

June Lake

Resort Development Analysis

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June Mountain

1. Approximately 95,000 annual skier visits today
2. Minimum on mountain improvements include Chair 1 and Chair 2 replacement, Chalet addition and renovation, wastewater improvements and snowmaking
3. Estimated capital cost of \$18-20 million
4. Current yield per skier visit of \$48.19
5. Resort Operating Income estimated to ultimately be 50% of Revenue (15% currently)
6. 117,326 additional incremental skier visits required to support minimum on mountain capital improvements.

June Mountain - Improvements

<u>Project</u>	<u>Cost</u>	<u>Monthly Payment</u>	<u>Annual Debt Service</u>	<u>Additional Revenue Required</u>	<u>Incremental visits</u>
Chair 1 Replacement	\$8,000,000	\$102,426	\$1,229,121	\$2,458,243	51,011
Chair 2 Replacement	\$4,000,000	\$51,213	\$614,557	\$1,229,114	25,506
Chalet Expansion	\$4,000,000	\$51,213	\$614,557	\$1,229,114	25,506
Wastewater Improvements	\$400,000	\$5,121	\$61,453	\$122,907	2,550
Snowmaking	<u>\$2,000,000</u>	<u>\$25,606</u>	<u>\$307,278</u>	<u>\$614,556</u>	<u>12,753</u>
Total	\$18,400,000	\$235,581	\$2,826,968	\$5,653,936	117,326

10 year amortization-Prime
+1% (9.25%)

Mammoth Mountain Incremental Skier Visit Analysis

<u>Occupancy Model</u>	<u>Mammoth Mountain</u>
Season Days	150
Average Occupancy	68.00%
Ski Factor	70.00%
Heads Per Hotel Room Equivalent	1.6
Skier Visits Per Hotel Room Equivalent	114.24

June Mountain Incremental Skier Visit Analysis

Additional Skier Visits required to support \$18.4 million Phase I on mountain improvements
(Per Carl William's Presentation on May 24, 2006 to the June Lake Coalition)

117,326

<u>Occupancy Model</u>	<u>Mammoth Mountain</u>	<u>June Mountain</u>
Season Days	150	120
Average Occupancy	68.00%	68.00%
Ski Factor	70.00%	70.00%
Heads Per Hotel Room Equivalent	1.6	1.6
Skier Visits Per Hotel Room Equivalent	114.24	91.392
Additional Hotel Room Equivalents Required	1,027	1,284

Real Estate Development Fundamentals

1. Project Feasibility – market demand analysis, property constraints & opportunities and feasibility analysis
2. Planning & Entitlements – product programming, preliminary planning, community ascertainment, design, community & government approvals
3. Design – conceptual design, schematic design, design development and construction documents
4. Sales & Marketing – marketing team, marketing program & budget, public relations, advertising & promotion campaigns, sales office, sales launch & conversion
5. Financing – Equity raise, A & D financing, construction financing and take out financing
6. Construction – bid & award, off site and on site construction, punch list, turnover and warranty work
7. Closings – certificate of occupancy and unit closings
8. Operations & Management – homeowners association formation and operations

Condo-Hotel Proforma Analysis

Item	sf or %	Per unit	Total
<u>REVENUE</u>			
Number of Units	600	230	
Average Sales Price	\$1,011		\$606,500
NET SALES REVENUE	\$920	\$552,062	\$126,974,350
<u>COSTS</u>			
Total Construction Costs	\$427	\$256,245	\$58,936,316
Total Indirect Costs	\$109	\$65,493	\$15,063,478
Contingency	6.16%	\$15,783	\$3,630,000
SUBTOTAL COSTS	\$563	\$337,521	\$77,629,794
Total Land Costs	\$73	\$43,588	\$10,025,265
Total Other Costs	\$141	\$84,621	\$19,462,716
TOTAL COSTS	\$776	\$465,729	<u>\$107,117,775</u>
NET PROFIT	14.23%	\$86,333	\$19,856,575

Condo-Hotel Proforma Analysis

Item	sf or %	unit	Total
<u>COSTS</u>			
<u>Construction Costs</u>			
Residential (net saleable/rentable)	138,000	included	
Parking Garage (400 square feet)		allocation	
Decks & Walkways	27,600	included	
Hospitality	2,000	not included	
Commercial (net leaseable)	5,000	not included	
Total Construction Costs	\$427	\$256,245	\$58,936,316

Condo-Hotel Proforma Analysis

Item	sf or %	unit	Total
<u>COSTS</u>			
<u>Indirect Costs</u>			
Consultants	\$31.77	\$19,060	\$4,383,862
Development Charges	\$27.66	\$16,596	\$3,817,097
Marketing Costs	\$18.15	\$10,890	\$2,504,773
Overhead & Fees	\$31.58	4.07%	\$4,357,746
Miscellaneous	<u>\$0.00</u>	<u>\$0</u>	<u>\$0</u>
Total Indirect Costs	\$109.16	\$65,493	\$15,063,478

Condo-Hotel Proforma Analysis

Item	sf or %	unit	Total
<u>COSTS</u>			
Construction Cost Contingency	6.16%	\$15,783	\$3,630,000
SUBTOTAL COSTS	\$562.53	\$337,521	\$77,629,794
Land Costs	allocated	\$20,470	\$4,708,046
Land Development Costs	allocated	<u>\$23,118</u>	<u>\$5,317,219</u>
Total Land Costs	\$72.65	\$43,588	\$10,025,265

Condo-Hotel Proforma Analysis

Item	sf or %	unit	Total
<u>COSTS</u>			
<u>Other Costs</u>			
Financing costs	7.58%	\$45,968	\$10,572,716
Holding costs & Property Taxes	0.35%	\$2,152	\$495,000
Warranty	0.25%	\$1,500	\$345,000
Furnishings, Fixtures & Equipment	<u>\$58.33</u>	<u>\$35,000</u>	<u>\$8,050,000</u>
Total Other Costs	\$141.03	\$84,621	\$19,462,716
TOTAL COSTS	\$776.22	\$465,729	\$107,117,775
NET PROFIT	14.23%	\$86,333	\$19,856,575

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Number of Units	600	230	
Average Sales Price	\$1,011		\$606,500
NET SALES REVENUE	\$920	\$552,062	\$126,974,350
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Contingency	6.16%	\$15,783	\$3,630,000
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Total Land Costs	\$73	\$43,588	\$10,025,265
Total Other Costs	\$141	\$84,621	\$19,462,716
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