

Update on pending sale of Lodge and Spa at Cordillera

Hello Cordillera Property Owners,

Happy Independence Day Weekend! The next few days will be filled with fun events in our community and around the Vail Valley which unite us in celebration.

Sunday, July 3: Community Day Golf at the Mountain Course with 8 a.m. Shotgun Start

Sunday, July 3: Community Day Party at the TimberHearth from 4 to 8 p.m.

Sunday, July 3: Independence Day Party and Fireworks at Lodge & Spa Poolside

Monday, July 4: <u>CPOA Annual 4th of July BBQ</u> at the Vail Gondola Club for the Vail America Days Parade

Thursday, July 7: Cordillera's "Sounds of Summer" Concert Series: HomeSlice at Bearcat Stables from 5:30 to 8:30 p.m.*Please note change in venue to Bearcat Stables

Thank you to those of you who attended the June 30 community meeting. Approximately 200 people attended the update from our attorneys and shared their thoughts on the pending sale of the Lodge and Spa. The appeal and the exhibits are available via link below and are available on our website: http://www.cordilleraliving.com/announcements. Minutes for the June 30 meeting are forthcoming. A summary of the June 30 meeting presentation is referenced below.

Key Actions This Week

- A meeting was held on Tuesday, June 28, with Concerted Care Group and Cordillera representatives to learn more about the proposed business plan, service model, capital investments, etc. Meeting participants included Noah Nordheimer, Tom Ragonetti, Dominic Mauriello, Sarah Baker, Patrick Wilhelm, David Myler, Ed Shriner, Nanette Kuich, Bob Egan, Judy McBride, Alan Pogue and Rachel Oys. CCG presented a broad overview of their vision to create and operate an inpatient care facility that provides services for mental health, substance abuse, weight management and nutrition. CCG has financing and is estimating that the project and operations will cost \$78 million. They have plans for renovating the facility. The service delivery model is based on providing integrated care all services under one roof, including: laboratories, electronic medical records, compliance and quality of care, recreational activities and wellness programming with onsite oversight provided by a medical director and psychiatrist. Similar facilities include: Promises, Cliffside, Passages, The Dunes, The Ranch at Live Oak and others.
- The Cordillera Metro District (CMD) and Cordillera Property Owners Association (CPOA) submitted a joint appeal to the Eagle County Board of County Commissioners on June 29,

2016, regarding the interpretation of the permitted uses on the Lodge Parcel and Village Center Parcel on which the Lodge and Spa at Cordillera is located.

A special meeting was held by the CMD and CPOA Boards on June 30 at 9 a.m. at the
Edwards Interfaith Chapel. Ed Shriner and Bob Egan opened both meetings. Alan Pogue,
Icenogle Seaver Pogue, P.C. and Lew Hartsead, Johnson & Repucci LLP provided an
update including information regarding the Cordillera PUD, County appeal process,
arguments presented in the appeal submitted to the County, roles for public involvement
and the status of the legal committee. Following the update, the staff and the boards listened
to community comments and answered questions. (Summary of the presentation is
highlighted below.)

Description of the Appeal Submitted to Eagle County and June 30 Meeting

The Cordillera Metro District (CMD) and Cordillera Property Owners Association (CPOA) submitted a joint appeal to the Eagle County Board of County Commissioners on June 29, 2016, regarding the interpretation of the permitted uses on the Lodge Parcel and Village Center Parcel on which the Lodge and Spa at Cordillera is located.

Concerted Care Group Management, a Baltimore based company, has a contract with Behringer Harvard to purchase the Lodge and Spa at Cordillera. CCG's intention is to create and operate an inpatient care facility that provides services for mental health, substance abuse, weight management and nutrition.

CCG's representatives met with the county to receive an interpretation of Cordillera's PUD Guide which states that the following is a permitted use: "Medical Offices/Facilities, limited to clinic and outpatient facilities for non-critical care, including, without limitation, for outpatient plastic surgery and other cosmetic procedures." Cordillera received an interpretation letter from Eagle County's Managing Director of Community Development on June 1, 2016 that states that 'clinics' are clearly an allowable use for non-critical care; which may provide inpatient clinical facilities. 'Outpatient facilities' for non-critical care are likewise allowed as a use-by-right" pursuant to the Cordillera PUD.

CMD and CPOA maintain that the proposed use of the Lodge and Spa at Cordillera contemplated by the purchaser is not a permissible use under the Cordillera PUD which regulates land use within Cordillera.

The appeal identifies that Eagle County's Managing Director of Community Development erred in determining the developer's proposed use represents a use-by-right. The appeal claims that the Director's interpretation is directly inconsistent with the central purposes of the Cordillera PUD; the Director failed to consider the legal intent governing the use of the Lodge and Village Center Parcels; the Director failed to apply the actual language of the Cordillera PUD; and the Director's interpretation effectively represents a wrongful major modification of the Cordillera PUD.

As a community we feel that the use of the Lodge property for any purpose that does not support and enhance a resort residential community is incompatible, and would divest the community of a vital amenity, which has always been the centerpiece of Cordillera.

Property owners have expressed concerns that the proposed use excludes the Lodge and Spa from the community, depriving them access and enjoyment to a quintessential Cordillera amenity on which the community was founded.

The appeal process will be heard before the Board of County Commissioners, a date for the hearing has not been set. The community will be notified of the hearing date as soon as it is scheduled.

We appreciate the active participation of the property owners in communicating to the County that the use of the Lodge property for any purpose that does not support and enhance a resort residential community is impermissible under the PUD.

Many of the property owners have submitted comments reflecting on the role that the Lodge and Spa at Cordillera has played and does play in your lives (i.e. the access to spa facilities, pool, fitness facilities, food and beverage services, all of commercial nature, and all are compatible with sustaining a residential resort community). Communications from the community that emphasizes the loss of such an integral amenity is most helpful. All uses within Cordillera are required to be consistent with, support and promote a resort residential community.

Both Boards of Directors and the Cordillera community at large are committed to maintaining and

enhancing Cordillera's vitality, our residents' enjoyment and the overall Cordillera lifestyle as it exists today.

Cordillera will remain a preeminent, world-class resort offering property owners unparalleled activities and real estate value within the Vail Valley. We have a close-knit, thriving community which will continue to be enjoyed by property owners, valley residents and visitors.

- Appeal of Director's Interpretation that the Proposed Use of the Lodge and Village Center Parcels Represent a Use-By-Right in the Cordillera PUD
- Exhibits to the appeal

Upcoming Communications

This week *Cordillera Connection* and *Next Week in Cordillera* are combined in order to streamline our communications to the community. This combined issue highlights upcoming event information and includes community announcements.

Also, in the coming weeks, look for a communications survey which is being designed to gauge property owner opinions on what information the community deems important, ways it wants to receive information and the frequency of communication from the Cordillera Metropolitan District and Cordillera Property Owners Association.

Again, happy fourth of July. Please have fun and be safe. Warm regards,

Rachel Oys

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