

Results from Guest Wireless Network Survey; November, 2010

Background Information

In November 2010 we undertook a short web-based survey to seek owner feedback with respect to the existing guest network for internet access. The reason we felt the survey was necessary was because of the significant number of guest comment cards that were critical of the existing internet service. After reviewing comment cards throughout the year, this was the single biggest complaint that we encountered. There were a range of issues, but the majority can be attributed to spotty coverage throughout the resort, and the resultant difficulty of connecting to a strong, reliable signal.

The existing network providing internet access for owners and guests at the resort is based on the following equipment configuration:

Riverside (wireless access only)	Hillside (wireless access only)	Riverview (wired and wireless access)
<ul style="list-style-type: none">• 2 high-speed cable modems• 3 radio access points• 1 signal repeater	<ul style="list-style-type: none">• 2 high-speed cable modems• 3 radio access points• 2 signal repeaters	<ul style="list-style-type: none">• 1 high-speed cable modem• 1 radio access point• All rooms wired for Ethernet connectivity

This network is maintained separately from the resort administrative network for security reasons. On the west side of the highway where the resort villas are situated, Shaw is the only internet provider available to us. The equipment (aside from cable modems) was purchased from a Canadian company based in Kelowna and is supported by them via a toll-free number which is available to guests. Connections to the network are unencrypted, but require an access code that is provided at the time of check-in.

Upgrades and enhancements to the existing network are difficult for several reasons:

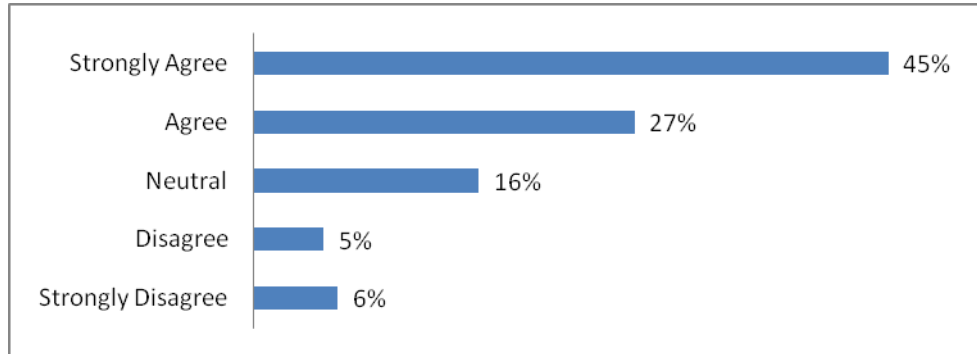
- Building and property configuration; wireless radio transceivers are quite susceptible to interference and signal degradation. Access points are generally located towards the central areas of the resort, providing reasonably good access to many units (for example, the B-sides at Riverside). In the case of Riverside, the A-sides face towards the neighbouring golf course, and our property limits are fairly close to the buildings. There is very little opportunity to install additional compatible equipment that would improve the situation on the A-sides. Suitable mounting locations, power and Ethernet connections would be required. Hillside suffers from a similar situation with respect to the physical constraints.
- Building design and construction; stucco construction impedes the wireless signal. Building design and layout, including the location of stairwells, foyers, appliances, etc. also hinders the wireless signal. The costs are prohibitive to bring wired connections into each Riverside and Hillside building.

At the Riverside Recreation Centre we also have a single pay-per-use internet station that can be used by either purchasing cards at the Front Desk, or providing a credit card directly at the terminal. This is a wired station with a dedicated high-speed modem.

Survey Results

The survey link was sent to all Sunchaser Vacation Villa owners with an email address on file. We received over 2900 completed surveys, including many comments and questions. The most significant findings are presented below.

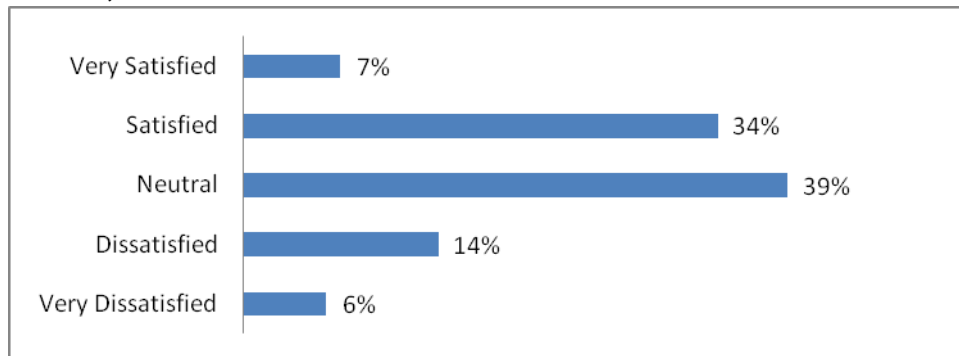
- Please indicate your level of agreement with the following statement. Internet service is an important amenity to me while staying at the resort.



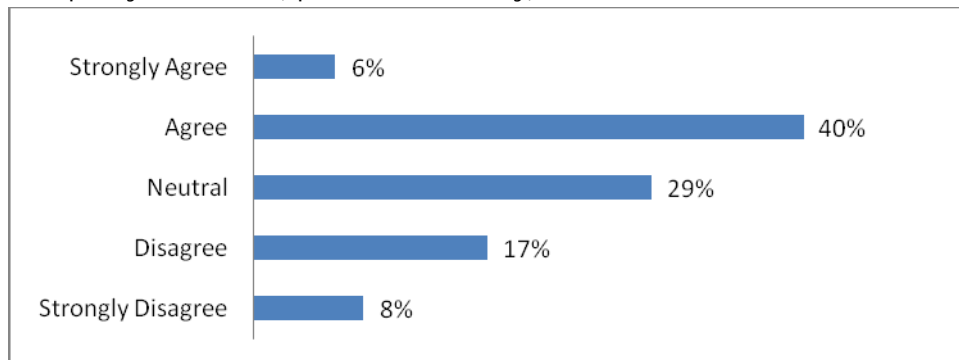
- I have made use of the guest wireless network while staying at the resort during past visits.



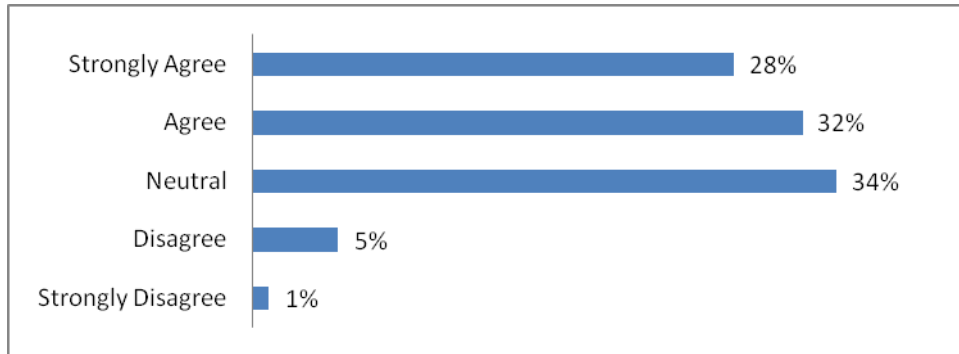
- If you used the services of OK Wireless (wireless equipment service provider) how satisfied were you with their assistance? (based on 86 respondents that indicated they contacted OK Wireless)



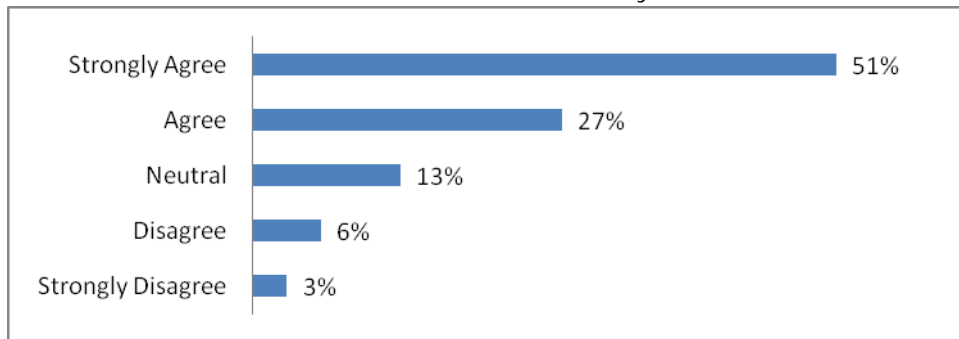
- The quality of service (speed and reliability) of the wireless internet service is acceptable.



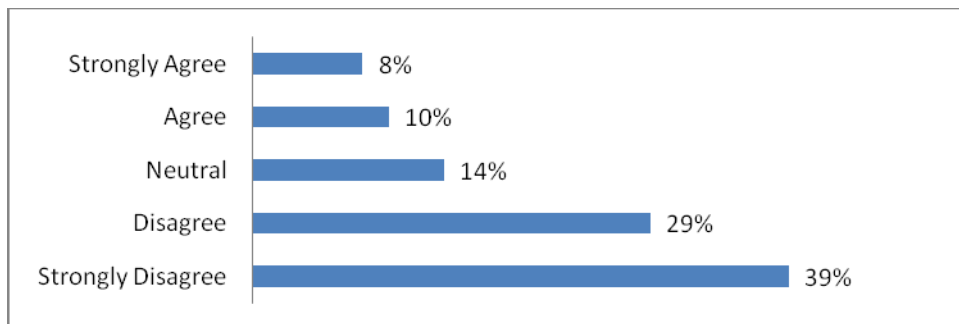
- The guest wireless internet service at the resort should be enhanced.



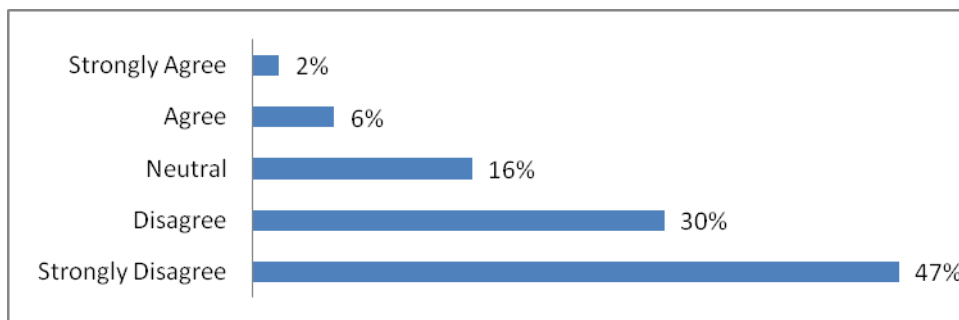
- Internet service should continue to be a free amenity at the resort.



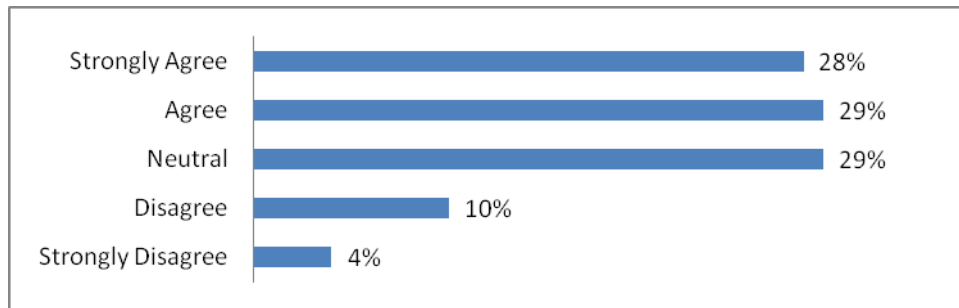
- Internet service should be a fee-based service.



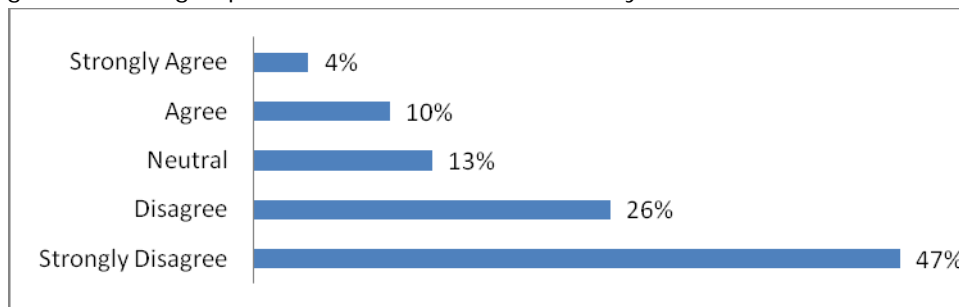
- I would be willing to pay a higher annual maintenance fee to assure better wireless internet service.



- I would prefer to see maintenance fees put towards other projects at the resort, not towards internet services.



- I would be willing to pay \$29.95 per computer (connected device), per week, for a guaranteed high-speed internet connection from my villa.



A wide range of comments were provided. The following representative samples express the range of views held by survey respondents.

In terms of the existing quality of service, some respondents found it quite satisfactory, while some responses to the survey were consistent with guest comment cards in their criticism.

- I feel that the existing service is sufficient to allow me to access my basic needs while at the resort. I would not want to have to pay a substantial fee to access this information, regardless of the quality of the connection. We come to the resort to spend time with family and being active, the internet access is simply for keeping track of a few details from home while we are there.
- The existing service seems quite adequate. I believe that it enables one to surf the net and read emails. It does not need to be fast enough to do gaming.
- It works excellent so don't change it
- Service was almost non-existent
- The way it exists at the moment is almost useless. The technical support provided did not really improve the connection. I believe I pay high enough maintenance fees that the high speed internet should be included with no increase for this service and be free in each unit.
- We stayed at Riverside one year ago and the service was fine. We had 3 laptops running at the same time
- We had 3 to 5 laptop computers on line at any one time when there were 6 of us staying at Fairmont in September 2010. We found at Riverview the internet connection was very good. When we moved to Hillside the connection was not so good in the A side and almost non-existent in the B side. Very frustrating.

With respect to whether or not internet service should continue to be a free amenity, there was again a wide range of opinions expressed.

- Free WiFi connection to the Internet is rapidly becoming a service that hospitality guests are taking for granted. I would like to see it available at Fairmont Riverside and would be willing to pay for it through my maintenance fees.
- free high speed wireless has become an expectation, even at moderate hotels.

- Fast, reliable internet service is offered even at cheap motels as part of the amenities - like a working telephone, running hot water, cable television. It is a way of life now, not a luxury.
- I have a Rogers rocket stick which I pay for anyway so that solution works for me. I do not want to pay more when others can do the same. User pay best model.
- A lot of people now have their own internet connection with them. If internet is necessary then look after your own. This is a vacation resort.
- Internet services should be part of the resort and we should not have to pay for these services. They should be included in our annual maintenance fees. Having internet now a days is almost an essential service. Many people take time away from the office to go away but they still are not really on vacation, they still have to be doing some work and checking emails. In addition, many people like to stay connected to their family when they are away from home and the internet is the way that they do this. Many people use Skype on their computer as an economical way to call home and you have to have an internet connection to do this. Short answer is: Yes, great internet service is essential and should be included.
- I would prefer to see my maintenance fees go toward the physical maintenance of the buildings and property. With the age of the buildings, we have noticed a lot of maintenance that has to be addressed. Wireless should be a pay as you use service.

We asked for feedback on a possible weekly rate, if we were to consider upgrading our existing network to a more robust design with additional bandwidth. Opinions were generally of the view that \$29.95 per week was too high.

- \$29.95 would be a little steep considering we have gone to other resorts with RCI ie: Hawaii and the internet fee was 9.95.
- We would be willing to pay for the service, but as we only use for no more than one hour a day, feel 29.95 is a little high. Is it possible to have a user pay fee by the hour.
- The wireless is adequate and if used for data and not voice over internet the service is adequate. I am opposed to any increase in annual cost and think a lesser user fee of 15 per week is more acceptable and chargeable by day only. I do think that the cost to administer a chargeable network access will be more expensive than the members will be willing to support. This is vacation property and if I have to I will leave the work at home.
- The existing service is very unsatisfactory. The slow speed is appalling. We find the proposed cost of \$29.95 per week exorbitant. We stayed at other resorts where there was a charge and it was closer to \$10 or \$12. per week; never over \$15 and service was excellent. Regarding the increase in cost for the maintenance fees, it would depend on the extent of the increase. You may need to shop for a service provider that will not charge exorbitant amounts.
- Every other resort we have traveled to in North America has free internet access for its guests and owners. If you are trying to be a 5 star resort then you have to have internet access...every other one does. It shouldn't even be a question in today's technological world. I know the older members probably do not think it is important but today's young people (your future timeshare sales) need internet access for work purposes. Even when on holidays most of us need to stay in touch with work.
- internet access is nice but not mandatory. I will say that when we trade into other nice resorts, they do have internet and it sure makes it nice for those of us that have to stay in touch with work while on vacation. But to pay an equivalence of \$120 per month would be outrageous. I understand budgetary constraints and if you had to go to a fee based system that would be fine, but you should pass along a reasonable fee for your owners, not gouge them.

Analysis and Recommendations

It is clear from the survey responses that the majority of those who responded believe that internet service is an important amenity to provide. Even while on vacation, there is a significant number of owners that need to stay connected to work, school and family. Even though we receive many complaints about the quality of service, the majority of respondents indicated that the existing service is acceptable (46% indicating agreement; 29% neutral; 25% disagreed).

Although the majority of respondents indicated that existing service is acceptable, there was also a significant majority that indicated the service should be enhanced (60%). However there was a significant difference of opinion as to how to achieve an improved level of service. There are two basic options; upgrades could be funded by allocating maintenance fees towards equipment and service contract, thereby sharing the cost across all owners; or we could adopt a user-pay model where only those requiring internet services pay accordingly. At this early stage of investigation, we have only spoken to one vendor so far, and the rate structure that they have initially proposed is laid out as follows:

- \$4.95 per hour
- \$9.95 per day
- \$19.95 per 3 days
- \$29.95 per week

It is important to note that the provider in question offers a fully managed and supported network with 24x7 technical support, 100% coverage, and advanced features such as bandwidth shaping (controlling the available bandwidth available to any particular connection). The revenue would go to the vendor, not to the resort. It should be stressed that this is only one possible solution. If we were to proceed, other reputable vendors offering viable solutions would need to be contacted for competitive proposals.

Based on the survey results, it appears that there is only modest support for increasing maintenance fees or allocating existing fees towards replacement of the existing guest network. There was a clear indication that the proposed fee structure for weekly service was considered to be too high. Additional research would have to be done to see if alternate providers can come up with a more competitive fee schedule, or if owners would find the hourly and daily rates to be affordable and appealing options.

At this time we believe the prudent course of action is to maintain the status quo. One recent development that helps our situation is that we recently received newer cable modems to replace the original equipment installed some years ago. These new modems promise to deliver somewhat higher bandwidth, although they do nothing to address the poor wireless signal strength in some areas of the resort.

A development that we will watch with interest is that an alternate service provider is now operating in Fairmont. Unfortunately, at this time they can only offer connections to businesses on the east side of Highway 93/95. Perhaps at a future date their higher speed fibre network connections will offer an alternative to the existing provider.

For owners requiring reliable internet connections while staying at Sunchaser Villas, there are several options that may be available to them:

- Booking into Riverview where we have wired access in each room.
- Using the existing pay-per-use internet station available at the Recreation Centre.
- Working on a personal laptop computer in the Recreation Centre where we find that the internet connection is typically strong and reliable (two access points are located on the corner of the Recreation Centre).
- Acquiring a high-speed internet solution from a data carrier, such as the Rogers "Rocket Stick", or similar mobile internet USB stick.

Survey Limitations

Only owners with an email address on file were contacted. This presumes a certain amount of technology acceptance and use within our survey sample. It's quite possible that we missed hearing from many owners that care little for internet connectivity. We believe this is added reason to proceed cautiously in terms of spending money on upgrading the existing service.

Closure

There were a number of good ideas presented within the comments that we received. For example, more than one owner suggested the idea of a business centre approach, where we could have several stations provided in a central location available to owners and guests. This is an approach worth considering, although the challenges of repurposing some existing space are not insignificant. Another practical suggestion was to install additional pay-per-use internet stations similar to the existing station located in the Riverside Recreation Centre.

In closing, we would like to thank all respondents for taking the time to complete the survey, and acknowledgement to those that provided productive and useful comments. Some owners took the opportunity to ask questions, but unless you left specific contact information within the comment, we are unable to identify the respondent. Should you have any questions on the survey results, the interpretation of data, or any other general questions, please do not hesitate to contact the staff and management at Sunchaser Vacation Villas.

Thank-you again for your participation.