MOUNT KONOCTI GONDOLA SKYRIDE

10-YEAR CASH FLOW PROJECTION

"Date: 05/19/06

FINANCIAL ANALYSIS CONCLUSIONS	
Investors Rate of Return	42.68%
Project Rate of Return	55.86%
Project Selling Price In 10 Years	$148,551,964
Project Current Fair Market Value	$37,168,305

FINANCIAL ANALYSIS ASSUMPTIONS	
Total Project Budget	$15,000,000
From Borrowing	$7,500,000
Loan Origination Date	01-Jan-07
Loan Maturity Date	31-Dec-16
Loan Amortization Period (Years)	10.00
Interest Rate on Loan	10%
Fair Market Value Discounted @	15%
Reversionary Capitalization @	10%
Cost to Sell Business Year 10	5%
Rate of Inflation Per Year	5%
Growth of Market Years 1-3	20%
Growth of Market Years 4-10	10%
Shares Outstanding After 10 Years	15,000,000

PROJECT BUDGET	
Gondola	$6,000,000
Base Facilities	1,000,000
Summit Facilities	2,400,000
1st Year Permit Process (EIR)	600,000
Depreciable Assets	$10,000,000
Land Acquisition (2 Peaks - 1,200 Acres)	3,000,000
Land Acquisition (Base Area)	1,000,000
Contingencies/Working Capital	1,000,000
Total Project Budget	$15,000,000

MARKETING ASSUMPTIONS	In-Season	Off-Season
Dates	3/1-10/31	11/1-2/28
Number of Weeks	35	17
Number of Days	245	120
Passengers Per Day	1000	0
Passengers	245,000	0
Price Per Ticket	$15.00	N/A

1ST YEAR ANNUAL OPERATING EXPENSES	
Salaries (4 Managers x $100,000)	$400,000
Salaries (20 Employees x $25,000)	500,000
Advertising ($1.00/Passenger)	245,000
Maintenance ($.50/Passenger)	122,500
Utilities ($.50/Passenger)	122,500
Insurance ($.50/Passenger)	122,500
Property Taxes (1.25% of Assets)	187,500
Office Expenses ($.50/Passenger)	122,500
Legal & CPA Services ($2,000 / Mo)	24,000
	$1,846,500

GROSS INCOME		Year 1 12/31/07	Year 2 12/31/08	Year 3 12/31/09	Year 4 12/31/10	Year 5 12/31/11	Year 6 12/31/12	Year 7 12/31/13	Year 8 12/31/14	Year 9 12/31/15	Year 10 12/31/16	Year 11 12/31/17
Projected Passengers		245,000	294,000	352,800	388,080	426,888	469,577	516,534	568,188	625,007	687,507	756,258
Projected Ticket Sales		$3,675,000	$4,630,500	$5,834,430	$6,738,767	$7,783,275	$8,989,683	$10,383,084	$11,992,462	$13,851,294	$15,998,244	$18,477,972
Mount Konocti Land Trust Fund ($1 Per Ticket)		-$245,000	-$294,000	-$352,800	-$388,080	-$426,888	-$469,577	-$516,534	-$568,188	-$625,007	-$687,507	-$756,258
Income - Ticket Sales		$3,430,000	$4,336,500	$5,481,630	$6,350,687	$7,356,387	$8,520,106	$9,866,550	$11,424,274	$13,226,287	$15,310,737	$17,721,714
Income - Restaurant ($2.50 Per Visitor)		$612,500	$735,000	$882,000	$970,200	$1,067,220	$1,173,942	$1,291,336	$1,420,470	$1,562,517	$1,718,768	$1,890,645
Income - Concessions ($3 Per Visitor)		$735,000	$882,000	$1,058,400	$1,164,240	$1,280,664	$1,408,730	$1,549,603	$1,704,564	$1,875,020	$2,062,522	$2,268,774
EFFECTIVE GROSS INCOME		$4,777,500	$5,953,500	$7,422,030	$8,485,127	$9,704,271	$11,102,779	$12,707,489	$14,549,308	$16,663,824	$19,092,028	$21,881,134
OPERATING EXPENSES												
Salaries (4 Managers x $100,000)		$400,000	$480,000	$576,000	$633,600	$696,960	$766,656	$843,322	$927,654	$1,020,419	$1,122,461	$1,234,707
Salaries (20 Employees x $25,000)		$500,000	$630,000	$793,800	$916,839	$1,058,949	$1,223,086	$1,412,664	$1,631,627	$1,884,530	$2,176,632	$2,514,010
Advertising ($1.00/Passenger)		$245,000	$294,000	$352,800	$388,080	$426,888	$469,577	$516,534	$568,188	$625,007	$687,507	$756,258
Maintenance ($.50/Passenger)		$122,500	$147,000	$176,400	$194,040	$213,444	$234,788	$258,267	$284,094	$312,503	$343,754	$378,129
Utilities ($.50/Passenger)		$122,500	$147,000	$176,400	$194,040	$213,444	$234,788	$258,267	$284,094	$312,503	$343,754	$378,129
Insurance ($.50/Passenger)		$122,500	$147,000	$176,400	$194,040	$213,444	$234,788	$258,267	$284,094	$312,503	$343,754	$378,129
Property Taxes (1.25% of Assets)		$187,500	$187,500	$187,500	$187,500	$187,500	$187,500	$187,500	$187,500	$187,500	$187,500	$187,500
Office Expenses ($.50/Passenger)		$122,500	$147,000	$176,400	$194,040	$213,444	$234,788	$258,267	$284,094	$312,503	$343,754	$378,129
Legal & CPA Services ($2,000 / Mo)		$24,000	$25,200	$26,460	$27,783	$29,172	$30,631	$32,162	$33,770	$35,459	$37,232	$39,093
TOTAL OPERATING EXPENSES		$1,846,500	$2,204,700	$2,642,160	$2,929,962	$3,253,245	$3,616,603	$4,025,252	$4,485,115	$5,002,928	$5,586,347	$6,244,085
NET OPERATING INCOME		$2,931,000	$3,748,800	$4,779,870	$5,555,165	$6,451,026	$7,486,175	$8,682,237	$10,064,192	$11,660,896	$13,505,681	$15,637,049
Capital Expenditures		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Loan Payments		-$1,220,590	-$1,220,590	-$1,220,590	-$1,220,590	-$1,220,590	-$1,220,590	-$1,220,590	-$1,220,590	-$1,220,590	-$1,220,590	$0
TOTAL ANNUAL CASH FLOW		$1,710,410	$2,528,210	$3,559,280	$4,334,574	$5,230,436	$6,265,585	$7,461,647	$8,843,602	$10,440,306	$12,285,090	$15,637,049
LOAN ACTIVITY												
Interest Rate		10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	
Beginning Balance		7,500,000	7,029,410	6,511,760	5,942,346	5,315,990	4,626,998	3,869,108	3,035,428	2,118,380	1,109,628	
Principal		470,590	517,650	569,414	626,356	688,991	757,891	833,680	917,048	1,008,752	1,109,628	
Interest		750,000	702,941	651,176	594,235	531,599	462,700	386,911	303,543	211,838	110,963	
Total Annual Payment		1,220,590	1,220,590	1,220,590	1,220,590	1,220,590	1,220,590	1,220,590	1,220,590	1,220,590	1,220,590	
ENDING LOAN BALANCE	$7,500,000	7,029,410	6,511,760	5,942,346	5,315,990	4,626,998	3,869,108	3,035,428	2,118,380	1,109,628	-	
FINANCIAL RATIOS												
Loan to Value Ratio		19%	14%	11%	8%	6%	4%	3%	2%	1%	-	
Debt Service Coverage		2	3	4	5	5	6	7	8	10	11	
Projected Earnings Per Share		$0.17	$0.24	$0.29	$0.35	$0.42	$0.50	$0.59	$0.70	$0.82	$1.04	
Price To Earnings (P/E) @ $1.00		6	4	3	3	2	2	2	1	1	1	
Stock Value @ P/E = 20		$3.37	$4.75	$5.78	$6.97	$8.35	$9.95	$11.79	$13.92	$16.38	$20.85	
VALUATION CASH FLOWS												
Capitalized Value Estimate		$37,488,000	$47,798,700	$55,551,647	$64,510,263	$74,861,755	$86,822,374	$100,641,923	$116,608,960	$135,056,805	$156,370,489	
Value of Business (Year-End)		$35,613,600	$45,408,765	$52,774,064	$61,284,750	$71,118,667	$82,481,255	$95,609,827	$110,778,512	$128,303,965	$148,551,964	
Project Cash Flows (100%)	-$7,500,000	$1,710,410	$2,528,210	$3,559,280	$4,334,574	$5,230,436	$6,265,585	$7,461,647	$8,843,602	$10,440,306	$160,837,054	INVESTORS TOTAL RETURN
Investors Cash Flows (60%)	-$7,500,000	$1,026,246	$1,516,926	$2,135,568	$2,600,745	$3,138,261	$3,759,351	$4,476,988	$5,306,161	$6,264,183	$96,502,233	$126,726,661
(Assuming Sale / Loan Payoff in 10th Year)												