Eastern Slope Inn Resort

# Owner Special Assessment Questions & Answers

**Our Commitment**

We understand that a special assessment represents a significant financial commitment. The Trustees and Berry Companies recognize that many owners have questions regarding why this investment is necessary, how the decisions were made, and what the long-term benefits will be.

This document is intended to answer those questions as openly and transparently as possible.

Our shared goal is simple: Protect your ownership. Improve your vacation experience. Preserve the long-term value and competitiveness of our Eastern Slope Inn for decades to come.

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**Why is a Special Assessment Necessary?**

Annual maintenance fees are intended to fund the day-to-day operation of the resort including housekeeping, utilities, staffing, insurance, landscaping, routine maintenance, and contributions to reserve accounts.

Reserve funds are designed to replace predictable items over time such as roofs, mechanical systems, furnishings and equipment.

The comprehensive renovations now underway extend well beyond normal reserve expenditures. They represent a once-in-a-generation modernization of the Eastern Slope Inn that addresses aging infrastructure, deferred capital improvements, guest expectations, and the long-term competitiveness of the property.

**Why Now?**

Many building systems have reached the end of their expected useful life.

Postponing these improvements would likely result in:

- Higher Construction Costs
- More Emergency Repairs
- Greater Disruption to Owners
- Higher Long-Term Maintenance Costs
- Declining Guest Satisfaction
- Reduced Exchange Competitiveness

Addressing these projects now allows the work to be completed in a coordinated manner while controlling costs and establishing a long-term capital plan.

**What is the amount of my Special Assessment?**

At this time, the Special Assessment budget has not yet been finalized, so we do not have the final assessment amounts available to share.

The heads-up letter was sent as an early communication to keep owners informed about the upcoming assessment and to provide transparency throughout the process. The Trustees understand that a Special Assessment represents a significant financial commitment for owners and want to provide information as it becomes available, rather than waiting until the final assessment is issued.

Once the budget and assessment amounts are finalized, we will communicate those details to all owners, including the amount applicable to your ownership.

**Will the Eastern Slope Inn Resort Owners Be Able to Use the Attitash Village Pool While the ESI Pool Is Closed?**

Unfortunately, no. The pool at Attitash Village is owned and operated by the Attitash Sports Club and must accommodate its own Vacation Owners, whole owners, and nightly rental guests. Because of those existing usage demands, it is not available as an alternative pool for Eastern Slope Inn owners during the ESI pool closure.

**Will Owners Receive a Credit on Their Annual Maintenance Fees While the Pool Is Closed?**

No. Annual maintenance fees support a wide range of routine operating and maintenance costs across Eastern Slope Inn, and those costs continue whether the indoor pool is open or temporarily closed during construction. The pool closure therefore does not eliminate the day-to-day expenses funded through annual maintenance fees.

**Will I Still Receive an Annual Maintenance Fee Bill in Addition to the Special Assessment?**

Yes. Owners will continue to receive their annual maintenance fee bill. Annual maintenance fees cover the day-to-day operation of the resort and routine maintenance, including items such as housekeeping, utilities, staffing, insurance, landscaping, and ongoing upkeep. The special assessment is separate and is funding larger deferred maintenance and capital improvement projects, the most significant of which is replacement and modernization of the Eastern Slope Inn indoor pool, which, to our understanding, is the oldest commercial pool in New Hampshire.

**Why Didn't My Maintenance Fees Cover This?**

Annual maintenance fees are used to cover the Trust’s ongoing operating expenses and routine maintenance of the property.

While the Trust does maintain reserve funds which have continued to fund ongoing replacements, the scope of the current redevelopment exceeds what reserves were designed to accommodate.

Additionally, the cost of construction and renovation increased dramatically and unexpectedly since the covid pandemic, and capital reserves are not enough to cover these increased costs.

**Why Didn't the Trustees Simply Wait?**

One of the primary legal responsibilities of the Trustees is their fiduciary duty to all Vacation Owners.

The Trustees are legally obligated to:

- Act in the Best Interests of All Owners.
- Protect the Assets of the Trust.
- Preserve the Physical Condition of the Resort.
- Make Financially Responsible Long-Term Decisions.
- Avoid Knowingly Allowing Deterioration that Could Increase Future Costs for Current and Future Owners.

Delaying known infrastructure needs would likely result in higher construction costs, additional emergency repairs, and ultimately greater financial burdens for owners. The Trustees believe that addressing these improvements now represents the most prudent and responsible course of action while positioning the resort for long-term success.

**Can I See Where the Money Is Going?**

Yes. The Eastern Slope Inn assessment is focused on major improvements to the resort, including:

**A Completely New Indoor Pool**

At the center of this project is our indoor pool, a remarkable piece of Eastern Slope Inn history that, to our understanding, is the oldest commercial pool in New Hampshire. After nearly 100 years of service, the existing pool has reached the end of its useful life and requires replacement.

This necessary investment also provides an opportunity to reimagine this important area of the resort and create a necessary amenity designed for the next generation of Eastern Slope Inn owners and guests.

The existing pool will be replaced with a modern, welcoming facility designed for year-round recreation, relaxation, and family time, while addressing the long-term infrastructure needs of one of the resort’s most important amenities.

**A Reimagined Sports Lawn and Gardens**

As part of this transformation, the existing clay tennis courts will be removed, and the space will be reimagined as a more versatile, multi-purpose recreation area.

The new space is being designed to provide opportunities for owners and guests to enjoy the outdoors throughout the year, including outdoor games and activities during warmer months and ice skating in winter.

Plans include:

- Expanded Green Space
- Landscaped Gardens
- Multiple Firepit Gathering Areas
- Flexible Lawn Games and Recreation Zones
- Enhanced Seating and Relaxation Spaces

**Interior Updates**

We also recognize that several of our accommodations are ready for thoughtful cosmetic updates.

The current vision includes renovations to the Main Inn, Savard Building, Randall House, Carriage House, Whitaker House, Center Chimney and Cottages, helping refresh these spaces while preserving the character and history of the Eastern Slope Inn.

In 2024, units in the Main Inn received a refresh with new furniture, an early step in continuing to reinvest in our accommodations. The Main Inn Lobby will also receive a beautiful facelift, including new flooring, seating, and lighting, along with additional meeting space to better serve groups and gatherings.

Owners will continue receiving updates as work progresses.

**Is Berry Companies Also Investing?**

Absolutely. Berry Companies has already committed millions of dollars in private investment beyond the owner assessment, both at the Eastern Slope Inn and throughout North Conway. These investments are part of a broader long-term commitment to strengthen the resort and the destination owners enjoy.

Berry Companies investments include:

Nearly $2 million in structural investment to completely transform the former Olympia Sports building in downtown North Conway, plus hundreds of thousands of dollars in tenant improvements.

Creation of a revitalized downtown destination now home to Cheese Louise, Saco River Brewing, and Sap House Meadery.

Expansion of Chef's Bistro, including expanded seating and additional opportunities for live entertainment and evening activity.

Investment in the former Flatbread space to welcome 27 North, adding a convenient onsite dining option for Eastern Slope Inn owners and guests.

Ongoing investment in company-owned accommodations and resort infrastructure as part of the broader Eastern Slope Inn improvement plan.

Partnership with the North Conway Tennis Association to revitalize the historic Glen Warehouse property as a year-round tennis and pickleball destination, adding another recreational amenity near the resort.

A coordinated long-term investment initiative that combines Berry Companies capital, RRCO investment, and Vacation Ownership Trust investment, to preserve and enhance Eastern Slope Inn for the future.

Owners are not funding these improvements alone. Berry Companies is investing alongside owners because we believe in the long-term future of Eastern Slope Inn.

**How Will These Improvements Benefit Owners?**

These projects are intended to:

- Improve Vacation Experiences
- Enhance Owner Satisfaction
- Strengthen Exchange Opportunities
- Maintain the Eastern Slope Inn' Competitive Position
- Reduce Emergency Maintenance
- Improve Operational Efficiency
- Protect the Long-Term Desirability of Ownership

While no one can promise increases in point value, maintaining a high-quality resort generally helps preserve ownership value far better than allowing facilities to decline.

Assessment

**Will This Help Reduce Future Assessments?**

That is one of the primary objectives.

While no one can guarantee that unforeseen events or emergencies will never require additional funding, completing these major infrastructure improvements now is expected to substantially reduce the need for significant capital assessments for many years.

Administering a special assessment is no fun and it’s our hope that we never have to do it again.

**Why Can't I Opt Out?**

Because every owner shares ownership of the common property.

The improvements benefit the entire resort, and governing documents require all owners to contribute proportionately.

Allowing individual owners to opt out would unfairly shift costs to fellow owners.

**What If I Cannot Afford the Assessment?**

We understand that every owner's financial situation is different.

Owners experiencing financial hardship are encouraged to contact Vacation Owner Services as early as possible.

Available options may include:

- Payment Plans
- Financing Options
- Prompt-Pay Incentives Where Applicable

Our goal is to work with owners whenever possible before accounts become delinquent.

**What Happens If I Simply Don't Pay?**

Like annual maintenance fees, special assessments are obligations of ownership.

Failure to pay may result in:

- Late fees
- Interest
- Collection Activity
- Suspension of certain ownership privileges where permitted
- Legal Action as Allowed Under Governing Documents and Applicable Law

We strongly encourage owners to contact us before payments become overdue so we can discuss available options.

**How Will Owners Be Kept Informed?**

Communication will continue throughout the renovation process.

Owners can expect regular updates including:

- Project Updates
- Project Photographs
- Construction Timelines
- Upcoming Milestones
- Frequently Asked Questions

Transparency remains a priority throughout the redevelopment effort.

**Summary**

The special assessment is not simply about repairing aging buildings—it is about protecting the future of your ownership.

The Berry Companies has already demonstrated its commitment through millions of dollars in private investment, and the Trustees have fulfilled their fiduciary responsibility by making decisions they believe are in the long-term best interests of all Vacation Owners.

By investing together today, we are creating stronger, more modern resorts that will provide better vacation experiences, lower long-term maintenance costs, improved operational efficiency, and help preserve the quality, competitiveness, and desirability of ownership at the Eastern Slope Inn for generations to come.