

GUNYANG SKI LODGE LIMITED ACN 110 585 656

Dear Shareholders

The December / January bushfires in Thredbo and the surrounding Eden Monaro area was a real challenge for the local community at so many levels. The tourism and family time element of a typical "summer in Thredbo" was put on hold for 2020.

Then, with the added challenges of COVID-19, we continue to navigate uncharted waters in how we go about day-to-day life and business. Every interaction with family, business and recreational has changed - driven by health concerns and the law.

The Directors of Gunyang have been actively monitoring the implications of COVID-19, particularly as it relates to the safety of our members and their guests, if and how we can open Gunyang safely for the 2020 ski season given government restrictions and regulations under COVID-19, and ensuring we have a lodge that continues to be enjoyed by members for decades to come.

Given the amount and degree of shared facilities in Gunyang, particularly the kitchen, dining, lounge, communal bathroom / laundry and boot areas, combined with potential COVID-19 risks elevated by occupants from all different families, locations and work / lifestyle arrangements, the Board does not believe that Gunyang can operate as normal for 2020. The risks are simply too high.

Thredbo has advised that there will be no season passes this year. Instead single and multi-day passes go on sale from 12 noon 11 June 2020 with a season opening on 22 June 2020. Thredbo will be issuing more passes as the season progresses depending on conditions and government restrictions.

With all of this in mind, the Board believes that we can open Gunyang to members but, given the restrictions, will only be able to accept whole of lodge bookings for a maximum of 10 people (including children). It will be the responsibility of the booking group to ensure they comply with the government's social distancing measures etc.

As a result, all current bookings for the 2020 season will be cancelled on 9/6/20. Members can either take a credit note for future accommodation or have the monies refunded in full. If you have a current booking please contact Danielle at bookings@gunyang.com.au and let her if you would like a credit or refund.

While this approach is not our usual way of operating, and may not seem fair to all members, we are operating in unique times so by changing rules we at least allow some usage in a safe and controlled environment as well as limited but critical cash flow to continue to underwrite the lodge.

The rate for the whole lodge bookings for members during winter peak season will be:

- \$5,600 for the Sunday to Friday 5 day week Plus COVID-19 cleaning costs (To be advised, we are currently working with the cleaner to sort out the additional cost of cleaning required and hope to have these before bookings open on 10/6/20)
- \$3,100 for the Friday to Sunday weekend period Plus COVID-19 cleaning costs
- \$8,700 for a full week starting Friday or Sunday Plus COVID-19 cleaning costs

Guests will need to bring all their own linen, (including pillows and doona covers and all towels including bath mats and teatowels)

Check in will only be permitted after 4pm and check out by 10am, no exceptions. There will be absolutely no access from **10am to 4pm** on hand over days. This including downstairs bathroom and drying room, anything left in the lodge will be disposed of by cleaning staff.

Given Gunyang will need to be deep cleaned after every stay, and the cleaners themselves need to wear Personal Protective Equipment, cleaning costs will be much higher than normal. As a result, and to ensure equity across all members, we require that any cleaning costs are paid for by the booking group.

Before arriving at Gunyang, each booking will need to provide a <u>Guest Declaration</u> Form. This form is required by law and failure to provide it will result in forfeiture of the booking at the guest's expense.

The "new" booking season will open on **Wednesday 10 June 2020 at 6pm** so members can book Gunyang and lift passes concurrently. Bookings will be able to be cancelled up until 22 June 2020 with no cancellation fee. After that time, the usual cancelation policy will be in place. Please note the Booking system is currently being updated for the new booking process, on 10 June 2020 at 6pm you will only able to book the whole lodge, please remember to login with your member number and surname to obtain the member rates outlined above. Please note the <u>Terms and Conditions</u> for booking have been updated, please read them and make sure you can comply with them before booking.

We trust that the above has the support of members in these challenging times and we will continue to keep you updated as additional information comes to hand.

Yours sincerely
John Quinn
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JOHN QUINN

Yours sincerely,

Dated 8 June, 2020