

LETTER TO RANCHOOWNERS

Dear fellow Black Butte Ranchowner,

Black Butte Ranch is more than a recreational resort—it is our shared legacy of natural beauty, an incredible community, and memories and homes that we pass on to future generations of our families and guests. At this time, we face a pivotal, time-sensitive stewardship decision to secure Black Butte Ranch’s legacy and future by restoring long-term financial stability and sustainability.

The Board is asking Ranchowners to approve multi-year temporary assessments totaling approximately \$25.6 million (\$20,500 per homesite), which would be spread over four years. The timing of these payments is frontloaded to match the critical needs as we anticipate them to occur. These amounts are in addition to the normal baseline annual dues payments.

The multi-year temporary assessments schedule is as follows:

\$5,000 in September 2026

\$9,000 in January 2027

\$3,500 in January 2028

\$3,000 in January 2029

I recognize that the size and immediacy of this proposal will come as a surprise to many. I want to assure you that the Board and Ranch management have spent more than two years evaluating the size and scope of what must be done, and determining how to make it as affordable as possible.

Unfortunately, these amounts are necessary to address critical priorities over the next five years and to preserve and sustain the Ranch, including: Oregon Department of Environmental Quality (DEQ) wastewater upgrades, repair and replacement of aging infrastructure (including Well #3 and Big Meadow greens), repayment of select principal and interest on the Lodge construction loan and the litigation settlement loan, and rebuilding our depleted contingency and capital reserves.

Separately, we are also proposing a 2% New Ranchowner Capital Reserve Fee to ensure new owners share in the cost of the capital assets that they have immediate access to and use of, and support ongoing sustainability without placing the entire burden on existing Ranchowners.

Additional key information for your consideration is provided below.

When will the vote on these proposals occur? This election, and its outcomes, are critical to the long term future and sustainability of Black Butte Ranch. The ballot opens May 27 and remains live through June 25, 2026.

Why are these measures necessary? Since 2018, inflation, pandemic pressures, regulatory mandates, and an aging 55-year old infrastructure have driven operating and capital costs far beyond dues growth. Labor, insurance, taxes, and equipment replacement costs have risen dramatically while reserves have been depleted. Regular dues increases—capped by our governing documents—cannot bridge this gap. If Ranchowners do not approve these proposals the Ranch must consider significant staff layoffs and a major reduction in amenities that will need to occur very soon. These steps could include closing at least one golf course; closing the Lodge except for weddings and special events; closing all but one or two of the pools; reduction or elimination of the BBR Postal Station; and many, many other pullbacks across the Ranch.

Why should we support the plan? This is a time-critical investment in the future. It is, at its most fundamental level, stewardship. The multi-year temporary assessments and New Ranchowner Capital Reserve Fee are designed to stabilize cash flow, fund essential repairs before emergencies escalate costs, protect amenities and property values, and rebuild reserves. This strategy is paired with expanded financial oversight through two new committees focused on improved cost accounting and enhanced facilities and corporate governance that will work with management to control spending, hold vendors accountable, and curb overruns, while always looking to the long-term capital and operational planning that will sustain the Ranch into the future.

How can we learn more and get our questions and concerns addressed? It is essential over the coming weeks that every Ranchowner have an opportunity to learn about the multi-year temporary assessments and the New Ranchowner Capital Reserve Fee. To assist, we are offering numerous ways for Ranchowners to learn more, including:

A ballot measure webpage on the Ranchowner section of the Ranch's website, with individual webpages providing more information about the multi-year temporary assessments and the New Ranchowner Capital Reserve Fee. These websites are now live with additional detailed information to be posted within about a week.

We will also conduct five Ranchowner forums (click to register) to answer questions that you may have and to provide opportunities for face-to-face discussion of these matters:

4 - 6 p.m. May 6 Online forum 1, to lay out these proposals in detail

10 a.m. - 12 p.m. May 9 In-person forum at BBR

4 - 6 p.m. May 13 In-person forum in Portland

4 - 6 p.m. May 14 In-person forum in Salem

4 - 6 p.m. May 27 Online forum 2, to take final questions before the voting starts

We are posting Frequently Asked Questions about both the assessments and the New Ranchowner Capital Reserve Fee, which will be updated periodically

The question submission format we used before our last vote will also be available again. Please submit your questions as early as possible so they may be addressed in the upcoming forums.

We understand the significance of this request. It reflects hard choices to preserve what makes the Ranch exceptional. Voting yes is a commitment to fiscal responsibility, to protecting our shared investments, and to ensuring Black Butte Ranch endures—vibrant and true to its promise for generations to come.

In gratitude and stewardship,

Bob Chamness, Chair, Black Butte Ranch Board of Directors

Sincerely,

A handwritten signature in blue ink that reads "R. Chamness". The signature is written in a cursive style with a vertical line to the left of the text.

Bob Chamness

BBRA Board Chair