



SIDNEY PEAK RANCH

Steamboat Springs, CO

PROJECT ANALYSIS

March 2004

Note to the reader ...

Sidney Peak Ranch is a spectacular 1500 acre completely fenced private cattle ranch community with only 32 ranch home sites each approximately 50 acres with 6 to 12 acre building sites. The location of the ranch is in Steamboat Springs, Colorado only 15 minutes door to door to the Steamboat Springs Ski resort.

Sidney Peak Ranch had been developed 7 years prior to Southcreek's involvement. Only 5 lots had been sold at prices ranging from \$495,000 to \$595,000. Of the 5 sites sold one was to the Realtor who listed the property originally. The good news was that the land was grand and untouched except for the herding of cattle and the equestrian pursuits enjoyed by the few owners. The two homes built were exceptional. A good opportunity existed to turn this project around with a re-introduction to the market. The only problem was that this had been attempted the summer season prior but to little or no avail.

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Within 6 weeks of contracting for the project, Southcreek had established a cowboy elegant sales gallery in downtown Steamboat, a video/DVD showcasing the land and Steamboat lifestyle, a new re-built website as well as a movie premier event of the DVD to over 100 Steamboat Realtors who believed Sidney Peak was a failure at the time and set up an inhouse sales brokerage (Sidney Peak Ranch Properties, LLC) to include training two key agents to represent the project in the market and since Steamboat is a destination resort, a contact management system to support their efforts. Within 12 months 8 sites were sold at prices over the \$700,000 mark with several more sites soon to be purchased as the weather changed and summer months allowed for land tours on horseback.

BACKGROUND

The approved plan indicates 32 residential land parcels, each in excess of 40 acres each located in and around 1,575 acres of open space & wildlife refuge in South Route County, Steamboat Springs Colorado.

The design envelope of roads & home sites must remain true to the approved plan as well as the designated amenities: 25,000 square foot equestrian center, indoor riding arena, 32 heated stalls, jumping arena and varying levels of boarding options.

Homeowner fees are required and include the equestrian facilities. An option for a full club membership to the Catamount Country Club is also included in the community's homesites and if accepted, payment of the monthly club dues is required.

There are protective covenants and architectural guidelines in place for the community that must be adhered to in all construction and development.

The previous development partner who was recognized as the owner in the market seems to have caused controversy. Evidently there was mistreatment of purchasers, prospects, agents and planning officials. This situation appears to be serious enough that it has affected the sales and promotion of the project by the local market. Agents interviewed called the project by the developer's name rather than its given name.

In interviews conducted with local architects, builders, realtors, brokers and bankers, the positioning of the project was not evident. No mention was made as to what type of

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community Sidney Peak Ranch was but rather more focus was placed on the property's physical attributes such as ranch sites, horse barn and gated.

Since the property's inception in 1999 there has been an ongoing effort to sell the residential parcels to end users with 5 land sales completed at this time on which two purchasers have built Colorado style ranch homes. It appears that both homes are used seasonally as a second home. It is our understanding that both families have strong interests in horses and do take advantage of the community's equestrian facilities.

A P P R O A C H

- Determine the upside potential of the 27 remaining lots with highest consumer retail pricing or builder wholesale lot pricing that results in an acceptable absorption timeline
- Provide a complete analysis of the project's current positioning in the market.
- Provide a summary of physical and promotional adjustments needed to re-position the project for stronger and broader market appeal.
- Provide recommendations for the optimum sales operation structure.
- Provide recommendations for the marketing program needed to obtain the full upside potential and strongest absorption possible in the market place.
- Obtain local market data substantiating the potential of lot sales to consumers and builders.
- Define proven marketing tactics that can be used to generate inquiries and traffic to the property.
- Define sales strategies that will result successful conversion of inquiries.
- Define adjustments in project presentation and positioning to re-build confidence in project, support affluent lot sales pricing and outsell competition.

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M E T H O D O L O G Y

- Travel completed to Steamboat Springs and property site to experience marketing window, location attributes, area attributes and community's topography, character and presentation.
- Conducted a complete site inspection of the project, its surrounding market area and local county market.
- Conducted interviews with local market architects.
- Conducted interviews with local real estate professionals.
- Compiled market research of local and regional competitive projects.
- Compiled research to determine local sales trends and market affect factors.
- Visited nearby competitive communities in market and experienced sales program as well as community views, topography, amenities, land plans and product mix offerings.
- Interviewed several Colorado residents to determine overall perception of Steamboat Springs as a resort, second or first home destination.
- Interviewed local residents in Steamboat to determine their overall lifestyle and ownership satisfaction as a second homeowner.
- Also ascertained from these second homeowners their opinions of Steamboat as an upscale second home destination and ranch style home community.
- Interviewed local real estate agents to determine the overall residential market activity in and around Steamboat and viability of an affluent ranch/equestrian community in the market area.
- Discussed with local agents the profiles of the types of buyers inquiring or purchasing upscale ranch-style homes or lots.
- Interviewed an equestrian expert located in Colorado to determine what amenities would attract affluent equestrian owners to a ranch/equestrian community and what the hot buttons should be in the marketing collateral.

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- Interviewed several local custom homebuilders to assess what types of homes in the Steamboat market support an upscale ranch purchase and what are the most sought after home styles or plans in the area.
- Confirmed what the building values and cost-to-build expenditures are for upscale housing in the Steamboat area. This information was used to evaluate competitive pricing structure for the immediate market area.
- Interviewed national developers who have been active in areas near this market.

PROJECT ANALYSIS AND RECOMMENDATIONS

I. BRANDING & PROJECT POSITIONING

A. OBSERVATIONS

The best way to assure success in the residential land development business is to know and understand your targeted buyers then how to brand your project to meet these desires – “not needs” but desires. Real estate is still an emotional sell no matter what experts try to say – people buy with their heart.

Branding works best when based on “the dream” of what your buyers truly want and how your development’s location, character and lifestyle can shape this brand, set it apart and fulfill their dreams.

The next step is to focus on creating the type of amenities that will build this brand both physically and emotionally. Once this is done marketing your brand is next. You must sell (not oversell) the dream and show how it truly will fulfill the targeted buyer’s hot buttons or

wants accordingly. Plus you must create a sense of urgency, appreciation and never again or never before opportunity and must include the ever-necessary “call to action”.

Originally it was believed that the buyer for Sidney Peak would want a Hunt Club equestrian community brand. The homestead tracts of land would be for families who would board their horses for foxhunts and full dressage rides. In addition to the main foxhunt brand there was an underlining brand influenced by the previous development partner to appeal to families who would fit in with his lifestyle. Families who were not driven to focus on an upscale “horse dominant” lifestyle did not seem to be welcomed or encouraged to buy.

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It appears that most of the big brokers in the Steamboat Springs community we spoke to do feel that Sidney Peak Ranch is a beautiful place, but that the Hunt Club equestrian lifestyle brand is simply not what Steamboat is all about. So they have struggled from day one with how best to sell this mix of equestrian snobbery with earthy Steamboat hometown living. Obviously so, since only 5 properties have been transacted with 5 different brokerage firms who have been trying over a 3 plus year period. Goodness knows they have all tried and all deserve credit for their efforts.

It is disturbing to see how other Steamboat ranch communities with not nearly the appeal or large ranch home sites as offered at Sidney Peak are outselling us three to one at higher prices??

Even though we could say that issues like the water supply have kept us from selling, we believe that once these are corrected, the brand must be changed or we will still be in the same boat. What affects our sales or lack of is the overall perception of the community and ultimate its value. So we will obviously fix the water situation – that is a given - but then we must fix the “brand”. This is where we will kill the problem once and for all. We will win our co-broker firms back over, help them understand that this was not their problem nor mistake, then reward them to help us sell us out quickly. Remember we must create a sense of urgency and feeling that once this place is gone it will never be repeated. We certainly believe this to be true.

In addition to re-directing the brand and increasing the perceived value we will re-position the community as a “your own personal ranch sanctuary getaway” home. We feel that the hunting and equestrian brand does not give us the highest and best perceived value for the project, nor does it reinforce the strong physical presentation that the project has as being a place for solitude and sanctuary. These ranch sites with homes will be worth millions of dollars – a buyer needs to feel that when they see the brand. We believe that once a prospect has been able to see the magnificent ranch homes already built in the community, they will have no reason not to believe that Sidney Peak Ranch truly is one of the most beautiful ranch communities in the market area and that we are for real.

The existing ranch home properties at Sidney Peak should be played up in the advertising as well as testimonials with the buyers who have fallen in love with the community of Sidney Peak Ranch and the town of Steamboat Springs. This is not evident today.

The current marketing or branding of the project today in our opinion holds Sidney Peak Ranch back.

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The beauty of the land, spaciousness of each site, belief by the homeowners and close proximity to Steamboat Springs sells Sidney Peak. A fake lifestyle does not have to be contrived to do the job.

B. RECOMMENDATIONS:

We would immediately develop a new Community Summary of the project reinforcing the ranch sanctuary lifestyle and redirect the equestrian facilities to be more focused on horse boarding than fox hunting.

To complete the re-branding and re-positioning of the project we would adjust all of the common elements that have created the previous brand. These items will be addressed further in this report but include such components as directional signage, advertising, electronic advertising – web site and MLS, sales presentations and sales collateral. Once these components have been adjusted, it will be much easier for local brokers and prospective buyers to understand that we truly are the new brand and offer the lifestyle indicated by this new brand. We will also need to adjust the entry monuments and signage in the community.

We will then, as discussed later in this report, present all of these new materials to the local real estate community. This way they can take ownership of these ideas and feel as though they have been a part of this evolution of Sidney Peak Ranch.

II. AREA ATTRIBUTES

A. OBSERVATIONS

Probably the most impressionable memory (attribute) we have from our tour and site inspection was the view of Sidney Peak Ranch from the top of the ski slopes during the final day of our visit as we skied the Steamboat Mountain. It was a magnificent view of the valley of Steamboat and just how close Sidney Peak Ranch is to the town of Steamboat Springs and the Ski Resort. Greg took a photo and it is absolutely gorgeous. The attribution of how close Sidney Peak is to the Steamboat Springs town center should be played up more in positioning and should be used as a key selling feature – location, location, location.

The photo Greg took also showed Sidney Peak's topography and the beautiful ridge where most of the ranch home sites are located overlooking the flatlands of the project. This would have been a perfect "signature photo" for the project as opposed to some of the other

"meadow" photo images that have been used in previous campaigns. These meadows albeit beautiful do not "signature" or set Sidney Peak apart. It seems that this type photo could be

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common to most areas in the western Colorado market and are not specifically exclusive to Sidney Peak Ranch.

Our next greatest memory and area attribute was how warm the people were, not just Jill, Jen, John and Charlie but the waitresses, ski resort staff, retail clerks, airport attendants and the list goes on and on. Greg grew up in Colorado and his family had a place in Vail so we both know how different you are treated in the area as compared to Steamboat. I have skied mostly in Vail, Beaver Creek and Aspen so I too agree with Greg on how much more of a warm low-key place Steamboat is to these resorts.

It would also be important to show the attribute of living in Steamboat. Most of the images used in positioning Sidney Peak and Steamboat appear today as a resort tourist destination. We found this to not be the case and that one of the most attractive features of Steamboat is that it is truly a small town with concerned citizens who enjoy being a part of Steamboat and contributing to its growth and prosperity. This hometown second home should be played up in our branding.

There are plenty of opportunities to define the ski resort amenities, but for buyers to make decisions on living and spending quality time in the area, it would be more important to indicate to them how the community “lives” on a day-to-day basis and how they could make new friends while enjoying a truly quality lifestyle in Steamboat Springs as a “town”, not just a tourist destination.

B. RECOMMENDATIONS

Again we must understand as a team exactly what the area attributes are for Sidney Peak and Steamboat Springs. Then we must portray those as part of the branding. There are several missed opportunities in this department. We will agree first on the most impressionable area attributes then we will demonstrate these in the new sales collateral, video and web site design.

It would be important in the imaging and the sales presentation of Steamboat/Sidney Peak Ranch to softly portray the anti-Vail, anti-Aspen lifestyle of Steamboat. Many of the residents and locals told us that they prefer the lack of density and class competitiveness that is dominant in those types of “ultra-affluent” resort towns.

It seems that the idea of wide open spaces and less competitive lifestyles is a big part of what makes Steamboat and ultimately Sidney Peak Ranch the choice over projects offering similar programming and amenities as it relates to resort living. These are hot buttons that

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should be indicated to prospects discovering Steamboat Springs and considering it for their next purchase.

III. AMENITIES AND LIFESTYLE PROGRAMMING

A. OBSERVATIONS

Probably the most important factor in creating perceived value for a project is the lifestyle and the programming for this lifestyle. Many times projects will build prospects up to believe that they are going to enjoy a certain lifestyle and once they arrive in the community their anticipation is not met. They often feel that they have been “over sold” and “under delivered”. It is truly one of the most problematic issues in the industry of new home development today. Many times ad agencies will tend to over sell or over romance the project’s lifestyle – that is not necessary.

We feel that one of the strongest mistakes made in the overall introduction of Sidney Peak Ranch to the market is that the presentation of the lifestyle was more in line with the personal dreams of the previous development partner rather than what the property actually afforded its residents. If anything, we feel that the lifestyle is even better than the singular market niche portrayed by the previous positioning.

Even the entry monument that was recently removed featured a Fox Hunt scene. The monument today is simply a heavy wooden arch with the new Sidney Peak Ranch logo monogram. This is acceptable for now but should be enhanced to better portray the style and essence of the community. Being gated is an important amenity for the project and should be addressed in any adjustments made to the project. Plus creating a stronger sense of arrival equal to its value and a better sense of place.

In plain language, Sidney Peak Ranch is more than simply a fox hunting/equestrian community. Sidney Peak Ranch personifies the beauty and energy of Steamboat Springs. People always dream of having space and the time to enjoy their space -which is truly the essence of affluence. Time is the new wealth.

The more affluent a family becomes, the more they can control their leisure time and the “space” in which they enjoy it, whether it is boating, beach activities, mountain getaways, travel or island living. It is the affluence factor that allows families to live their dream, with most dreams surrounding the ability to have leisure time and the space in which to enjoy it with their family and friends. This is the amenity and lifestyle to portray in Sidney Peak.

Instead of pushing a fake lifestyle we believe the message to tell here is that families will enjoy the community and their home so much that they will recommend the project to their

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colleagues, friends and family. This is part of what is described in one of the newest marketing books called “The Tipping Point” where a product or service “tips” simply because people talk other people into the greatest of the product.

There are two types of space that families look for in creating their second home lifestyle. The first is the internal space of a home or “nesting” and the external is the community or town in which it is offered. As stated in the book “The Roaring 2000’s”, more families are choosing the off the beaten path towns and communities in America today. Families are choosing towns that embody their personal values and neighborhoods that help them live out their dreams.

This too, in our observation was something that discouraged previous buyers in choosing in Sidney Peak Ranch. Prospect’s personal values may have been different than the values bestowed upon them by the owner or the owner’s representative.

It is still true that people prefer to buy from people they like and respect. It will be important in creating the image of the lifestyle of Sidney Peak Ranch as well as the town of Steamboat Springs to show how families will be embraced by locals who are strong citizens of Steamboat Springs.

Out of portraying the lifestyle of the community will be the features and benefits language that allows prospects to understand just how valuable their choice is as well as how it would be “never before or never again” repeated. Much of this is missing in the current images that are used as the sales collateral in the community today. There are very specific “hot buttons” that families in the affluent strata who can afford Sidney Peak Ranch that must be played upon.

These values are however, very different than in previous decades. For example, in the 80’s it was all about success and demonstrating one’s success by their home or vacation or lifestyle. In the 90’s it was more about success as a family and the virtues of having a family that is closely knit and supports each other. In the 2000’s it is conservation, family tradition and giving back to the community of the world as one’s ability to contribute grows. These types of commitments can easily be portrayed in the package or amenities now offered in Sidney Peak Ranch.

B. RECOMMENDATIONS

Luckily, Sidney Peak Ranch has the qualities and the amenities/lifestyle that meet the needs of the current profile of the affluent buyer in society today. We will portray the amenities listed below in the new materials created. We will teach our agents how to sell them and how

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to help the local brokers understand how we are today as opposed to what we presented before. Our sales team will help re-build the brokers confidence in us and our new brand.

- A sanctuary and place of peace - a true ranch getaway
- Private, gated ranch community – enhance the logo and the entry monument
- Excellent proximity to the town of Steamboat Springs

- Fabulous dedication to conservation with over 1500 acres set aside
- Protective Covenants supporting the ranch style homes that lend overall value to the community
- Limited building envelopes on each home or ranch site that enforces open space and sense of privacy
- A terrific horse facility for boarding, training and showing horses
- Onsite management/ranch-hand to oversee the project's daily community activities
- Location in a strong growing quadrant of the area – South Route County
- Existence of two spectacular Colorado ranch style homes that both embody the distinctive architecture desired by the discerning and affluent purchaser
- Warm, caring staff that are strong citizens of the Steamboat Springs community
- Ownership of the community by a financially strong company that strongly believes in the philanthropic values in life as well as the continued conservation of land and open space.
- A dedicated master plan that stays true to the commitment of privacy, exclusivity, and conservation.

IV. BROKER OUTREACH PROGRAM

A. OBSERVATIONS

One of the other most important factors in repositioning a project that has already been mass marketed is to re-educate the brokers as to what we have done that changes the brand of project and have them truly buy into this. We must show in addition to telling the brokers we must show them that we have corrected any issues with the project and how we have re-positioned the project because of it truly offers the lifestyle we will advertise. If we are not successful we will not have their participation and will ultimately lose sales.

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It is our understanding that a large real estate function was held last summer with weak results. We believe this is more attributable to the local real estate community's lack of belief in the project with its current brand than their ability to produce ready, willing and able buyers for Sidney Peak.

Many times affluent buyers seeking property in the Steamboat market are assisted by strong local brokers. Because of this we will need the brokers our "ambassadors" to be confident in showing and selling our community. They need to know it is not tainted nor is it only a Hunt Club horse dominant lifestyle project.

It will be a missed opportunity for us if we do not win back the brokerage firms in town and make them know we are here to service their needs, not compete with them. We must let them know that we understand the previous positioning of the project was not correct.

In addition to teaching the local brokers about how we are re-directing the brand and sales presentation we must also stand behind the promises that we have corrected any project issues. The water supply situation made its way to the streets be it right or wrong so we must let Realtors we have fixed this once and for all.

The equestrian facilities have been a big part of the amenities that have set Sidney Peak apart. If they are recognized in the market as not being built to the level they should be then this must be corrected and the corrections presented to brokers with some sort of proof. discussed with brokers including some sort of proof.

Being that the community is currently marketing as a ranch/equestrian project, the barn facilities should be the highest caliber possible for the pricing structure of the ranch sites offered as well as have the services to support this equestrian offering.

It is easy for an agent to take a prospect to another project to sell than risk losing a customer if they are not satisfied after the sale. As we have learned, many good local real estate agents talk amongst themselves and are feeding off of this continued perception rather than helping us correct the problems and make things right. It appears that no one agent has or is taking ownership of Sidney Peak

We need to take a humble approach in re-introducing the project as well as an aggressive outreach to local brokers before we re-premiere direct to consumers. Nothing is worse than having a genuine prospect start asking around town about their decision to buy in our project and receive negative remarks or a witness a lack of knowledge from local agents.

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It is always best to win over your industry allies before trying to convince the public that we are indeed a new and improved overall project. The first agents and brokerages firms that we would target would be the firms that have listed the community in the past. It will be an uphill task that is achievable as long as there is a non-competitive listing entity set up for the community. Many times brokers will not collaborate with each other on purpose so that the listing broker cannot in any way achieve success. It is widely known that once a listing broker achieves success whether they indeed were the procuring cause of the sales or not are able to use this on their resume to solicit future business. This in turn causes agents to be selfish in trying to sell their listings first so as not to cause success to competitive broker's resumes.

B. RECOMMENDATIONS

We recommend that the onsite sales operation be set up with representatives that we place in the project and are dedicated to Sidney Peak Ranch exclusively. We should indicate that this listing entity does not in any way sell other properties or compete with any local brokers. It will not matter if we have a great track record since we not be soliciting future projects or seeking new communities. This way, not one single brokerage firm will feel competitive with us which will allow us to act as servants to the real estate industry.

It is so much easier to open a project for business and have it embraced unilaterally when there is no single brokerage firm representing the project. There are simply too many politics in too small of a town for there to be a better way to achieve the end result of all of the local brokers and their agents helping us sell Sidney Peak Ranch. We did this in a project in Nashville, TN and soared from 14 unit sales a year to 64 during the 12 months following September 11, 2001.

We would also want each agent and broker to be recognized and awarded for each sale. We would want brokers to be proud for transacting a sale in the community. We may even go so far as to have a personal hand written note sent from Mr. Boler thanking them for helping to sell the community to show how he and the team sincerely appreciate all of their efforts, especially if it is a broker that has been active in the project previously.

Our recommendation is to have a solid broker outreach program that consists of presentations to the brokers, collateral distribution to all of them as well as a teaching on how to best sell Sidney Peak Ranch. We would participate in the local MLS and encourage our team to visit the brokers personally to help foster relations broken in the past. We would want to make certain that brokers understand that the on site sales team is simply staff that has been trained by the consulting firm brought in and that they represent the Sidney Peak Ranch project exclusively as an entity set up by the owner's representative.

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V. SALES OPERATIONS

A. OBSERVATIONS

There has not been a sales operation for Sidney Peak. The sales have been managed by offsite general brokerage firms. No single agent or sales team was dedicated to the project. When we called for information we were referred to three different agents in the Mason and Morse agency now handling the listing. There are only 7 sites shown in the MLS listings on the Mason and Morse web site and the photos demonstrating each listing was the same photo – the red barn across from the bunk house. It seems that there is not a lot of attention being paid to how the listings appear in the MLS service and as a result, the listings are incomplete and weakly portrayed at best.

During our search for information about Steamboat real estate, Sidney Peak did not come up. It appears that no one handling the sales program is working to get the project visible in the world wide web or the search engines used on the web. We would want to train the staff that is chosen for the project on how best to sell Sidney Peak Ranch as well as the Steamboat Springs lifestyle. This is also complimented by the sales collateral which reinforces their presentations as well as any display materials that should be created for the project.

There have been five different brokerage firms contracted to oversee the sales of the community. None of these firms set up a dedicated onsite sales program nor was there a dedicated agent whose job was to sell Sidney Peak exclusively. Since there have only 5 sales to date is most likely that calls or inquiries generated from the promotion of the project could be converted to sales of any listing or property in the market.

There does not seem to be a clear definition of the co-op relationship offered in the project. It seems as though it is “an every man for himself “ posture for sales in the community.

Local agents we contacted were not able to provide a list of competitive projects. Either there are not many projects like Sidney Peak (which we have since then found this to be the case) or that the agents do not think in terms of projects but rather individual listings – typical for a market dominant with general brokerage firms and not new home operations.

Local agents or brokers contacted (mystery shopped) seemed knowledgeable but not skilled sales closers on the project. There was no emphasis on how Sidney Peak should

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be placed at the top of the list of all other projects. It was more of an item on a menu of choices. This is many times the result of contracting with agents at general real estate brokerage firms who are not exclusive to the subject project.

B. RECOMMENDATIONS

As mentioned in the earlier topics it is important that the onsite sales of Sidney Peak Ranch are exclusive to this project. We would want to train the staff that is chosen for the project on how best to sell Sidney Peak Ranch as well as the Steamboat Springs lifestyle. This is also complimented by the sales collateral which reinforces their presentations as well as any display materials that should be created for the project.

Our recommendation is to set up a simple sales and information gallery inside the arena observation area that now serves as a “club” gathering place for the residents. This is a prime location since it would allow prospects to see the equestrian facilities – a major part of the community’s amenities while receiving the full lifestyle presentation.

This area needs to be completely interior designed in a classy Cowboy Chic style and turned into a nice, clubby area.

Once our agents have completed the lifestyle presentation they would take prospects to the gate for a tour of the community. Brokers would be directed to come to the sales gallery to receive obtain the code to get in the gate. At the sales gallery brokers could either allow our agents to present the project or present it themselves as well as demonstrate the equestrian facilities. Brokers would instructed to register their prospects so that there c-op commission would be guaranteed. We would not be able to protect agents from each other only as a buyers agent for the prospect they sell a Sidney Peak site to. Our agents would be compensated for each sale and given a bonus for exceeding their quota.

We would train the agents completely on how to oversee the sales process with brokers and make brokers/agents feel confident as well as respected. We will place all listings in the MLS services and on our web page with beautiful descriptions and photography. We may be able to set up virtual tours of the sites. Our agents will know how to oversee a custom home contract and how to help the builder, if the prospects want to build a home after buying their lot.

We recommend that we build into the adjusted lot prices architectural fees and 6 to 12 months of accommodations. This way our buyers will be encouraged to begin the process of designing their dream home and watch it get built. We will have local architects supply us beautiful Colorado ranch style home plans to help our buyers be inspired to start a home.

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We will foster relationships with a couple of key builders in the market so we can have them supportive of our efforts when we need them to sit down with hot prospects or new buyers. We need to have our current land owners start the home building process and should look at the idea of giving them free architectural services so they will begin the home design process. The community needs in our case “vertical” activity which as we all know breeds activity.

We would design and install sales displays that are very understated but do allow prospects to understand the ranch lifestyle opportunity in the community. We feel that this is the best way to keep with the repositioning imaging and allow sales teams as well as outside brokers to quickly demonstrate the lifestyle of the project.

VI. ADVERTISING & TRAFFIC GENERATION

A. OBSERVATIONS

Steamboat Springs is much more a fly-in than drive-in ski resort getaway town. The only market potentially able to generate drive-in prospects would be Denver. Denver is the closest metropolitan area where prospects could drive from their urban home to their mountain getaway within a reasonable amount of time.

Because of the fly-in aspect of the community, we looked for visible promotions of Sidney Peak around town and did not see them. We noticed dioramas of other projects at the Hayden airport but nothing about Sidney Peak.

We did find some advertising in local real estate magazines. The Mason and Morse publication had one edition with Sidney Peak on the front of the magazine however inside the issue where you were guided to turn was another project’s ad adjacent to the Sidney Peak one with a much more appealing and glamorous photo. You could have easily been inspired to call about that property before inquiring about Sidney Peak.

The advertising should have a signature photo that better portrays Sidney Peak Ranch. The current advertising does not in our opinion truly motivate buyers to look further into the Sidney Peak Ranch opportunity nor does it truly portray the high value and lifestyle of the community as it is today.

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B. RECOMMENDATIONS

It is obvious that to capture prospects for Sidney Peak visible promotions should be placed in the market and in the town area. Plus advertising should be featured in fly in arrival areas such as the Haden Airport or any other local airports.

It will be easiest to capture the most qualified buyers once they have arrived in the Steamboat Springs area, however we will research the opportunity to set up a direct mail program to a sifted list of targeted buyer profiles that we know have visited the Steamboat Springs area multiple times and are of the caliber households that can afford a Sidney Peak Ranch home site.

The first step is to create a complete marketing budget. Once the budget is approved then next would be to design the entire advertising campaign and try to capture as much new imaging as possible for the prime summer season while generating the best qualified traffic possible.

There will also be the chance for us to reposition the project and play up the sense of open space as well as limited opportunity to buy. The best advantage to placing this advertising in the market it to help re-brand the project in the eyes of the locals and not just for prospective buyers. It is absolutely necessary that everyone in Steamboat Springs realize what a terrific value Sidney Peak Ranch is and that there will never be another ranch community of this magnitude this close to the town of Steamboat Springs again. All of these messages should be properly portrayed in an emotional call to action ad that creates a sense of buyer urgency as well as the call to action needed.

We will research all of the ad costs for a complete media program as well as the direct mail opportunities to present the annual sales and marketing budget for approval prior to beginning production of any of the creative materials or media placement reservations. All contracts for media would be pre-approved and would be signed by the client or the owner's representative

We will also place media in such a way that we are assured that local brokers are influenced by the strength and dominance of the advertising that will be necessary to complete the transition of the branding of the project. Again, we will do better in the market if we are able to convince the locals and the local brokers that Sidney Peak Ranch is one of the greatest ranch projects in the market and a "never again" opportunity.

SIDNEY PEAK RANCH

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VII. MASTER MERCHANDISING

A. OBSERVATIONS

The master merchandising of a project includes such things such as the signage, entry monuments, directional signs, for sale signs, feel and look of the community areas, community facilities and actual sales gallery. It will be necessary to re-visit all of those components in an effort to give Sidney Peak Ranch more of an upscale cowboy ranch look that we feel better portrays to true lifestyle of what Sydney Peak Ranch has to deliver.

The entry monument was a Hunt Club scene. Had that been the correct brand for the project this would have been a creative upscale solution for the entry presentation. However, since the Fox Hunt image is not the best brand for the community, it is best that this image be removed – which is has been. The entry is like the wedding dress. It sets the tone for the entire project.

B. RECOMMENDATIONS

We recommend to work with local monument makers to price out what we think it will take to enhance the current entry monumentation as well as signage inside the community as it relates to repackaging and repositioning the project. It is obvious when touring the other competitive projects in the market how much emphasis is place on the first impressions presented at the entry monument as well as street signage and directional signage inside the project.

We too should pay closer attention to these details and make certain that they not only project the proper affluent ranch image but are very consistent throughout the entire project. We will look at what needs to be done for proper monumentation and signage at the barn facility as well as the bunkhouse if in fact it is used in any of the presentations or accommodations for traffic generated to the project.

We recommend to re-visit the overall image of the project as it relates to the various components mentioned above. Also look at redesigning these components to enhance them in such a way that a more affluent ranch, cowboy image in presented, and implement the construction of these enhancements as soon as possible so that new traffic to the project will be influenced as well as impressed by the wonderful merchandising shown throughout the community, the barn and the amenity facilities.

SIDNEY PEAK RANCH

Steamboat Springs, CO

VIII. RESIDENT RELATIONS

A. OBSERVATIONS

There are no resident relations active from the community at this time. The only contact made with the buyers is through Charlie as part of his management services. He has recently started talking more to the residents and has helped set up the bunkhouse for the residents who have not yet built their home in Sidney Peak.

There have not been referrals or any type of solicitation for purchasers to send buyers to us. As a matter of fact our purchasers may be encouraging prospects to look elsewhere. Residents have had issues with the water and until the current staff was able to start helping them with this problem, residents have not felt cared for or important.

B. RECOMMENDATIONS

We would like to speak to each property owner in the community as an “outside” consulting firm to secure their opinions and advice on how best we can offer ourselves to them to renew and restore resident relations in the project.

After we have completed the initial interviews with the residents and are confident that they understand our turnaround, then we will solicit their participation in referrals or sending to us anyone that they feel could be a genuine prospect for the community.

We may even go so far as to offer some sort of incentive or reward for their help in securing new prospects for the community. We will set up individual interviews with each purchaser in the community and conduct as many face to face interviews as possible. We will create a resident relations program that would include a simple elegant community newsletter as well as a referral incentive program reinforcing their importance to the overall success of the project.

IX. PROJECT NAME & IDENTITY

A. OBSERVATIONS

Our final observation of the overall project is that the name itself does not seem to project the upscale image beauty and magnificence we saw in the project and its location.

Even though there is in fact a landmark that portrays a peak known as Sidney Peak, we still believe there is a better way to name the project and set it apart from its previous history.

SIDNEY PEAK RANCH

Steamboat Springs, CO

We see this as an opportunity to help gain overall acceptance of the reintroduction of the project to the market. We would not try to cover up our past but simply admit our mistakes and change the baby's name not the baby.

B. RECCOMENDATIONS

We would like to have the development team strongly consider a name change. Our current recommendation is ***Boles Ranch*** so that we may utilize the genuine concern that Mr. Boler has for the project and his commitment to it being a successful lifestyle for the residents as well as a successful venture in the Steamboat Springs market.

We would create a Cowboy Chic logo to make the name fit. We would ask Mr. Boler to come present his passion for the project to the real estate community. We would ask him to allow us to use his success in life and family as a parallel to Sidney Peak's new brand..

We could feature a short interview with Mr. Boler on the community video (that needs to be re-shot), his story on the web site and in the brochure. There has been a lot of damage from the management of project by Mr. Lamay. This needs to be corrected and an "under new management" message dispensed.