Hotel/Rental Management Owners Town Hall

June 25, 2025

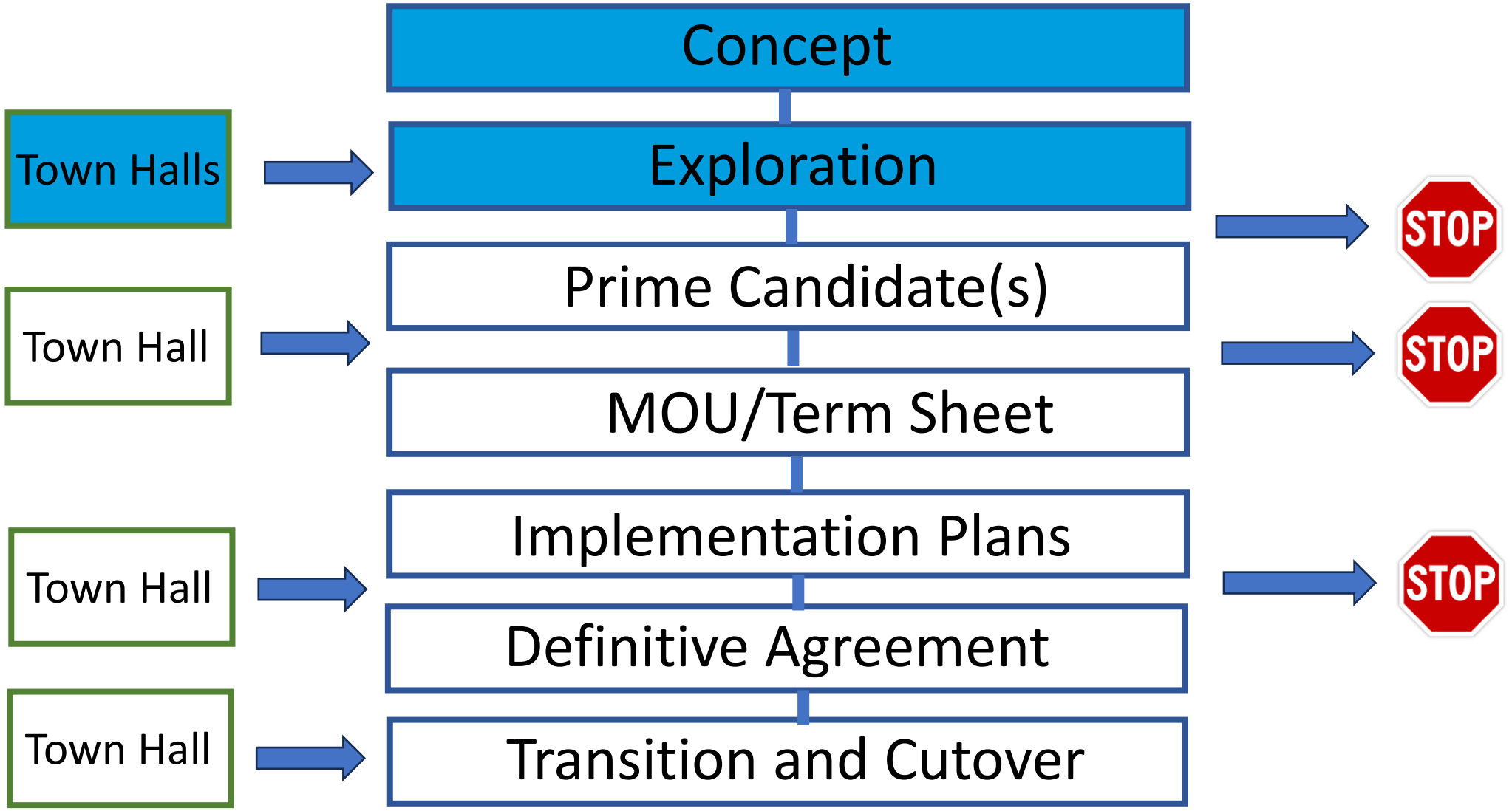
This document is meant to be reviewed with the accompanying oral commentary. Without the accompanying oral commentary, readers may not obtain a complete understanding of material in this document.

Town Hall Objective

At the Town Halls, Hotel/Rental Management Companies have informed Owners of possible hotel/rental management agent alternatives. After this initial information, do the Owners request:

- The Board to have further discussions with Hotel/Rental Management Companies about their services and possible engagement and share the findings with Owners
- Or are the Owners satisfied with maintaining the status quo, and the Board shall take no further action on this topic unless Owners request otherwise?

Context and Process for the Right Hotel/Rental Management Company



Agenda

- Status of the Planned Development across the Street (East Parking Lot)
- Hyatt, Hilton, and Marriott's Preliminary Evaluations of Our Property
- Current Situation and Condo/Hotel Management
- Comparison of Hotel/Rental Management Alternatives Including the Status Quo
- Q&A and Owner Comments

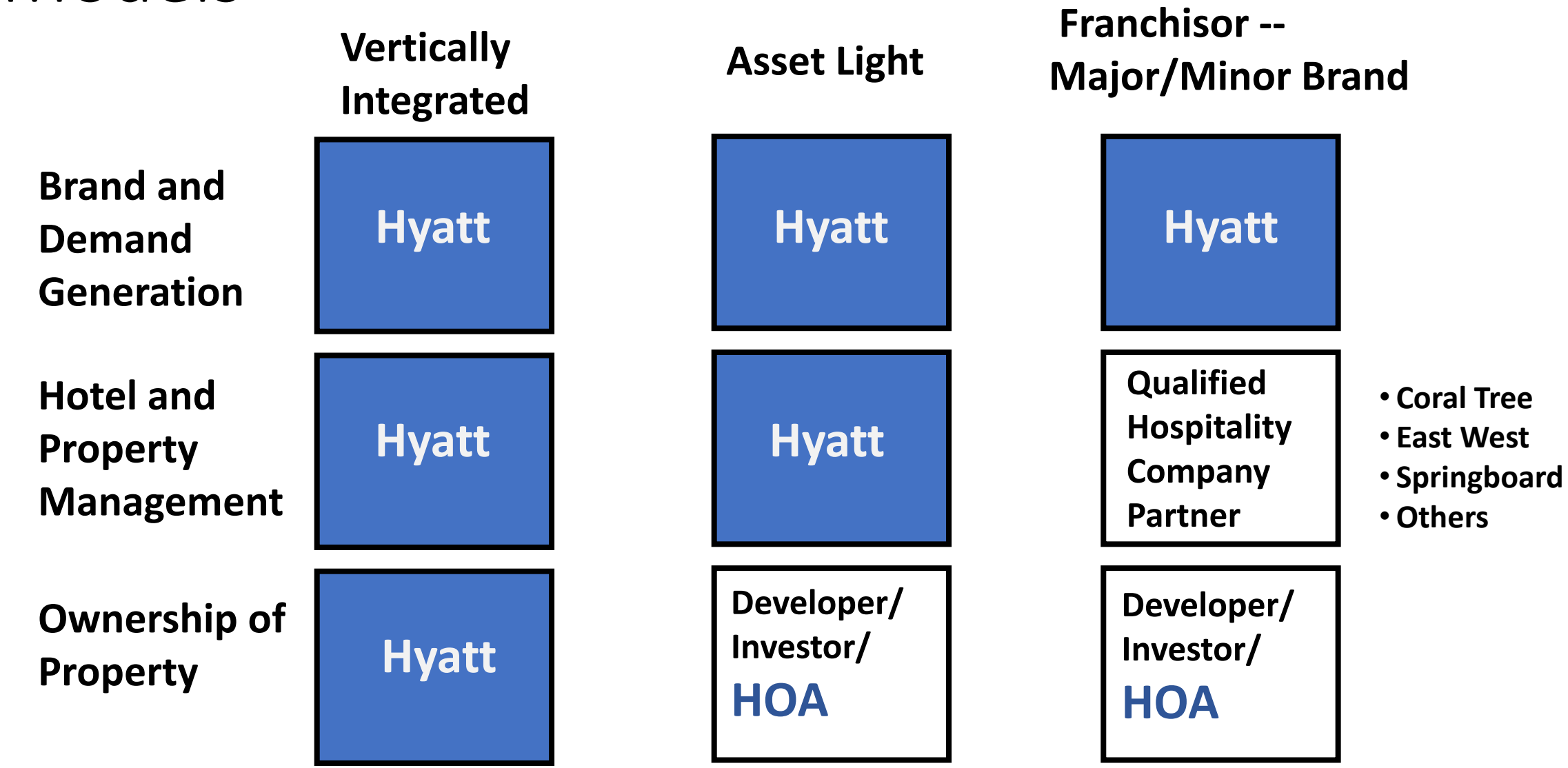
Status of the Planned Development across the Street (East Parking Lot)

- November 6, 2024: Karen McShea, VP Community Development, Public Finance & Entitlements and Amy Ohran, President & COO, Palisades Tahoe Present the "**Village at Palisades Tahoe Specific (Development) Plan**" to Owners at a 22 Station Town Hall
- November 19, 2024: Placer County Board of Supervisors Approves
- December 3, 2025: League to Save Lake Tahoe and Sierra Watch File a Writ of Mandate and Complaint for Injunctive Relief with Placer County Superior Court

Hyatt, Hilton, and Marriott's Preliminary Evaluations of Our Property

- Corporate Objective is to have more (Mountain) Resort Properties – Location of First Ascent and 22 Station properties are a great fit.
- Hotel Brands are highly valued and protected and properties have to meet and reinforce a certain standard
  - Our Amenities/Common Areas (Hallways/Spas/Fitness/Lockers…) fall short of standards. Addressable with Property Improvement Plan ("PIP") and Potentially Key Money
  - Individual Units were not evaluated.
  - Operations/Execution for Customer Experience – "Low Hanging Fruit." Addressable with Hotel Company or Authorized Hospitality Company Partner Management
- Branded Hotel/Resort Management partners and contracts with and works for the Owners collectively (HOA). Although preferring Greenfield opportunities with developers, Hyatt and Hilton are still interested. Marriott passes.

Major Hotel Brand (e.g., Hyatt) Business Models



Current Situation and Condo/Hotel Management

Currently Palisades Tahoe Hospitality (PTH) Provides Hotel/Rental Management and Collects and Allocates Revenue and Profit

- Palisades Tahoe Hospitality (PTH) is an affiliate of Palisades Tahoe Resort (PTR) which is a subsidiary of Alterra Mountain Company (AMC)
- PTH contracts with individual Owners for Hotel/Rental Management
- PTH does NOT have a Hotel/Rental Management contract with 22 Station or First Ascent, although 22 Station and First Ascent, separately, have property management contracts with PTH
- PTH uses and operates its hotel/rental management business in the Common Areas of Buildings 1 -5 **INDEPENDENT** of the HOA's and manages individual Units as per the individual Owner contracts.
- Palisades Tahoe Resort owns the "Palisades Tahoe" and "Village at Palisades Tahoe" trademarks and the "Eagle and Mountain" icon logo design mark.
- The Associations – PVNC, 22 Station, and/or First Ascent– own the parking spaces in P1 and the Miwa key system and have terminable usage parking and key license contracts with PTH with compensation, ~ $400,000 and $10,000 annually, respectively.

Sources of Revenue At 22 Station and First Ascent Resort Property (Condo/Hotel)

- Revenue from Rental of Individually Owned Residential Units
- Group Revenue from Conference Rooms
- Food & Beverage (F&B)
- Resort Fee (Spas and Other Amenities)
- Parking
- Wi-Fi
- Vending
- Advertising and Promotion

PTH-Village at Palisades Tahoe Lodge/Hotel Primary Stakeholders

PALISADES TAHOE

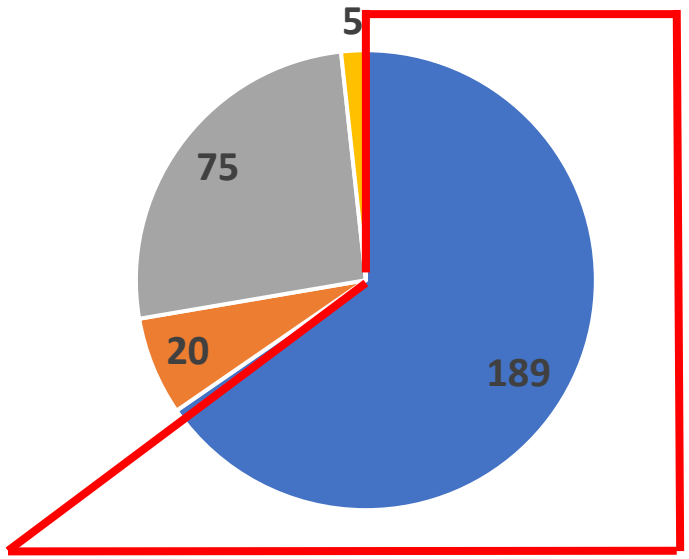
The HOA and ~30% of the Owners Are NOT Primary Stakeholders

Allocation of PTH-Village at Palisades Tahoe Lodge/Hotel Annual Revenue (~$12 million) and Profits

PTH - Village at Palisades Tahoe Lodge/Hotel

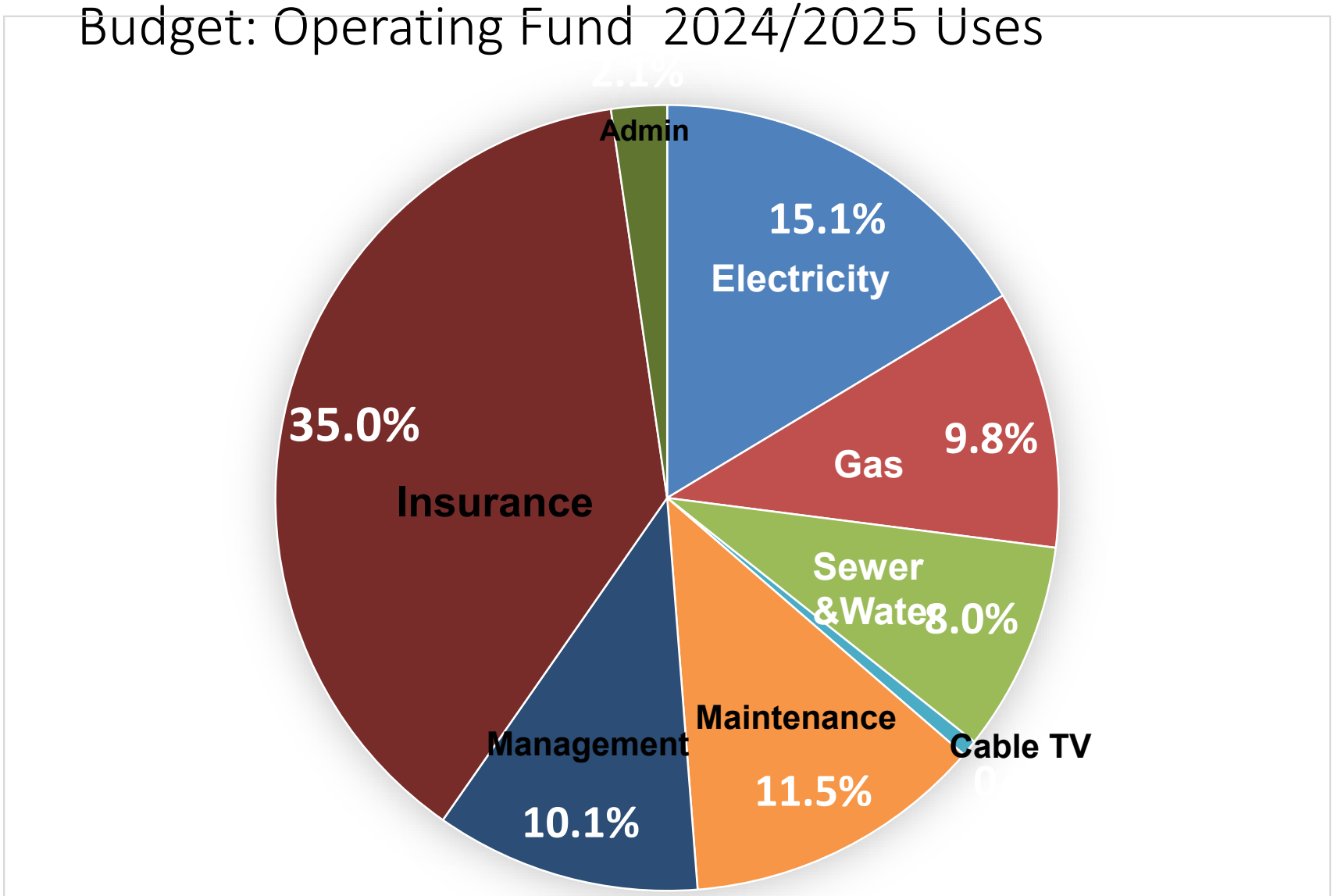
Nearly 100% of Profits From All Revenue

50-65% of Individual Unit Rental Revenue



PALISADES TAHOE

22 Station and First Ascent Property Expenses Are **NOT** Included in PTH-Village at Palisades Tahoe Lodge/Hotel P&L.



Palisades Tahoe Resort (PTR) Objective-- Destination Mountain Resort-- and Playbook To Achieve

Strategy/Playbook	Deer Valley	PTR/Olympic Valley
Scale and Quality of the Mountain Experience	• Expanded Terrain: 3,700 acres of skiable terrain • 16 new chairlifts including a gondola	• Alpine merger • Base to Base • Red Dog upgrade
Development to Realize Real Estate Potential Value and Reinforce Brand	Expanded Excellence: New East Village	Village at Palisades Tahoe Specific Plan
Commercial Affiliations to Reinforce Brand	• IOC/Corporate Sponsors • Grand Hyatt Deer Valley	• FIS/Stihl/Toyota • Flagship Branded Hotel??

Village at Palisades Tahoe Specific (Development) Plan

- Up to 850 lodging units (1,493 bedrooms)
- 90,000 sq ft Mountain Activity Center (MAC) and swimming pool(s)
- Additional 100,000 plus sq ft of Commercial space
- Four seasons destination

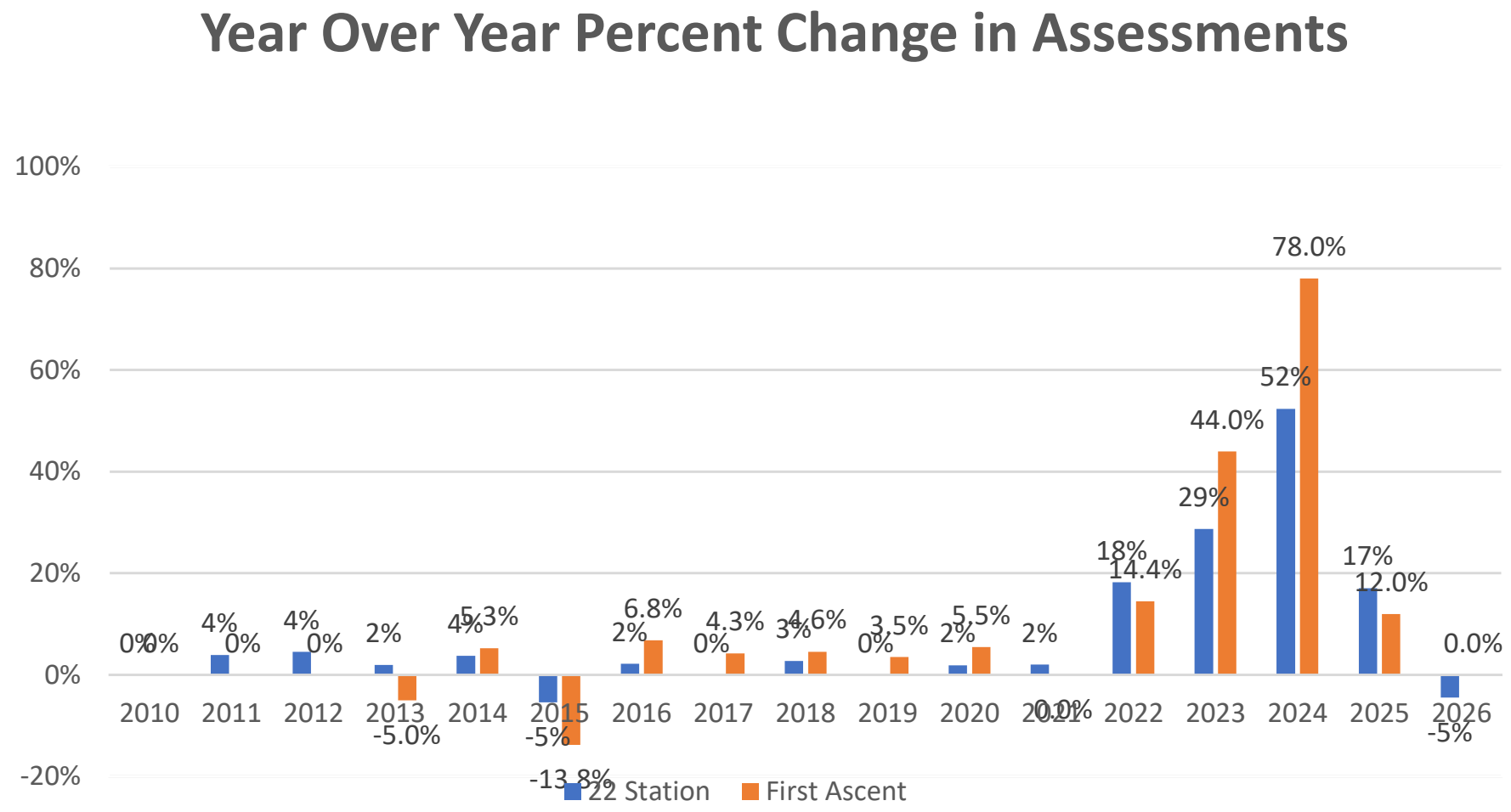
Implications for Owners Who Rent and for PTH – the Management Company of the Village at Palisades Tahoe Lodge/Hotel

- Alterra/Palisades Tahoe plans to construct and may operate hotels adding potentially 850 rentable units across the street vs roughly 200 actual rental units in the current Village
- Based on the feedback from Hyatt and others, these new hotels and units will likely have comparative advantages
  - New, modern technologies, including central air conditioning
  - Newer, modern, and potentially equal or better amenities -- spa, fitness center, equipment lockers, lobbies
  - Newer and potentially equal or better Common Area and Unit Furnishings
  - More consistent, potentially better, Unit furnishings
  - Equal or better management
  - Potentially, Branded (e.g., Hyatt, Marriott, Four Seasons)
- Eastern area of the expanded Village will become more active and may become the center of gravity especially in the non snow sports seasons

Questions for PTH – the Management Company of the Village at Palisades Tahoe Lodge/Hotel

- How does PTH plan to compete before and after Alterra/Palisades Tahoe constructs new hotels across the street.
  - Value Proposition and Brand Positioning – What is the Village at Palisades Tahoe brand?
    - Marketing and Demand Generation
    - Quality of Amenities
    - Service Levels
    - Customer Experience
  - Pricing
- Will the "Village at Palisades Tahoe" brand be exclusive to PVNC, First Ascent, and 22 Station Properties when the "New Village" and hotel properties are built?
- What are the PTH plans for improvements to the 22 Station and First Ascent Resort Property?
- Does PTH re-invest profits back into the Village at Palisades Tahoe Lodge/Hotel property or are profits repatriated to Palisades Tahoe Resort?

To Date, Assessments Have Been the Sole Source for 22 Station and First Ascent Resort Property Improvements



Comparison of Hotel/Rental Management Alternatives Including the Status Quo

Comparative (Dis)Advantages of Hotel/Rental Management Alternatives

Major Branded Management Company

- Brand and Demand Generation
- Scale and Experience
- Hotel Management Core Competencies
- Financial Contribution to all Owners
- Examples: Hyatt, Hilton

Independent Management Company

- Demand Generation
- Scale and Experience
- Hotel Management Core Competencies
- Financial Contribution to all Owners
- Examples: CoralTree, Springboard, East West

Palisades Tahoe Hospitality

- Affiliation with Palisades Tahoe Resort
- Demand Generation with Palisades Tahoe Resort
- Profits Flow to Palisades Tahoe Resort
- Familiarity with Property

Potential Allocation of 22 Station/First Ascent Owned Resort Revenue (~$12 million) and Profits

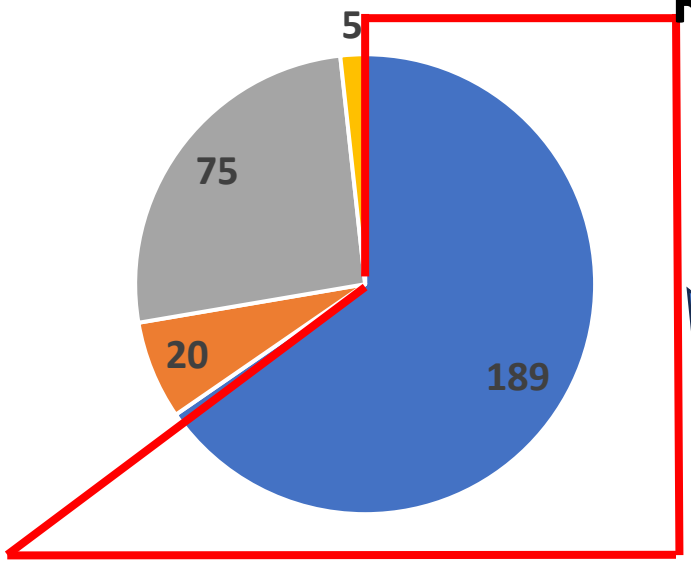
HOA's/Owners of The Resort Property

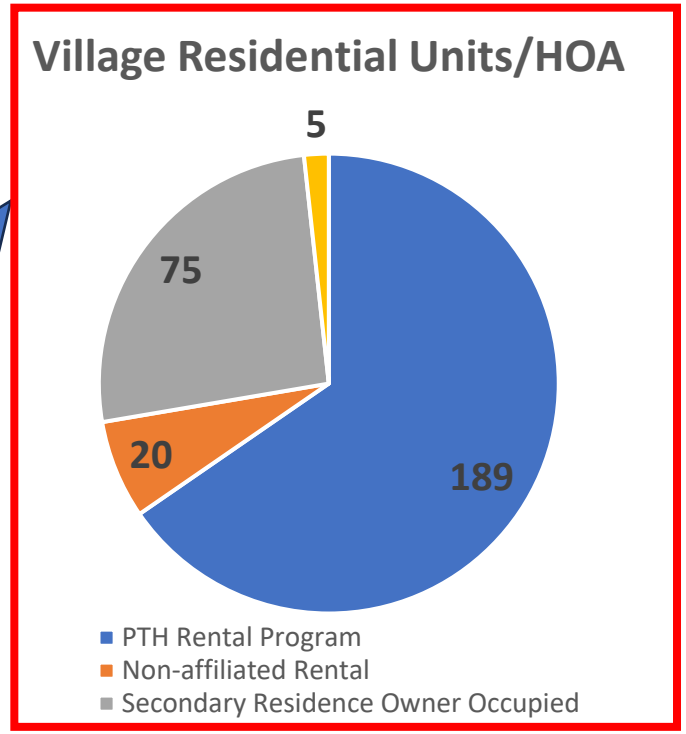
Major Branded/Independent Mngmt Co.

- **Contract with HOA/Owners**
- **Compensation is Percent of Revenue and Cost Recovery**

50-65% of Revenue

Percent of All Revenue/ Profits





Initial Comparative (Dis)Advantages of Independent Hotel/Rental Management Alternatives

CoralTree

- Demand Generation
- Scale and Experience
- Hotel Management Core Competencies
- Relationships with Major Brand Hotel Companies
- Financial Contribution to all Owners
- Manage Everline

Springboard

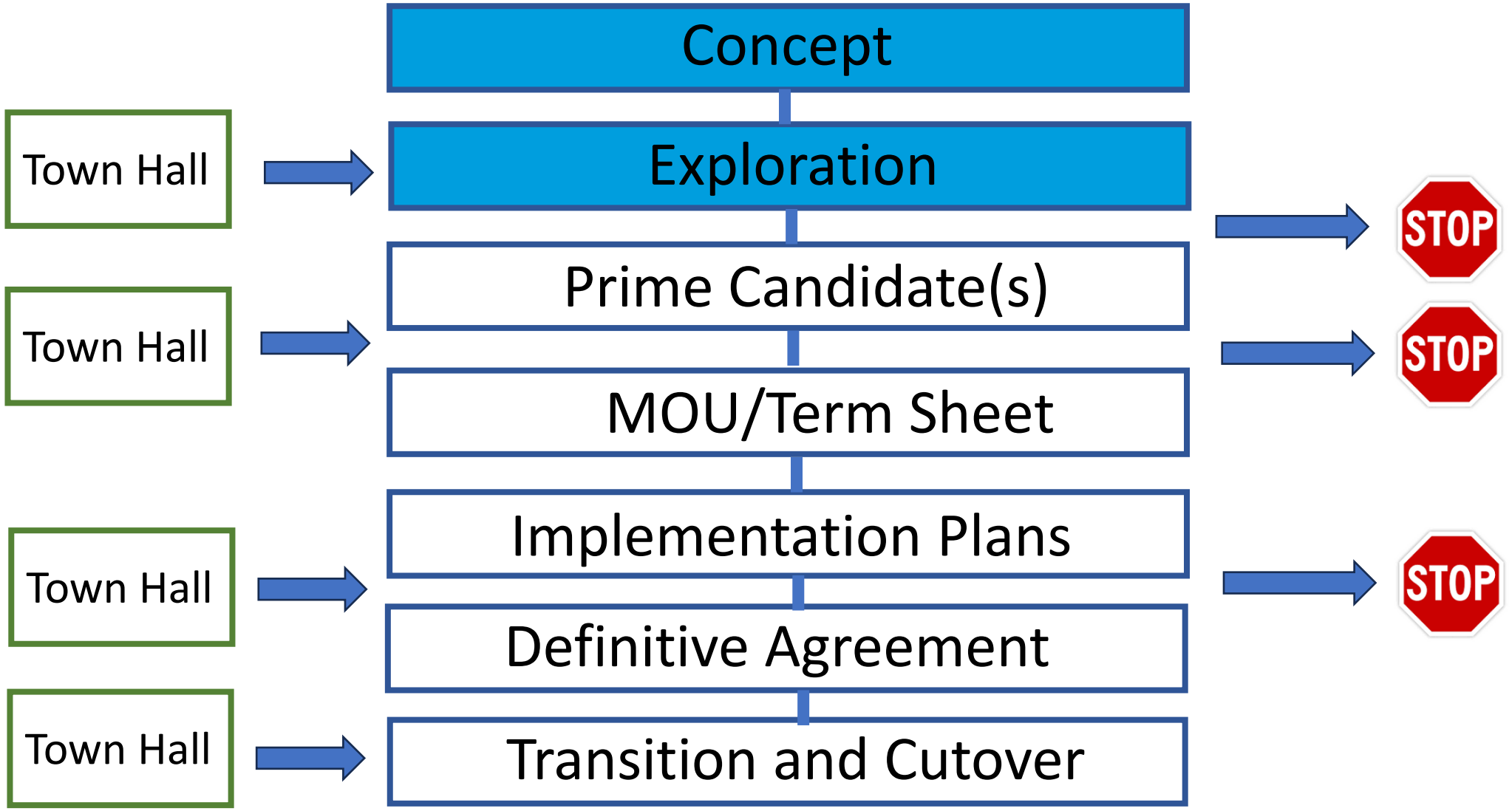
- Demand Generation
- Scale and Experience
- Hotel Management Core Competencies
- Relationships with Major Brand Hotel Companies
- Financial Contribution to all Owners

East West

- Demand Generation
- Scale and Experience
- Hotel Management Core Competencies
- Relationships with Major Brand Hotel Companies
- Familiar with North Lake Tahoe
- Appear More Flexible

Q&A and Comments

Where are We Now in the Process for the Right Hotel/Rental Management Company



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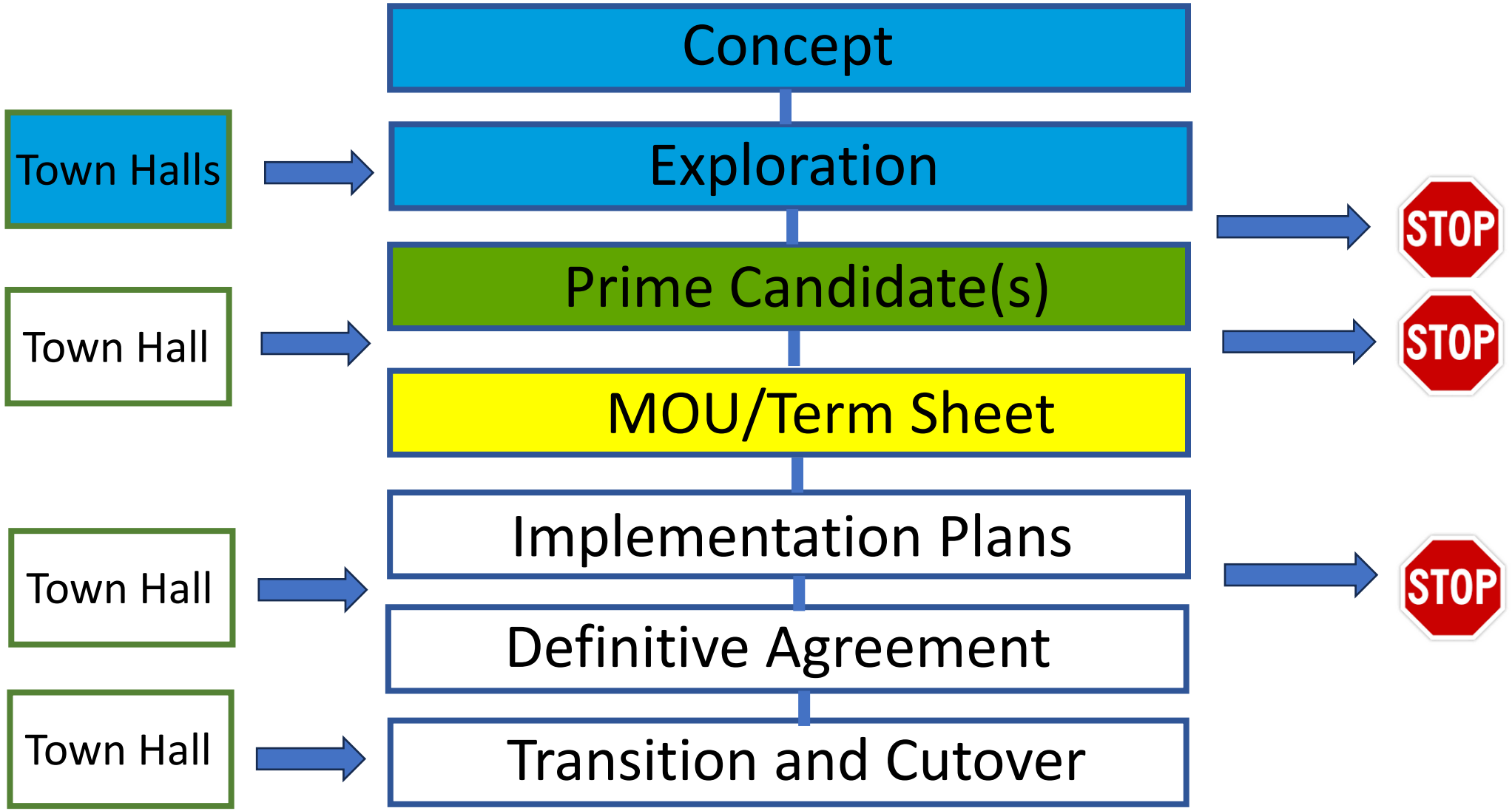
Potential Next Steps in Process for the Right Hotel/Rental Management Company



Desired Terms and Conditions

- An Individual Owner with Unit in Rental Pool receives equal or greater share of revenue/profits than currently
  - Customary Percent of Revenue Derived Directly From Rental of Owner's Unit -- Allocated by Hotel/Rental Management Company or HOA
  - Capture and Allocation of Resort Property Revenues by Hotel/Rental Management Company/HOA– e.g., conference rooms, F&B, resort fee, parking, wi-fi, vending, advertising and promotion…
  - Contribution to Unit Improvements?
- Owners Collectively (HOA) receive share of profits/revenues after individual Owners with Units in Rental Pool and Hotel/Rental Management Company Share
- Other Individual Owner with Unit in Rental Pool Desires
  - Must Haves
  - Nice to Haves
- Services and Service Levels
- Accountability
  - To HOA
  - To Individual Owners

Setting Expectations

- Time and Effort – Months perhaps a Year(s)
- Best Deal May Be No Deal
- In the near term, an acceptable deal with a Major Brand will be difficult
- Perfect is the Enemy of Very Good
  - Achieve the Desired Benefits
  - Accept Some Trade-offs
- Change, if it occurs, is not cost less
  - Legal Expenses
  - Start-up Expenses (e.g., branding, website…)