

A LOOK INTO THE CRYSTAL BALL

Presented by Kirkwood Mountain Realty

THE FUTURE, 10 YEARS AGO

How will skiing and snowboarding in the Sierra look 10 years from today? Which resorts will provide the best overall experience? Which resorts will be most accessible, given the projected growth in Northern California population? These are the questions often asked by families looking to build a legacy for future generation in the High Sierra. And the answers to these questions are why over 250 decided to make Kirkwood their home away from home.

Having adequate terrain to handle additional capacity will become important to enhance the overall mountain experience. As most everyone knows, Kirkwood has the least crowded slopes of any Tahoe resort. There is little question there will be increasing demand on all resorts to accommodate more guests-at-one-time. Some will handle it well; most won't. One of Kirkwood's greatest assets is its terrain at a rate greater than the increase in guests-at-one-time. At full built out, Kirkwood guests will continue to enjoy the spacious feeling found on the mountain today, even with more people on the slopes. Few, if any, Tahoe resorts can make a similar claim.

Access to the resort will likely become as important as the resort itself. All the great lifts, terrain and amenities in the world won't matter if getting there or returning home is fraught with traffic jams and long delays. It's been said by some who have already been through growth similar to what is expected in the Sierra that over the next decade, while Kirkwood's snow and terrain are certainly great assets, it's location on Highway 88 may be more important than the mountain itself.

Many are already experiencing unbearable traffic jams today on major routes to Lake Tahoe, as well as access roads to the resorts. If you think it's bad now, just wait. Kirkwood is surrounded by public land for many, many miles in all directions, and growth can only occur right in the Kirkwood valley. Highway 88's capacity exceeds projected growth, which means commuting to and from our resort will always be dramatically easier than what is experienced even today elsewhere, let alone what you can expect in the next decade.

Ski in-ski out residential opportunities will be in highest demand and lowest supply. Everyone dreams about it, few resorts offer it: the benefit of skiing to and from your home, condominium or townhome. Most of the Sierra's resorts either weren't designed to provide on-mountain residences, or don't have access to private land. Kirkwood has both, and will provide more opportunities for a slopeside lifestyle than any other Tahoe resort.

Not only are most of the future residence ski in, ski out, but the resort is small enough that everything is within walking distance: skiing, the village, après ski, cross country, ice skating, etc. Once you arrive, your car is parked and seldom used for anything while at Kirkwood.

Many destinations throughout the United States have experienced dramatic growth, including those located at the beach, desert and mountains. Some have done an excellent job managing growth, and continue to provide the type of experience that attracted people to them originally. Many have not. If you're looking for the ideal place to begin a lifetime of tradition for your family, I suggest you consider the future, and how you want your resort to look when build out occurs. It will be very different for each resort in the Sierra, and we think you'll agree Kirkwood will continue to be most like it is today than anywhere else. Sure, they'll be more people, but with that will come many improvements, including more lifts, terrain, restaurants and other terrific amenities. But as we change, we'll also stay the same in very important way: friendly people, a community atmosphere, great skiing and riding and a real retreat from the hustle and bustle of everyday life. And, perhaps most importantly, access will always be more convenient than anywhere else.

Great skiing and riding,



Tim Cohee
President, Kirkwood Mountain Resort



ALL IT TAKES IS VISION

A Look Into the Crystal Ball is a brief analysis of the Kirkwood real estate market which I prepared in 1997. This forecast discussed resort growth in the Lake Tahoe Region, at a time when Heavenly, Northstar, Squaw and Sugar Bowl were beginning to develop their base areas into amenity-filled villages. It was also when we began to build Kirkwood into a premier regional destination. The Lodge, the first new project in a decade, was built in December of that year.

Kirkwood Is Still The Place To Beat The Crowds

The look forward was to try and give prospective Kirkwood homeowners a feel for how we thought things would go for our competitors, given what we knew about the most important elements of growth: mountain experience, access, crowding and ski in/ski out opportunities. While there is no question development at these resorts has added many highly desirable amenities and upgraded resort facilities, it has also brought with it in most cases exactly what we had predicted: longer lift lines, increased trail crowding, long delays getting to and from the resort and an overall decrease in the quality of experience for many property owners who were part of the local community before major development came to pass. While we were very accurate in our look into the crystal ball, it frankly wasn't hard to predict. What is far more surprising is why so many people have elected to buy second home property at resorts where weekend crowds are unbearable by our standards. But, with a little thought, it's not hard at all. The answer is simple: priorities.

People make key decisions in their lives based on how they prioritize the benefits. In the case of selecting a second home community, some select the comfort of knowing Highway 80 over the lack of traffic on a lesser known highway, such as Highway 88; proximity to Lake Tahoe or Truckee, versus proximity to open space or Wilderness; numerous high speed lifts putting too many people on the ski runs at one time versus a lift system with less high speed lifts but wide open terrain and virtually no lift lines; a more gentle mountain experience versus an

adventurous one full of excitement at every turn; a lower elevation for less snow and easier moving around versus a true high alpine environment where snow depths can be challenging but make for amazing powder experiences; you get the picture. While real estate buyers at most other resorts focus on things unrelated to the mountain, crowding and natural beauty, Kirkwood enthusiasts place those things as top priority over all else.

While we've made a great deal of progress in our quest to create one of the top regional destination resorts in North America in the past 10 years, the best is yet to come. We will add high speed lifts where they make good sense, on parts of the mountain where we have ample capacity to handle the increased number of people departing the lift at one time. We will add lift service to new areas, so when we increase the number of people on the mountain each day, we will have new places for everyone to ski or ride to ensure trail crowding never becomes an issue. And we will provide more amenities and services, including on mountain dining and relaxing and full service day lodges and villages. Over the next decade, we will make many improvements that bring our resort infrastructure to a level commensurate with our incredible natural advantage of amazing beauty, deep and soft snow and tremendous terrain, all surrounded by miles and miles of nothing but public land and wilderness.

Kirkwood Real Estate Remains Undervalued

Around the west, as most have already put in the millions of dollars in lifts and related guest amenities, with real estate pricing reflective of a complete resort. Buyers today can take advantage of tremendous value whether it be in homesites, existing homes, condominiums, townhomes or luxury residence clubs, as evidenced by real estate prices before and after the installation of most or all resort infrastructure. Buy now, enjoy a fine resort, and watch the transformation from good to great over the next decade. You'll be glad you did in every way.



Tim Cohee, President of Kirkwood Mountain Realty, was President, General Manager and Chief Operating Officer of Kirkwood Mountain Resort from 1993-2006. He is a 32 year ski industry veteran, and is widely respected as one of the most knowledgeable ski executives in the nation in the areas of resort and real estate development. He has visited nearly every major American resort in the past two decades, and has spent a great deal of time studying the successes of the most well known and best run resorts, including Vail, Beaver Creek, Keystone, Copper, Breckenridge, Telluride, Sun Valley, Park City, Deer Valley and many more. He is often heard saying, "If you think Kirkwood is great today, just wait until tomorrow." He has one of the most recognizable voices in all of skiing, as he has been the voice of snow report recordings for 28 years, including the past 14 at Kirkwood. He estimates he has recorded over 10,000 snow reports during that time.