



November 5, 2015

Dear Members of the Beaver Creek Property Owners Association:

I hope this finds each of you well and getting excited for Opening Day, Nov. 25! If you haven't already seen it, here is a link to a fantastic article that our PR team worked on; it's a great kick-off to what I am sure will be another successful winter season (<http://www.wsj.com/articles/new-ways-to-ski-first-class-1446578066>). And, I was pleased to see the passage of the Beaver Creek Metropolitan District's funding question and believe it is yet another example of our strong working partnerships to make the resort community a better place.

As we are ramping up our operational efforts, I wanted to take a moment to update you on an issue that is percolating within our Ski and Snowboard School. You may have seen a recent article in the *Vail Daily* (<http://www.vaildaily.com/news/18726621-113/beaver-creek-ski-instructors-working-to-unionize>) concerning a potential effort to unionize our ski instructors. The gentleman quoted in the story is Al Kogler, the administrative director to the vice president of District 7 of the Communications Workers of America (CWA.) You can see more information on the CWA at their district website (<http://www.cwadistrict7.org/index.html>). It is not clear to us how many instructors are truly engaged in this effort at this point, or whether this is something initiated by the CWA. Many of you may have your own experience with these types of situations, but we wanted to provide you our thoughts.

Our Company views each and every instructor as a unique individual and important contributor to Beaver Creek. One of our key objectives is attracting guests who have a strong desire to take ski school lessons and appreciate what an instructor can provide. The opportunity is created for each of our instructors to build their clientele and be compensated by both the Company and our guests. It's true that every instructor does not have the same relationship with our guests and not all instructors are paid the same, but that is the nature of a successful ski school and we are proud of the individualism and opportunity that we have created together.

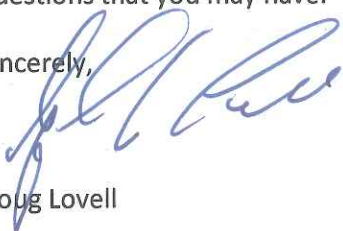
We are committed to ensuring that Beaver Creek has the absolute best ski school anywhere and we are confident that we offer one of the most competitive packages for any ski instructor. Our Company has made numerous improvements to ski school wages over the years, raising both base compensation and incentives for instructors who build relationships with their clients and drive return business by 40-50 percent over the past two years. This year we will also be making it easier for guests to provide gratuities to their instructors, by accepting credit cards for such payments and reminding guests that tipping is an important option for them for a good experience. In today's environment, where competition for talent and employees is very fierce, our Company must continuously ensure we are

taking care of the employees that make the experience at Beaver Creek so special. It is truly a business imperative.

As many of you know, unions have their own agenda, which may or may not be aligned with the best outcomes for employees and they generally take away from the unique and entrepreneurial spirit that we believe is at the core of the Beaver Creek ski school. That said, we absolutely respect and will protect the rights of our employees to make their own choices, but we wanted to make sure that you were informed about some of these discussions as critical members of the Beaver Creek family.

Thank you for your time in considering this update and please reach out to me with further thoughts or questions that you may have.

Sincerely,



Doug Lovell