

November 7, 2014

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Snowmass Village, CO 81615

The following is a rental projection for 127 Forest Lane, a five bedroom, five bathroom luxury townhome located in Snowmass Village, Colorado.

For the 2014-2015 Winter Season we suggest the following nightly rental rates:

<u>HIGH SEASON</u>	<u>REGULAR SEASON</u>
\$6000	\$4400

The high season rates apply to the two Christmas/New Years weeks. Regular season runs from January through April.

Regarding the rental rate, we feel these prices are comparable to other similar rental townhomes in the area. Obviously, the lower the rate, the easier it is to generate a high rental occupancy level. Pursuing maximum occupancy, your home could generate the following income:

Rental expenses would include a 20% commission due Alpine Property Management. This 20% commission would provide for reservation service, check-in facility, and all housekeeping expenses. Housekeeping would include daily maid services for rental guest as well as the check-out cleaning. In addition there is a 10% to 20% commission paid to travel agents when an agent is involved with the rental transaction at the homeowner's expense. Pursuing maximum occupancy and taking into account the owner's calendar, your unit could generate the following income:

10 nights high season:	10 nights at \$6000 per night =	\$ 60,000
5 weeks regular season:	35 nights at \$4400 per night =	\$154,000
ESTIMATED TOTAL GROSS RENTAL INCOME:		\$214,000
20% commission of gross rental income		\$ 42,800
APPROXIMATE NET WINTER RENTAL INCOME:		<b><u>\$171,200</u></b>

There is also quite a bit of rental activity for the Timbers Club during the summer period. Suggested rates for the summer would be as follows:

<u>WEEKLY</u>	<u>MONTHLY</u>
\$9,000	\$25,000

Pursuing maximum occupancy would generate the following income:

1 month at \$25,000 per month =	\$25,000
Estimated total gross summer income:	<u>\$25,000</u>
Summer rental commission 20%	\$ 5,000
Approximate net summer rental income:	\$20,000
<b>APPROXIMATE NET ANNUAL RENTAL INCOME:</b>	<b><u>\$191,200</u></b>

The size of this home, five bedrooms, direct ski access, as well as its other amenities, make it a very desirable as a luxury rental property. In addition, there is a high demand for rental houses of this nature and with aggressive marketing a high occupancy level can be achieved. Furthermore, the home would quickly develop a strong return clientele as well.

Sincerely,

Margaret Iverson  
Alpine Property