



BPLA MEMBERSHIP SERVICES - Big Powderhorn Ski Area

The BPLA Homeowner's Association provides services such as:

- * Front Office Personnel
- * Full-Time Manager, Bruce Noren
- * Marketing Director
- * Key Inventory
- * Two Security Guards (Day & Night)
- * Recreational Facilities
(Swimming Pool & Ice Skating)
- * Shuttle Bus Service For Big Powderhorn Area
- * Year Round Maintenance Dept
- * Preventive Maintenance
- * Firewood and Kindling
- * Snowplowing & Lawn Care
- * Garbage Removal
- * Extermination Service
- * Housekeeping Services
- * Courtesy Van To and From Gogebic County Airport

The Big Powderhorn Lodging Association is owned by the homeowners who hold a "membership", which is one share of stock in BPLA.

INFORMATION SUBJECT TO CHANGE

Information Supplied By: Snow Country Real Estate
E6254 Hwy US 2
Bessemer, MI 49911
OFFICE (906) 932-1411
TOLL FREE (800) 876-9751
FAX (906) 932-0112
Email: arlene@snowcountryhomes.com
Website: www.snowcountryhomes.com
Arlene C. Schneller, Broker-Owner

The enclosed BPLA information has been compiled as an overview. Financial information should be requested directly through BPLA management. Snow Country Real Estate cannot and does not guarantee the correctness of all information furnished to them, nor the complete absence of errors and omissions, hence any responsibility for it cannot be, nor is assumed.

We have prepared this quick guide to explain the basics of homeownership at Big Powderhorn Mountain. (New BPLA homeowners receive a full welcome packet with a homeowner's fact booklet and other reservation details.) We hope this will answer some questions you have about BPLA operations. Please feel free to contact Arlene Schneller at Snow Country Real Estate or BPLA management for further details.

WHAT IS THE BPLA HOMEOWNERS ASSOCIATION?

Big Powderhorn Lodging Association (BPLA) was established in 1969. Unlike other property management companies, BPLA is unique in that it is owned and operated by the homeowners who hold a membership stock certificate. Homeowners elect officers, directors and have a full-time rental manager. The association and its owners have long since worked together to maintain the owners best interests.

WHAT DO I OWN AND WHAT IS COMMON PROPERTY?

It depends on the type of property you are purchasing. Condominiums describe exactly what you own and what percentage of ownership you have in the Condominium Declarations. You should receive a copy of this when seriously considering a particular unit. Please also ask Snow Country Real Estate for a handbook entitled "Condominium Ownership". Chalets are on individual lots and multi-units own their own land and operate on individual wells and a municipal sewer system. There are very few "leased lands."

DO I HAVE TO RENT MY UNIT? HOW DOES THE RENTAL PROGRAM WORK?

The rental program at BPLA is entirely voluntary, and you are free to rent through any rental management company or individual. However, BPLA has an on-site rental program, which handles the majority of rental units at Big Powderhorn.

If you elect to rent your property through BPLA, you are required to own a membership. Rentals are generally short term, with a two-day minimum. Rental proceeds are sent to owners monthly along with a statement, which accounts for all income and expenses including the management fee (equal to 30% of the gross rentals received). A homeowner can expect to receive about 45-50 % of gross income after fees. Statements are remitted to the homeowner each month for the prior month's rental activity. Summer promotions are also a source of income through vacationing families, long-term rentals and group tours. The BPLA board of directors establishes rental rates annually. A homeowner can elect not to have their unit offered for rent during the summer season and can decide if they want to accept pets.

SKI SEASON

Ski season rentals run from December to April (our ski season generally runs 110 days). Summer rentals run from June to September, with a special lodging discount for monthly and seasonal summer rates.

RESERVATIONS

Reservations are handled in the following manner:

1. **WINTER RESERVATIONS** are first handled by request of a specific unit, if unavailable, the rental is then handled by rotation based on the type of rental unit required. This assures fair rental procedures.
2. **LONG-TERM** and **DAY-TO-DAY SUMMER RENTALS** are available, but less frequent and is strictly optional for the homeowner. BPLA offers special reduced summer rates to produce summer business with senior citizen bus tours and vacationing families.

HOW ARE RENTAL CHECKS DISBURSED TO HOMEOWNERS?

Monthly statements are sent to the homeowners during the winter months. This statement is an account of all income and includes a detailed expense breakdown. BPLA retains a 30% base rate for reservations taken. All other services required such as maid service, snowplowing and garbage removal are charged **in addition** to the base rate. The income balance is submitted by check to the homeowner each month. The **costs not covered** by the association are expenses such as mortgage debt service, homeowner's insurance (unless they are on a group BPLA policy), utilities and real estate taxes and any condominium fees, if applicable. There is an optional group insurance policy available to all BPLA Homeowners under one "Master Policy". Inquire with BPLA for details.

WHAT DOES THE 30% RENTAL MANAGEMENT FEE INCLUDE? WHAT OTHER FEES ARE THERE?

The 30% management fee is a fixed flat rate charged toward each reservation made. The fee covers administrative costs such as front office personnel and related reservation expenses for the entire year. BPLA also includes all marketing and advertising costs deemed necessary to maintain occupancy and income levels to rental units. The other fees are listed on the rate schedule attached.

WHAT DOES IT MEAN IF A "BPLA MEMBERSHIP" IS INCLUDED WITH A BUILDING?

Most units for sale will include a membership in BPLA; however, you should check with your salesperson to be sure whether it is included or if you need to purchase one. Often times, you will see a listing sheet that specifies "MEMBERSHIP INCLUDED". A membership in BPLA is open to any person(s) who purchases a unit within a close proximity of Big Powderhorn. A membership is based on approval by the lodging association board, but is readily available. A membership share certificate is currently worth \$ 2,500 and it is a one-time fee. If the seller transfers a membership, there is no charge to the new buyer; the stock is simply transferred to them.

HOW DO I USE THE UNIT MYSELF IF I RENT THROUGH BPLA?

Homeowners must call in and let BPLA know when they are using their own unit, during any season for security purposes. During personal use, a homeowner has the option of setting up the unit with their own linens and cleaning the unit prior to checkout, but light housekeeping may still be required to satisfy BPLA cleaning standards. Homeowners can have the housekeeping staff make up the unit and clean it after departure. Housekeeping, if requested, would be charged to an owner's monthly statement, as well as any other services that may be requested or required during a personal stay. Owners do not pay an additional use fee for staying in their own unit, owners only pay for services that may be used during your stay such as snowplowing, garbage removal etc. In either case, checkout time remains the same as a paying guest, unless prior arrangements have been made. A new homeowner must honor the upcoming confirmed reservations for the first ski season, even if the new homeowner would like the unit to be a non-rental. The following season homeowners are given a calendar to fill out prior to the ski season so owners have first choice to reserve the unit for their personal dates. Bumping a guest out of a confirmed reservation for a homeowner or sale is not allowed.

HOW DO I RENT MY UNIT TO FRIENDS OR LET THEM USE IT AT NO COST?

All reservations should be made in the same manner as reserving the unit for your own use. You must give BPLA the name of your guest for check-in and security purposes. Any other special arrangements for your private guest should be made in advance. In the case of an owner referral, your guest paying regular rates should request your unit name or unit number specifically and your unit will be rented to them, if available. All rentals must be run through BPLA, including owner guests at owner-arranged lodging rates. BPLA will be paid its' appropriate commission on all rental activity.

Many homeowners also do their own marketing promotions through flyers, color photos, sending a thank-you or Christmas cards to their friends/guests and request that they rent their unit again on their return. Each owner is provided with a copy of the reservation for guest's name and address for promotional purposes. Snow Country Real Estate also offers some tips to increase your rental income, please request it.

HOW ARE REPAIRS MADE FOR AN ABSENTEE OWNER?

Owning a ski chalet rental is not without its maintenance issues. Wear and tear on the rentals means things need to be replaced and other times guests can be careless. BPLA has a maintenance department and can make repairs or replacement of items authorized by the homeowner for any expenses over \$ 100. Homeowners are also given an annual Preventative Maintenance report for each rental unit in late summer. The purpose of the BPLA report is to make sure that guests for the upcoming winter experience a lodging property that they would enjoy renting again and recommend to their friends. Some items are marked as mandatory and must be taken care of prior to the season, others are just comments and suggestions that the homeowner may want to consider changing to make the unit even nicer. BPLA can take care of most repairs or can arrange for outside vendors and contractors, if desired.

ARE PROPERTIES SERVICED BY WELLS OR MUNICIPAL WATER?

All properties are currently serviced by wells. Some wells are shared and may have recorded water agreements, which describe each owner's obligation for sharing the system. Municipal water is not expected anytime in the near future. Tests for water quality are made frequently by BPLA per health department standards. In addition, most units are supplied with bottled water. Sellers can provide a copy of the most recent water test.

ARE PROPERTIES SERVICED BY SEPTIC SYSTEMS OR MUNICIPAL SEWER?

The Powderhorn Area Utility District (PAUD) municipal sewer project was completed in spring 2008. All property owners received letters in 2007 informing them of the mandatory hook up for lateral sewer line requirements and deadlines. If you have any questions regarding the sewer project, please contact **Thomas L. Schneller at Snow Country Contracting 906-932-1411** or the **PAUD Administrator at 906-667-0465**.

DO I HAVE TO BUILD RIGHT AWAY AFTER I BUY A BUILDING SITE? WHAT TYPE OF RESTRICTIONS ARE THERE?

You do not have to build immediately. However, you should refer to the individual building restrictions for each subdivision. Ask your salesperson for a copy of restrictions for each particular subdivision. There are many affordable lots, some with owner financing. Prices range from \$5,000 to \$10,000 on average, we expect those prices to increase in the near future. Trailside lots, when available will sell for \$ 50,000 and considerably more, as there are very few vacant trailside lots left.

DO I HAVE TO USE SNOW COUNTRY CONTRACTING, INC. AS A BUILDER, OR CAN I BUILD THE CHALET MYSELF?

You can choose any builder; you may also build the home yourself if it is for your own private use only. Rental properties must be built and completed by licensed contractors and subcontractors. Snow Country Contracting has built over 400 vacation homes throughout the ski & lake areas. We also have plan books for review.

Snow Country Contracting, Inc., established in 1971, has expanded into many recreational, residential and commercial areas. Thomas L. Schneller is a second-generation builder/developer. His father, Tom C. Schneller, was instrumental in the formation of BPLA and was one of three permanent BPLA Board of Directors. Snow Country is the area's largest custom homebuilder and has built over 400 homes throughout Northern Wisconsin and Michigan's Upper Peninsula, many at Big Powderhorn. As a design/build contractor, most projects are completed from start to finish through one reliable company, Snow Country Contracting, Inc. The services provided include design, drafting, excavation, masonry, carpentry, and complete project management. Thomas L. Schneller, President of Snow Country Contracting, Inc. resides over the excavation and construction company, Arlene Schneller, is Vice-President.

Snow Country Real Estate, our real estate division, is a professional real estate firm that markets residential, commercial, lakeshore, acreage, and vacation properties, in Michigan's Upper Peninsula and Northern Wisconsin. We offer a wealth of information and provide the tradition of quality service that has been established for over 27 years. We aggressively develop, promote, and market quality properties. Arlene C. Schneller is the broker for Snow Country Real Estate. As full-time licensed real estate broker in Michigan and Wisconsin, she strives to provide courteous, personalized, and timely service to meet your specific real estate needs.

Visit our Website at www.snowcountryhomes.com or e-mail us at arlene@snowcountryhomes.com to see what's new in Michigan's Upper Peninsula Real Estate Market.

INFORMATION SUBJECT TO CHANGE

Information Supplied By: Snow Country Real Estate
E6254 Hwy US 2
Bessemer, MI 49911
OFFICE (906) 932-1411
TOLL FREE (800) 876-9751
FAX (906) 932-0112
Email: arlene@snowcountryhomes.com
Website: www.snowcountryhomes.com
Arlene C. Schneller, Broker-Owner

The BPLA information provided is a brief overview. Financial information should be requested directly through BPLA management, contact Bruce Noren, BPLA lodging manager, at his office (906) 932-3100. Snow Country Real Estate cannot and does not guarantee the correctness of all information furnished, nor the complete absence of errors and omissions, hence any responsibility for it cannot be, nor is, assumed.

BPLA – Big Powderhorn Lodging Association Information (07-08 Season)

What do units gross on an average and what are the category differences?

TRAILSIDE

There are a total of 41 trailside units, which include some multi-units. Trailside units received the bulk of the business with 47.7% of the market share at Big Powderhorn. Guests love trailside convenience and will pay the price for the added benefit of ski-in/ski-out access. Trailside places are luxurious, spacious and offer a great location! They are newer homes with nice floor plans, most are the top of the line, well maintained and constantly updated. On average, a trailside unit grossed \$21,257 for the year, primarily during winter months. There are many lodging rate combinations, such as single occupancy, double occupancy, etc. Homeowners determine the minimum and maximum occupancy for weekday and weekend for their own chalet. The total number of people occupying them determines unit rates.

PREMIER

There are a total of 22 premier rental units, which include some multi-units. These units also hold high standards and attention to detail, most are in excellent condition and must be fully equipped with newer furnishings and have either a hot tub or sauna. They are known for being spacious and upscale. Ideal for larger family or group gatherings. Premier units received 13.4% of the market share at Big Powderhorn. Guests typically choose these units if they are unable to rent a trailside, or will choose these because they rent for a little less but are assured great accommodations. On average, a premier unit grossed \$11,163 for the year, primarily during winter months.

DELUXE

There are a total of 38 deluxe rental units, which include some multi-units and condos. These are average chalets and condos that have been maintained by the owners and offer either a microwave or dishwasher (many have both) along with comfortably appointed décor and amenities. Deluxe units received 14.4% of the market share. On average, a deluxe unit grossed \$6,920 for the year, primarily during winter months.

STANDARD or VILLAGE

There are a total of 42 village rental units, which include some multi-units and condos. The village units are places that represent the largest lodging category. They offer additional amenities above a budget unit but some might be considered adequate in furnishings and may need some sprucing up. It is still a good value category if you need to stretch your dollar with kitchens equipped to prepare meals to stay within a vacation budget. Some may be a further driving distance from the ski hill and some may have exceptional mountain views of the ski slopes. The shuttle bus also delivers guests back to any ski chalets within the entire ski area. Village units received 11.5% of the market share. On average, a village unit grossed \$5,022 for the year, primarily during winter months.

BUDGET

There are a total of 34 budget units, which include some multi-units and condos. The budget category is a condo or single family A-frame or chalet that offers a great bargain price. Typically “you get what you pay for” in this category, which is a bed to sleep in, a basic type unit with few frills and the cheapest rates. Budget units received 8.1% of the market share. On average, a budget unit grossed \$4,346 for the year, primarily during winter months.

NOTE: All ski chalets have a fireplace or wood stove for ambiance, regardless of category. Pets are accepted in some units, owners decide. It is difficult to monitor non-smoking units, but signs can be posted in the chalet. Guests are responsible for any damage, loss or injury under Michigan Inn Keeper Laws, and reported by housekeeping. Owners can choose to upgrade their properties after purchasing and move up or down into a different category rating. It is advised to rename the chalet if it has been a poor performer, especially if you have made substantial changes to make the place better. In the same note, you would want to keep the name of a chalet, which has a strong rental income as those return guests know the property by name. Any major remodeling changes or furnishing arrangements should be discussed with BPLA to make sure it will work for the owners and guests. BPLA has the right to accept or reject any changes made by an owner to make sure the building is safe and comfortable for guests.

There are a list of items that are required for each rental category, please request that information from your real estate agent. A detailed book outlining all BPLA information is given to homeowners after they purchase a property. A copy is on file at Snow Country Real Estate for review, however, we provide a condensed version of info for interested purchasers.

This information has been provided to you by:

Arlene Schneller, Broker email: arlene@snowcountryhomes.com

Snow Country Real Estate Office 906-932-1411

1-800-876-9751 FAX 906-932-0112 www.snowcountryhomes.com

The BPLA information provided is a brief overview; complete financial information should be requested directly through BPLA management by contacting Bruce Noren, BPLA lodging manager, at his office (906) 932-3100 or (800) 222-3131. Snow Country Real Estate cannot and does not guarantee the correctness of all information furnished, nor the complete absence of errors and omissions, hence any responsibility for it cannot be, nor is assumed.

Big Powderhorn Lodging – Schedule of Rates

The following are current rates charged for BPLA services as of **7/1/08**:

SERVICE	RATE
Rental Commission Fee (to book the unit)	30% of gross income (Short-Term); 21% of gross (Long-Term)
Non-Rental Fee (if you keep your membership but are not in the rental program – “inactive status”)	\$ 700 annually
Housekeeping Labor	\$ 17.00 per hour
Housekeeping Supplies	\$ 1.00 per person/night
Laundry	\$ 1.00 per pound
Maintenance Labor	\$ 26.00 per hour
Cable Contract (Paid in advance – 1 year)	Per annual contract rate
Firewood delivery	\$ 80.00 per cord
Bottled water	\$ 7.50 per bottle
Water testing	\$ 25.00 per test
Garbage (daily or as needed by BPLA)	\$ 8.00 first 2 cans; \$3.00 ea. add'l
Summer Security Inspection	(at current maintenance rate per visit)
Area Wide Cleanup	\$ 26.00 annually
Lawn Care & Grass Cutting	\$ 26.00 per hour
Tractor with Brush cutter	\$ 65.00 per hour
Snow Removal with Tractor	\$ 65.00 per hour
Snowplowing	Varies

Note: RATES SUBJECT TO CHANGE WITHOUT NOTIFICATION