



Memo

To: Senior Staff, All Salaried Staff  
 From: Mike Kaplan, Rana Dershowitz and Matt Jones  
 Date: Winter 2021  
 Re: Review and approval of ASC contracts

Please review this reminder about the Aspen Skiing Company contract review and signing authority policy. This constitutes an evolution of the policy to further streamline the signing process and provide guidance regarding the company’s new business efforts . As has been the case for several years, Aspen Skiing Company’s contract policy requires advanced review by and approval from **BOTH** Legal and Finance prior to execution of all contracts, with additional review by and approval from IT required for any contract which involves buying, obtaining, licensing or otherwise effecting IT or IT infrastructure. Additionally, limited additional signing authority is described below. Contracts must be signed by the business leader responsible for the impacted budget. Additionally, only single year contracts may be signed by any company employee other than the specified senior executives noted below. Finally, employees all have specific maximum dollar values on the contracts they may sign as described in this memo. For clarity, below is a graphic articulation of the process and parameters

**All contracts must:**

- Be sent to both Legal and Finance for review and approval
- Be reviewed by IT if involving technology or IT infrastructure
- Be reviewed by any other affected parties

Authorized Signatory:	Area			Multi-Year	Limit
	AspenX	Hospitality	Ski		
Mike Kaplan, Rana Dershowitz, Matt Jones	Y	Y	Y	Yes	\$4,000,000 [1]
Alinio Azevedo	Y	Y		Yes	\$1,500,000
Erin Sprague	Y			Yes	\$1,500,000
SVP/VP	<i>Within their functional areas</i>			No	\$ 150,000
Rental/retail buyers	<i>Within their functional areas</i>			No	\$ 100,000 [2]
Managing Director, Mountain Manager, Hotels GM	<i>Within their functional areas</i>			No	\$ 50,000
Director, Project Managers	<i>Within their functional areas</i>			No	\$ 25,000

**Notes:**

- 1 - Or \$8 million jointly
- 2 - Limit is per vendor. Additional approval required for contracts up to \$150k from Man. Dir./VP, and from Kaplan, Dershowitz or Jones for contracts exceeding \$150k

## Contract Review

All proposed Aspen Skiing Company contracts or agreements must be sent to both Legal and Finance for review and approval before the contract is finalized. Review and approval from IT is required for any contract for services or products that will interface in any way with our computer, telephone, or internet systems.

It is critical that you involve Legal, Finance, and (when appropriate) IT in the early stages of the contract development and throughout the negotiating process, so that they may comment, assist, and coordinate with the contract owner as the contract evolves. The Contract Review process must occur before the contract is finalized and before any services are rendered. Further, the contracting process should not begin unless the project in question is within budget and approved. With regard to new business lines where budgeting is in process, contracting should only occur once the business lead responsible for the business line has confirmed that the contractual amount is acceptable within the overall business plan.

For individuals overseeing hospitality related contracts, it is important to be aware of the corporate restructuring that was recently effectuated. Business leads should, prior to contract finalization, evaluate which hospitality-related entity should be the contracting party of each specific agreement and/or whether the contract should be executed by ASC.

As a part of this review, all contract owners are expected to understand the business terms proposed and contained in their contracts. The Contract Review process is intended in part to help ensure that the Company as a whole is comfortable with all contract terms, is legally protected and that appropriate financial and technological controls are in place, but at the end of the day, it is the contract owner that first needs to put thought into what terms are desired or acceptable.

For ease of review, two email groups have been created in outlook for this process. All you need to do is send the proposed contract or contract terms, together with an ASC Contract Review Cover Sheet to "Contract Review" ([contractreview@aspensnowmass.com](mailto:contractreview@aspensnowmass.com)) or for contracts involving IT in any way "Contract Review – IT" ([contractreviewIT@aspensnowmass.com](mailto:contractreviewIT@aspensnowmass.com)). These email groups include all appropriate personnel in Legal, Finance, and IT. Agreements implicating multiple areas of the company must also be sent to all business leads managing budgets, staffing and/or resources that will be required for the Company to execute on its obligations. Examples would be to include Ski School leadership if a ski school commitment is being made; Mountain Managers if on mountain activation is required; appropriate F&B leads if catering is being committed regardless of which business unit is leading the Agreement. This will help to ensure communication and collaboration throughout the process.

To minimize the need for expedited review and approval, please send your proposed contracts to Contract Review as early as possible in the contracting process. **You should generally anticipate a minimum of two weeks for processing through the Contract Review process. Additional time**

and review may be required for multi-year agreements, capital project related contracts and contracts which affect multiple parts of the company. Please remember this as you build out your project timelines. Legitimate emergencies will, of course, be accommodated.

It is important to understand that a contract is any agreement or commitment between two or more parties in which an offer is made and accepted and each party benefits. The agreement can be formal, informal, written, verbal, or just plain understood. Examples of a contract are a lease, a promissory note, a rental agreement, a software license, a grant or receipt of intellectual property (including authorizing someone to use the Aspen, Aspen Highlands, Buttermilk, Snowmass, Little Nell, Limelight, Four Mountain Sports, AspenSnowmass or AspenX name or logo in any commercial way), or an agreement for services. In many instances it is not the size of the contract that makes review important but the level of risk to which it exposes the company.

There are three limited exceptions to the requirement for a contract to go through Contract Review.

1. Standard form purchase orders for off-the-shelf goods being purchased within pre-approved budgetary authority do not require review;
2. Standard form rental/retail inventory purchases undertaken in the ordinary course and pursuant to semi-annual financial pre-approval do not require review; and
3. Agreements being entered into within pre-approved budgetary authority and using unchanged templates previously approved by legal (such as catering contracts and athlete agreements) do not require review. Please note that if any revisions, addendums, amendments or alterations to the template form are made or requested, legal review must occur.

### **Contract Execution**

Once the contract has gone through Contract Review, and the owner has received confirmation of sign off by Legal, Finance and, where appropriate, IT, it is ready for execution. To ensure efficient execution by authorized signatories, please provide confirmation of that review with the final execution ready document.

Individual signing authority in the Company is now as follows:

- Alinio Azevedo may execute hospitality-related and AspenX-related single or multi-year contracts with a value up to \$1.5million.
- Erin Sprague may execute AspenX-related single or multi-year contracts with a value up to \$1.5million.
- Senior Vice Presidents and Vice Presidents may execute approved contracts within their areas of authority for a duration of one year or less and a value of up to \$150,000.

- Managing Directors, Mountain Managers, Hotel GMs and Senior Project Managers may execute approved contracts within their areas of authority for a duration of one year or less and a value of up to \$50,000.
- Directors and Project Managers may execute approved contracts within their areas of authority for a duration of one year or less and a value of up to \$25,000.
- Rental retail buyers may execute standard purchase orders in the ordinary course within their areas of authority for a duration of one year or less and a value of up to the buying plan preapproved by finance through the financial review process, provided, however that:
  - o For any cumulative purchase from a single vendor exceeding \$100,000 in a year, additional specific prior approval must be obtained from a Managing Director or Vice President, and
  - o For any cumulative purchase from a single vendor exceeding \$150,000 in a year, additional specific prior approval must be obtained from Mike Kaplan, Matt Jones or Rana Dershowitz
- Rana Dershowitz and David Clark may execute Settlement Agreements arising out of litigation or threatened litigation involving ASC.

All other agreements, including multi-year contracts, capital project contracts and those containing financial commitments beyond the limits above may only be signed by Mike Kaplan, Matt Jones or Rana Dershowitz unless specific advanced approval has been received from Mike Kaplan.

Originals of approved and fully signed contracts should be sent to legal and finance for filing.

Contracts should not be entered into without complying with this policy.

Please distribute this memo to appropriate members of your staff. A copy of this memo, the Contract Review Cover Sheet and the Contract Review and Approval Flow Chart can always be found on the S drive under [S:\All\\_Employee\FORMS\Contract\\_Review](S:\All_Employee\FORMS\Contract_Review).

Please call Legal or Finance if you have questions regarding this policy.