allows you contact with the board, voting on issues and updated information on the resort.

Over



The annual meeting is the first Saturday in April. Mark your calendars.

UNITS FOR SALE:

Week #2 Units 101, 102, 103, 104, 201, 202

Week #3 Unit 103

Week #11 Unit 101

Week #13 Units 101, 102, 103, 201, 203, 204

Week #14 Units 102, 103, 202

Week # 15 Units 101, 102, 103, 104, 204

Week #17 Units 101, 102, 103

Week #42 Units 103, 104, 203

Week #43 Units 102, 103, 104, 202, 203

Week # 44 Units 101, 202, 203

Week #45 Units 101, 103, 104, 201, 202, 203

Week #46 Units 101, 102, 103, 201

Week #47 Units 102, 103, 202, 203

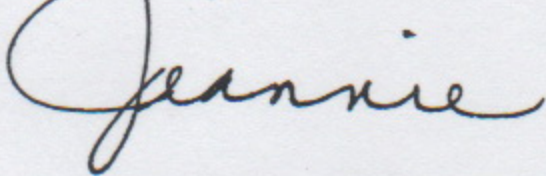
Week # 48 Units 101, 102, 103, 104, 202, 203

Week #49 Units 101, 102, 103, 104, 202

Week #49 Units 101, 102, 103, 104, 203, 204

Thank you for paying your maintenance fees on time.

Sincerely,



Jeannie Sherlock

President Peaceful Bay Homeowners

Jsherlock@bresnan.net



Peaceful Bay Homeowners Association  
 Analysis of Cash Flow  
 September 30, 2008

Checking account balance (12/31/07)	\$ 88,351.47
Savings account balance (12/31/2007)	<u>9,537.21</u>
Maintenance, dues, unit sales and rental revenue	40,905.00
Interest income-savings	85.06
Interest income-checking	19.32
Land Sale	<u>149,970.18</u>
Capital purchases (couches/TV's)	11,429.84
Bank fees	146.69
Gasoline reimbursement	137.84
General labor	14,199.39
Equipment rent	500.00
Insurance	7,219.00
Laundry service	1,050.66
Licenses & permits	265.00
Office expenses and postage	1,051.90
Professional fees	2,167.00
Refuse disposal	1,084.66
Repairs-	
Building	2,648.39
Equipment	125.37
Pool	20,264.98
Janitorial	8,665.00
Supplies	1,403.12
Property taxes	3,783.79
Telephone	997.57
Utilities-	
Internet	213.00
Cable	1,934.07
Gas & electric	20,668.90
Water & sewer	<u>1,344.74</u>
Total expenses	<u>101,300.91</u>
Checking account balance (09/30/2008)	20,147.05
Savings account balance (09/30/2008)	<u>167,420.28</u>
Total cash at 09/30/08	<u><u>\$187,567.33</u></u>