

FINANCIAL REPORT

The improving economy and closer-to-average snowfall has begun to generate an increase in the overall occupancy of the Iron Blossam during the winter season. Additionally, the number of owner delinquencies and late payments has declined. In review of the 2015/2016 fiscal year, some of the key areas to note are: (1) Operations including the Wildflower lease, vending revenue and short-term interest from owner accounts was lower than projected. (2) The Utah labor market has required us to significantly increase entry-level wages for many of the positions increasing labor costs. (3) The mild winter and lower natural gas costs provided savings on utilities. Overall, we are expecting to complete the 2015/2016 fiscal year with an operating surplus. Additionally, there was no draw on the budget contingency of \$90,000. The Association has continued to invest the reserve funds in updates and renovations to the rooms and facilities. Looking forward, we anticipate that there will be future expenses for renovations and updates and the need to maintain older mechanical systems. The Board of Directors has recommended the transfer of the operating budget surplus to the common area reserve fund, to help ensure that it remains adequately funded. This will be offered for approval at the Iron Blossam Annual Meeting of Owners in September. The budget for the 2016/2017 fiscal year begins on June 1, 2016 and continues until May 31, 2017. As we look forward to the new fiscal year, we anticipate continued growth in business levels and continued normal winter snowfall. We project revenue will be comparable to the previous year, payroll expenses will increase by 3.79%, operating expenses will increase by 3.89%, utility expenses will decrease by 4.98% and fixed expenses will not change. Areas of the budget that have changed significantly are: (1) a 3.46% increase in the common area maintenance account due to the Iron Blossam Owners Association assuming ownership of delinquent units. (2) The contract services account has increased significantly due to the shifting of professional fees associated with designs and renovations being reallocated to operating funds rather than reserve accounts. (3) We are forecasting decreasing electrical cost by 2.48% and natural gas by 36.33%. The final change in the overall average of all assessments is an increase of only 1.43%. The impact on each owners' individual assessment varies depending upon the percentage of ownership. The 2016/2017 assessment includes a per-unit furniture reserve assessment of \$54.79, a 1.78% increase and a housekeeping assessment of \$87.58, a .41% increase and a shared common area operating expense cost of \$3,272,119.00. Assessments are made following the policies established in Exhibit A of the Iron Blossam Lodge Documentation. The Board of Directors would like to thank our Budget and Finance Committee for their excellent work in reviewing the expenditures and budget. We also want to thank our management and staff at the Iron Blossam for their continued efforts. The annual assessment payment is due on or before July 31, 2016. Your prompt payment helps minimize additional billing costs and interest charges (21% per annum). The occupancy or rental of units is restricted to owners current on payment of their assessments. Owners depositing units with an exchange company must pre-pay the assessment for the fiscal year being exchanged. The pre-payment must be received prior to the Iron Blossam verifying the space bank request. Liens and lien charges for past due assessments will be added during September 2016. If you have questions regarding your statement(s), please write Candace Shugart at 3165 E. Millrock, Suite 150, Holladay, Utah 84121 or email her at cshugart@snowbird.com.

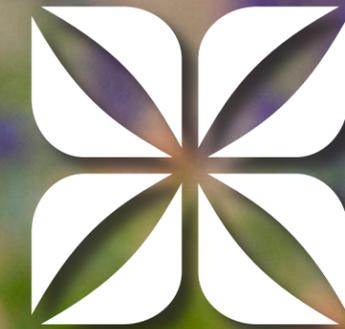
Please do not include correspondence or reservation confirmation with your payment.

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IRON BLOSSAM OWNERS ASSOCIATION

Fiscal Year 2016/17 Budget – June 1, 2016 to May 31, 2017

	Budget 2016/2017	Budget 2015/2106
Common Area Revenue		
Vending Income	\$16,530	\$17,480
Interest Income	\$39,480	\$39,230
Misc. Income	\$102,107	\$102,013
Total Revenue	\$158,117	\$158,723
Expenditures		
Bell Service	35,544	33,683
Clerical/Front Desk	346,879	333,572
Maintenance	132,598	128,412
Housepersons	120,799	116,921
Employee Benefits	197,104	189,902
Total Payroll	832,924	802,490
Operating Expenses		
Accounting and Auditing	15,600	15,600
Bad Debts	47,000	47,000
Bank Charges	6,500	7,000
Credit Card Discounts	44,000	46,020
Landscaping	6,000	6,200
Common Area Maintenance	298,850	288,850
Contract Services	41,450	21,170
Directors Expense	21,650	21,200
Dues and Assessments	2,000	2,300
Elevator Service Contract	29,600	28,800
Employee Recognition	9,950	9,950
Equipment Rental	10,200	9,250
General & Administration	142,680	140,436
<small>Accounting services, TV equipment rental, Human Resources, Computer rental/purchasing</small>		
Public Safety	51,840	50,400
Hospitality Bar	29,050	28,100
Janitorial Supplies	21,600	21,200
Laundry & Linen	48,000	48,800
Management Fees	249,684	245,772
Office Supplies/Printing	19,600	19,600
Operating Supplies	46,600	44,800
Postage and Freight	10,300	10,300
Repairs and Maintenance	163,000	163,000
Sauna/Swimming	17,500	18,000
Recreation Expense	39,094	39,094
Travel and Auto	8,600	8,600
Uniforms	5,500	5,500
Owner/Guest Supplies	106,000	98,000
Snow Night Expense	2,000	2,000
Legal Fees	1,800	1,800
Silver/Glass/China	10,000	10,000
Total Operating Expenses	1,505,648	1,458,742
Utilities		
Electricity	195,516	200,478
Natural Gas	54,361	85,381
Refuse Removal	14,498	14,078
Snow Removal	32,292	31,350
Telephone/Internet	73,133	63,886
TV Cable Service	21,440	22,365
Water and Sewer	110,424	110,424
Total Utilities	501,664	527,962
Fixed Expenses		
Insurance	72,960	72,960
Common Area Reserve	65,000	65,000
Property Tax/Licenses	362,040	362,040
Total Fixed Expenses	500,000	500,000
Expense Contingency	90,000	90,000
Total Expenditures	3,272,119	3,220,470
Housekeeping Assessment (per unit)	87.58	85.96
Furniture Reserve (per unit)	53.83	52.64
Fiscal Surplus/(Deficit)		



Iron Blossam

Snowbird Ski and Summer Resort



ANNUAL UPDATE 2016

GREETINGS!

Iron Blossam is entering into its 41st year. Our tradition of creating special times and memories continues. We now welcome second, third and fourth generations of owners. Many of you have grown up visiting Iron Blossam and now are returning with your families. We are proud of our heritage and strive to continue to maintain Iron Blossam as a premier family vacation timeshare resort.

Our past year was highlighted by the Iron Blossam's retention of RCI's Silver Crown Award and Interval International's Select Resort Award. We are all proud of the efforts by everyone to achieve these prestigious industry recognitions. We hope you will enjoy the upgrades and new amenities at the Iron Blossam on your next visit. Some highlights are; The lobby area has been remodeled with new carpet in the vestibule area, business center and main lobby area. Also, new furnishings and lighting have been added. The aging Arcade facility has been renamed the Den and renovated into a family gathering area with ping pong, shuffle board, pool and air hockey. Also the sitting area has been expanded so you can just sit and enjoy the view. We also have upgraded track lighting in the loft units and over the summer new chairs will be added to the bedroom units and upstairs bedroom areas of the lofts. We hope you will enjoy the new room art and photos in all the rooms. These are all done by local artist and photographers and show case the scenic beauty of our area.

The Board, management team and staff remain committed to maintaining the facilities and amenities to ensure your continued enjoyment of your time at the Iron Blossam.

We look forward to the upcoming seasons and are excited to see each of you on your next visit.

Best regards,

Jim Maxwell
Lodge Manager

40TH ANNUAL MEETING RECAP

All of those in attendance for our 40th Iron Blossam Annual Owner's Meeting were rewarded with one of the most beautiful days of the season!

This year, Owners had the opportunity to celebrate the life of Snowbird Founder, Dick Bass with a special tribute by Gene Blackwelder. Following the tribute, Larry McGill, Chair of the Nominating Committee, conducted elections whereby Bob Petersen and Doug Pell, both Board incumbents and Megan Zurkan were elected to the Board of Directors.

Following the election, owners had the opportunity to meet with Bob Bonar, COO and President of Snowbird, who gave resort updates and a review of current projects; Dave Cowley, Snowbird's Controller of Finance, who presented a review of the Owner's financial status (owners desiring a copy of the Independent Auditor's Financial Report may contact the Iron Blossam Owner Services department to receive a copy); Jim Maxwell, General Manager of the Iron Blossam Lodge, who delivered updates on many great improvements and renovations at the lodge; Some of the lodge highlights include, new artwork in the rooms, furniture replacements, renovation of the www.ironblossam.net website, and upgrades to the WiFi network. Jim then concluded by presenting the "Spirit of the Iron Blossam" award to Larry McGill, longtime Board member, to thank him for his time and talents on the Board of Directors.

The meeting was then turned over to the Ted Neff, Iron Blossam Board President, to give the President's report. He thanked the Board and Management for their time and hard work invested in keeping the Iron Blossam running smoothly. He also thanked owners for their loyalty and support for the Association. He invited any interested parties to sign up to serve on the Iron Blossam committees. He reminded Owners that their participation is important and that the Board appreciates the opportunity to hear directly from them. Overall, it was a very productive and informative event!

MAINTENANCE / RENOVATION UPDATES

Each May and November we have a week dedicated to repairs, cleaning and renovations.

For each maintenance period, we have contractors that clean the hallway and room carpets, room furniture and windows in addition to the extra cleaning chores in the rooms and around the common areas. We realize that your vacation time is valuable; therefore we try to limit projects and major repairs during the weeks of occupancy. Over the last two maintenance periods, we have worked on the following renovation and major repair projects:

November 2015

- Lobby remodel includes new furnishings, new LED lighting and carpet. The carpet in the 2nd and 3rd floor elevator areas was also replaced.
- The game room was renovated to a new family themed recreation area and renamed the Den.
- The loading zone arrival/departure area had extensive repairs to damaged concrete and asphalt.
- Room art and photo project was completed.
- Paint cycle focused on wood areas of the 4th and 5th floor rooms.
- Plumbing repairs to the hot tub circulating system completed.

May 2016

- Plumbing repairs completed to the main water distribution system.
- Leak in hot tub plumbing that required spa floor to be excavated was completed.
- Lobby fireplace hearth was remodeled and expanded into a seating area.
- Lobby art piece "Cliff Falls" was cleaned and touched up by the original artist.
- Lobby entry and vestibule area carpet was replaced.
- Iron Blossam office area was renovated with new furnishings, carpet and LED lighting.
- Business center carpet was replaced.
- Track lighting in the loft suites was replaced. Also, track lights in kitchens of rooms 314-317 and 325 were replaced.
- Ongoing projects that will continue into the summer include the replacement of the guest chairs in bedroom units and the upstairs of lofts. Elevator cabs will be remodeled.

FRAUDULENT PRESENTATIONS AND SCAM ALERT! Owners Beware

We strive to protect your privacy and ownership information. Iron Blossam does not release ownership information to others, however, your timeshare ownership is a matter of public record. Additionally, email addresses and phone numbers are obtainable via various websites. Unethical businesses that offer fraudulent timeshare selling opportunities are able to obtain your contact information. These companies use scare tactics, false promises of unrealistic purchase prices and opportunities to con you out of your money and your timeshare ownership.

Please be aware of potential fraudulent solicitations.

With any timeshare re-sell transaction, please make sure you carefully verify the legitimacy of the buyer.

the summit
at snowbird

Experience Snowbird's
newest restaurant



CREDIT CARD PROCESSING FEES

The Association has always encouraged owners to pay their annual assessments via check, as this is the least costly method of payment. The majority of owners have opted to make their payment this way and their efforts to reduce the expense associated with the annual billings are appreciated. In recent years, many owners have opted for the convenience of paying annual assessments via credit cards. This has created a significant expense of up to \$40,000.00 annually for the Association in merchant processing fees charged to process credit cards. The Board of Directors in review of this policy has felt, in fairness to the entire membership, it would be financially prudent to pass the fees associated with credit card processing to the individual owners that opt to use credit cards for payments of the yearly assessments.

The Board of Directors has voted as of July 1, 2016 to assess credit card payments an additional fee of 2.5% of the payment total to compensate the Association for the cost of merchant fees associated with the processing of credit card payments.

PAYMENT OPTIONS

The annual assessments are due on or before July 31, 2016. Prompt payment and efficient processing enable the Association to reduce expenses. Please note the following payment options and be advised, we are unable to process assessment payments by telephone.

Payment By Check. Owner payments by check are processed at a lower cost to the Association than credit card payments. Return your check in the enclosed envelope to the bank processing center. If you are visiting Iron Blossam prior to July 31, you may pay directly at the Iron Blossam Front Desk. Please be sure to bring your statement.

Credit Card Payments. Effective July 1, 2016 credit card payments will be charged an additional 2.5% processing fee. Debit card transactions will not be assessed the processing fee.

To protect the security of your account, our credit card security protocol allows for online credit card payments ONLY. Credit card payments must be made via the online payment center. Credit card payments cannot be processed by telephone. For credit card payments please access the Iron Blossam Payment Center at http://ironblossam.net/payment_center.php

Be sure to have your owner statement available, as you will need to reference your owner number and payment amount. Payments received after July 31, 2016 will be assessed interest charges.

HELP US SAVE ENERGY AND SAVE DOLLARS

Iron Blossam has always strived to keep its mechanical systems, lighting and appliances updated to current energy standards. This has helped us reduce energy expenses over the years. We still need everyone's help to continue to reduce our energy costs and our environmental impact.

To help us conserve energy we suggest the following:

- When you are not in your room, please turn off lights.
- During the winter months, when leaving your room, please lower your thermostat.
- If your unit has a fireplace, please turn it off while sleeping and when leaving the room.

GO GREEN!

Our Go Green efforts continue to reduce paper printing and mailing costs. If you have not yet registered your email address with us, please visit our website and sign up today:

http://ironblossam.net/join_mailing_list.php

Our online services include:

- For-sale-by-owner and internal exchange listings and subscriptions
- Owner reservation processing
- Credit card payment center
- Proxy voting for annual meeting

Registration of your e-mail address also provides these additional money saving services:

- Weeks courtesy confirmation/reminder notification
- Iron Blossam Trustee Sale notification
- Annual meeting of owners notification
- Owner newsletters
- Notifications of special opportunities, events and activities that will enhance your ownership and aid you in planning for your upcoming week.

IRON BLOSSAM CONTACTS

Have questions? Need Assistance? We are here to help. Save time by contacting the right person. We value the opportunity to hear from you.

For general inquiries, internal exchange listings, for-sale-by-owner listings and exchange information and assistance:

Owner Services: Abby Cardwell (Mon.-Wed. and Fri. only)
ibownerservices@snowbird.com (801) 933-2097

Website Administration: Lizzy Osborne (email preferred)
losborne@snowbird.com (801) 933-2059

Questions regarding owner assessments and payments:
Timeshare Accountant: Candace Shugart
cshugart@snowbird.com (801) 947-7927

Questions regarding deed or ownership changes:
Heather Tolbert (email preferred)
htolbert@snowbird.com (801) 897-7536

Questions or assistance with owner reservations:
Jessica Breitling, jbreitling@snowbird.com (801) 933-2098
Front Desk: ibresv@snowbird.com (801) 933-2222, ext. 1000

Iron Blossam administration:
Lodge Manager: Jim Maxwell
jmaxwell@snowbird.com (801) 933-2090

Administrative Services: Christina Dominguez
cdominguez@snowbird.com (801) 933-2093

The Board of Directors may also be contacted at:
Iron Blossam Board of Directors ibboard@snowbird.com
P.O. Box 929000, Snowbird, Utah 84092-9000