

Meeting on Status of Burke Mountain and Plans for Winter Season

September 25, 2016





Welcome

Friends of Burke Mountain

We are a nonprofit organization dedicated to long-term success and financial viability of Burke Mountain for:

- Employees and local businesses
- Season pass holders and property owners
- Skiers, boarders, bikers, hikers and all Mountain users



Friends of Burke Mountain

Our Mission is to:

- Make Burke Mountain a premiere four-season resort that creates jobs and economic opportunity while respecting its unique and beautiful setting.
- Work closely with the court-appointed receiver, the Mountain's new management company, Burke Mountain Academy, the staff at Burke Mountain, and local, state and federal officials to ensure long-term success and financial viability of the Mountain.
- Rebuild strong ties between the owners and management of Burke Mountain and the Greater Burke community.

Goals

Since the mountain has been placed in receivership and because of snow making problems in prior seasons, we thought it would be a service to the community to conduct an independent review of the mountains

- Financial condition
- Snow making capabilities
- Hold this public forum so that we can all make informed decisions

Our Approach and Process

- Ascertained from Receiver financial and winter operational plans
- Reviewed proposed snow making repairs and improvements
- Held meetings & Calls from June-September with:
 - Receiver Michael Goldberg
 - Leisure Hotels CEO Steve Olson and VP Operations Steve Scherer
 - Kevin Mack and Jason Lefebvre of Burke Mountain
 - BMA Headmaster and Trustees
 - Consultation with Ford Hubbard, Friends of Burke Director and Former Head of Mountain Operations
- Co-sponsor today's forum so you can ask questions and make informed decisions

Agenda

- Presentation on the Mountain's financial condition and snow making preparedness.
- Tory Amorello – Director of Enrollment, Burke Mountain Academy
- Paul Marcus – Director, Friends of Burke Mountain, Ski Instructor/Trainer
- Q & A Session with Jason Lefevbre – Director of Mountain Operations
- Michael Sher – President, Friends of Burke Mountain

Independent Review of Finances and Snow Making Preparations

September 25, 2016



Process

- Meetings/Calls in June-September with:
 - Receiver Michael Goldberg
 - Leisure Hotels CEO Steve Olson and VP Operations Steve Scherer
 - Kevin Mack and Jason Lefebvre of Burke Mountain
 - BMA Headmaster and Trustees
 - Consultation with Ford Hubbard, FOBM Director and Former Head of Mountain Operations
- FOBM Directors Meeting and Vote to Recommend

Financial Findings

- Receiver has obtained sufficient funds, through settlements with third parties, court-approved expenditures, and access to credit, if necessary, to operate the Mountain through the winter season.
- Receiver has made public commitment to operate the Mountain and Hotel as a going concern to demonstrate the value of the resort to potential buyers and EB-5 investors.
- Receiver has obtained court approval to spend funds on Employees/payroll.

Snow Making Findings:

Snow Making Depends on Water, Air, Staffing, and Weather



Burke Mountain Season Pass Holder Event

Water Supply and Delivery

Repairs and improvements will result in significantly more water than 2015-16 delivered on lower and upper Mountain

Key improvements and repairs:

- Rebuilt Mid-Mountain Pump
- De-silted portions of the Snowmaking Pond and Repositioned Pump in Pond = greater capacity
- Desilted River Intake
- Completed certain Mountain valve/valve house repairs
- Pipe repairs completed/ scheduled for completion by November 1
- October water system test scheduled

Air Supply and Additional Snow Guns



- Air capacity will increase by 45%, from 4,000 cubic feet per minute, to 5,800 CFM
- Rental air compressors will be installed from November 1 – at least January 15th
- Royal Electric under contract to install electrical components needed to support rental compressors



- Add 20 HKD Snow Guns to at least 3 trails (training hill, Dippers, and Willoughby)
- 5 HKD Guns are portable

Commitment to Make Snow Early and Often



Burke Mountain Season Pass Holder Event



- \$250,000 budgeted through capital and operations budgets for snow making repairs, improvements, and operations.
- Commitment to making snow, weather permitting, in November and until such time as the primary trail system that the Mountain relies on is secure for an operational season extending until April 16, 2017
- Major operational commitment to making snow and servicing the skiers and riders of Burke Mountain and the new guests of the Burke Mountain Hotel
- Focus on most popular trails on the Upper Mountain
- By starting snow making in early November, there is a commitment to providing the best conditions and trail count possible for the Christmas Holiday period.
- Mowing completed or to be completed consistent with best practices

Conclusions

- The resort has the funds to operate for the 2016-17 winter season
- Off season snowmaking repairs and maintenance efforts have prepared the Mountain for an aggressive snowmaking season
- As a result of planning, repairs, and improvements and \$250,000 in capital and operational investments, the Mountain is ready, weather permitting, to make more snow and open more trails than ever

Recommendation

- The Board of Directors of Friends of Burke Mountain voted to endorse purchases of season passes and to assist Burke Mountain in rallying community support for season pass purchases.



Burke Mountain Season Pass Holder Event