

“Rolling” Build-up of Capital Reserves

	<u>Original Annual Contribution</u>	<u>2019 Contribution</u>	<u>2019 Yearend Accumulation</u>	<u>Accumulated Shortfall</u>	<u>Inception Date</u>
◆ <u>Common (3-5 Year needs)</u>	\$122k	\$145k	\$1.3m	-0-	2008
◆ Paint/Fix Bldg; broadband/Wi/Fi					
◆ Hallway Carpeting/Painting/Woodwork					
◆ Major outside paving/landscaping/drainage					
◆ <u>Residential Units (8-10 Year needs)</u>	\$180k	\$600k	\$4.2m	-0-	2008
◆ Living Areas/Bedrooms (done 2007-2008)					
◆ Bathrooms’ strip/paint (2011-2013) + Re-finish furniture (2014)					
◆ Bathrooms & full-Kitchens (2015-2016)					
◆ Living areas/Bedrooms Plan (2017-2020)					
◆ <u>Common (20-Year needs)</u>	\$145k	\$190k	\$1.5m	-0-	2009
◆ Roof Replacement (approx 2020-2022)					
◆ Window Replacement (majority replaced already)					
◆ Infrastructure, HVAC & Mechanicals					
◆ Fire Alarm System (panel done 2012)					
Total	<u>\$447k</u>	<u>\$935k</u>	<u>\$ 7m</u>		

Note:

- “Rolling Reserves” only (above includes NO operating fiscal year needs), unaudited
- Since starting accumulation 2008, **expenditures made to-date:**

3-5yr~\$1.1m; 8-10yr~\$3.2m; 20yr~\$940k = **\$5.2m**

Overall Capital Budget 1997-2020

>>> Thru 2005:

Only \$20,000-\$40,000/year or ~ \$40-70/average quarter share (or \$4-6/month)

				+ <u>Special Assess</u>
• 2006	320,000	590/average quarter share	e	
• 2007	267,000	495		\$1,360,000
• 2008	276,000	500		421,000
• 2009	257,000	475		
• 2010	345,000	640	(\$53/month)	
• 2011	602,700	1,116	(\$93/month)	
• 2012	699,321	1,295	(\$108/month)	
• 2013	885,864	1,640	(\$136/month)	
• 2014	871,460	1,614	(\$134/month)	
• 2015	962,340	1,782	(\$148/month)	
• 2016	1,077,400	1,995	(\$166/month)	
• 2017	1,033,155	1,913	(\$159/month)	
• 2018	1,011,640	1,873	(\$156/month)	
• 2019	871,340	1,614	(\$134/month)	

NOTE:

- 2007-8 Unit Refurb (~\$2 mil) partially funded with \$450,000 from (planned) budgeted capital.
- 2007-8 Unit Refurb also required Special Assessments, \$1,360,000 + \$210,000 (of \$421,000).
- **“Planned rolling” long-term capital VERSUS “lump-sum, one-time” special assessments**

Average Quarter Share

(540 qtr shares or 135 units; avg unit = 753 sq ft)

	<u>2019</u>
Avg Rental Income/yr	\$2,922
Avg Payments/yr (fees + taxes)	<u>5,574</u>
<u>Fully-loaded "Net"</u>	(\$2,652)

Balance between Quality-life Investment

and Financial Investment

2020 Budget: 0.65% Increase

(Past 7 years, ~ 1.2% yearly average)

- **Reasonable budget, again**
- *Energy efficiencies vs price pressures*
- *Cost considerations (including labor)*
- *Continue build-up of “Rolling” Capital Reserves*
- *Focus on balancing cash flow for operations & projects*

Financial Documents

- **Audit Reports**
- **Standard Operating Procedures (SOPs)**
- **Rental Statement Explanations**



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Final Budget Questions ?



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Voting

Turn-in ballots

Possible Discussion Topics

>>> For now, other than “Vail Resorts”

- Exchange (i.e., “Vacation Ownership”)
“Timeshare” ... stigma to some, possibly many people .. ?
- Occupancy
- RMA (Rental Management Agreement)
- Rental Pricing
- Unit Re-Sales

Re-visited

“GSH Vacation Ownership”

Timeshare/Exchange

Own 13 weeks ... or more (26, 39 or 52 wks)

Partial to Full Ownership

GSH “Exchange” Network Options

- RCI Gold Crown: highest designation (20+ years)
- Interval International: high-rating
- You choose to join: either one, both or none
(2-year exchange window with either)

Question/concern/comment: contact Owner Services

“Vacation Ownership” Industry

Over 1500 resorts

Traditional interval = one-week

Average: 130 units per resort, size ~ 1,000 sq ft

85% offer a type of rental program

Normal fees range \$600-\$1,200 per one-week

Our Hotel Marketing/Sales

- **Marketing Staff**

Costs somewhat offset by rental pre-deduct, i.e., Mktg/Activity

- **Events, groups, transients, campaigns, advertising**
- **Chamber of Commerce, Deerfield Valley**
- **Mid-week ski season, remains our conundrum**

Reminder:

If our occupancy > 40%, then “happy faces” ☺

Grand Summit Hotel (GSH) Rental Management Agreement (RMA)

- Between management company and each owner
(**Mt Snow Ltd**)
- Partners Card and Space/Available
- Board given authority, represent owners on RMA matters
- Monthly statement detail and documented explanations

Note: CCFUND (credit card fee) reduced from 3.5% to **3%**, Nov 1st

**** Go to your Owner Services web-site ****

“Rental Guests” policy

■ Our January 25, 2019 “Rental Guests” policy mailing:

- No use of outside rental agencies (e.g., Airbnb, etc) ... unauthorized.
- Unauthorized rental-guest at front desk / check-in:
 - To be treated as walk-in guest @ current “hotel-rate”.
 - If guest refuses to accept charge, then owner account billed.
 - After check-out, owner & guest on their own to resolve.

Rental Management Agreements (RMA's)

General Industry Observations

- Most RMA's seem complicated due to shared cost items
- Most owners normally use / trade
- Lowest occupancies in ski and mountain areas

Rent & Deposit Weeks

Mid-year calendar mailing

If Rent “3 full-weeks”, RMA Partner

**Then deposit (exchange) 1 or 2 weeks/year,
with no direct fee**

Rental-related “Documents”

Owner Website

Calendar Instructions

Space /A Program

Rental Management Agreement (RMA)

Rental Income Statement Explanations

(with specific examples)

Future Action Item

Vail-Related

Real Estate Assessment, tax impact

- Taxes somewhat stable since 2009 reduction
- Validated: 2009 contracted independent appraisal
- Town re-assessment coming next 1-2 years
- *****
- VT statute: the Association shall be the agent
 - Another independent appraisal ?
 - Challenge assessment (residential & commercial) ?

Before “Voting Results”

Other Parked/Open Items ?

More Questions & Answers ?

GSH Voting Results

2020 Budget passed

Dave Schoenfarber & Bill Deutsch re-elected

Peak Resorts under Vail Resorts

Mount Snow Ltd



Some Vail high-level facts to follow

Vail Resorts, Inc. (NYSE:

MTN) through its subsidiaries, is the leading global mountain resort operator;

subsidiaries operate 37 world-class mtn resorts & three urban ski areas,

including Vail, Beaver Creek, Breckenridge, Keystone and Crested Butte in Colorado; Park City in Utah; Heavenly, Northstar and Kirkwood in the Lake Tahoe area of California and Nevada; Whistler Blackcomb in British Columbia, Canada; Perisher, Falls Creek and Hotham in Australia;

Stowe, Mount Snow and Okemo in Vermont; Hunter Mountain in New York; Mt. Sunapee, Attitash, Wildcat and Crotched in New Hampshire; Stevens Pass in Washington; Liberty, Roundtop, Whitetail, Jack Frost and Big Boulder in Pennsylvania; Alpine Valley, Boston Mills, Brandywine and Mad River in Ohio; Hidden Valley & Snow Creek in Missouri; Wilmot Mountain in Wisconsin; Afton Alps in Minnesota; Mt. Brighton in Michigan & Paoli Peaks in Indiana. Vail Resorts owns and/or manages a collection of casually elegant hotels under the RockResorts brand and the Grand Teton Lodge Company in Jackson Hole, Wyo.

Vail Resorts Development Company is real estate planning and development subsidiary of Vail Resorts, Inc. Vail Resorts is a publicly held company traded on the New York Stock Exchange (NYSE: MTN). The Vail Resorts company website is www.vailresorts.com and consumer website is www.snow.com.

Vail Resorts buys Peak Resorts

(September 24, 2019)

1) Mountain Ops (also includes F&B, golf + other mtn venues)

Vail on East-coast now includes: Okemo, Stowe,
Attitash, Wildcat, Crotched Mtn, Jack Frost/Boulder,
Hunter and our Mt Snow

2) Lodging (Hospitality)

Mt Snow Grand Summit Hotel = 135 units or 200 keys/rooms
Per Vail Resorts mgmt ~ 10,000 keys/rooms (various configs)

3) Real Estate

Vail Resorts (MTN)

Published Revenue Facts

- Vail Resorts Past Year Revenue = ~ **\$2.3 billion**
- Corporate structure:
 - 1) Mountain Operations (~ 88 %)
 - 2) Hospitality/Lodging (~ 12 %)
 - 3) Real Estate (~ 0.03%)
- The Peak Resorts subsidiary adds ~ **\$185 million**

Subsidiary under Vail Resorts

(September 24, 2019)

Mt Snow Ltd / Peak Resorts

- **Grand Summit Hotel continues “business-as-usual”, such as**
 - **Management Agreements**
 - **Space/ Aailable**
 - **Partners Card Program**
- **but, Vail EPIC Ski Pass now includes all of Peak Resorts**
- **Into 2020, Vail is focused on “systems / processes integration”**

Eric Barnes, Mount Snow Mtn Ops
along with MaryAnne, Lodging
their interfacing so far with Vail

Mount Snow, Ltd

Current, 2020 & Beyond

- ◆ Director of Mountain Operations, Erik Barnes

- Master plan, including recent Carinthia lodge project
- Mountain & Valley initiatives
- Snowmaking upgrades / last few trails / ski-opening
- Vail Resorts, Mountain OPS

- Our Grand Summit Hotel (Lodging), MaryAnne

Continuous improvement, outside & inside Meld with
Mount Snow Mtn and Vail plans

- ◆ Owner/customer-service focus ... life-style quality

Owner Services / Communications

(Readily-accessible Information !!!)

- Office on hotel ground floor
- 800-603-7669
 - ownerservices@mountsnow.com
- <http://mountsnowgrandsummitresort.com/>



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Closing Comments

Management Staff and Board Directors

Grand Summit Annual Meeting

November 9, 2019

Expect December + April Mailings

Motion / Vote on Adjournment

Lunch & Socialize

Meeting's “Parked Items” (1 of 2)

1. Case goods consideration, TV-viewing when in bedroom.
2. Locker room floor ... make similar to base lodge ??
3. Metal roof ?? (rubber n/g)
4. Heaters on owners lounge deck.
5. Folding chairs in certain units.
6. Safety range, knobs/graphics on stove + appliance instructions.
 1. High-priority item.
 2. Also, instructions for other appliances, such as dishwasher.
7. King beds must have 2 nite-stands, even if smaller, e.g. U102.
8. LED vs traditional bulbs.
9. Owners lounge TV reception.

Meeting's “Parked Items” (2 of 2)

- A. Insert in Rules & regs --- No Airbnb, VRBO, etc.
- B. Concierge for guest/owner questions & activities, etc ??
- C. Credit card (FY 2020: rental deduction lowered from 3.5% to 3%)
- D. Space A, expand ??
- E. After annual-mtg, comments related specifically to U213 refurb:
 - 1) All seem to love the drapes.
 - 2) Got the impression now that owners can live without the love seat.
 - 3) However, unanimously-favored other prototyped barrel chair, comfort & move-easily. But, can not please everyone.
 - 4) Almost all did Not like the current coffee table in U213.
 - 5) Felt too many color schemes in U213.
 - 6) Assure enough case good shelving vs living-out of suitcase.
 - 7) Small units as 213 w/Murphy cluttered: consider rearranging.

END