



STEAMBOAT GRAND

RESORT HOTEL & CONDOMINIUMS

Reservation Fee:

Your Board of Directors has worked diligently with your Property Management Company (SSRC-Steamboat Ski & Resort Corporation) to streamline expenses affiliated with running the hotel operations. One of the ways the Board has done this is through a “pay to play” philosophy.

Let us start off by explaining the HOA dues structure for front-of-the-house services. The occupancy of the Steamboat Grand is a blend of market mix that is comprised of owners occupying their units, nightly rental guests, and group occupancy utilizing the convention space at the hotel. In a typical hotel operation, the cost to operate the facility is absorbed by the owner of the hotel. In the Steamboat Grand’s case, the cost to operate the facility is shared by the owners (the Association) and the Management Company (Steamboat Ski and Resort Corporation). The methodology to share expenses is derived by a formula that calculates owner occupancy to total occupancy. For example, if the annualized owner occupancy is 30% of the hotel’s annual occupancy it would make sense to calculate that 30% of the cost of operating the front of the house (front desk, concierge, bellman, shuttle drivers) would be allocated to the owners.

In an attempt to bring the Association dues down, your Board of Directors decided to redesign the allocation of expenses to the owners. This redesign has resulted in a projected reduction in HOA dues by \$54,000. Replacing this funding mechanism is the new concept of “Owner Reservation Fee”. You will only incur costs when/if you use your owner weeks or space available. The owner reservation fee will be a \$30 charge when an owner uses their Owner calendar week. Please keep in mind that you, the owner, were paying for the Front Desk Services previously based on your percentage of ownership. Owner Services will bill the reservation fee on a quarterly basis to owners. Owners will be provided with the option to have their credit card automatically charged for the reservation fee.

For owners that choose to utilize the Rental Management Agreement’s benefit of Space Available, a \$10 reservation fee will be charged.

Thank you,

Stacy Huffman
Director of Owner Relations