PROPERTY MANAGEMENT SERVICES

DEER VALLEY RESORT
COMPANY OVERVIEW

Deer Valley Resort was founded in 1981 and quickly established a reputation as a leader in the ski resort industry by providing the unparalleled guest service and fine dining that one would receive at a first class hotel. In May 2009, Deer Valley Resort introduced a new property management division to complement their existing resort services; Deer Valley Resort Lodging and Reservations. The goal was to provide exceptional property management services, building on Deer Valley Resort’s well established reputation.

Our staff has years of property management experience and are dedicated to providing homeowners with a level of expertise and service that is unmatched in the resort property management industry. We continue to recognize that our company’s success is wholly dependent on satisfying the needs of all of our guests.

Deer Valley Resort is able to create leverage in the vacation marketplace by building on the strength of our marketing resources and tailoring a sales and marketing plan that is uniquely suited to our lodging product. This allows us to take maximum promotional advantage of the exceptional quality of our lodging accommodations.

Our available residences are prominently positioned on our website (deervalley.com) which allows us to feature all of our accommodations in a customer-centric way, with ease of navigation being one of our primary goals. Each property is showcased on the website with professional photography and ample descriptions so our guests can be fully informed regarding the various amenities of our accommodations.

Various departments within Deer Valley including mountain operations, skier services and food and beverage are consistently ranked as the best in the industry. We are proud to report that since introducing Deer Valley Resort Lodging and Reservations, Deer Valley has been ranked #1 for ski area lodging in North America by the readers of SKI Magazine.

Our reputation combined with the unwavering commitment by our staff to deliver the best property management services available provides the opportunity to maintain and enhance the value of your investment and at the same time maximize your rental income and return.
Deer Valley Resort’s award-winning customer service combined with our skilled and dedicated professional property managers are a winning team committed to providing the highest level of personalized service to each owner.

Following are some of the amenities and services Deer Valley Resort Lodging and Reservations offers to property owners:

**Professional On-site Management** – A professional, trained staff member is on-site at many locations to attend to the needs of our owners 24 hours per day, seven days per week. No matter what time, our owners will be directly connected to a member of our staff.

**On-site Staff** – As an information resource for our owners, our on-site staff are available to provide referrals, assistance in property upgrades, decorating and offer “one stop shopping” for anything needed in Park City.

**Transportation** – We provide complimentary transportation for all owners and guests throughout Deer Valley Resort and Park City areas during the ski season.

**Security** – The safety of our owners’ investment is protected through our 24-hour security services. Periodic inspections and nightly patrols are provided.

**Concierge/Guest Service** – Our Guest Services staff will help make your stay with us hassle-free. We can arrange restaurant reservations, bell service, lift tickets, fax/mail/package delivery, grocery services, business services and recreational activities.

**Housekeeping and Maintenance** – Deer Valley Resort Lodging and Reservations provides a full staff of well trained housekeepers and maintenance personnel. Housekeeping and maintenance services are available seven days per week.

**Owner Accounting** – Statements and checks are issued on or before the 20th of each month. Owner accounting provides easy to understand monthly statements itemizing your income and expenses and an end of year summary statement is provided for tax preparation purposes with your 1099.

**THIRDHOME** – When you join Deer Valley Resort’s rental program you are entitled to a complimentary membership in THIRDHOME, the world’s premier private reciprocal travel club for luxury second homeowners. To learn more about THIRDHOME please email us directly at homeowner@deervalley.com.
When joining Deer Valley Resort’s rental program, property owners receive the benefit of a dedicated revenue management effort that focuses on maximizing rental revenue for residences through many channels of business and market segments. Successful selling strategies focus on increasing overall revenue and occupancies through flexible and dynamic pricing, optimal market mix, competitive pricing analysis and proactively responding to changing market conditions.

How will Deer Valley Resort’s rental program maximize rental revenue for your residence?

- **Flexible and dynamic pricing strategies:**
  Rate strategies are adjusted based on the following factors in the market; competing hotel’s rate strategy, ensuring proper price positioning within the market, special events and other market conditions that impact demand. All of these factors are analyzed and reviewed weekly and selling strategies are adjusted as needed to maximize revenue, occupancy and Average Daily Rate (ADR). Due to these flexible pricing strategies, nightly rates will vary on owner statements.

- **Competitive pricing analysis:**
  A weekly review of the competing properties’ changing rate structures is crucial to making effective adjustments in selling strategies in order to effectively maintain and increase market share.

- **Forecasting demand and changing market conditions:**
  By understanding the dynamics that contribute to demand, Deer Valley is better able to proactively forecast and adjust selling strategies to maximize revenue, occupancy and average daily rate.

- **Optimal market mix:**
  To increase revenue and obtain a property’s “fair share” of business in the local market, lodging properties must solicit from all market segments through many channels. Tour Operators, Online Travel Agents, group and conference business (if applicable to the property), and Travel Agents are examples of market segments and channels that make up the total revenue available. Deer Valley Resort has developed strong partnerships with the top producing entities in each of the channels/market segments listed above. This allows us to uncover new rental demand for residences and increase occupancy and revenue for our owners.

- **Channel Management:**
  Ongoing analysis of each channel’s profitability allows us to manage and control the mix that is appropriate for each demand period.
When you join Deer Valley Resort’s rental program you will benefit from one of the strongest brand identities in the resort industry, combined with a multi-million dollar marketing campaign designed to promote Deer Valley and our lodging properties on national and international levels. Deer Valley Resort has established a strong position in the mind of the destination traveler by creating a strategic marketing plan that communicates the key attributes our resort has to offer to the widest audience possible. We utilize a multitude of marketing vehicles including print advertising, digital and online marketing, social media, direct mail, contract distribution, public relations, event production and industry-based partnerships. As a member of our rental management program, you will benefit from the resort’s marketing efforts by being prominently featured in a variety of resort related marketing materials. Our ultimate goal is to see that each one of the lodging properties managed by Deer Valley receives the maximum exposure possible through our marketing efforts to help ensure increased awareness, brand loyalty and a larger share of the market, ultimately maximizing the return on investment to our owners.

Following are a number of these specific strategies employed to achieve this goal:

- Deer Valley Resort’s annual marketing plan is developed to reach deep into the travel marketplace on both national and international levels. This campaign includes vertical print advertising in industry trade publications such as *SKI* and *Mountain* magazines along with lifestyle publications including *Departures* and *Outside* magazines.

- Our Marketing department has continued to allocate additional resources towards Internet-based marketing initiatives including banner and Facebook advertising, blogs, search engine marketing, contract distribution and mobile applications.

- Deer Valley has forged partnerships with corporate travel partners including Delta Airlines, American Express, *SKI* Magazine, among others. This provides opportunities for the resort to collaborate with these companies to increase awareness of our product, which translates into increased visitation to Deer Valley and rental occupancy for our homeowners.
• Over 130,000 Deer Valley Winter Guides are mailed to past guests each year featuring Deer Valley’s lodging product. A digital version of the Winter Guide featuring video and slideshows is available.

• Recently, our Marketing department undertook a complete redesign of the resort’s website and created a state-of-the-art website that prominently features the Lodging division and highlights each of our lodging properties from both a descriptive and photographic standpoint.

• Deer Valley’s Marketing department participates in national and international travel trade shows promoting Deer Valley and all of our lodging properties. Through this process, we have established strategic relationships with a number of high-end travel agencies and tour operators who we partner with to offer specialized lodging packages to their client base.

• Deer Valley has a robust international marketing component which involves established relationships with international travel wholesalers whose primary focus is the development of international travel package opportunities to U.S. destinations including Deer Valley. Our recent focus has been on Australia, the United Kingdom, Brazil and Canada.

• Deer Valley employs a dedicated Group Sales staff of eight individuals whose focus is to bring meetings, weddings and special events to Deer Valley that take advantage of the various amenities we have to offer including utilization of our lodging product. Examples of our efforts in this regard include Bike Dealer Camp, Sundance Film Festival and others.

• Our Lodging Reservations department is staffed by 18 experienced Vacation Planners and support staff who have firsthand knowledge of each of our lodging properties and are able to sell the properties we represent with confidence and enthusiasm. We have one of the highest conversion rates in the industry.

In summary, Deer Valley Resort Lodging and Reservations takes advantage of every marketing and sales opportunity provided by the marketplace to provide the highest possible return on investment to homeowners who choose us as their property manager.
Why should I choose Deer Valley Resort Lodging and Reservations over other property management companies in Park City?

Deer Valley Resort's award-winning customer service and our skilled and dedicated professional staff are committed to providing the highest level of personalized service to each owner and guest. Our resources and guest service focus set us apart from the competition. The vast reach of our Marketing and Sales departments continue to build our guest base, both new and past, creating a higher return for our owners. Some amenities and services provided to property owners include:

- Security services including nightly patrols and periodic property inspections
- Housekeeping staff available seven days a week, providing services daily to our rental guests at no charge to our owners
- Maintenance staff available seven days a week, ensuring the condition and quality of your residence is well maintained
- Professional on-site management available at each of our locations
- Owner services liaison
- Complimentary in-town transportation provided during ski season
- Guest services staff who provide business and concierge services
- Marketing, Sales and Communications departments continually working to drive occupancy both domestically and internationally
- Deer Valley Resort managed properties are featured on our website, including professional photography for each residence
- No restrictions on owner use
- Homeowner website including occupancy calendars for each individual residence

What is required to get my property ready for rental?

Before your residence can be prepared for entering the management program, the following items and details will need to be completed:

- Signed Rental Management Agreement submitted to Deer Valley Resort
- Completed IRS form W9 submitted to Deer Valley Resort
- Liability and property insurance in effect
- Utilities in service
- Locks keyed to Deer Valley master system
- Deer Valley linens and amenities installed
- Property furnished with minimum requirements as noted on the 'Standards List' of the contract

What initial fees are associated with joining the rental program?

Once you have entered into a management agreement with Deer Valley Resort Lodging and Reservations, we can assist you in completing the final set up of your residence. During set up, there are fees associated with an initial linen requirement per bed, bathroom and kitchen. We will also coordinate the city inspection and business license required to be in rental, as well as any purchases we may assist you with obtaining to meet the requirements of the 'Standards List'.

What other expenses can I expect to pay?

As an owner, you are responsible for all of your utilities including local phone, high-speed Internet, cable, water, electric and gas (if applicable). At various properties in the Deer Valley area, basic utilities may be handled by the Home Owners Association (HOA). While Deer Valley is responsible for housekeeping services provided to rental guests, owners are responsible for housekeeping services related to owner and owner guest stays. In addition, an annual deep clean of the property will occur each year, which includes dry cleaning and carpet cleaning. The owner is also responsible for the cost of major maintenance and any parts required to maintain the property in a first-class condition, annual comprehensive maintenance checks and replacement of housewares. In addition to the costs outlined above, the owner is responsible for the annual renewal cost of a Park City business license, an appliance maintenance agreement and an annual pro-rated linen replacement fee.

How much are the HOA fees at each property and when are they paid?

The HOA fees vary from property to property based on the cost structure of the association. The best answer to this question can be obtained by requesting a copy of the annual HOA budget as well as the dues structure associated with the residence you own or are looking to purchase. In most cases, HOA dues are paid on a quarterly basis.

Are there any special benefits or advantages to owners through Deer Valley Resort?

Aside from being recognized and associated with an award winning world-class ski resort, homeowners who participate in the rental management program with Deer Valley Resort receive discounts on Deer Valley Resort Season Passes.

What is the rental revenue split?

The rental revenues split with each owner may vary from property to property based on a number of factors including location, operating costs funded by the homeowners association, level of services provided, etc. Please check with each of our properties to obtain a property specific rental management agreement.

TAKING CARE OF YOUR RESIDENCE:

How is my residence secured?

If at any time someone other than a Deer Valley Resort employee is authorized to access the property, they must present I.D. to receive a key from the front desk. The key must be returned by the end of the day. Each evening, our security personnel inspect each property for which a key has been issued to make certain everything is secure and in proper order. After each guest departs, our housekeeping staff completes a post-stay inspection of the residence. Our staff check the residence for damage, belongings left behind and ensure all doors and windows are secure, all appliances are turned off, the heat is turned down and the lights are turned off.
If a guest damages my property, who pays for it?
While each homeowner is responsible to carry insurance to protect against any significant disaster, each guest is required to provide a credit card upon check-in. Properties are monitored daily by the housekeeping and maintenance staff. When damage is reported, Deer Valley Resort will use reasonable efforts to ascertain the identity of the responsible party and to assess the costs of such repair or replacement against the responsible party.

How does housekeeping work?
As an integral part of any guest experience, our housekeeping departments maintain continuous training and quality control. Daily housekeeping services are provided to all rental guests by Deer Valley Resort at no additional fee, a concept that many other management companies do not employ. We perform daily cleaning, mid-week services and a departure full clean after each stay. Pre-arrival inspections and randomized mid-stay cleaning inspections are performed by our Housekeeping Area Managers and Inspectors. Whenever possible, our properties are organized into geographic areas, each of which is assigned an Area Manager and a staff of housekeepers. This enables our staff to become familiar with each individual property and improves the quality of service provided.

RESERVATION ACTIVITY AND YOUR RESIDENCE:

How are you going to market my property?
Deer Valley Resort has a powerful marketing team with extensive experience and long running ties to our community and the resort business in general. A large amount of time, money and resources are invested and reinvested to drive new and returning guests to the resort and your property. Properties are marketed through local, regional and international print and digital advertising as well as printed materials and brochures. Please also refer to the Marketing and Sales section of this guide for further detail.

What will the nightly rates be for my property? Can I set my own rates?
As a large property management company, much of our success is derived from our experience in operating flexible and dynamic rate yield strategies. Knowing the market mix, maintaining flexibility and applying strategy is what allows for continued growth and increased revenues. Allowing individual owners to set rules or rates would impede our success overall and virtually eliminate the strategies in place that allow for revenue maximization. For a complete explanation of rates and pricing strategies, please refer to the section of this brochure referencing the revenue management process.

How many nights can I expect my property to be rented during the year?
How much revenue can I expect to earn?
While we cannot predict revenue or nightly use, we do have historical data that can be helpful in elaborating on your residence’s potential for future bookings and use. The number of rental nights generated by property can be impacted from year-to-year, based on snow conditions, the economy, owners and owner guest use, location of property, interior décor, repeat clientele and guest amenities available to rental guests both in the residence and at the property. Please contact the on-site General Manager for additional information regarding this question.

How does my property compare to the other properties that you manage?
Do you have a rating system for the properties you manage?
Because Deer Valley Resort represents only high quality properties, we do not utilize a rating system for the available rental residences. Each residence is classified by its bedroom size and property location and will generally compete directly with other residences of same size or similar offerings. One of the best ways to measure the quality of a residence in comparison to another is to ask the on-site management team to show you several other residences at the property that represent similar set up and a high quality standard for that property.

How do you decide which property to book for a rental guest?
Is there a method to disbursing reservations amongst all residences in rental?
There are several options for our guests to complete the reservation process. When a guest calls into our Reservations department requesting a particular size, location, features, type of residence or any special needs, they are led through an extensive consultative process by one of our Vacation Planners who will assist them in selecting the best-suited property. Based on this process, we will do everything possible to fulfill our guests’ requests and needs as best we can. Guests may also choose to arrange their entire reservation through our website, deervalley.com. The online website also searches specific criteria, which include location, property type, ski access and size. When guests call or book online with no specific requests or needs, our management system suggests the best placement for the reservation based on the revenue and owners usage.

How can I reserve my property for personal use?
Each property has appointed an Owner Services liaison who you will utilize as your primary point of communication for personal property usage throughout the year. However, a detailed explanation of owner use and booking parameters can be found in the Rental Management Agreement. The agreement essentially states that each spring, an Owner Reservations Form is sent out to all owners so that they may request dates for the summer as well as the upcoming ski season and it must be returned back to your Owner Services liaison by July 1. Outside of this official process, owners may contact the Owner Services liaison to make or change reservations at any time, depending upon availability of the property.

Is there a limit on the number of nights that I can use my residence?
There is no limit on the number of nights that an owner can use their residence. If the owner’s goal is to maximize revenue, and maintain a profitable asset, they should make the property available for as much of the year as possible. If your goal is to maximize revenue, it is important to recognize that significant owner occupancy will reduce the overall opportunity for revenue. While this is most obvious during peak occupancy periods, the shoulder seasons yield the remainder of the revenue opportunity.

Can I let friends and family use my residence? Can I rent my residence myself?
While you are under contract with Deer Valley Resort, use by the owner’s family and friends is allowed with the understanding that the owner is not to rent the residence directly or through any entity other than Deer Valley Resort. This restriction is explained more clearly in the Rental Management Agreement.

For additional questions, please feel free to contact Deer Valley’s on-site management team who are available to answer your questions and help you in any way they can.