

SERVICE PLAN
FOR
CASCADE VILLAGE
METROPOLITAN DISTRICT

TABLE OF CONTENTS

	<u>Page</u>
PURPOSE	1
DESCRIPTION OF PROPOSED FACILITIES	2
PROPOSED DISTRICT BOUNDARIES/MAPS	2
PROPOSED LAND USE/POPULATION PROJECTIONS	2
ASSESSED VALUATION	3
FACILITIES TO BE CONSTRUCTED AND/OR ACQUIRED	3
STANDARDS OF CONSTRUCTION/STATEMENT OF COMPATIBILITY	3
ESTIMATED COSTS OF FACILITIES	4
CONDITIONS TO ORGANIZATION/TOWN STIPULATIONS	4
OPERATIONS AND MAINTENANCE/ESTIMATED COSTS	7
FINANCIAL PLAN	7
CONCLUSION	10

- EXHIBIT A - Legal Description
- EXHIBIT B - Map
- EXHIBIT C - Description of Facilities and Costs
- EXHIBIT D - List of Interested Parties
- EXHIBIT E - Operations and Maintenance Cost Estimates
- EXHIBIT F - Cash Flow Forecasts and Compilation Report
- EXHIBIT G - Underwriter's Letter of Intent

SERVICE PLAN FOR THE PROPOSED
CASCADE VILLAGE METROPOLITAN DISTRICT

PURPOSE

Pursuant to the requirements of the Special District Control Act, section 32-1-101, et. seq., Colorado Revised Statutes, this Service Plan consists of a financial analysis and an engineering plan showing how the proposed facilities and services of the proposed District will be provided and financed. The following items are included in this Service Plan:

1. A description of the proposed services;
2. A financial plan showing how the proposed services are to be financed;
3. A preliminary engineering or architectural survey showing how the proposed services are to be provided;
4. A map of the proposed special district boundaries and an estimate of the population and valuation for assessment of the proposed special district;
5. A general description of the facilities to be constructed and the standards of such construction, including a statement of how the facility and service standards of the proposed special district are compatible with facility and service standards of any county within which all or any portion of the proposed special district is to be located, and of municipalities and special districts which are interested parties pursuant to section 32-1-204(1), Colorado Revised Statutes;
6. A general description of the estimated cost of acquiring land, engineering services, legal services, administrative services, initial proposed indebtedness and estimated proposed maximum interest rates and discounts, and other major expenses related to the organization and initial operation of the district;
7. A description of any arrangement or proposed agreement with any political subdivision for the performance of any services between the proposed special district and such other political subdivision and, if the form contract to be used is available, it shall be attached to this Service Plan.

DESCRIPTION OF PROPOSED SERVICES

The District intends to provide for the acquisition, construction, completion, installation and/or operation and maintenance of street improvements, both onsite or offsite, which may include curbs, gutters, culverts, and other drainage facilities, sidewalks, bridges, overpasses, interchanges, median islands, parking facilities, paving, lighting, grading, landscaping, irrigation, and other street improvements, together with all necessary, incidental, and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities within and without the boundaries of the District.

The District also intends to provide for the acquisition, construction, completion, installation and/or operation and maintenance of a system to transport the public by bus, rail, or any other means of conveyance, or combination thereof, or pursuant to contract, including ski lifts, buses, park and ride facilities, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities or systems within and without the boundaries of the District.

The District also intends to provide for the acquisition, construction, completion, installation and/or operation and maintenance of a local sanitation system to include storm, flood and surface drainage works and facilities, including detention/retention ponds and associated irrigation facilities to control surface drainage, removal of debris, and all necessary, incidental, and appurtenant facilities, land and easements, together with extensions of and improvements to said system within and without the boundaries of the District.

PROPOSED DISTRICT BOUNDARIES/MAP

The area to be served by the proposed District is located in the Town of Vail generally south of Interstate 70, west of Lionshead, in an area generally known as Cascade Village. A legal description of the proposed District is attached hereto as Exhibit A. A map of the boundaries of the proposed District is attached as Exhibit B. The total area to be included in the proposed District is approximately 87 acres.

PROPOSED LAND USE/POPULATION PROJECTIONS

At present, property within the District is zoned to allow for office, hotel and retail uses as well as single and multi-family units. The property is currently developed for such uses, and additional development along these same lines is

anticipated. The property is not presently served with the facilities and/or services proposed to be provided by the District, nor does the Town or any other special district have any plans to provide such service within a reasonable time and on a comparable basis. Current peak daytime population in winter is estimated at 672 persons, allowing for 3.2 persons per residential unit, 1.7 persons per hotel unit and 1 person for every 250 square feet of retail/office/restaurant space. Given anticipated future development, this could increase to an estimated 1,725 persons. In order to assure continued and adequate management of resort traffic in the area, organized provision of facilities and services proposed to be provided by the District will be necessary.

ASSESSED VALUATION

The assessed valuation of the property to be included within the proposed District as of January 1, 1985 is approximately \$5,195,000. The projected assessed valuation of the property to be included within the proposed District, based upon the land use expectations heretofore noted, is included in the financial section of this Service Plan.

FACILITIES TO BE CONSTRUCTED AND/OR ACQUIRED

The District proposes to provide and/or acquire those facilities generally described on pages 2 and 3 herein. A general description, preliminary engineering survey and sample cross section, as appropriate, of the facilities to be constructed and/or acquired are shown on Exhibit C.

STANDARDS OF CONSTRUCTION/STATEMENT OF COMPATIBILITY

All street facilities to be dedicated to the Town of Vail will be constructed in accordance with the standards and specifications of the Town of Vail, and shall be subject to dedication and acceptance policies of the Town before such facilities shall be maintained by the Town. All other such facilities will be constructed in accordance with engineering and design requirements appropriate for the surrounding terrain, which shall not be incompatible with standards of Town of Vail, the Colorado Department of Highways, or other local public entities.

All street-related storm sewers and related drainage facilities will be constructed in accordance with the standards and specifications the Colorado Department of Highways, Town of Vail and other local jurisdictions, as appropriate.

The transportation facilities, consisting of a chairlift, shall be designed and constructed in accordance with all applicable national, state and local standards, standards of the Colorado Passenger Tramway Safety Board, and in accordance with generally-accepted industry standards.

The sanitation facilities, including specifically storm, flood and surface drainage, will be designed, constructed and maintained in accordance with the standards of the Colorado Department of Health, Town of Vail and other applicable local, state or federal rules and regulations.

Based on an analysis of jurisdictions which are interested parties in the Service Plan proceedings according to the Colorado statutes, the engineers of the proposed District's Facilities have determined that the standards by which the facilities are to be constructed are compatible with the facilities of such other jurisdictions, a list of which is attached as Exhibit D.

ESTIMATED COSTS OF FACILITIES

The estimated costs of the facilities to be constructed, installed and/or acquired by the proposed District are set forth in Exhibit C attached hereto. Exhibit C includes a map, a display of typical cross sections, and a table of estimated costs for each type of service or facility to be provided by the District. The phasing of these improvements will be consistent with the usage requirements of resort traffic originating from existing and proposed development.

CONDITIONS TO ORGANIZATION/TOWN STIPULATIONS

The organization of the proposed District is conditioned upon the following stipulations regarding its activities, which stipulations are to be contained in the Resolution of the Town approving the District, and in the Order and Decree of the District Court creating the District:

1. That the plans and specifications for improvements authorized to be provided by the District pursuant to its Service Plan shall be subject to the review and approval of the Town of Vail, pursuant to the then-applicable rules and regulations of the Town for review of the type of improvement to be provided. The District acknowledges that the property within the District's boundaries is subject to the Town's planning and zoning ordinances and regulations, and that necessary approvals and permits required thereunder in connection with provision of District improvements will be obtained.

2. That the District shall obtain all necessary permits and pay all prescribed fees associated with any and all improvements to be made.

3. That all improvements constructed by the District shall be designed, constructed, and warranted in accordance with the standards and specifications of the Town of Vail, and/or the Colorado Department of Health, Colorado Department of Highways, Colorado Passenger Tramway Safety Board, as appropriate to the improvement to be provided.

4. That the District shall not assume any operations and/or maintenance activities with the respect to the improvements authorized by the Service Plan without the prior approval of the Town of Vail. In this regard, the District shall be authorized to enter into an agreement with Vail Associates Inc. by which Vail Associates Inc. would operate and maintain the chairlift to be constructed by the District. The Town shall have the right to review and approve said Agreement.

5. That the District shall not, without the prior approval of the Town of Vail, be authorized, nor shall seek authorization, to provide improvements other than those described in the Exhibits to its Service Plan, nor shall it be authorized to engage in any activity, purpose or provide any service, other than as identified in its Service Plan. In this regard, the approval of the Town of the organization of the District is based upon the District undertaking to exercise only those powers, and only for the provision of the improvements, as are described herein. In this regard, the District shall not undertake provision of public transport facilities or services, other than the provision and operation of the chairlift authorized to be constructed by the District, unless the prior consent of the Town is obtained.

6. That the Town of Vail shall not incur any expense in the formation or operation of the proposed District or its retirement of capital obligations and further that the District shall indemnify and save harmless the Town from any loss, claim, damage, tax, penalty liability, disbursement, litigation expenses and court costs arising out of, or related to, the issuance or sale of bonds of the District, or District operations, except those resulting from the Town's negligence or willful or intentional misconduct.

7. That the District shall not seek any inclusion or exclusion of property from its boundaries, shall not seek consolidation with other jurisdictions, or dissolution of the District prior to satisfaction of outstanding indebtedness, without the prior approval of the Town.

8. That the District shall not, without the prior approval of the Town of Vail, seek authorization from its electors to incur indebtedness for amounts greater than that identified in the Service Plan as the amount of authorization to be sought from the electors of the District to fund the costs of the improvements, which amount shall include completion, construction, acquisition and/or installation of the proposed facilities, plus contingencies, inflation, design and construction engineering, construction management, organizational costs, other capitalized expenses including accounting, legal and engineering fees, debt issuance costs, capitalized interest, reserve funds, and other incidental and related costs.

9. That the District shall not seek to refund any indebtedness without the prior approval of the Town.

10. That the District shall not undertake replacement of the chairlift authorized to be constructed by the District, without the prior approval of the Town.

11. That the Town shall, to the extent reasonably necessary to protect itself from liability on account of District operations, be named as a co-insured on insurance policies of the District. In this regard, the District shall obtain such insurance or other risk protection - which may include being named as a co-insured on policies of Vail Associates, Inc. - with respect to operation of the chairlift, as may be available to insure against risk of loss or liability on account of District operations.

12. That the District shall provide annual status reports to the Town with respect to its operations, as required by title 32, Colorado Revised Statutes, and otherwise shall provide the Town with such periodic status reports on District operations as the Town may reasonably request.

13. That the District shall be dissolved pursuant to the then-applicable Colorado laws after provision of the improvements authorized to be provided by the District, upon the payment, discharge and satisfaction of all indebtedness and obligations of the District, or at such time as operation of the chairlift to be provided by the District permanently ceases to operate; provided, however, that the Town shall have such rights to initiate dissolution of the District prior to this time as may then be available under applicable Colorado laws.

To the extent dissolution of the District is initiated without satisfaction of outstanding District indebtedness or obligations, a Plan for Dissolution shall be prepared pursuant to Section 32-1-702, Colorado Revised Statutes, for review and approval by the Town which provides for the satisfaction of

such indebtedness or obligations. With respect to any request by the Town for dissolution of the District upon the occurrence of the above conditions, to the extent such dissolution may be achieved without an election within the District, the District shall, to the extent such procedure may be initiated in the discretion of the Board of Directors of the District, undertake dissolution in such manner.

14. That the District shall in addition to other notices required under Title 32, Colorado Revised Statutes, mail notice to the qualified electors and property owners within the proposed boundaries of the District, of the date, time, and place of the election, the qualifications to vote in such election, and stating that if the organization of the District is approved, the property taxes of property owners within the District could increase by up to thirty percent over present levels.

OPERATION AND MAINTENANCE/ESTIMATED COSTS

Subject to a one-year warranty, the proposed District intends to dedicate certain facilities to the appropriate jurisdiction for operations and maintenance. Certain facilities may be owned, operated and/or maintained by the District itself or through independent contractors, pursuant to approvals being obtained from the appropriate jurisdiction(s). In particular, the District intends to enter into an Operating Agreement with Vail Associates, Inc. by which Vail Associates, Inc. would operate and maintain the chairlift to be constructed by the proposed District, and which provides for an allocation of the payment of such costs by the parties. Estimated costs for the first five years of operation and maintenance functions are shown on Exhibit E. Additional operation and maintenance expenses may be incurred beyond five years, for which the District would also provide funding.

In addition, the proposed District intends to enter into contract with a third-party lender, by which certain operations and maintenance expenses incurred during the initial years of operations would be advanced by such lender, and repaid subsequently by the District. Other aspects of this proposed agreement are discussed in the section entitled "FINANCIAL PLAN".

FINANCIAL PLAN

Introduction

The following is a financial plan showing how the proposed facilities and/or services are to be financed, including the estimated costs of acquiring land, engineering services, legal services, administrative services, initial

proposed indebtedness and estimated proposed maximum interest rates and discounts, and other major expenses related to the organization and initial operation of the District. The financial plan demonstrates that, at the projected level of development, the proposed District will have the financial ability to discharge the proposed indebtedness on a reasonable basis.

General

Based upon consultation with the engineering, legal and financial advisors to this proposed District, it has been decided that the provision of facilities by the District will be primarily financed by the issuance of General Obligation bonds, secured by the unlimited ad valorem taxing authority of the District. Pursuant to section 32-1-1101, C.R.S., such bonds would mature not more than twenty years from the date of issuance, with the first maturity being not later than three years from the date of their issuance. The proposed maximum voted interest rate is estimated at 18% and the maximum discount at 5%. The exact interest rates and discounts will be determined at the time the bonds are sold by the District, and will reflect market conditions at the time of sale. The proposed District also intends to incur certain contractual general obligation indebtedness as discussed further herein, which shall be subject to the above maturity requirements and interest and discount rates. The proposed District may also issue revenue bonds, notes, certificates, debentures or other evidences of indebtedness.

In addition to General Obligation Bonds, the proposed District intends to fund certain operations and maintenance expenses pursuant to an agreement between the District and a third-party lender which would be a contractual indebtedness of the District. Under this agreement, which would be executed following formation of the District, the District would repay advances made by the third-party lender for operating and maintenance expenses, through imposition of debt service mill levy as set forth in the Financial Plan.

It is proposed that a total of \$2,200,000 of General Obligation bonds and contractual indebtedness for various purposes be submitted to the electors of the proposed District for their approval at an election called for such purpose. The amount to be voted exceeds the amount of bonds or contractual indebtedness to be sold or incurred, as shown in the attached schedules, to allow for unforeseen contingencies and increases in construction costs due to inflation, and to cover all issuance costs, including capitalized interest, reserve funds, discounts, legal fees and other incidental costs of issuance. The bonds and/or contractual indebtedness will contain adequate call provisions to allow for the prior redemption or refinancing of bonds sold by the proposed District.

The proposed District will have a mill levy assessed on all taxable property in the District as a primary source of revenue. Although this mill levy may vary depending upon the elected board's decision to fund the projects contemplated in the Service Plan, it is estimated at a level ranging from 26 to 29 mills, which includes an operating mill levy as well, throughout the bond repayment period. In addition, the proposed District may capitalize interest to permit payment of interest during the time lapse between development of taxable properties and the collection of tax levies therefrom. Interest income through the reinvestment of construction funds, capitalized interest and annual tax receipts will provide additional funds. These revenue sources should be sufficient to retire the proposed indebtedness if growth occurs within the range forecasted in the financial plan; otherwise, increases in the mill levy and/or the imposition of new and/or greater rates, tolls, fees and charges may be necessary.

Cost Summary and Bond Development

The following schedules reflect the amount of bonds to be sold or other contractual indebtedness to be issued to finance the completion, construction, acquisition and/or installation of the proposed facilities, including all costs and expenses related to the bond issuance. The amount of bonds sold and contractual indebtedness incurred will be based upon final engineering estimates and/or actual construction contracts. Organizational costs, including legal fees, and capitalized engineering costs, are to be paid from the proceeds of the first bond issue. The Financial Plan assumes an interest rate of 10% for the calculations pertaining to the projected bond issues and contractual indebtedness.

Projections of Assessed Valuation

For purposes of developing this Financial Plan, it was assumed that living units and commercial development within the proposed District would be assessed at various percentages depending upon the year of construction. It is also assumed that the assessed valuation will be realized one year after construction and that tax collections will be realized two years after initial construction.

Cash Flow Forecast

The cash flow forecast projects two ranges of real estate activity and is based upon estimates of construction and project needs for bond proceeds to finance the proposed District's improvements. The cash flow forecast indicates the best estimate of growth within the proposed District and allows the Board of Directors a measure of flexibility such that the District need not incur debt in excess of what it needs to meet a growing population's demands for facilities and services.

Operations

Annual administrative, operational and maintenance expenses are estimated for the first five years as shown in Exhibit E. The Financial Plan projects additional operations and maintenance costs beyond five years, which costs assume that no further operations costs associated with the chairlift to be constructed by the District will be incurred. To the extent additional costs for chairlift operations are incurred, the District will provide necessary funding from available sources including through its operations mill levy. The Financial Plan projects that a total mill levy ranging between 26 and 29 mills for both operations and debt service, together with loans by a third-party lender pursuant to an agreement to be executed by the District with such lender following formation, would be sufficient to meet these expenses. If necessary, however, the proposed District reserves the right to supplement ad valorem tax revenue and developer contributions with additional revenue sources, such as rates, tolls, fees, charges, earned interest from District investments.

CONCLUSION

It is submitted that this Service Plan for the proposed Cascade Village Metropolitan District as required by Section 32-1-201, et. seq., C.R.S., establishes that:

(a) There is sufficient existing and projected need for organized service in the area to be serviced by the proposed District;

(b) The existing service in the area to be served by the proposed District is inadequate for present and projected needs;

(c) The proposed District is capable of providing economical and sufficient service to the area within its proposed boundaries;

(d) The area to be included in the proposed District does have, and will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.

EXHIBIT A

Legal Description of the Proposed District

EXHIBIT "A"

KOELBEL PROPERTY
DEVELOPMENT AREA AVail-Rose

12.370 acres

A part of the SW 1/4 NE 1/4 of Section 12, Township 5 South, Range 81 West of the 6th P.M., described as follows:

Beginning at a point on the West line of said SW 1/4 NE 1/4 from which the North one-quarter corner of said Section bears North 0°15' East 2269.48 feet; thence North 0°15' East, along said West Line, 152.36 feet to a point on the Southeasterly right of way line of U.S. Highway No. 6; thence, along said Southeasterly right of way line, as follows:

North 52°27' East, 102.31 feet;
North 49°20' East, 519.57 feet; and
North 48°13' East, 549.09 feet, more or less, to a point on the North line of said SW 1/4 NE 1/4; thence North 88°33' East, along the North line of said SW 1/4 NE, 368 feet, more or less, to a point on the centerline of Gore Creek; thence, along the centerline of Gore Creek, as follows:

South 36°49' West, 101.04 feet;
South 18°21' West, 54.08 feet;
South 1°24' West, 205.02 feet;
South 12°10' West, 110.25 feet; and
South 28°41' West, 242.35 feet, thence South 75°15' West, 1064.10 feet to the point of beginning.

Rose Parcel

3.190 acres

A tract of land situated in the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 12, TP 5 S., R. 81 W., of the 6th P.M., lying Southerly of that certain tract of land described in Book 199, Page 197, Northerly and Westerly of the center line of Gore Creek, and lying Northerly and Easterly of those certain tracts described in Book 211 at Page 106, Book 211 at Page 108 and Book 215 at Page 365, described as follows:

Beginning at a point on the North-South center line of said Section 12 whence the North quarter corner of said Section 12 bears N. 00°15' E. 2269.48 feet;
thence N. 75°15' E. 346.26 feet to the true point of beginning, said point being on the South line of that tract described in Book 199, Page 197 and which bears S. 08°26' E. 2205.34 feet from the North quarter corner of said Section 12;
thence N. 75°15' E. 717.84 feet along the Southerly line of that tract described in Book 199, Page 197 to the center of Gore Creek;
thence S. 28°41' W. 130.61 feet along the center line of said Creek;
thence S. 05°24'30" E. 104.50 feet along the center line of said Creek;
thence S. 49°29' W. 95.50 feet along the center line of said Creek;
thence S. 22°34' W. 124.47 feet along the center line of said Creek;
thence S. 54°00' W. 119.34 feet along the center line of said Creek; to the Southeast corner of that certain tract of land described in Book 211, Page 108;
thence N. 33°16'30" W. 140.12 feet along the Easterly line of that tract described in Book 211 at page 108;
thence N. 57°42'30" W. 169.88 feet along the Northeasterly line of that tract described in Book 211 at page 108;
thence N. 86°02'30" W. 162.92 feet along the Northerly line of those tracts described in Book 211 at Page 108 Book 211 at Page 106 to a point;
thence N. 32°57'30" W. 76.08 feet along the Northeasterly line of that tract described in Book 215 at Page 365, to the point of beginning.

Heede Parcel

1.260 acres

County of Eagle and State of Colorado, to wit:
A tract of land situated in the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 12, Township 5 South, Range 81 West of the 6th Principal Meridian, described as follows: Beginning at a point on the North-South center line of said Section 12 whence the North Quarter Corner of said Section 12 bears North 00 degs. 15 mins. East 2269.48 feet; thence North 75 degs. 15 mins. East 346.26 feet; thence South 32 degs. 57 mins. 30 secs. East 76.08 feet; thence South 11 degs. 00 mins. 30 secs. West 279.99 feet to a point in the center of Gore Creek; thence North 50 degs. 32 mins. West 111.31 feet along the center line of said creek; thence North 38 degs. 40 mins. West 239.09 feet along the center line of said creek; thence South 76 degs. 35 mins. West 89.91 feet along the center line of said creek to a point on the North-South center line of said Section 12; thence North 00 degs. 15 mins. East 13.95 feet along the North-South center line of said Section 12 to the point of beginning.

Total

16.820 acres

GORE CREEK ASSOCIATES PROPERTY
DEVELOPMENT AREAS B, C & D

80.700 acres

Legal Description

All that part of Section 12, Township 5 South, Range 81 West of the 6th P.M., described as follows:

All that part of the N $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 12, lying Southerly of the Southerly right-of-way line of U.S. Highway No. 6 and Northerly of the Southerly line of said N $\frac{1}{4}$ NE $\frac{1}{4}$, as shown on the plat on file in the office of the Eagle County Clerk and Recorder as Document No. 97489, described as follows:
Beginning at the highway survey monument at the intersection of the Southerly line of said highway and the Easterly line of said N $\frac{1}{4}$ NE $\frac{1}{4}$, whence the Northeast corner of said Section 12 bears North 0 $^{\circ}$ 03' West 634.785 feet;
thence South 73 $^{\circ}$ 26'30" West 1112.13 feet along the Southerly right of way line of said highway;
thence South 70 $^{\circ}$ 34' West 125.10 feet along the Southerly right of way line of said highway;
thence South 69 $^{\circ}$ 25' West 100.00 feet along the Southerly right of way line of said highway;
thence South 65 $^{\circ}$ 50' West 100.00 feet along the Southerly line of said highway;
thence South 62 $^{\circ}$ 15' West 100.00 feet along the Southerly right of way line of said highway;
thence South 58 $^{\circ}$ 40' West 100.00 feet along the Southerly right of way line of said highway;
thence South 55 $^{\circ}$ 05' West 100.00 feet along the Southerly right of way line of said highway;
thence South 51 $^{\circ}$ 32' West 100.00 feet along the Southerly right of way line of said highway;
thence South 47 $^{\circ}$ 57' West 232.58 feet along the Southerly right of way line of said highway to a point on the Southerly line of said N $\frac{1}{4}$ NE $\frac{1}{4}$;
thence North 88 $^{\circ}$ 33' East 497.67 feet along the Southerly line of said N $\frac{1}{4}$ NE $\frac{1}{4}$ to the center of the NE $\frac{1}{4}$ of said Section 12;
thence North 88 $^{\circ}$ 33' East 1379.35 feet along the Southerly line of said N $\frac{1}{4}$ NE $\frac{1}{4}$ to the Southeast corner of said N $\frac{1}{4}$ NE $\frac{1}{4}$;
thence North 0 $^{\circ}$ 03' West 760.95 feet along the Easterly line of said N $\frac{1}{4}$ NE $\frac{1}{4}$ to its intersection with the Southerly line of said highway, the point of beginning,

CONTINUED

AND

All that part of the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 12, lying Southerly of the center of Gore Creek as shown on the plat on file in the office of the Eagle County Clerk and Recorder as Document No. 97489, described as follows:

Beginning at the Northeast corner of said SW $\frac{1}{4}$ NE $\frac{1}{4}$;
thence South 88 $^{\circ}$ 33' West 131.67 feet to a point in the center of said Creek;
thence South 40 $^{\circ}$ 09' West 94.04 feet along the center of said Creek;
thence South 18 $^{\circ}$ 21' West 54.08 feet along the center of said Creek;
thence South 1 $^{\circ}$ 24' West 205.02 feet along the center of said Creek;
thence South 12 $^{\circ}$ 10' West 110.25 feet along the center of said Creek;
thence South 28 $^{\circ}$ 41' West 320.00 feet;
thence South 5 $^{\circ}$ 24'30" East, 170.00 feet along the center of said creek;
thence South 27 $^{\circ}$ 00'02" West 85.24 feet along the center of said creek;
thence South 54 $^{\circ}$ 00' West 259.34 feet along the center of said creek;
thence South 65 $^{\circ}$ 34' West 109.62 feet along the center of said creek;
thence South 69 $^{\circ}$ 04' West 186.13 feet along the center of said creek;
thence South 85 $^{\circ}$ 25' West 68.88 feet along the center of said creek;
thence North 77 $^{\circ}$ 36' West 26.96 feet along the center of said creek;
thence North 50 $^{\circ}$ 32' West 199.19 feet along the center of said creek;
thence North 38 $^{\circ}$ 40' West 239.09 feet along the center of said creek;
thence South 76 $^{\circ}$ 35' West 89.91 feet along the center of said creek;
to a point on the Westerly line of said SW $\frac{1}{4}$ NE $\frac{1}{4}$;
thence South 0 $^{\circ}$ 15' West 461.90 feet to the center of said Section 12;
thence North 89.02' East 1382.65 feet along the Southerly line of said SW $\frac{1}{4}$ NE $\frac{1}{4}$ to the Southeast corner of said SW $\frac{1}{4}$ NE $\frac{1}{4}$;
thence North 0 $^{\circ}$ 06' East 1384.32 feet along the Easterly line of said SW $\frac{1}{4}$ NE $\frac{1}{4}$ to the Northeast corner of said SW $\frac{1}{4}$ NE $\frac{1}{4}$, the point of beginning,

AND

The NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 12, Township 5 South, Range 81 West of the 6th P.M.;

AND

All that part of the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 12, Township 5 South, Range 81 West of the 6th P.M., lying Southerly of the Southerly right of way line of U.S. Highway No. 6, as shown on the plat on file in the office of the Eagle County Clerk and Recorder as Document No. 97489, described as follows:

Beginning at the Southeast corner of said SE $\frac{1}{4}$ NW $\frac{1}{4}$;
thence South 89 $^{\circ}$ 02' West 836.95 feet along the Southerly line of said SE $\frac{1}{4}$ NW $\frac{1}{4}$ to a point on the Southerly right of way line of said highway;
thence North 52 $^{\circ}$ 35' East 1057.07 feet along the Southerly right of way line of said highway to a point on the Easterly line of said SE $\frac{1}{4}$ NW $\frac{1}{4}$;
thence South 0 $^{\circ}$ 15' West 628.21 feet along the Easterly line of said SE $\frac{1}{4}$ NW $\frac{1}{4}$ to the Southeast corner of said SE $\frac{1}{4}$ NW $\frac{1}{4}$, the point of beginning;

EXCEPT THE FOLLOWING:

that part described in Book 188 at page 545;

that part described in Book 191 at page 241;

that part described in Book 203 at page 231;

CONTINUED

that part described in Book 203 at page 531;

that certain island adjacent to the above-described property, and located in the middle of Gore Creek, which the parties intend to exclude from this transaction;

County of Eagle,
State of Colorado

ALSO THE FOLLOWING PARCEL FORMERLY KNOWN AS THE "COSGRIFF PARCEL"

A tract of land situated in the SW 1/4 NE 1/4 of Section 12, Township 5 South, Range 81 West of the 6th Principal Meridian, lying Northwesterly of the center line of Gore Creek described as follows:

Beginning at a point whence the North Quarter Corner of said Section 12 bears N. 11°03' W. 2292.72 feet; thence S. 86°02'30" E. 89.50 feet; thence S. 54°42'30" E. 169.88 feet; thence S. 33°16'30" E. 140.12 feet to a point in the center of said creek; thence S. 65°34' W. 109.62 feet along the center line of said creek; thence S. 69°04' W. 90.78 feet along the center line of said creek; thence N. 23°12'30" W. 317.54 feet to the point of beginning, containing 1.05 acres, more or less.

ALSO DESCRIBED

Beginning at a point whence the North Quarter Corner of said Section 12 bears N. 11°03' W. 2292.72 feet; thence S. 85°43'14" E. 89.84 feet; thence S. 57°25'30" E. 169.46 feet; thence S. 32°59'30" E. 141.47 feet to a point in the center of said creek; thence S. 65°31'36" W. 109.62 feet along the center line of said creek; thence S. 69°01'36" W. 103.02 feet along the center line of said creek; thence N. 23°24'09" W. 319.09 feet to the point of beginning.

TOGETHER WITH an easement as described in Document recorded August 5, 1980 in Book 306 at Page 443 and recorded in Book 307 at Page 80 of the Eagle County records.

ALSO including all water and well rights appurtenant to the above described property, including without limitation, Well Permit No. 94702, water rights decreed in Civil action No. 2375 in Eagle County District Court, and all that portion of water rights decreed in Case No. 80 CW 410, Water Division No. 5, (Core No. 1 Well - 0.05 cfs)

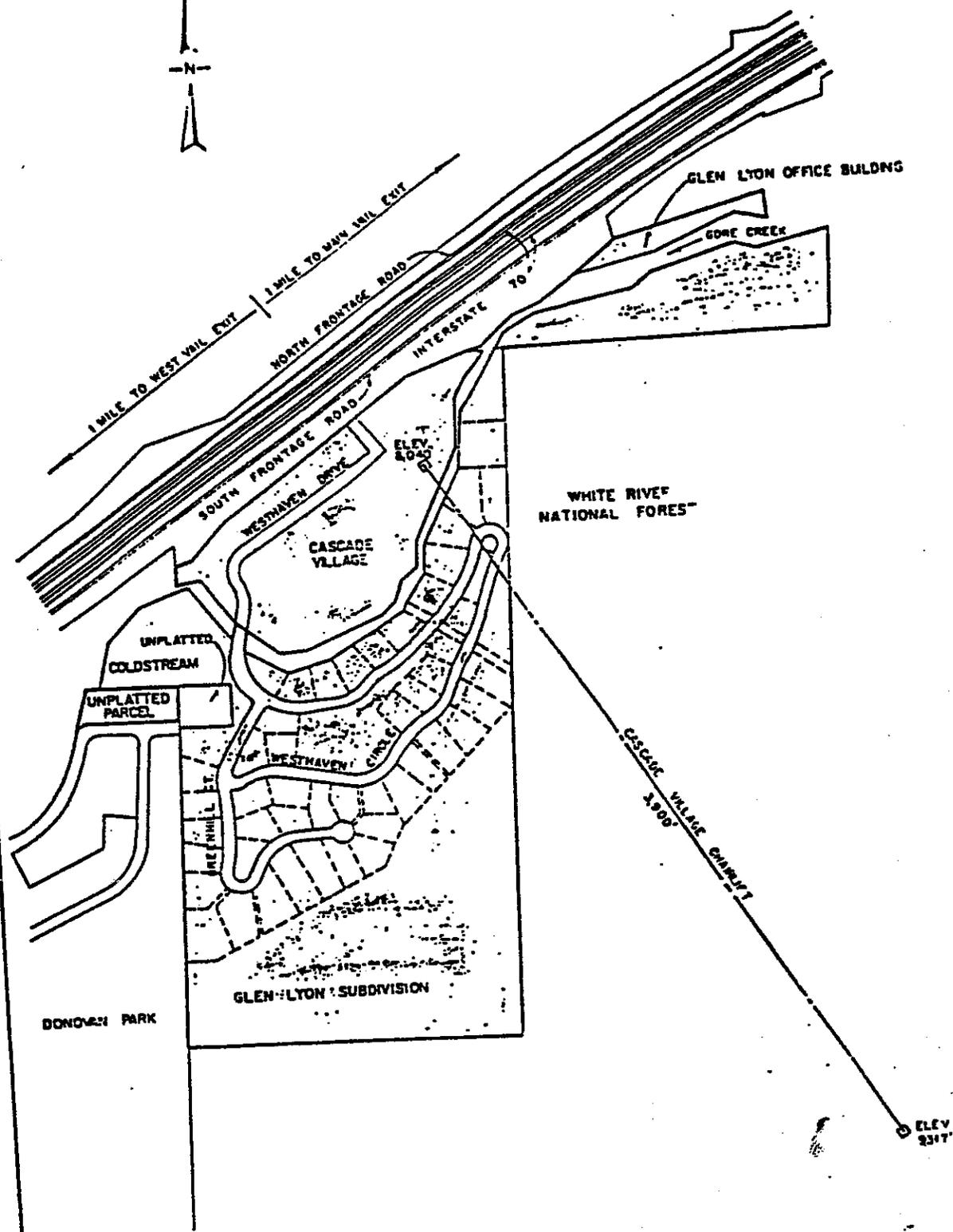
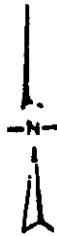
A part of the Northeast Quarter Southwest Quarter of Section 12, Township 5 South, Range 81 West of the 6th Principal Meridian, described as follows:

Beginning at the center of said Section 12; thence S 0°15'00" W, along the east line of said Northeast Quarter Southwest Quarter, 162 feet to a point on the north line of a tract described in Book 189 at Page 591; thence along said north line S 88°59'31" W 353.7 feet; thence southwesterly along a curve to the left whose radius is 78.93 feet, and whose chord bears S 52°25'32" W 94.05 feet, an arc distance of 100.74 feet; thence N 10°05'39" E 222.12 feet to a point on the north line of said Northeast Quarter Southwest Quarter; thence N 38°59'31" E along the north line of said Northeast Quarter Southwest Quarter 390 feet, more or less, to a point of beginning, Eagle County, Colorado.

Unplatted parcel added to Cascade Metropolitan District
(copied from Land Title Policy No. B1672770)

EXHIBIT B

Map



CASCADE VILLAGE METROPOLITAN DISTRICT

EXHIBIT C

Description of Facilities and Costs*

COST SUMMARY

The total capital facilities costs are summarized as follows and are described in further detail in subsequent pages:

Street System	-	\$ 131,000
Transportation	-	\$ 944,000
Sanitation & Drainage	-	<u>\$ 100,000**</u>
TOTAL		\$1,175,000

*These amounts include completion, construction, acquisition and/or installation of the proposed facilities, plus contingencies, inflation, design and construction engineering and other capitalized engineering costs.

**Specific cost estimates for sanitation and drainage facilities are subject to development by the Board of Directors of the District following completion of feasibility studies to be performed after formation.

STREET SYSTEM COSTS

Engineering	\$ 7,500
Planning and Analysis	3,500
Surveying	3,500
Miscellaneous Relocation	5,500
Construction/Signage/Painting	<u>110,000</u>
	<u>\$131,000</u>

STREET SYSTEM FACILITIES MAP

SANITATION & DRAINAGE SYSTEM COSTS

Cost estimates for sanitation and drainage facilities are subject to development by the Board of Directors of the District following completion of feasibility studies to be performed after formation.

SANITATION & DRAINAGE FACILITIES MAP

Facilities Maps for sanitation and drainage facilities are subject to development by the Board of Directors of the District following completion of feasibility studies to be performed after formation.

SANITATION & DRAINAGE TYPICAL CROSS SECTIONS

Cross sections for sanitation and drainage facilities are subject to development by the Board of Directors of the District following completion of feasibility studies to be performed after formation.

EXHIBIT D

List of Interested Parties

**Eagle County
Upper Eagle Valley Sanitation District
Colorado River Conservancy District
Vail Water District
Vail Valley Consolidated Water District
Eagle County Emergency Hospital District
RE 50-J School District
Town of Vail
Vail Metropolitan Recreation District
Town of Minturn
Lionsridge Water District
Vail West Water and Sanitation District
Vail Intermountain Water District**

EXHIBIT E

Operations and Maintenance
Five Year Cost Estimates

<u>Expenses*</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>
Electricity	\$ 15,000	\$ 15,900	\$ 16,854	\$ 17,865	\$ 18,937
Operations	95,000	97,226	100,322	110,154	116,264
Parts		8,000	8,480	8,989	9,528
Adminis- tration	<u>3,000</u>	<u>10,000</u>	<u>10,825</u>	<u>11,165</u>	<u>11,520</u>
TOTAL	\$113,000	\$131,126	\$136,481	\$148,173	\$156,249

* Certain of these expenses will be funded through an agreement between the proposed District and Vail Ventures, Inc., a developer of property within the District. See discussion in the section entitled "FINANCIAL PLAN."

EXHIBIT F

**Cash Flow Forecasts and
Compilation Report**

PROPOSED CASCADE VILLAGE METROPOLITAN DISTRICT

CASH FLOW FORECASTS

FOR THE YEARS ENDING DECEMBER 31, 1986 THROUGH 2000

December 12, 1985

PROPOSED CASCADE VILLAGE METROPOLITAN DISTRICT
 CASH FLOW FORECASTS
 FOR THE YEARS ENDING DECEMBER 31, 1986 THROUGH 2000

TABLE OF CONTENTS

	Page
ACCOUNTANT'S COMPILATION REPORT	1
CASH FLOW FORECASTS FOR THE YEARS ENDING DECEMBER 31, 1986 THROUGH 2000	
SCHEDULE I Combined Debt Service Fund and Capital Projects Fund - Range A Rate of Real Estate Buildout	1
SCHEDULE II Operating Funds - Range A Rate of Real Estate Buildout	2
SCHEDULE III Combined Debt Service Fund and Capital Projects Fund - Range B Rate of Real Estate Buildout	3
SCHEDULE IV Operating Funds - Range B Rate of Real Estate Buildout	4
SUMMARY OF SIGNIFICANT ASSUMPTIONS	5
APPENDIX A Forecasted Range A Rate of Real Estate Buildout	8
APPENDIX A-1 Forecasted Range B Rate of Real Estate Buildout	9
APPENDIX B Forecasted Assessed Valuation and Property Tax Revenues - Range A Buildout	10
APPENDIX B-a Forecasted Assessed Valuation and Property Tax Revenues - Range B Buildout	11
APPENDIX B-1 Forecasted Assessed Valuation - Glen Lyon Residential Living Units - Ranges A and B Buildout	12
APPENDIX B-2 Forecasted Assessed Valuation - Other Residential Living Units - Range A Buildout	13
APPENDIX B-2a Forecasted Assessed Valuation - Other Residential Living Units - Range B Buildout	14
APPENDIX B-3 Forecasted Assessed Valuation - Hotel Rooms Ranges A and B Buildout	15
APPENDIX B-4 Forecasted Assessed Valuation - Retail Square Feet Range A Buildout	16
APPENDIX B-4a Forecasted Assessed Valuation - Retail Square Feet Range B Buildout	17

APPENDIX B-5	Forecasted Assessed Valuation - Parking Structure Ranges A and B Buildout	18
APPENDIX B-6	Forecasted Assessed Valuation - Conference Center Ranges A and B Buildout	19
APPENDIX B-7	Forecasted Assessed Valuation - Tennis Courts Ranges A and B Buildout	20
APPENDIX B-8	Forecasted Assessed Valuation - Athletic Club Ranges A and B Buildout	21
APPENDIX C	Forecasted Capital Improvement Costs and Financing Requirements - Ranges A and B Buildout	22
APPENDIX D	Forecasted Debt Service Requirements - Ranges A and B Buildout	23
APPENDIX E	Forecasted Operating Expenditures - Ranges A and B Buildout	24

Stanley F. Bernstein, Inc.

Certified Public Accountant

Member:
American Institute of CPA's
Colorado Society of CPA's

Mr. Andrew Norris
Vail Ventures, Ltd.
1000 South Frontage Road West, #200
Vail, Colorado 81657

Dear Mr. Norris:

We have compiled the accompanying Cash Flow Forecasts (the "Forecasts") for the proposed Cascade Village Metropolitan District (the "District") for the years ending December 31, 1986 through 2000 in accordance with standards established by the American Institute of Certified Public Accountants.

The Forecasts are intended to be used by Vail Ventures, Ltd., to demonstrate to municipal bond underwriters, governing bodies, and others that the proposed District could have the financial capability to function as an independent entity on a reasonable basis.

As described in the Summary of Significant Assumptions, Vail Ventures, Ltd., has elected to portray the accompanying Forecasts based upon its expectations of a range of real estate buildout rather than as a single rate of real estate buildout within the boundaries of the District. Accordingly, the accompanying Forecasts present the District's forecasted cash flow based upon two ranges (Range A and Range B) of real estate buildout within the District's boundaries. To the best of Vail Ventures, Ltd., knowledge and belief, the actual rate of real estate buildout within the boundaries of the District is expected to be within the ranges shown; however, there can be no assurance that it will.

The accompanying Forecasts are limited to presenting the District's forecasted cash flows based upon information that is the representation of Vail Ventures, Ltd., and did not include evaluation of the support for the key assumptions (i.e., the rate of real estate buildout within the District's boundaries) underlying the Forecasts. We have not examined the Forecasts and, accordingly, do not express an opinion or any other form of assurance on them or on the key assumptions underlying the Forecasts. Furthermore, there will usually be differences between forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

Vail Ventures, Ltd., has elected to not present forecasted Balance Sheets, and Statements of Revenue, Expenditures, and Changes in Fund Balances for the District; consequently the Forecasts are not presented in conformity with Generally Accepted Accounting Principles for Governmental Entities, as promulgated by the American Institute of Certified Public Accountants.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Very truly yours,

Stanley F. Bernstein, Inc.

Stanley F. Bernstein, Inc.

December 12, 1985

Denver, Colorado

SCHEDULE I
CASCADE VILLAGE METROPOLITAN DISTRICT
FORECASTED CASH FLOW - COMBINED DEBT SERVICE FUND & CAPITAL
PROJECT FUND -- NON-GAAP BUDGETARY BASIS -- BUILDOUT RANGE A
FOR THE YEARS ENDING DECEMBER 31, 1986 THROUGH 2000
(THOUSANDS OF DOLLARS)

	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
SOURCES OF FUNDS:															
Property Taxes (App. B/Note 1)	\$0	\$102	\$151	\$206	\$233	\$288	\$290	\$293	\$296	\$299	\$301	\$304	\$304	\$304	\$304
Specific Ownership Taxes (Note 1)	0	4	6	8	9	12	12	12	12	12	12	12	12	12	12
Bond Proceeds (Note 3)	1,400	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Earnings:															
Construction Funds (Note 2)	22	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capitalized Interest (Note 2)	10	13	2	0	0	0	0	0	0	0	0	0	0	0	0
Other (Note 2)	0	0	8	13	17	20	25	26	23	24	25	25	26	30	33
TOTAL SOURCES OF FUNDS	<u>1,432</u>	<u>119</u>	<u>166</u>	<u>227</u>	<u>259</u>	<u>319</u>	<u>327</u>	<u>331</u>	<u>331</u>	<u>335</u>	<u>338</u>	<u>342</u>	<u>342</u>	<u>346</u>	<u>349</u>
USES OF FUNDS:															
Capital Projects (Note 3)	1,104	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital Projects Contingency (Note 3)	22	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Costs of Issuance of Bonds (Note 3)	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Service (App. D/Note 3)	70	152	162	182	222	251	316	366	322	323	335	337	292	310	138
TOTAL USES OF FUNDS	<u>1,237</u>	<u>152</u>	<u>162</u>	<u>182</u>	<u>222</u>	<u>251</u>	<u>316</u>	<u>366</u>	<u>322</u>	<u>323</u>	<u>335</u>	<u>337</u>	<u>292</u>	<u>310</u>	<u>138</u>
EXCESS SOURCES OVER USES	<u>195</u>	<u>-33</u>	<u>4</u>	<u>45</u>	<u>37</u>	<u>68</u>	<u>11</u>	<u>-35</u>	<u>9</u>	<u>12</u>	<u>3</u>	<u>5</u>	<u>50</u>	<u>36</u>	<u>211</u>
BEGINNING FUNDS AVAILABLE - JAN 1	<u>0</u>	<u>195</u>	<u>162</u>	<u>167</u>	<u>212</u>	<u>249</u>	<u>317</u>	<u>328</u>	<u>293</u>	<u>302</u>	<u>314</u>	<u>317</u>	<u>322</u>	<u>372</u>	<u>408</u>
ENDING FUNDS AVAILABLE - DEC 31 (Note 5)	<u>\$195</u>	<u>\$162</u>	<u>\$167</u>	<u>\$212</u>	<u>\$249</u>	<u>\$317</u>	<u>\$328</u>	<u>\$293</u>	<u>\$302</u>	<u>\$314</u>	<u>\$317</u>	<u>\$322</u>	<u>\$372</u>	<u>\$408</u>	<u>\$618</u>
ANALYSIS OF ENDING FUNDS AVAILABLE:															
Unrestricted	\$0	\$94	\$167	\$212	\$249	\$317	\$328	\$293	\$302	\$314	\$317	\$322	\$372	\$408	\$618
Restricted for Capitalized Interest	195	68	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Ending Funds Available	<u>\$195</u>	<u>\$162</u>	<u>\$167</u>	<u>\$212</u>	<u>\$249</u>	<u>\$317</u>	<u>\$328</u>	<u>\$293</u>	<u>\$302</u>	<u>\$314</u>	<u>\$317</u>	<u>\$322</u>	<u>\$372</u>	<u>\$408</u>	<u>\$618</u>

(SEE THE SUMMARY OF SIGNIFICANT ASSUMPTIONS)

SCHEDULE II
 CASCADE VILLAGE METROPOLITAN DISTRICT
 FORECASTED CASH FLOW - OPERATING FUND - BUILDOUT RANGE A
 NON-GAAP BUDGETARY BASIS
 FOR THE YEARS ENDING DECEMBER 31, 1986 THROUGH 2000
 (THOUSANDS OF DOLLARS)

	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
SOURCES OF FUNDS:															
Property Taxes (App. B/Note 1)	\$0	\$31	\$45	\$62	\$70	\$18	\$18	\$18	\$18	\$18	\$18	\$19	\$19	\$19	\$19
Specific Ownership Taxes (Note 1)	0	1	2	2	3	1	1	1	1	1	1	1	1	1	1
Operating Loan (Note 3)	120	100	100	100	100	0	0	0	0	0	0	0	0	0	0
Interest Earnings (Note 2)	0	0	1	1	1	3	4	5	6	7	7	8	9	10	11
TOTAL SOURCES OF FUNDS	<u>120</u>	<u>132</u>	<u>148</u>	<u>165</u>	<u>174</u>	<u>21</u>	<u>23</u>	<u>24</u>	<u>25</u>	<u>26</u>	<u>27</u>	<u>28</u>	<u>29</u>	<u>29</u>	<u>30</u>
USES OF FUNDS:															
Operations (Note 4)	113	131	137	148	157	12	13	13	14	15	15	16	17	18	19
TOTAL USES OF FUNDS	<u>113</u>	<u>131</u>	<u>137</u>	<u>148</u>	<u>157</u>	<u>12</u>	<u>13</u>	<u>13</u>	<u>14</u>	<u>15</u>	<u>15</u>	<u>16</u>	<u>17</u>	<u>18</u>	<u>19</u>
EXCESS SOURCES OVER USES	<u>7</u>	<u>1</u>	<u>11</u>	<u>17</u>	<u>17</u>	<u>9</u>	<u>10</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>11</u>	<u>11</u>
BEGINNING FUNDS AVAILABLE - JAN 1	<u>0</u>	<u>7</u>	<u>8</u>	<u>18</u>	<u>35</u>	<u>52</u>	<u>61</u>	<u>71</u>	<u>82</u>	<u>92</u>	<u>103</u>	<u>114</u>	<u>126</u>	<u>137</u>	<u>149</u>
ENDING FUNDS AVAILABLE - DEC 31 (Note 5)	<u>\$7</u>	<u>\$8</u>	<u>\$18</u>	<u>\$35</u>	<u>\$52</u>	<u>\$61</u>	<u>\$71</u>	<u>\$82</u>	<u>\$92</u>	<u>\$103</u>	<u>\$114</u>	<u>\$126</u>	<u>\$137</u>	<u>\$149</u>	<u>\$160</u>

(SEE THE SUMMARY OF SIGNIFICANT ASSUMPTIONS)

SCHEDULE III
 CASCADE VILLAGE METROPOLITAN DISTRICT
 FORECASTED CASH FLOW - COMBINED DEBT SERVICE FUND & CAPITAL
 PROJECT FUND - NON-GAAP BUDGETARY BASIS - BUILDOUT RANGE B
 FOR THE YEARS ENDING DECEMBER 31, 1986 THROUGH 2000
 (THOUSANDS OF DOLLARS)

	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
SOURCES OF FUNDS:															
Property Taxes (App. B-a/Note 1)	\$0	\$100	\$121	\$180	\$203	\$278	\$283	\$287	\$290	\$293	\$296	\$299	\$299	\$299	\$299
Specific Ownership Taxes (Note 1)	0	4	5	7	8	11	11	11	12	12	12	12	12	12	12
Bond Proceeds (Note 3)	1,400	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Earnings:															
Construction Funds (Note 2)	22	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capitalized Interest (Note 2)	10	13	2	0	0	0	0	0	0	0	0	0	0	0	0
Other (Note 2)	0	16	5	12	13	13	17	17	13	12	12	11	9	12	13
TOTAL SOURCES OF FUNDS	<u>1,432</u>	<u>132</u>	<u>133</u>	<u>199</u>	<u>224</u>	<u>302</u>	<u>311</u>	<u>315</u>	<u>314</u>	<u>317</u>	<u>320</u>	<u>321</u>	<u>320</u>	<u>323</u>	<u>324</u>
USES OF FUNDS:															
Capital Projects (Note 3)	1,104	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital Projects Contingency (Note 3)	22	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Costs of Issuance of Bonds (Note 3)	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Debt Service (App. D/Note 3)	70	152	162	182	222	251	316	366	322	323	335	337	292	310	138
TOTAL USES OF FUNDS	<u>1,237</u>	<u>152</u>	<u>162</u>	<u>182</u>	<u>222</u>	<u>251</u>	<u>316</u>	<u>366</u>	<u>322</u>	<u>323</u>	<u>335</u>	<u>337</u>	<u>292</u>	<u>310</u>	<u>138</u>
EXCESS SOURCES OVER USES	<u>195</u>	<u>-20</u>	<u>-29</u>	<u>17</u>	<u>2</u>	<u>51</u>	<u>-5</u>	<u>-51</u>	<u>-8</u>	<u>-6</u>	<u>-15</u>	<u>-16</u>	<u>28</u>	<u>13</u>	<u>186</u>
BEGINNING FUNDS AVAILABLE - JAN 1	<u>0</u>	<u>195</u>	<u>175</u>	<u>146</u>	<u>163</u>	<u>165</u>	<u>216</u>	<u>211</u>	<u>161</u>	<u>153</u>	<u>147</u>	<u>132</u>	<u>116</u>	<u>145</u>	<u>157</u>
ENDING FUNDS AVAILABLE - DEC 31 (Note 5)	<u>\$195</u>	<u>\$175</u>	<u>\$146</u>	<u>\$163</u>	<u>\$165</u>	<u>\$216</u>	<u>\$211</u>	<u>\$161</u>	<u>\$153</u>	<u>\$147</u>	<u>\$132</u>	<u>\$116</u>	<u>\$145</u>	<u>\$157</u>	<u>\$343</u>
ANALYSIS OF ENDING FUNDS AVAILABLE															
Unrestricted	\$0	\$107	\$146	\$163	\$165	\$216	\$211	\$161	\$153	\$147	\$132	\$116	\$145	\$157	\$343
Restricted for Capitalized Interest	195	68	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Ending Funds Available	<u>\$195</u>	<u>\$175</u>	<u>\$146</u>	<u>\$163</u>	<u>\$165</u>	<u>\$216</u>	<u>\$211</u>	<u>\$161</u>	<u>\$153</u>	<u>\$147</u>	<u>\$132</u>	<u>\$116</u>	<u>\$145</u>	<u>\$157</u>	<u>\$343</u>

(SEE THE SUMMARY OF SIGNIFICANT ASSUMPTIONS)

SCHEDULE IV
 CASCADE VILLAGE METROPOLITAN DISTRICT
 FORECASTED CASH FLOW - OPERATING FUNDS - BUILDOUT RANGE B
 NON-GAAP BUDGETARY BASIS
 FOR THE YEARS ENDING DECEMBER 31, 1986 THROUGH 2000
 (THOUSANDS OF DOLLARS)

	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
SOURCES OF FUNDS:															
Property Taxes (App. B-a/Note 1)	\$0	\$33	\$40	\$52	\$59	\$21	\$21	\$21	\$21	\$22	\$22	\$22	\$22	\$22	\$22
Specific Ownership Taxes (Note 1)	0	1	2	2	2	1	1	1	1	1	1	1	1	1	1
Operating Loan (Note 3)	120	100	100	100	100	0	0	0	0	0	0	0	0	0	0
Interest Earnings (Note 2)	0	0	1	1	1	2	2	3	3	4	5	5	6	7	7
TOTAL SOURCES OF FUNDS	<u>120</u>	<u>135</u>	<u>142</u>	<u>154</u>	<u>161</u>	<u>21</u>	<u>22</u>	<u>22</u>	<u>22</u>	<u>23</u>	<u>23</u>	<u>23</u>	<u>23</u>	<u>23</u>	<u>23</u>
USES OF FUNDS:															
Operations (App. E/Note 4)	113	131	137	148	157	12	13	13	14	15	15	16	17	18	19
TOTAL USES OF FUNDS	<u>113</u>	<u>131</u>	<u>137</u>	<u>148</u>	<u>157</u>	<u>12</u>	<u>13</u>	<u>13</u>	<u>14</u>	<u>15</u>	<u>15</u>	<u>16</u>	<u>17</u>	<u>18</u>	<u>19</u>
EXCESS SOURCES OVER USES	<u>7</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>4</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>7</u>	<u>6</u>	<u>5</u>	<u>4</u>
BEGINNING FUNDS AVAILABLE - JAN 1	<u>0</u>	<u>7</u>	<u>11</u>	<u>15</u>	<u>22</u>	<u>25</u>	<u>35</u>	<u>44</u>	<u>53</u>	<u>61</u>	<u>69</u>	<u>76</u>	<u>83</u>	<u>89</u>	<u>94</u>
ENDING FUNDS AVAILABLE - DEC 31 (Note 5)	<u>\$7</u>	<u>\$11</u>	<u>\$15</u>	<u>\$22</u>	<u>\$25</u>	<u>\$35</u>	<u>\$44</u>	<u>\$53</u>	<u>\$61</u>	<u>\$69</u>	<u>\$76</u>	<u>\$83</u>	<u>\$89</u>	<u>\$94</u>	<u>\$99</u>

(SEE THE SUMMARY OF SIGNIFICANT ASSUMPTIONS)

PROPOSED CASCADE VILLAGE METROPOLITAN DISTRICT
CASH FLOW FORECASTS
FOR THE YEARS ENDING DECEMBER 31, 1986 THROUGH 2000

SUMMARY OF SIGNIFICANT ASSUMPTIONS

The accompanying Forecasts present, to the best of Vail Ventures, Ltd., knowledge and belief, their expectations of the District's forecasted cash flow during the forecast period predicated on two ranges of real estate buildout as set forth in Appendices A and A-1 to the Forecasts.

Accordingly, the Forecasts reflect Vail Ventures, Ltd., judgement, based on present circumstances, of expected conditions and its expectations of the District's course of action at both ranges of real estate buildout. The assumptions disclosed herein are those that Vail Ventures, Ltd., believes are significant to the Forecast. Vail Ventures, Ltd., reasonably expects, to the best of its knowledge and belief, that the actual rate of real estate buildout will be within those ranges set forth in Appendices A and A-1 to the Forecasts; however, there can be no assurance that it will. The Forecasts are sensitive to the rate of real estate buildout. The District's forecasted mill levy could be required to be increased above 29 mills in the event that real estate buildout within the District does not occur at Range B rate of real estate buildout. We are not experts in evaluating the demand for real estate and consequently do not vouch for the achievability of the estimated ranges of real estate buildout.

Generally

- a. Real estate development and the construction and completion of residential living units and square feet of non-residential space will occur at a rate within those set forth in Appendices A and A-1 to the Forecasts.
- b. The District's Board of Directors will exercise good judgement in managing the affairs of the District.
- c. Schedules I through IV and Appendices A through E to the Forecasts were compiled with the assistance of computerized data processing equipment; consequently, certain columns and rows may not balance as a result of computer "rounding" errors.
- d. The District will be legally formed by May 1, 1986.
- e. The District will not issue additional bonds after the 1986 Bond Issue.

NOTE 1: Assessed Valuation and Property Tax Revenue Forecasts
(See Appendices B and B-a to the Forecasts)

- a. Assessed valuation for land, improvements and personal property within the boundaries of the proposed District was confirmed with the Eagle County Assessor's Office to be approximately \$5,195,000 as of January 1, 1985.

- b. Future real estate development projects (as set forth in Appendices A and A-1 to the Forecasts) will be assessed at the following average estimated rates; such rates were based upon (i) discussions with the Eagle County Assessor's Office, and (ii) 1977 cost manuals that are currently being used by the Eagle County Assessor's Office for the purpose of assessing properties within Eagle County.

<u>Type of Development</u>	<u>Average Estimated Assessed Valuation</u>
Glen Lyon Subdivision	\$19,000/Living Unit
Other Residential Living Units	\$19,200/Living Unit
Hotel Rooms	\$9,000/Room (including personal property)
Retail Space	\$15.00/Sq.Ft. (including personal property)
Parking Structure	\$5.50/Sq.Ft. (including personal property)
Conference Center	\$12.00/Sq.Ft. (including personal property)
Tennis Courts (Indoor)	\$5.50/Sq.Ft. (including personal property)
Athletic Club	\$12.00/Sq.Ft. (including personal property)
Fall Line Building Improvements (1986)	\$1,000 per Living Unit (incremental increase above current valuation)
Sale of Westin Hotel Guest Rooms as Condominiums (1986)*	\$7,500 per room* (incremental increase above current valuation)

*This has been assumed for only Range A rate of real estate buildout.

- c. Specific Ownership Taxes have been forecasted to be approximately 4% of property tax revenues.
- d. The operating mill levy may remain at 5 mills for the entire forecast period; to the extent that operating mill levy revenues exceed operating requirements on an annual basis, the District plans to transfer such excess property tax revenues to the debt service fund. For presentation purposes, the accompanying Forecasts assume that operating mill levy proceeds in excess of operating requirements are levied by the debt service fund on an annual basis. The total combined forecasted mill levy for operating and debt service purposes are forecasted to range between 26 and 29 mills.

NOTE 2: Interest Earnings

- a. "Other" interest earnings beginning in 1988 have been forecasted at 8% of the Unrestricted Funds Available at the beginning of each year.
- b. Interest earnings expected to be earned from investing the Series 1986 Bond Issue construction proceeds and from investing the Series 1986 Bond Issue capitalized interest escrow, have been projected assuming an 8% interest rate.

NOTE 3: Series 1986 Bond Issue, Construction Costs, Costs of Issuance, and Debt Service Requirements

- a. It has been assumed that the District will issue municipal General Obligation Bonds on approximately July 1, 1986 in the amount of approximately \$1,400,000 for the purpose of constructing various improvements within the District's boundaries as set forth in Appendix C to

the Forecasts. Such financing will include approximately 2 years capitalized interest. The annual debt service requirements associated with such financing will be structured similar to that set forth in Appendix D to the Forecasts; such annual debt service requirements were based upon 10% average annual interest rates.

- b. A third party lender is expected to loan the District approximately \$120,000 in 1986 and approximately \$100,000 annually from 1987 through 1990 to assist the District with funding the operating costs for the ski lift to be located within the District's boundaries. Such third party lender is expected to receive repayment of its loans (including interest at a 10% rate) from District revenues as set forth in Appendix D to the Forecasts.

NOTE 4: Operating Expenses

- a. The District expects to incur (i) administrative expenditures including legal, audit, accounting, and other related overhead, and (ii) operating and maintenance expenditures associated with the ski lift as set forth in Appendix E to the Forecasts.
- b. Operation and Maintenance Costs Associated With Ski Lift
 - o Vail Associates, Inc., will agree to operate the lift so long as at least an average of 1,000 skiers per operating day ride the lift during two of the following three ski seasons: 1992/1993; 1993/1994; and 1994/1995.
 - o After the initial five years of operation, Vail Associates, Inc., agrees to fund operating and maintenance expenses in accordance with the following formula:

Average Skiers Per Operating Day
For Prior Two Ski Seasons
1,800

If the average number of skiers per day equals or exceeds 1,800, the District is relieved from the operating and maintenance expenses. Vail Ventures, Ltd., expects that more than an average of 1,800 skiers per day will use the ski lift prior to the 1991-1992 ski season; consequently, beginning in 1991 (i.e., the District's budget year ending December 31, 1991), it is expected that the District will not incur any expenses relating to the operations and maintenance of the ski lift.

NOTE 5: Ending Funds Available

- a. The Forecasted Ending Unrestricted Funds Available at the end of any year will be available to fund additional operating or capital improvement requirements for the District; however, to the extent that such Ending Unrestricted Funds Available are used for such purposes, the forecasted interest earnings will be negatively impacted (see Note 2) as will the forecasted Beginning Unrestricted Funds Available to the District.

NOTE 6: Summary of Significant Accounting Policies

- a. The Forecasts have not been presented in accordance with Generally Accepted Accounting Principles for Governmental Entities as promulgated by the American Institute of Certified Public Accountants, and may not be compared to the future Financial Statements of the proposed District. The Forecasts have been prepared in a format similar to the format that the District will use to prepare its annual combined accounting funds budget; the Forecasts and will be able to be compared to such future budgets.

APPENDIX A
 CASCADE VILLAGE METROPOLITAN DISTRICT
 FORECASTED RANGE A REAL ESTATE BUILDOUT SCHEDULE (1)
 FOR THE YEARS ENDING DECEMBER 31, 1985 THROUGH 2000

Development							Incremental Development									
	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Glen Lyon - Residential Living Units	4	5	6	6	6	6	6	6	6	6	6	0	0	0	0	0
Westin Hotel addition:																
Number of Hotel Rooms	0	0	143	0	0	0	0	0	0	0	0	0	0	0	0	0
Sq. Ft. Non-Res. Space - Retail	0	0	12000	0	0	0	0	0	0	0	0	0	0	0	0	0
Sq. Ft. Non-Res. Space - Conference	0	0	23000	0	0	0	0	0	0	0	0	0	0	0	0	0
Millrace - Residential Living Units	0	0	6	6	0	0	0	0	0	0	0	0	0	0	0	0
Cascade Club:																
Sq. Ft. Non-Res. Space - Indoor Tennis	0	24000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sq. Ft. Non-Res. Space - Athletic Club	0	34000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Club Condominiums - Res. Living Units	0	0	25	0	0	0	0	0	0	0	0	0	0	0	0	0
Mansfield Village - Res. Living Units	0	0	20	20	0	0	0	0	0	0	0	0	0	0	0	0
Bldg. C - Residential Living Units	0	0	0	25	0	0	0	0	0	0	0	0	0	0	0	0
Bldg. C - Non-Res. Space - Retail	0	0	0	20000	0	0	0	0	0	0	0	0	0	0	0	0
Parking Structure	0	78000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTALS																
Residential Living Units - Glen Lyon	4	5	6	6	6	6	6	6	6	6	6	0	0	0	0	0
Residential Living Units - Other	0	0	51	51	0	0	0	0	0	0	0	0	0	0	0	0
Hotel Rooms	0	0	143	0	0	0	0	0	0	0	0	0	0	0	0	0
Non-Residential Space:																
- Retail	0	0	12000	20000	0	0	0	0	0	0	0	0	0	0	0	0
- Pkg. Structure	0	78000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Conference	0	0	23000	0	0	0	0	0	0	0	0	0	0	0	0	0
- Indoor Tennis	0	24000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Athletic Club	0	34000	0	0	0	0	0	0	0	0	0	0	0	0	0	0

(1) Source: Vail Ventures

APPENDIX A-1
 CASCADE VILLAGE METROPOLITAN DISTRICT
 FORECASTED RANGE B REAL ESTATE BUILDOUT SCHEDULE (1)
 FOR THE YEARS ENDING DECEMBER 31, 1985 THROUGH 2000

Development	Incremental Development															
	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Glen Lyon - Residential Living Units	4	5	6	6	6	6	6	6	6	6	6	6	0	0	0	0
Westin Hotel addition:																
Number of Hotel Rooms	0	0	143	0	0	0	0	0	0	0	0	0	0	0	0	0
Sq. Ft. Non-Res. Space - Retail	0	0	12000	0	0	0	0	0	0	0	0	0	0	0	0	0
Sq. Ft. Non-Res. Space - Conference	0	0	23000	0	0	0	0	0	0	0	0	0	0	0	0	0
Millrace - Residential Living Units	0	0	0	3	3	3	3	0	0	0	0	0	0	0	0	0
Cascade Club:																
Sq. Ft. Non-Res. Space - Indoor Tennis	0	24000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sq. Ft. Non-Res. Space - Athletic Club	0	34000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Club Condominiums - Res. Living Units	0	0	0	25	0	0	0	0	0	0	0	0	0	0	0	0
Mansfield Village - Res. Living Units	0	0	0	20	20	0	0	0	0	0	0	0	0	0	0	0
Bldg. C - Residential Living Units	0	0	0	0	25	0	0	0	0	0	0	0	0	0	0	0
Bldg. C - Non-Res. Space - Retail	0	0	0	0	20000	0	0	0	0	0	0	0	0	0	0	0
Parking Structure	0	78000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTALS																
Residential Living Units - Glen Lyon	4	5	6	6	6	6	6	6	6	6	6	6	0	0	0	0
Residential Living Units - Other	0	0	0	48	48	3	3	0	0	0	0	0	0	0	0	0
Hotel Rooms	0	0	143	0	0	0	0	0	0	0	0	0	0	0	0	0
Non-Residential Space:																
- Retail	0	0	12000	0	20000	0	0	0	0	0	0	0	0	0	0	0
- Hq. Structure	0	78000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Conference	0	0	23000	0	0	0	0	0	0	0	0	0	0	0	0	0
- Indoor Tennis	0	24000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Athletic Club	0	34000	0	0	0	0	0	0	0	0	0	0	0	0	0	0

(1) Source: Vail Ventures

APPENDIX B
 CASCADE VILLAGE METROPOLITAN DISTRICT
 PROJECTED ASSESSED VALUATION AND PROPERTY TAX REVENUES
 BUILDOUT RANGE A
 FOR THE YEARS ENDING DECEMBER 31, 1985 THROUGH 2000
 (THOUSANDS OF DOLLARS)*

Year Improvements Completed	Year Certified to District	Year Taxes Will Be Received	Glen Lyon Residential Living Units (App. B-1)	Other Residential Living Units (App. B-2)	Hotel Rooms (App. B-3)	Non-Residential Square Feet				Existing Base	Total Assessed Valuation	Assumed Mill Levy*	Total Projected Property Tax Revenues @ 97%	-- Allocation to Funds --				
						Retail Square Feet (App. B-4)	Parking Structure (App. B-5)	Conference Center (App. B-6)	Indoor Tennis (App. B-7)					Non-Residential Square Feet (App. B-8)	Non-Residential Square Feet	Non-Residential Square Feet	Non-Residential Square Feet	-Operating- Revenues
1985	1986	1987	\$ 76	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$5,195*	\$ 5,271	26	\$133	6.0	\$31	20.0	\$102
1986	1987	1988	171	0	0	0	429	0	132	408	6,623**	7,763	26	196	6.0	45	20.0	151
1987	1988	1989	285	979	1,287	180	429	276	132	408	6,623	10,599	26	267	6.0	62	20.0	206
1988	1989	1990	399	1,958	1,287	480	429	276	132	408	6,623	11,992	26	302	6.0	70	20.0	231
1989	1990	1991	513	1,958	1,287	480	429	276	132	408	6,623	12,106	26	305	1.5	18	24.5	288
1990	1991	1992	627	1,958	1,287	480	429	276	132	408	6,623	12,220	26	308	1.5	18	24.5	290
1991	1992	1993	741	1,958	1,287	480	429	276	132	408	6,623	12,334	26	311	1.5	18	24.5	293
1992	1993	1994	855	1,958	1,287	480	429	276	132	408	6,623	12,448	26	314	1.5	18	24.5	295
1993	1994	1995	969	1,958	1,287	480	429	276	132	408	6,623	12,562	26	317	1.5	18	24.5	299
1994	1995	1996	1,083	1,958	1,287	480	429	276	132	408	6,623	12,676	26	320	1.5	18	24.5	301
1995	1996	1997	1,197	1,958	1,287	480	429	276	132	408	6,623	12,790	26	323	1.5	19	24.5	304
1996	1997	1998	1,197	1,958	1,287	480	429	276	132	408	6,623	12,790	26	323	1.5	19	24.5	304
1997	1998	1999	1,197	1,958	1,287	480	429	276	132	408	6,623	12,790	26	323	1.5	19	24.5	304
1998	1999	2000	1,197	1,958	1,287	480	429	276	132	408	6,623	12,790	26	323	1.5	19	24.5	304

* Except where indicated.

** Reflects increase caused by 1986 Fall Line Remodel and the sale of 183 existing Westin Hotel Guest Rooms during 1986.

APPENDIX B-a
 CASCADE VILLAGE METROPOLITAN DISTRICT
 FORECASTED ASSESSED VALUATION AND PROPERTY TAX REVENUES
 BUILDOUT RANGE B
 FOR THE YEARS ENDING DECEMBER 31, 1985 THROUGH 2000
 (THOUSANDS OF DOLLARS)*

Year Improvements Completed	Year Certified to District	Year Taxes Will Be Received	Glen Lyon Residential Living Units (App. B-1)	Other Residential Living Units (App. B-2a)	Hotel Rooms (App. B-3)	Non- Residential Retail Square Feet (App. B-4a)	Non- Residential Square Feet Parking Structure (App. B-5)	Non- Residential Square Feet Conference Center (App. B-6)	Non- Residential Square Feet Indoor Tennis (App. B-7)	Non- Residential Square Feet Athletic Club (App. B-8)	Existing Base	Total Assessed Valuation	Assumed Mill Levy*	Total Projected Property Tax Revenues @ 97%	-- Allocation to Funds --				
															-Operating- Revenues Mills*	-Debt Service- Revenues @ 97%	-Other- Revenues Mills*	-Other- Revenues @ 97%	
1985	1986	1987	\$ 76	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$5,195*	\$5,271	26	\$133	6.5	\$33	19.5	0.0	0.0
1986	1987	1988	171	0	0	0	429	0	132	408	5,248**	6,388	26	161	6.5	40	19.5	0.0	0.0
1987	1988	1989	285	0	1,287	180	429	276	132	408	5,248	8,245	29	232	6.5	52	22.5	0.0	0.0
1988	1989	1990	399	922	1,287	180	429	276	132	408	5,248	9,281	29	261	6.5	59	22.5	0.0	0.0
1989	1990	1991	513	1,843	1,287	480	429	276	132	408	5,248	10,616	29	299	2.0	21	27.0	0.0	0.0
1990	1991	1992	627	1,901	1,287	480	429	276	132	408	5,248	10,788	29	303	2.0	21	27.0	0.0	0.0
1991	1992	1993	741	1,958	1,287	480	429	276	132	408	5,248	10,959	29	308	2.0	21	27.0	0.0	0.0
1992	1993	1994	855	1,958	1,287	480	429	276	132	408	5,248	11,073	29	311	2.0	21	27.0	0.0	0.0
1993	1994	1995	969	1,958	1,287	480	429	276	132	408	5,248	11,187	29	315	2.0	22	27.0	0.0	0.0
1994	1995	1996	1,083	1,958	1,287	480	429	276	132	408	5,248	11,301	29	318	2.0	22	27.0	0.0	0.0
1995	1996	1997	1,197	1,958	1,287	480	429	276	132	408	5,248	11,415	29	321	2.0	22	27.0	0.0	0.0
1996	1997	1998	1,197	1,958	1,287	480	429	276	132	408	5,248	11,415	29	321	2.0	22	27.0	0.0	0.0
1997	1998	1999	1,197	1,958	1,287	480	429	276	132	408	5,248	11,415	29	321	2.0	22	27.0	0.0	0.0
1998	1999	2000	1,197	1,958	1,287	480	429	276	132	408	5,248	11,415	29	321	2.0	22	27.0	0.0	0.0

* Except where indicated.

** Reflects increase caused by 1986 Fall Line Remodel and the sale of 183 existing Westin Hotel Guest Rooms during 1986.

APPENDIX C
CASCADE VILLAGE METROPOLITAN DISTRICT
FORECASTED CAPITAL IMPROVEMENT COSTS/FINANCING
BUILDOUT RANGES A AND B
FOR THE YEARS ENDING DECEMBER 31, 1986 THROUGH 2000
(THOUSANDS OF DOLLARS)

<u>Improvement</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>TOTAL</u>
Skd Lift/Equipment	\$944	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$944
Road Improvements	131	0	0	0	0	0	0	0	0	0	0	0	0	0	0	131
Property Acquisition	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other *	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0	41
2-Years Capitalized Interest	255	0	0	0	0	0	0	0	0	0	0	0	0	0	0	255
TOTAL AMOUNT OF FINANCING	\$1,400	\$0	\$1,371													

* Includes Financing Costs/District Formation, etc.

APPENDIX D
 CASCADE VILLAGE METROPOLITAN DISTRICT
 PROJECTED DEBT SERVICE REQUIREMENTS
 BUILDOUT RANGES A AND B
 FOR THE YEARS ENDING DECEMBER 31, 1986 THROUGH 2000
 (THOUSANDS OF DOLLARS)*

Year of Financing	Amount		1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	TOTAL
1985	\$1,400,000 *	Principal	\$0	\$0	\$0	\$5	\$30	\$50	\$115	\$175	\$150	\$170	\$200	\$225	\$135	\$145	\$0	\$1,400
		Interest	70	140	140	140	140	136	132	120	103	87	71	51	28	15	0	1,373
		Total	\$70	\$140	\$140	\$145	\$170	\$186	\$247	\$295	\$253	\$257	\$271	\$276	\$163	\$160	\$0	\$2,773
1986	\$120,000 *	Principal	\$0	\$0	\$0	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$75	\$0	\$0	\$120
		Interest	0	12	12	12	12	11	11	10	10	9	9	8	8	0	0	124
		Total	\$0	\$12	\$12	\$17	\$17	\$16	\$16	\$15	\$15	\$14	\$14	\$13	\$83	\$0	\$0	\$244
1987	\$100,000 *	Principal	\$0	\$0	\$0	\$0	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$55	\$0	\$100
		Interest	0	0	10	10	10	9	9	8	8	7	7	6	6	6	0	96
		Total	\$0	\$0	\$10	\$10	\$15	\$14	\$14	\$13	\$13	\$12	\$12	\$11	\$11	\$61	\$0	\$196
1988	\$100,000 *	Principal	\$0	\$0	\$0	\$0	\$0	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$60	\$0	\$100
		Interest	0	0	0	10	10	10	9	9	8	8	7	7	6	6	0	90
		Total	\$0	\$0	\$0	\$10	\$10	\$15	\$14	\$14	\$13	\$13	\$12	\$12	\$11	\$66	\$0	\$190
1989	\$100,000 *	Principal	\$0	\$0	\$0	\$0	\$0	\$0	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$60	\$100
		Interest	0	0	0	0	10	10	10	9	9	8	8	7	7	6	6	90
		Total	\$0	\$0	\$0	\$0	\$10	\$10	\$15	\$14	\$14	\$13	\$13	\$12	\$12	\$11	\$66	\$190
1990	\$100,000 *	Principal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$65	\$100
		Interest	0	0	0	0	0	10	10	10	9	9	8	8	7	7	7	85
		Total	\$0	\$0	\$0	\$0	\$0	\$10	\$10	\$15	\$14	\$14	\$13	\$13	\$12	\$12	\$72	\$185
	\$1,920,000	TOTAL	\$70	\$152	\$162	\$182	\$222	\$251	\$316	\$366	\$322	\$323	\$335	\$337	\$292	\$310	\$138	\$3,778

*Except where indicated

APPENDIX E
CASCADE VILLAGE METROPOLITAN DISTRICT
FORECASTED OPERATING EXPENDITURES
BUILDOUT RANGES A AND B
FOR THE YEARS ENDING DECEMBER 31, 1986 THROUGH 2000
(THOUSANDS OF DOLLARS)

	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>TOTAL</u>
Administration	\$3	\$10	\$11	\$11	\$12	\$12	\$13	\$13	\$14	\$15	\$15	\$16	\$17	\$18	\$19	\$199
Lift Maintenance and Operation	110	121	126	137	145	0	0	0	0	0	0	0	0	0	0	(39)
TOTAL	<u>\$113</u>	<u>\$131</u>	<u>\$137</u>	<u>\$148</u>	<u>\$157</u>	<u>\$12</u>	<u>\$13</u>	<u>\$13</u>	<u>\$14</u>	<u>\$15</u>	<u>\$15</u>	<u>\$16</u>	<u>\$17</u>	<u>\$18</u>	<u>\$19</u>	<u>\$838</u>

EXHIBIT G

Underwriter's Letter of Intent

**FIRST
MUNICIPAL
LEASING
CORPORATION**

657 GRANT STREET
DENVER, COLORADO 80203
(303) 861-9111
1-800-621-9454

January 6, 1986

Federal Express

Mr. Andrew D. Norris
Vail Ventures, Ltd.
1000 South Frontage Rd.
Vail, CO 81657

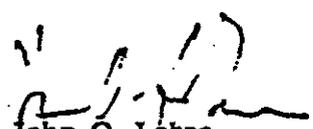
Dear Mr. Norris:

We are familiar with the draft Agreement between Vail Associates, Inc. and Vail Ventures, Ltd. and the draft Agreement between Vail Associates, Inc. and Cascade Village Metropolitan District as well as other draft documentation including a Service Plan all of which describe the expected formation and operations of the Cascade Village Metropolitan District. These plans include the expected sale of approximately \$1,400,000 value of District general obligation bonds to finance a Cascade Village chairlift as well as certain street and access improvements.

This letter is confirmation of our intent to provide the \$1,400,000 for direct purchase of bonds or by an alternate lease/purchase arrangement to the District. We anticipate that the financing will be by private placement at market rates as soon as possible after the District has been formed and it has proper authority to issue obligations. The financing will be accomplished at market rates and our offer is contingent upon the completion of all documentation satisfactory to counsel of First Municipal Leasing Corporation.

Very truly yours,

FIRST MUNICIPAL LEASING CORPORATION

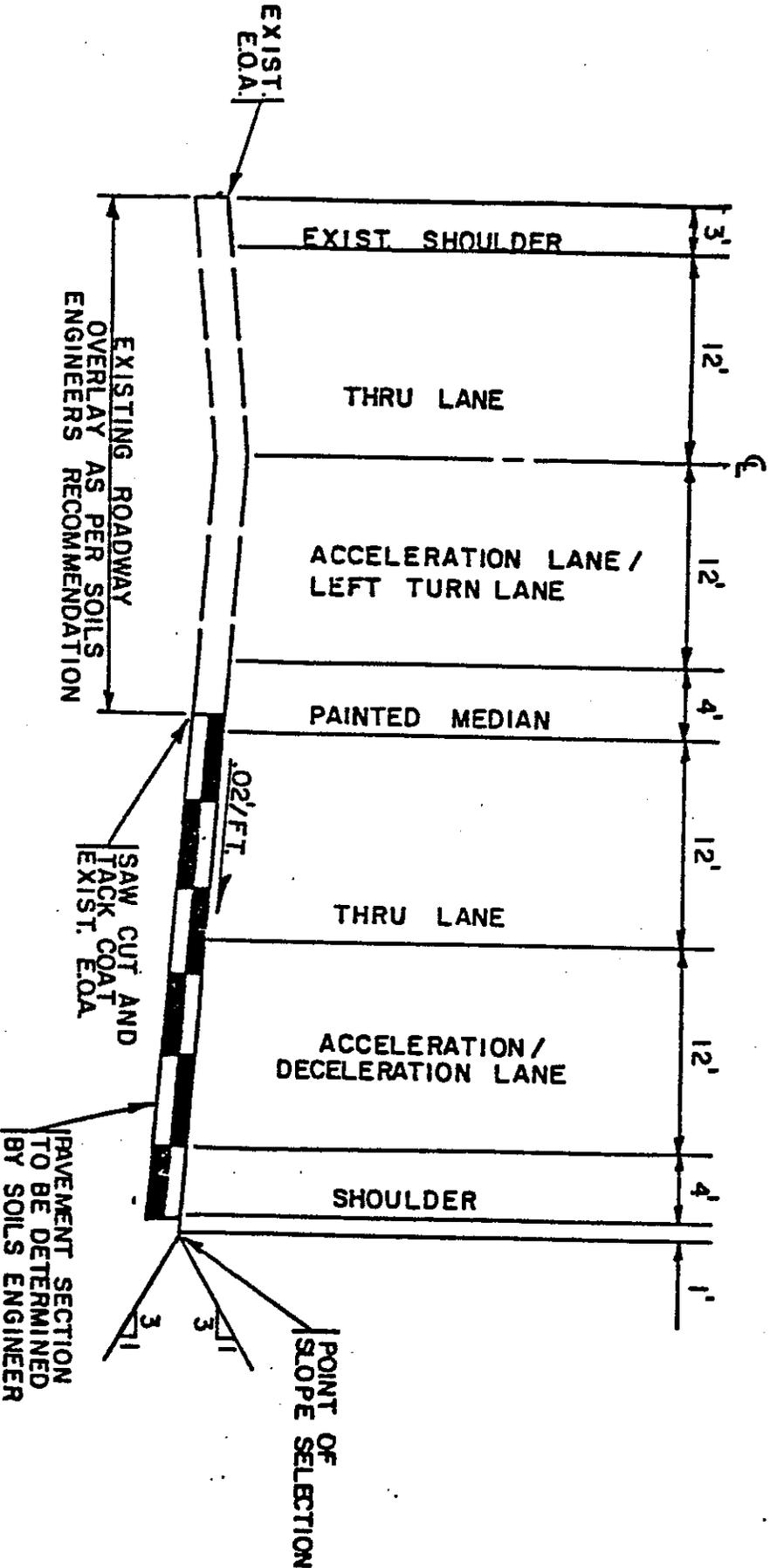

John O. Lohre
President

JOL:nrt

STREET TYPICAL CROSS SECTIONS

cascade village frontage road

RWC 579/2276



TYPICAL SECTION

TRANSPORTATION COSTS

Property Acquisition and Utility Relocation	\$ 26,000
Surveying	5,000
Engineering	25,000
Planning	10,000
Equipment	545,000
Installation	219,000
Lift Line Clearing	10,000
Platform Grading	15,000
Telephone Drops	5,000
Maze & Ramps	10,000
Power Supply	10,000
Miscellaneous	64,000
	<u>\$944,000</u>

TRANSPORTATION FACILITIES MAP
[See District Map]

TRANSPORTATION FACILITIES TYPICAL CROSS SECTIONS

TECHNICAL DATA FOR: SKI AREA: WESTIN HOTEL
 LIFT NAME: CASCADE LIFT
 QUOTE #: 268/D
 DATE: 11-04-1985

TYPE OF LIFT: 3-CL-F-235

DRIVE LOCATION:	T	T
TENSIONING LOCATION:	B	B
DOWNHILL OPERATION:	N	N

CAPACITY OF STANDBY DRIVE: (PERCENT)	25.00	25.00
--------------------------------------	-------	-------

HORIZONTAL LENGTH: (METERS FEET)	982.54	3223.54
VERTICAL RISE: (METERS FEET)	388.91	1275.95
SLOPE LENGTH: (METERS FEET)	1056.71	3466.88

INCLINATION: (DEGREES)	21.59	21.59
GRADE: (PERCENT)	39.58	39.58

ROPE DIAMETER: (MM INCH)	38.10	1.50
ROPE LENGTH: (METERS FEET)	2128.41	6982.97
SPLICE LENGTH: (METERS FEET)	45.72	150.00
ORDER LENGTH: (METERS FEET)	2253.38	7392.99
BULLWHEEL DIAMETER: (METERS FEET)	4.00	13.12

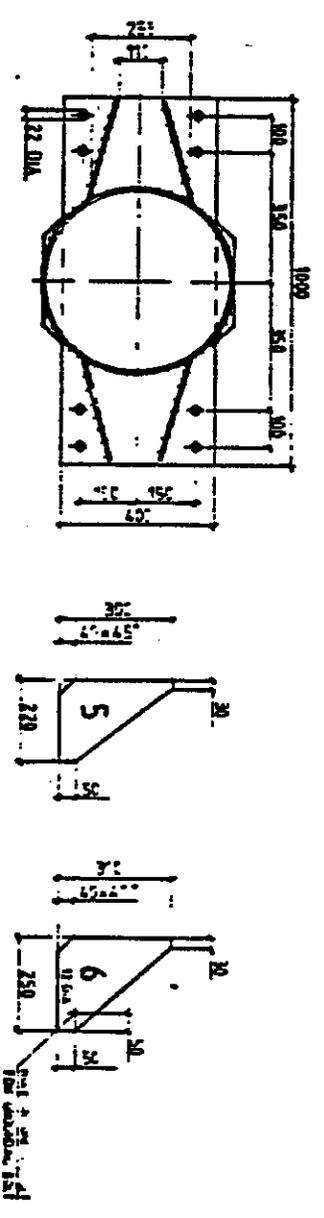
LINE SPEED: (M/S FPM)	2.29	450.00
TRIP TIME: (MIN+S)	7+42	7+42
CARRIERS:	156	156
CARRIER SPACING: (METERS FEET)	13.72	45.00
CARRIER INTERVAL: (SECONDS)	6.00	6.00

CAPACITY: (PPH)	1800.00	1800.00
CIRCUMSTANCE FORCE-CONT: (KG POUNDS)	8102.03	17864.96
CIRCUMSTANCE FORCE-START: (KG POUNDS)	9271.54	20443.75
LOHMANN GEARBOX: TORQUE = 16204.05	GPW 235	GPW 235
MAIN DRIVE: HP= 274.38 (HORSEPOWER)	300	300
STANDBY DRIVE: HP= 86.34 (HORSEPOWER)	100	100

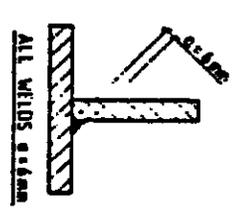
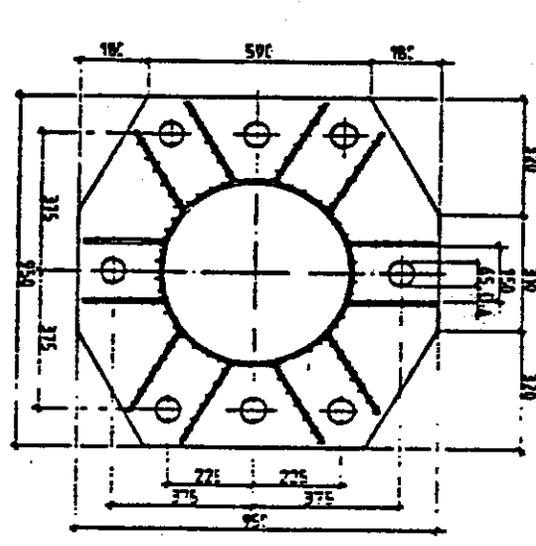
TENSIONING FORCE: (KG POUNDS)	11600.00	25578.00
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TOWERS:	13	13
SHEAVES: (400 MM)	148	148

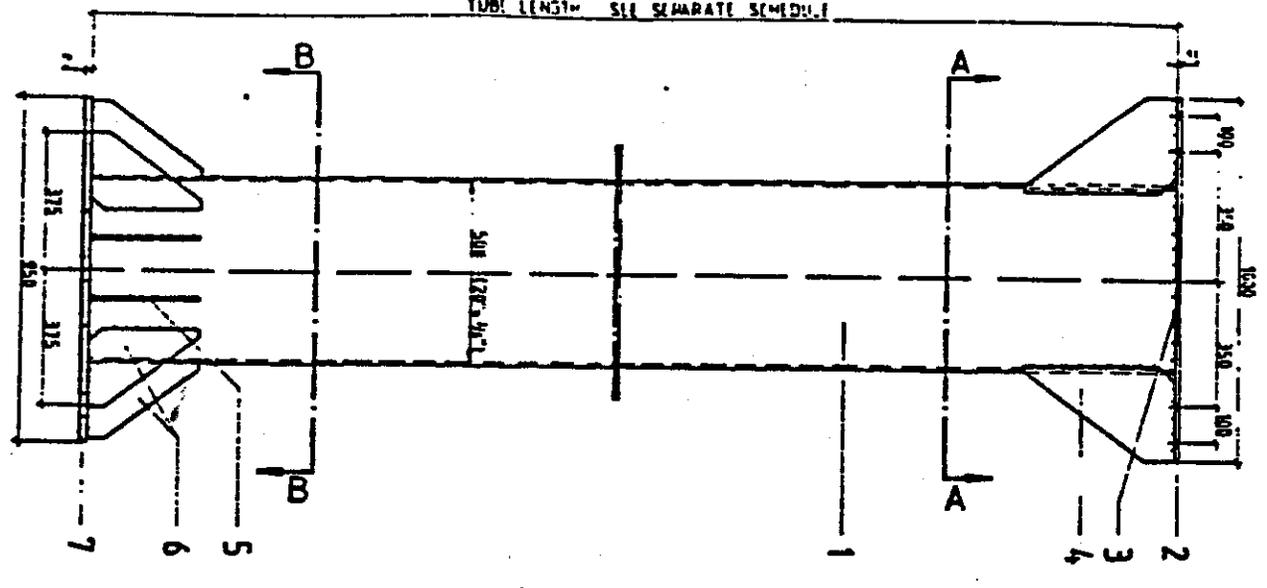
SECTION A-A



SECTION B-B



TUBE LENGTH - SEE SEPARATE SCHEDULE

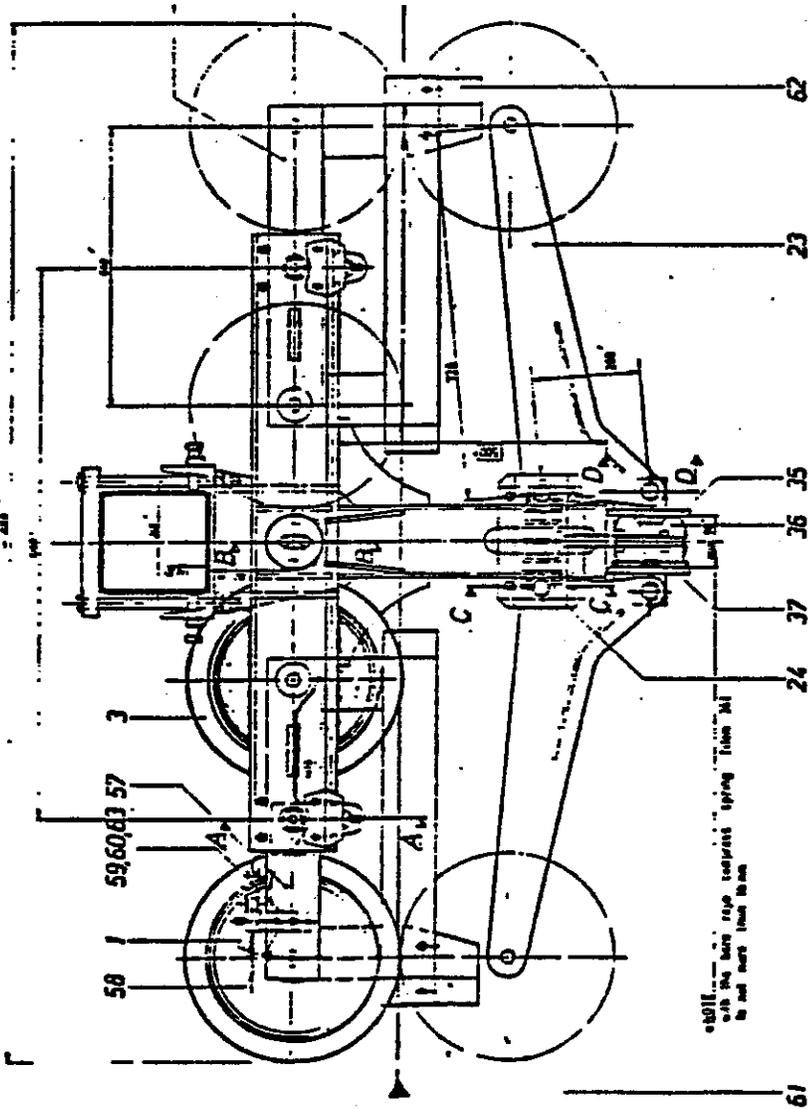


ITEM NO.	DESCRIPTION	QTY	UNIT	REMARKS
1	TOWER TUBE	1	EA	
2	FLANGE	2	EA	
3	WELD	1	EA	
4	WELD	1	EA	
5	WELD	1	EA	
6	WELD	1	EA	
7	WELD	1	EA	

20" TOWER SHAFT
1/8" WALL **Ø BOLT**

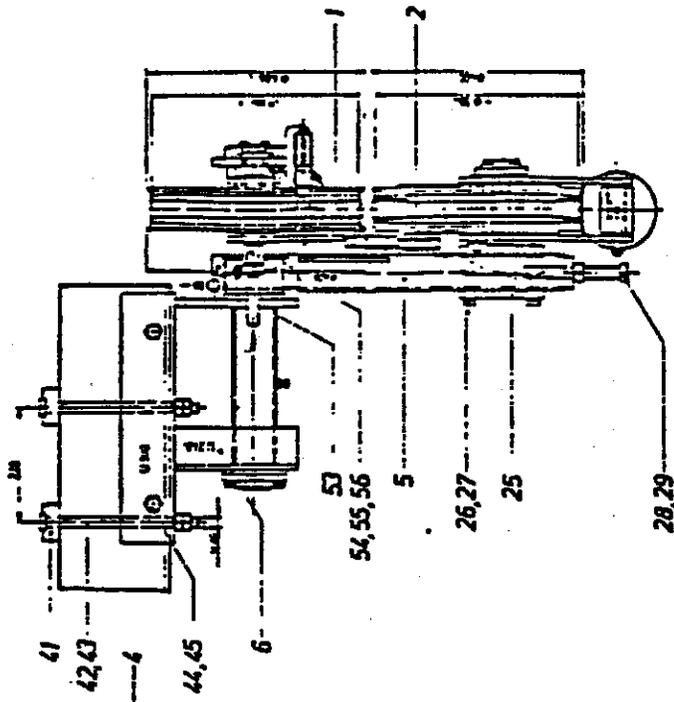
Doppelmayr

156220051500

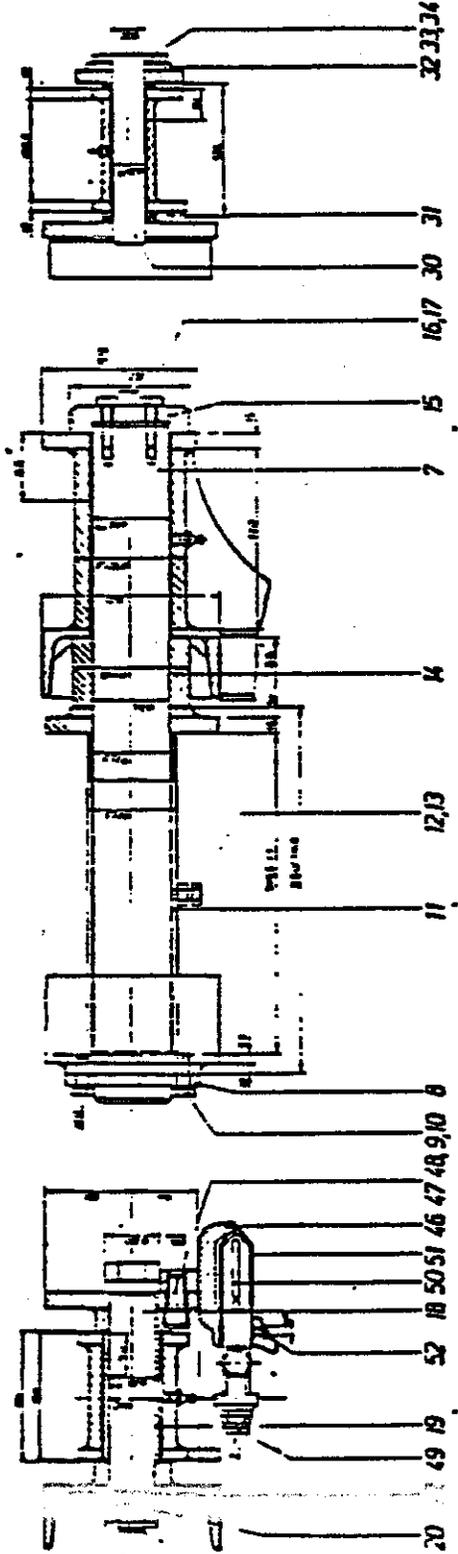


NOTE: All parts are to be made of steel unless otherwise specified.

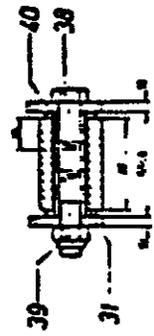
SECTION A-A



SECTION C-C



SECTION B-B



SECTION D-D

DRIVING HEAD (Type 5) ASSEMBLY TYPE 500 - 1000 Series 1950	
1.5 1.25 1.0 0.75 0.5 0.25	1.5 1.25 1.0 0.75 0.5 0.25
Doppelmayr 1000	

