

June Mountain

Financial History

June Mountain Acquisition/Capital Costs

• Purchase Price-	\$ 5 million
• Expansion Capital (1 st two years)	\$15 million
Maintenance Capital	<u>\$ 3.75 million</u>
Total Invested Capital	\$23.75 million

June Mountain Operations

Definitions

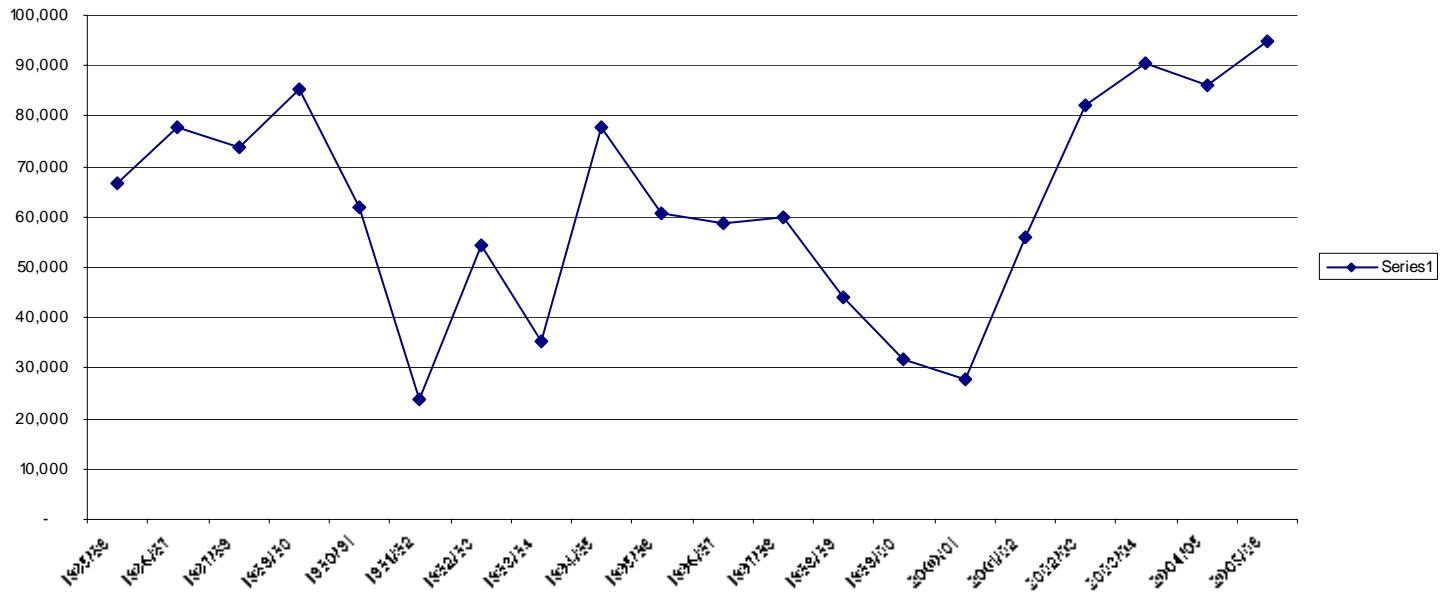
- **Skier Visit**-Skiers or Snowboarders with tickets for any portion of the day, including complimentary tickets and season pass tickets. Does not include employee/employee dependent pass use.
- **Yield**-Revenue derived by each business segment- per skier visit.
- **Revenue**
- **Cost of Sales**
- **Employee Expenses**
- **Discretionary Expenses**
- **Non Discretionary Expenses**

Definitions

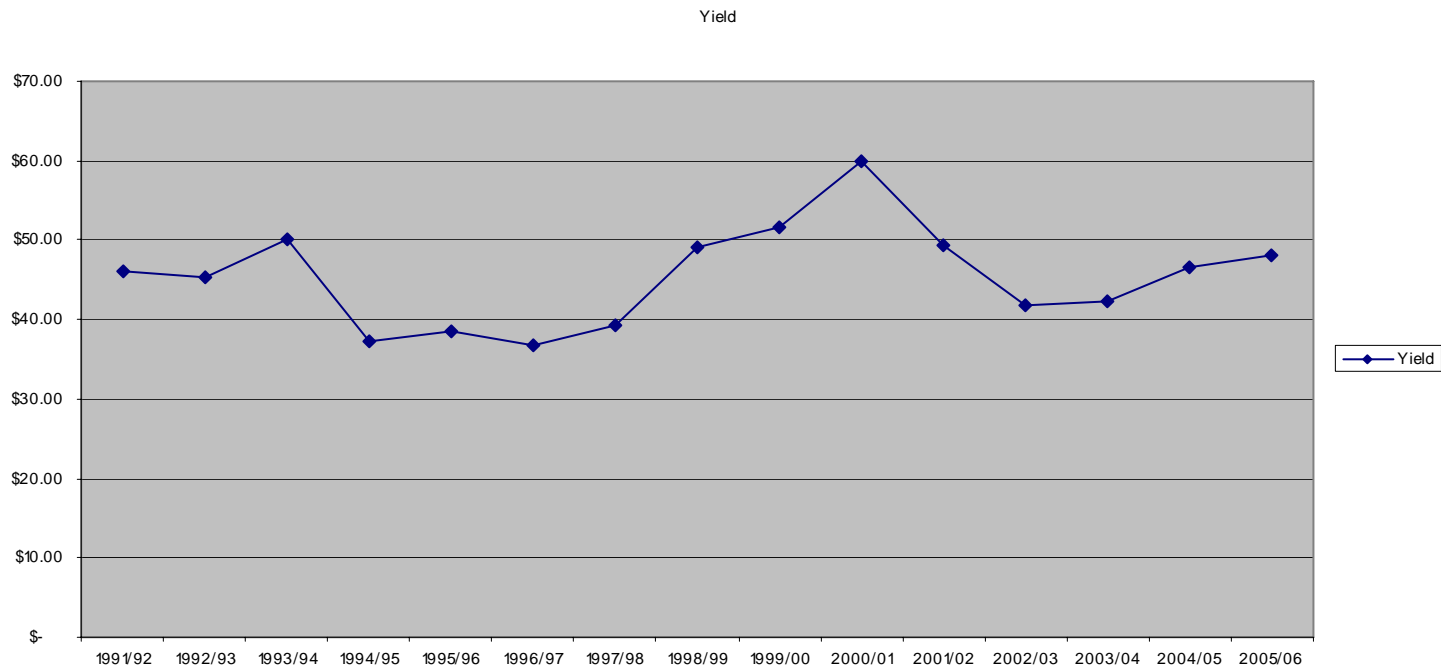
- ROI
- (Resort Operating Income) Essentially an operating cash flow
- Revenues less cost of sales, less employee expenses, less discretionary expenses, less non discretionary expenses.
- Does not include depreciation or amortization.

- June Mountain is not charged Management fees from Mammoth Mountain, nor are we charged for Administrative overhead services.
- ie Finance, Purchasing, Payroll, Risk Management, HR, IT, debt service, etc.

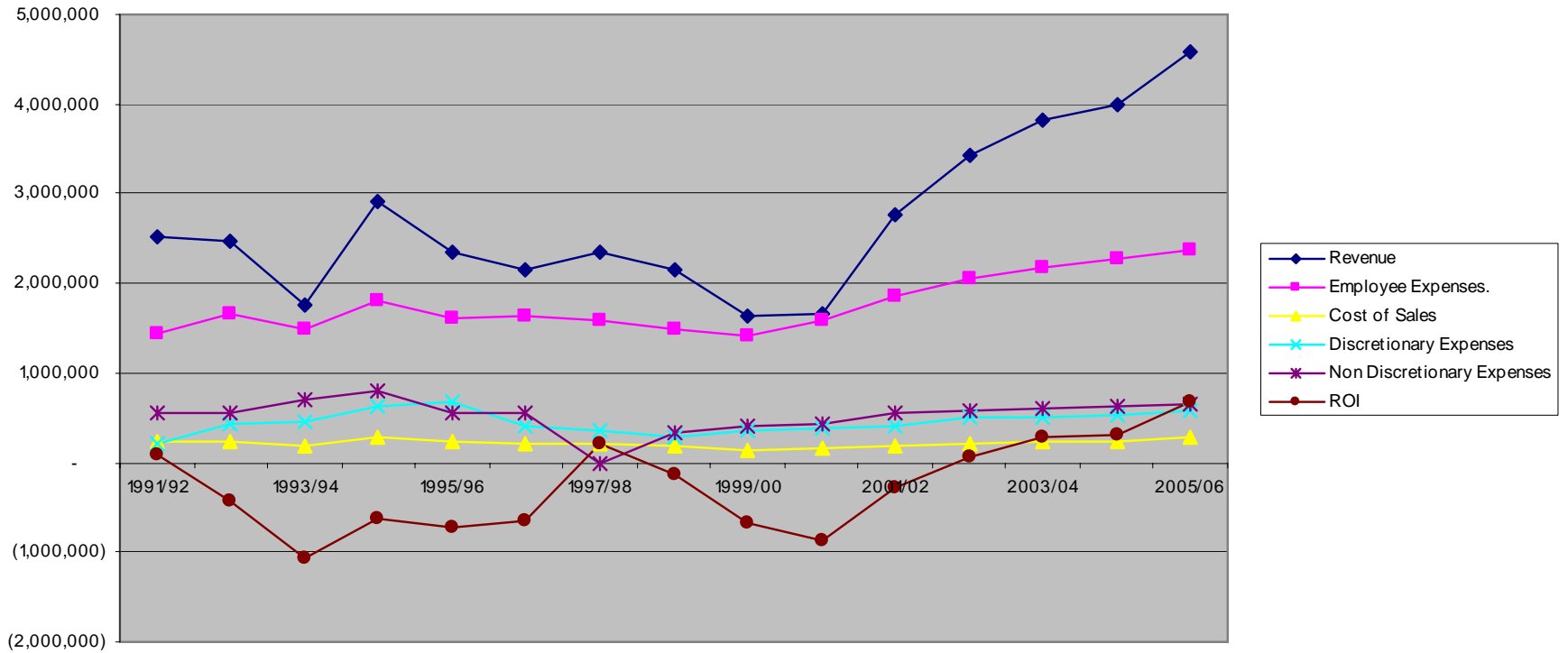
Historic Skier Visits



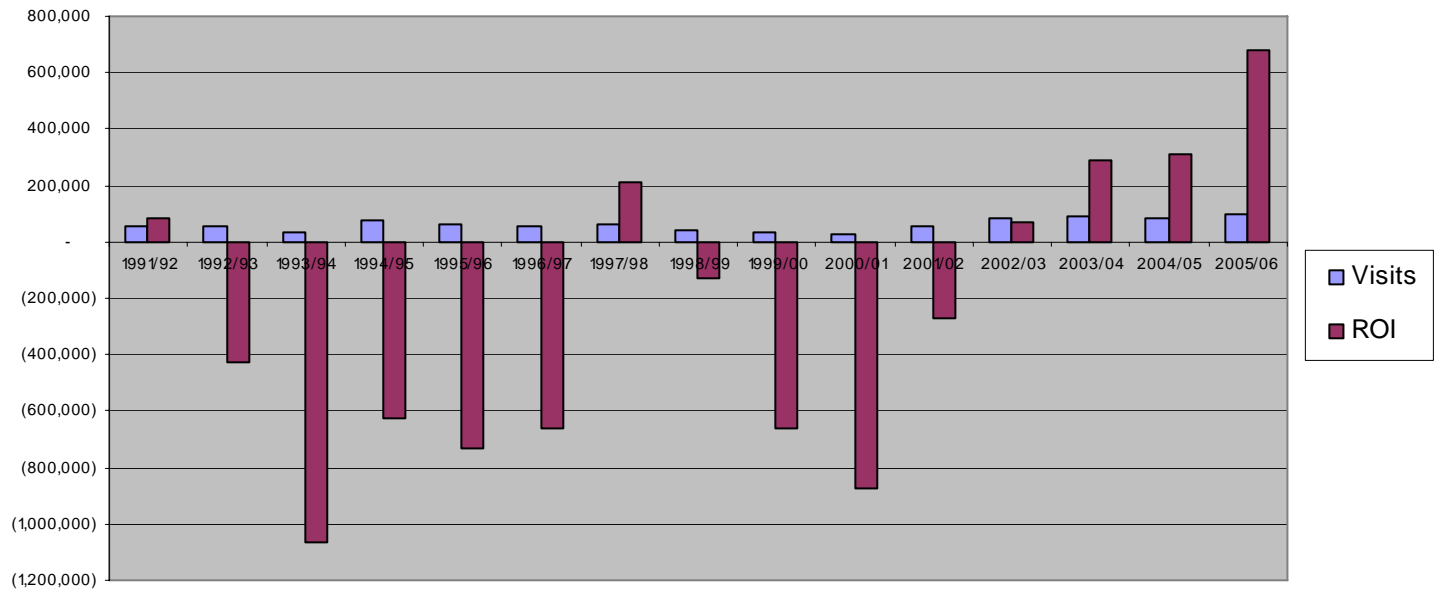
Yield



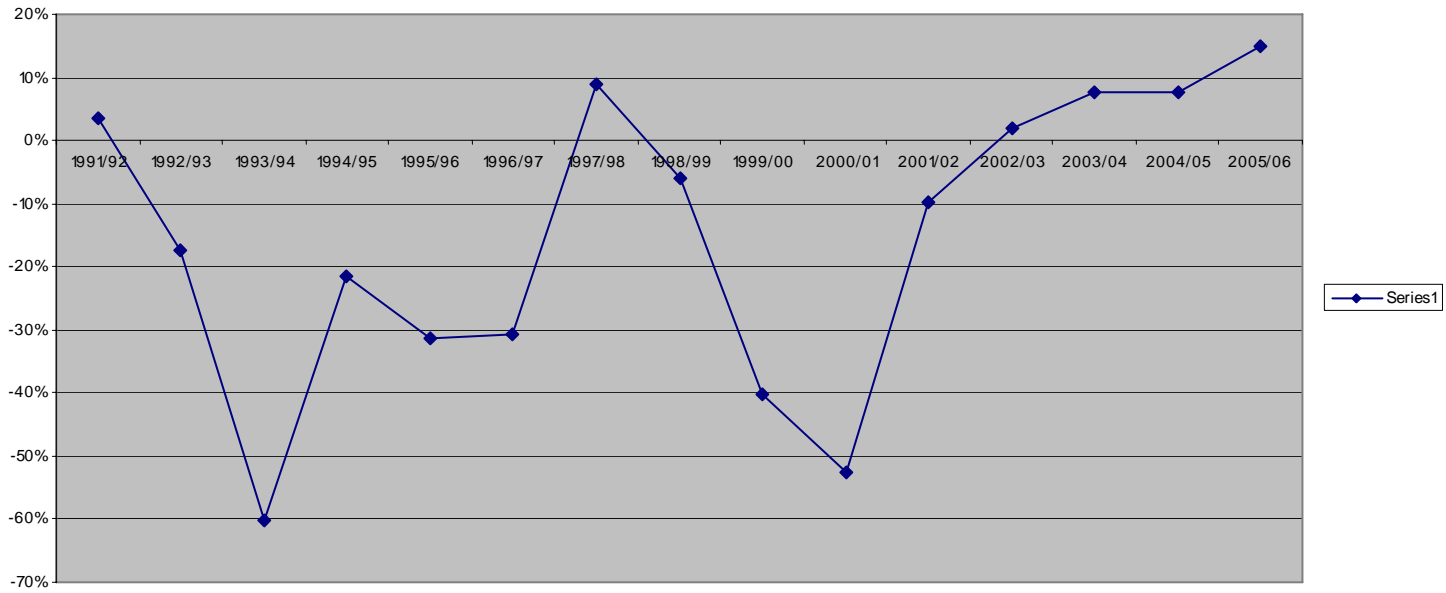
Total Results



Visits/ROI



ROI as a % of Revenue



- Total Loss from Operations \$3.9 million

Total Cash Invested

- Acquisition/Invested Cap. \$23.75 Million
- Loss From Operations \$ 3.90 Million
- Total \$27.65 Million

Future Improvements

AREA FACILITIES BALANCE

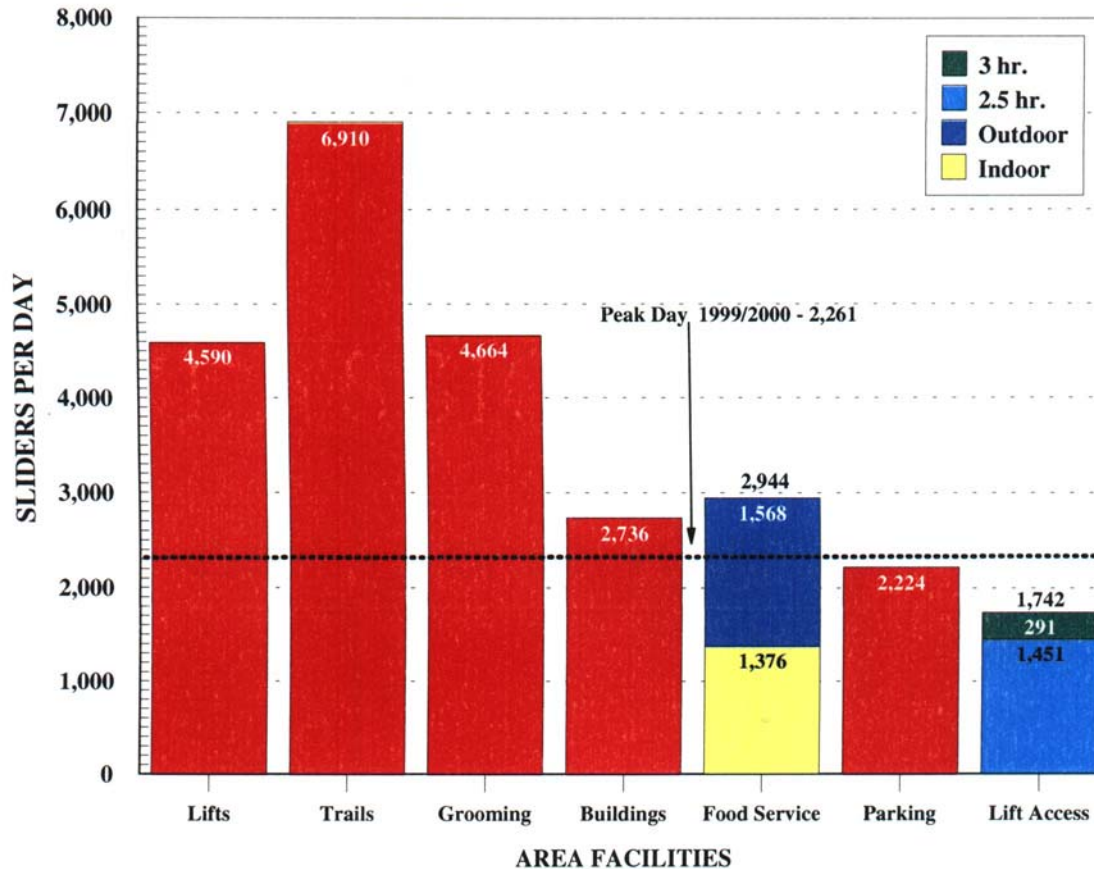


PLATE II.8

The most seriously limiting facility at June Mountain is the lift staging out of the base area, due to the non-operation of the QMC Tram. Food services can only accommodate a total of 2,944 sliders per day, based on 4 turns per seat utilizing both the indoor and outdoor seating. Lift, trail and grooming capacity exceed the other area facilities. Lift and grooming capacities are fairly well balanced but are not capable of servicing all of the existing ski trail systems.

Phase 1 improvement:

- Chair 1 Replacement \$8 million
- Chair 2 Replacement \$4 million
- Chalet Addition/Renovation \$4.5 million
- Wastewater Improvements \$.4 million
- Snowmaking \$2 million

Infrastructure/Chair 7 coverage

Total Phase 1 costs

\$18.9 million

So, how are we going to pay for improvements?

June Mountain-Phase 1 Improvements

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

Project	Cost	Monthly Payment	Annual Debt Service
Chair 1 Replacement	\$ 8,000,000	\$ 102,426.80	\$ 1,229,121.60
Chair 2 Replacement	\$ 4,000,000	\$ 51,213.09	\$ 614,557.08
Chalet Expansion	\$ 4,000,000	\$ 51,213.09	\$ 614,557.08
Wastewater Improvements	\$ 400,000	\$ 5,121.13	\$ 61,453.56
Snowmaking	<u>\$ 2,000,000</u>	<u>\$ 25,606.54</u>	<u>\$ 307,278.48</u>
Total	\$ 18,400,000	\$ 235,581	\$ 2,826,968

- Current yield per skier visit \$48.19
- Current ROI as a % of revenue 15%
- Assume we match Mammoth ROI % currently 50%

June Mountain-Phase 1 Improvements

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

Project	Cost	Monthly Payment	Annual Debt Service	Additional Revenue Required	Incremental visits
			ROI @ 50%	Required	@ 48.19
Chair 1 Replacement	\$ 8,000,000	\$ 102,426.80	\$ 1,229,121.60	\$ 2,458,243.20	51,011
Chair 2 Replacement	\$ 4,000,000	\$ 51,213.09	\$ 614,557.08	\$ 1,229,114.16	25,506
Chalet Expansion	\$ 4,000,000	\$ 51,213.09	\$ 614,557.08	\$ 1,229,114.16	25,506
Wastewater Improvements	\$ 400,000	\$ 5,121.13	\$ 61,453.56	\$ 122,907.12	2,550
Snowmaking	<u>\$ 2,000,000</u>	<u>\$ 25,606.54</u>	<u>\$ 307,278.48</u>	<u>\$ 614,556.96</u>	<u>12,753</u>
Total	\$ 18,400,000	\$ 235,581	\$ 2,826,968	\$ 5,653,936	117,326