Letter from Vail Resorts CEO Regarding Reopening Approach

Vail Resorts CEO Rob Katz sent the following email to employees on May 21 regarding the company's approach to reopening its resorts and businesses in this new environment.

As we all know, *Be Safe* is one of our most important core values. I wanted to share some thoughts on the meaning of *Be Safe* as we begin to navigate reopening our operations. First, right now everyone's health remains top of mind for me. What's also been top of mind for me is how we need to think about safety in this new environment. Because of the risk inherent in skiing and riding, the safety of our guests and each other has always been critical for us. That culture of "safety first" is part of the fabric of every one of our operations. It's why we don't shy away from holding our guests and each other accountable when we see someone skiing or riding too fast, going into closed terrain or not wearing the appropriate safety gear. And of course, as I shared in our most recent *Epic By Nature* podcast, it's our commitment to safety that led us to close our resorts on March 14. Not everyone will always agree when you put safety first – that's what makes it so difficult. But, a willingness to do what's hard, for the right reasons, has always been a part of who we are.

As we look to the future in this time of uncertainty, safety is once again at the forefront. The good news is that all of our communities are beginning the process of setting out timelines and guidelines for gradually reopening. It goes without saying, that as we bring employees back to work and guests back to our resorts, we will strictly follow all applicable local laws and regulations relating to COVID-19. But for us, that's just where safety begins.

Safety and Trust

Safety is about ensuring that we develop our own processes and procedures, taking into account local government guidelines, best practices from others companies and our unique knowledge and insight about our operations. We will soon have more to share about the many new Standard Operating Procedures we're working on - but, it's not just about good SOPs, safety is also about building trust.

First, as we navigate this new environment, we need to earn your trust. ***Prioritizing employee safety is the absolute first step to deliver on our mission of Experience of a Lifetime***. We also need to earn the trust of our guests. This is where our company's vision, *To Re-Imagine the Mountain Experience,* becomes more important than ever. We will need to re-imagine different parts of the guest experience to ensure they are safe, while always protecting what makes them so special.

Trust is not something you earn solely with a new policy or a new advertising campaign. Trust is something you earn over time. Trust is rarely earned when you are scrambling to meet an artificial deadline. Trust is earned when you showcase that the health and wellbeing of your guests and employees are your top priority and you are willing to be patient to earn it.

As our communities begin to reopen, we need to begin to reopen. And just as our communities need to find the right timing and right path for each of them, we too need to be comfortable with when and how we reopen. We should expect that as we reopen there will be many differing opinions about our approach, from both inside and outside our company. Some will think we are moving too slowly; others will think we are moving too fast. Some will say it must be about money, others will say we are being too cautious or too cavalier. We can't eliminate that chatter and it's always important to listen to the feedback, but we also need our own view.

Our Approach to Reopening

We intend to take our time to reopen, and we acknowledge that we may be slower to open than others. Our goal is not to win the race to reopen, it's to look back one day with great pride in our track record on safety. Before we reopen, we want to make sure we have taken the time to truly understand what changes are needed in our operations, processes, equipment, and trainings. Then we have to communicate effectively to all of you and our guests, to ensure everyone understands the new expectations and how we will all follow them.

We have a very complex company with many different businesses from restaurants to lift operations, hotels to golf courses, retail stores to wedding venues, fly fishing to transportation. To ensure we reopen safely, we cannot open everything all at once. We are reviewing the unique nature of each operation and business and will proceed to open each one on its own timetable.

Timing of Resort and Office Reopening

It's hard to put any firm dates around anything right now, given how new information and guidance comes out every day. ***But our hope is to have our lifts turning, at all of our resorts, by late June or early July and be welcoming people in all our lodging and retail stores by that time as well***. This includes both North American resorts that have summer operations and Australian resorts that are about to kick off the winter season. In the coming weeks, each of our resorts will have more details to share around specific operation plans and we anticipate that activities will likely be more limited than in years past.

I also want to address late spring skiing and riding at Breckenridge, Heavenly and Whistler Blackcomb. As much as I would love to get a few last turns this season, we have made the decision not to reopen this spring. While it's possible that certain local restrictions might be lifted for ski resorts in June, the more we looked at it, the more we did not think it was the right timing to reopen. We know there would be tremendous enthusiasm to get back on snow one last time in North America. But we also know that enthusiasm would carry its own impacts, on us and on others – something we think will be more manageable for everybody in July, at which point we want those resorts fully focused on their new approach to summer operations.

I also have received a number of questions about when we might return to our offices, both in Broomfield and across our resorts. We intend to be patient about this as well. Right now, we will only bring back people to their offices if it's necessary, and will continue to have those who can work from home do so. We will more fully open our offices when the benefit of everyone coming back outweighs the risks and the challenges it would present to all of you.

The Future

This is very much a new beginning. We are all going to have to learn some new ways of working. All of us are going to have to reset our expectations, give up a little of what was and be open to what will be. It is a time where our value of *Be Safe* will take on new meaning and new importance; where everyone who works at our company will be expected to fully embrace every aspect of *Be Safe*. But it's also a time where we must also begin to embrace another core value *Have Fun*. It might seem hard to do, given all that's happened, but it's also part of our business, part of who we are, part of how we deliver another core value: *Serve Others*.

In the months ahead, we will likely have fewer guests in our resorts than in times past. While that might feel disappointing, we need to view this as an opportunity for all of us to give each guest more of our focus, more of our attention and ensure that they truly have an *Experience of a Lifetime* when they are at one of our properties. So, as we embark on this new path together, we will take our time, get it right and then bring all our passion and joy back to our mountains and our resorts. I am getting very excited about that.

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