ALPINE CIRCLE, LLC
MAMMOTH VIEW, LLC
MAMMOTH VIEW TWO, LLC
(MAMMOTH VIEW)
621 Capitol Mall, Suite 1900
Sacramento, California 95814
Tel: (916) 263-0222
Fax: (916) 263-0225

December 15, 2010

Mark Wardlaw
Community Development Director
Town of Mammoth Lakes
437 Old Mammoth Road, Suite R
Mammoth Lakes, CA 93546

RE: Mammoth View, A Handmade Hotel
Proposal Regarding Town of Mammoth Lakes Fees, Incentives for Accelerating Development, Geothermal Expansion, and Brand Participation

Dear Mark,

As you know, Mammoth View owns or controls 5.51 acres on Main Street. During the last year, Mammoth View has considered three alternatives for this prime location: (1) abandon any thoughts of development, close the motels, and wait for better market conditions to sell the land; (2) develop for-sale units that would include cabins and townhomes in a condominium arrangement, but without any hospitality component; or (3) develop Mammoth View, A Handmade Hotel ("Hotel Project"), which would be a mixed-use development consisting of a 54-unit hotel and 52 for-sale cabins and townhouses. Under the third alternative, the cabins and townhouses would be owned as condominiums, and the individual owners would have the opportunity to participate in a voluntary rental program managed by the hotel. These three alternatives ignore the fact that we have existing entitlements allowing us to construct a much larger and more controversial project. In the current market conditions, the first two alternatives are more palatable than the Hotel Project to the Board of Directors of Mammoth View (Board). They pose less risk and cost less overall and have the potential to produce similar profits as the Hotel Project. However, we believe we can secure Board approval for the Hotel Project with the right incentives from the TOML that would help mitigate risk and control project costs.

While conducting our research, we heard clearly from Town of Mammoth Lakes ("TOML" or "Town") staff, several appointed and elected officials, and other members of the community that development with a hospitality component was the preferred alternative because tourism and transient occupancy tax ("TOT") revenues are essential to the financial health of the Town. Using conservative numbers, we have determined that the Hotel Project could generate $4.5 million in tax revenues over the next ten years for TOML. In addition, the Hotel Project will provide outdoor, retail and restaurant spaces that will bring activity to Main Street and promote pedestrian and bicycle traffic. The Hotel Project is in concert with the Main Street District Plan concept and could be the first significant redevelopment on Main Street in recent years.

This Hotel Project would likely provide a catalyst for additional redevelopment and economic growth during an otherwise dismal time. Further, the Hotel Project expands on the trend toward sustainable tourism. In short, the Hotel Project would benefit the community.

Mammoth View would like to build the Hotel Project and is considering having the hotel operated by well known boutique brand, being the first project in Town to use geothermal and could start construction by May 2012. In order to do so, however, we need help from TOML to mitigate risk and make the project economically feasible so we can secure Board approval. The Board will not proceed with the Hotel Project unless Mammoth View can get clarity, certainty, and a limit on TOML fees. In addition, the Board will need incentives from the Town in the current economic environment to allocate capital so construction can start by May 2012, risk additional capital on unproven geothermal resources and burden the project with the recurring cost of a third party hotel operator. These three items would increase the benefit of the Hotel Project to TOML by accelerating the generation of tax revenues, proving the viability of geothermal heating district, and bringing much need positive media attention. Therefore, Mammoth View would like to provide TOML with an opportunity to (a) accelerate the timing of the Hotel Project development so it can start by May 2012, (b) mitigate the risk of the geothermal component of the Hotel Project, and (c) help offset the cost of attracting a strong brand, which would generate positive media attention and more TOT revenue. The TOML fees and each of these aspects of Town participation are discussed below.

TOWN OF MAMMOTH LAKES FEES

Before Mammoth View continues its work on the Hotel Project, we need an accurate number for all government and agency permits and fees, and we need to know which fees are relevant to the Hotel Project and how these fees are calculated. We recognize that TOML does not control or have authority to negotiate all fees, but TOML does have the ability to address 75% of the fees shown in Exhibit A. Exhibit A contains three columns: (1) a "worst case scenario" estimate, with total fees for the project potentially exceeding $3.6 million; (2) a TOML estimate, which does not include estimates for all fees; and (3) a Mammoth View fee proposal. The worst case scenario renders the Hotel Project economically unfeasible and the TOML estimate makes the Hotel Project unattractive to the Board as the estimate is high and does not adequately mitigate risk of further fee increases. The Mammoth View fee proposal presents a complete fee structure that would allow Mammoth View to proceed with the Hotel Project. The explanation for this fee structure is provided below. In any event, we must reach agreement on a reasonable fee structure, and one that we understand and can present to the Board before we can proceed further on the Hotel Project.

Planning Division

The Mammoth View fee proposal shows Planning Division fees not to exceed $70,072. These fees include all fees and cost accounting reimbursements for the completed Concept Review, and the processing of the proposed Planning Application, which includes the Advisory Design Panel, Design Review, Environmental Review, Tentative Tract Map, and Use Permit (collectively, "Planning Division Fees"). This amount would ***not*** include California Environmental Quality Act (CEQA) expenses for third party

consultants, which will likely exceed $61,152. Mammoth View would not be subject to any additional fees or reimbursements from the Planning Division, listed or not listed, in the Community Development 2009 – 2010 Fee Schedule. The $70,072 maximum limit is reasonable given that the Hotel Project conforms to the current TOML general plan and zoning standards in all areas according to the Concept Review 10-001 Planning Commission Staff Report dated August 25, 2010. Further, TOML can control the amount of time that will be spent by TOML staff to process the Planning Application. Mammoth View has already paid TOML $22,508 to process its Concept Review Application, which was submitted on July 8, 2010. A Planning Division estimate provided on December 1, 2010, projects another $47,564.68 for additional billing time to process the Planning Application, based on the Planning Division staff's experience processing a different, but similar, project. The December Planning Division estimate is more than double the initial estimate of $20,000, which Mammoth View received on October 29, 2010. Mammoth View requests that TOML accept the Mammoth View Planning Application without requiring an additional deposit. Mammoth View has timely and consistently paid its invoices and maintained a minimum $6,000 deposit with TOML since submitting the Concept Review Application on July 8, 2010.

Building Division

The Mammoth View fee proposal shows the Building Division fees not to exceed $191,923. Mammoth View requests that the Building Division fees be limited to the Full Plan Review, Document Management/Archive, Strong Motion Instrumentation Program, and New Development Fees (collectively, "Building Division Fees"). The Building Division Fees are calculated using the International Conference of Building Officials (ICBO) Building Valuation Data August 2010 to calculate building valuation and the most recent building areas for the Hotel Project that will not materially change (see Exhibit B). Municipal Code Section 15.18.070D permits the Community Development Director to use ICBO data to calculate building valuation. Since the Building Division Fees incorporate all plan checks, inspections, and electronic document preparation and retention, Mammoth View would not be subject to any additional fees, listed or not listed, in the Building Division Fee Schedule Fiscal Year 2009-2010. For each structure, the Plan Review Deposit would be based on the Building Division Fee Schedule Fiscal Year 2009-2010 with the balance of the Building Division Fees calculated using the methodology in Exhibit B and C; with fees due when TOML issues a building permit for each structure. In no event would the total Building Division Fees for the entire Hotel Project exceed $191,923.

Engineering Services Division

The Mammoth View fee proposal shows the Engineering Division fees not to exceed $104,891 (see Exhibit A-C). Mammoth View requests that Engineering Services Division fees be limited to the Grading Permit Fee and Final Tract Map Fee (collectively, "Engineering Division Fees"), which include the work necessary to obtain grading and improvement permits and finalize the tract map for the project. Since the Engineering Division Fees incorporate all plan checks, inspections, and electronic document preparation and retention, Mammoth View would not be subject to any additional fees, listed or not listed, in the Development Engineering Division Fee Schedule Fiscal Year 2009-2010. No deposit would be required and the Grading Permit Fee would be due

when TOML issues the permit, and the Final Tract Map Fee would be due prior to the final review for approval by staff.

Development Impact Fee

Mammoth View fee proposal shows the Net Development Impact Fees ("Net DIF") not to exceed $186,723 (see Exhibit A). The calculation of the Net DIF includes using the Development Impact Fees Schedule Effective 5/6/10; giving Mammoth View full credit for existing uses; and calculating DIF based on a non-transient, multi-family concept (see Exhibit C). With respect to full credit for existing uses, Mammoth View demolished a restaurant, a single family transient building, a retail center, and an apartment building (part of the "Existing Uses" in the Net DIF calculation) in 2008 out of deference to the Town. Mammoth View eliminated these structures, which are located in a prominent tourist corridor, rather than boarding them up and leaving them vacant, with the understanding that Mammoth View would receive 100% credit for all Existing Uses (including the demolished structures) to offset DIF and the Affordable Housing Mitigation ("AHM") that may be required for a future project. With respect to using a non-transient, multi-family concept for calculating the DIF, Mammoth View spent time and money seriously considering the development of a for-sale condominium project that would have included 65-70 cabins and townhouses ("Original Concept") with no hospitality component. The Original Concept is one of the Mammoth View alternatives mentioned at the outset in this letter and with no TOML incentives is more palatable to Mammoth View, but we set it aside after being persuaded that the TOML would look favorably on hospitality project that would benefit the Town in terms of helping to activate and redevelop Main Street and to generate TOT funds. The entire Hotel Project could generate over $4.5 million in tax revenues (TOT, property, sales and utility tax), before incentives, for the Town over the next ten years (see Exhibit D), in contrast to the Original Concept, would only generate property tax revenues of $265,000 during the same period. While the Hotel Project provides an on-going benefit to the Town over the Original Concept, the higher Net DIF generated ($840,279) proposed by the TOML estimate (see Exhibit A) makes the Hotel Project less economically attractive to Mammoth View than the Original Concept. In addition, the Hotel Project would require Mammoth View to achieve a sales premium on the condominium units to make the project as economically attractive as the Original Concept (see Exhibit E). Mammoth View is prepared to take the market risk of achieving the premium to pursue the Hotel Project, but it will need the Town to accept the same Net DIF that it would have received under the Original Concept. For the Town, this fee modification is an investment by the TOML for the opportunity to receive on-going tax revenue from the Hotel Project. Mammoth View needs a definitive answer from TOML before it can proceed further with the design and application process of the Hotel Project. Without this fee concession from the Town, it will be difficult to present a convincing argument to the Board to pursue the Hotel Project over the Original Concept.

Affordable Housing Mitigation

Mammoth View intentionally scaled back the design of the project to be within the allowable zoning code with the goal of generating less FTEE (Municipal Code 17.36.30) than credited received from Existing Uses. We succeed in achieving this goal under the Original Concept (see Exhibit C) and therefore requests that the Town agree that no

mitigation is required. However, the Hotel Project favored by the Town and the recently adopted Interim Housing Policy would result in 3 required inclusionary housing units for the Hotel Project and could result in a $240,000 in lieu fee based on recent negotiations with the Snowcreek developer according to the Planning Division September 9, 2010 letter. This potential fee is unacceptable given that it makes the Hotel Concept less attractive than the Original Concept and the intent of the Interim Housing Policy is to reduce the burden on developers for providing workforce housing not increasing the burden. The Town should question the need for any workforce housing with so much affordable houses available in the current economic environment. Finally, imposing affordable mitigation requirements on redevelopments of fully built-out sites that meet general plan and zoning requirements (e.g. not requesting density bonuses) would discourage redevelopment and impede the realization of the general plan community vision of creating a premier, year-round resort community and Downtown Concept for Main Street long-range vision to improve the physical and design conditions along the Main Street corridor.

Public Art Fee

As permitted by Municipal Code Section 15.18.070, Mammoth View plans to provide one-of-a-kind quality artwork on the property with a minimum value of $65,760. Mammoth View calculated this minimum value by using Municipal Code Section 15.18.070.D.3 and ICBO data to calculate the building valuation, which is permitted under this Code section (see Exhibit C). The art work will be in place before TOML issues a Certificate of Occupancy. In addition, Mammoth View is considering adding an "artist-in-residence" program during the off-season to 1) develop a creative community, 2) create an attraction at the hotel and new to Mammoth when visitations are customarily low, and 3) develop a visually appealing and thought provoking environment for both residents and visitors.

ACCELERATING DEVELOPMENT

Mammoth View proposes that the Town agree to credit back the TOT revenues generated during the first five years after receiving its entitlements up to the maximum of the total TOML Fees of $553,610 paid (see Exhibit A) as an offset to the substantial risk Mammoth View faces in developing the Hotel Project in the current market environment and to encourage the owner to start construction. Encouraging the owner to start construction benefits the Town since every year that the project is delayed the TOML loses revenue that it will never recover. In addition, TOML is unlikely to see any major developments break ground in the near future given the down economy and depressed local real estate market. Without economic incentives, the Board will not commit the funds necessary to build the Hotel Project. However, with acceptable incentives, the Hotel Project could start construction as early as May 2012. In contrast, the Hotel Project will provide the following significant economic benefit to the Town: 1) injecting $30-36 million into the local economy during construction with a project designed to maximize the use of local construction trades; 2) providing employment opportunities for many locals with a an annual payroll of almost $2 million; and 3) generating over $3.5 million in tax revenues over the next ten years net of the incentive.

GEOTHERMAL EXPANSION

Mammoth View is considering drilling low-temperature geothermal and injection wells (roughly 700 feet deep) to help heat structures and snowmelt areas on site. This exploration and use of geothermal resources will be expensive and increase Mammoth View's investment risk. Mammoth View has limited its geothermal investigation to obtaining permits for and drilling for a test well because of the cost and uncertainty in finding fluid at usable temperatures. This attempt by a developer to use geothermal resources is a first of its kind project, which presents an opportunity for a public/private partnership that would include special incentives provided by TOML. This arrangement could be a catalyst for TOML to develop a geothermal heating district, which the Town has explored for over 25 years. With reasonable incentive from TOML, Mammoth View would commit to proceed with the development of the geothermal system. The Town's participation in the promotion of geothermal development would attract media attention and encourage future developments to pursue geothermal components. The Town could become a pedestrian friendly town even during the winter months. We propose that TOML agree to credit back the TOT generated from the project, sufficient enough to cover 100% of a geothermal system costs. We would consider this credit a reasonable incentive to invest in the geothermal development. Even at an estimated cost of $1,000,000 for this geothermal development, combined with the incentive to accelerate the development of the Hotel Project as discussed above, TOML would received $3.5 million in tax revenues over the next ten years from the project. Further, provided there is sufficient capacity in the geothermal system, over and above the needs of the Hotel Project, Mammoth View would make excess geothermal fluid available to TOML to snow melt Alpine Circle and Mountain Boulevard adjacent to the project.

BRAND PARTICIPATION

Mammoth View is currently in discussions with a well known boutique hotel operator that would bring much needed media attention to Mammoth Lakes and promote Mammoth as a world class, year round, vacation destination. Unfortunately for Mammoth View, branding the Hotel Project adds cost to the project. A brand would benefit the Town by generating higher occupancy, average daily rate (ADR) and public relations. For example, the brand believes that it can increase ADR by $100 above what Mammoth View considers achievable ($211 ADR). This additional revenue produces less benefit for Mammoth View because Mammoth View must pay the cost of management, centralized marketing, sales & marketing, and property management fees to the brand operator, but it will generate more TOT revenues for the Town. The Town would still benefit if it were to credit Mammoth View with 4% of the 13% TOT rate to help offset this cost for branding. The Town would receive $27.43 (13% x $211 ADR) in TOT under the no-brand option and $27.99 (13%-4% x $311 ADR) under the brand option. Further, TOML would benefit from additional TOT generated by higher occupancies and more tourist dollars spent in Town through the higher occupancies and increased promotions. Thus, Mammoth View suggests the Town join Mammoth View in a brand participation program by providing a 4% credit of the 13% TOT revenue to offset the branding costs to Mammoth View. Such a program would depend on Mammoth View successfully obtaining the well-known boutique brand for the Hotel Project.

SUMMARY

Although challenging, the current economic environment provides TOML an opportunity to encourage and participate in quality developments that will redevelop and activate Main Street, contribute to making Mammoth Lakes a premier, year-round resort community, and promote sustainable use of its natural resources such as geothermal. Mammoth View has taken great care to design a project (including changing its Original Concept to the Hotel Project) which provides substantial benefit to the Town. Unfortunately, TOML fee structure contributes substantially in making the Hotel Project risky and economically unfeasible. Mammoth View has set forth several ways the Town can help make the Hotel Project a reality in the near future. These include an agreement on fees, an incentive to accelerate development, an opportunity to promote geothermal development, and a branding participation program. Out of all of these, an acceptable agreement on fees is paramount to Board approval to proceed with development of the Hotel Project. Without the an agreement in fees, the most likely and less risky alternatives is to purse the Original Concept or halt all plans for development (which would include eventually closing the existing hotels) and wait for better market conditions to sell the land. We would like to present a convincing argument for proceeding with the Hotel Project to the Board, but we will need to show the Town's cooperation and commitment with respect to the preferred alternative.

I look forward to hearing from you soon. I am available to discuss this as early as this afternoon. Please note that nothing in this letter is binding; we need to complete further discussions.

Sincerely,

Eva H. Hill

Eva H. Hill, President
Alpine Circle, LLC
Mammoth View, LLC
Mammoth View Two, LLC

EXHIBIT A

MAMMOTH VIEW
PERMIT AND FEE SUMMARY

EDITED BY: HMC
DRAFT DATE: 12/14/2010

AGENCY	MVLLC WORST CASE SCENARIO ESTIMATE	TOML ESTIMATE (1, 2)	MVLLC PROPOSAL 12/9/2010
TOWN OF MAMMOTH LAKES			
PLANNING DIVISION	$ 151,687	$ 70,072	$ 70,072
BUILDING DIVISION	477,337	289,539	191,923
ENGINEERING SERVICES DIVISION	185,995	NO ESTIMATE	104,891
DEVELOPMENT IMPACT FEE	1,512,339	1,512,339	861,105
LESS EXISTING USES CREDIT		(672,060)	(674,382)
NET AFFORDABLE HOUSING MITIGATION IN LIEU FEE	240,000	240,000	-
PUBLIC ART FEE	152,236	NO ESTIMATE	65,760
LESS ONSITE PUBLIC ART			(65,760)
SUBTOTAL TOML FEES	**$ 2,719,594**	**$ 1,439,891**	**$ 553,610**
MAMMOTH UNIFIED SCHOOL DISTRICT (3)	**$ 284,572**	**NO ESTIMATE**	**$ 284,572**
MAMMOTH COMMUNITY WATER DISTRICT (4)	**$ 524,200**	**NO ESTIMATE**	**$ 524,200**
MAMMOTH LAKES FIRE PROTECTION DISTRICT (5)	**$ 20,948**	**NO ESTIMATE**	**$ 20,948**
MONO COUNTY (6)	**$ 1,204**	**NO ESTIMATE**	**$ 1,204**
STATE OF CALIFORNIA			
GREAT BASIN AIR RESOURCE CONTROL BOARD (7)	$ 29,233	NO ESTIMATE	29,233
DIVISION OF OIL, GAS AND GEOTHERMAL RESOURCES (8)	4,400	NO ESTIMATE	4,400
LAHONTAN REGIONAL WATER QUALITY CONTROL BOARD (9)	5,924	NO ESTIMATE	5,924
DEPARTMENT OF TRANSPORTATION (10)	1,800	NO ESTIMATE	1,800
SUBTOTAL CALIFORNIA	**$ 41,357**	**$ -**	**$ 41,357**
TOTAL PROJECT FEES	**$ 3,591,875**	**$ 1,439,891**	**$ 1,425,891**

NOTES

1. PLANNING DIVISION FEE PER ACTUAL BILLED FOR CONCEPT APPLICATION AS OF 10/31/10 AND 12/1/10 TOML FEE ESTIMATE. BUILDING DIVISION FEES AND DIF PER 12/13/20 TOML FEE ESTIMATE.
2. AFFORDABLE HOUSING ESTIMATE PER TOML LETTER DATED SEPTEMBER 9, 2010.
3. MUSD FEES BASED ON $0.42 FOR COMMERCIAL AND $2.63 FOR RESIDENTIAL PROVIDED ON 10/27/10.
4. MCWD FEES SCHEDULED DATED 4/1/10 FOR NEW 1.5", 2", 2" AND 4" CONNECTIONS AND TWO WELLS.
5. MLFPD FEES PER RESOLUTION NO 2006-01 DATED NOVEMBER 14, 2006.
6. TWO WELL PERMITS PER FEE SCHEDULE DATED 5/18/10
7. RULE 301 PERMIT FEE SCHEDULE DATED 5/5/04.
8. DOGGR WEBSITE PUBLISHED RATES FOR PRODUCTION AND INJECTION WELLS.
9. RWQCB ESTIMATED BY TRIAD.
10. ENCROACHMENT PERMIT FEE ESTIMATE

EXHIBIT B

MAMMOTH VIEW
PROJECT SUMMARY
BUILDING AREA AND VALUATION

EDITED BY: HMC
DRAFT DATE: 12/14/2010

VALUATION	UNITS	UNIT AREA (SF)	GROSS SITE/BUILDING AREA (SF)	ICBO UNIT COST	VALUATION
SITE/LANDSCAPE					
SITE DEMOLITION					
SITE WORK					
LANDSCAPE/HARDSCAPE					
SITE UTILITIES					
ENGINEERING SITE AREA/VALUATION (1)			**240,085**		$ 5,471,764
RESIDENTIAL (2, 3, 4)					
CABIN A	6	850	5,100	$ 90.63	$ 462,213
CABIN B1	4	1,200	4,800	$ 90.63	435,024
CABIN B2	9	1,240	11,160	$ 90.63	1,011,431
CABIN C	9	1,368	12,312	$ 90.63	1,115,837
SUMMIT TOWNHOME	12	1,750	21,000	$ 90.63	1,903,230
BASECAMP TOWNHOME	12	1,700	20,400	$ 90.63	1,848,852
RESIDENTIAL NET BUILDING AREA	52		74,772		6,776,586
DECKS			6,528	$ 38.66	252,372
GARAGES			25,296	$ 38.66	977,943
RESIDENTIAL GROSS BUILDING AREA	**52**		**106,596**		**$ 8,006,902**
HOTEL (2, 3, 4)					
BASECAMP HOTEL	54		33,360	$ 116.71	$ 3,893,446
DECKS			12,114	$ 38.66	468,327
PARKING STRUCTURE			15,575	$ 38.66	602,130
THE RIDGE SPA	1		1,550	$ 38.66	140,477
SUMMIT HOUSEKEEPING	2		450	$ 38.66	40,784
HOTEL GROSS BUILDING AREA			**63,049**		**$ 5,145,162**
BUILDING GROSS AREA/VALUATION			**169,645**		**$ 13,152,065**
LESS RESIDENTIAL GARAGES			(25,296)		
LESS RESIDENTIAL DECKS			(6,528)		
LESS HOTEL PARKING			(15,575)		
HABITABLE AREA			**122,246**		

NOTES

1. ENGINEERING VALUATION PER 11/23/10 NEUBAUER/JENNISON-OLTMANS CONSTRUCTION COST ESTIMATE
2. HOTEL, CABINS AND TOWNHOMES TYPE VB CONSTRUCTION PER ARCHITECT FIRM
3. MUNICIPAL CODE SECTION 15.18.070.D PERMITS THE COMMUNITY DEVELOPMENT DIRECTOR TO USE THE ICBO TO CALCULATE BUILDING VALUATION. THEREFORE, OWNER USES BUILDING VALUATION DATA PER AUGUST 2010 ICBO PUBLICATION. NEXT UPDATE ON FEBRUARY 2011.
   GROUP (2009 ICBO) UNIT CONSTRUCTION COSTS ($ PSF)
   - R-1 RESIDENTIAL, HOTELS $ 116.71
   - R-2 RESIDENTIAL, MULTIFAMILY $ 90.63
   - U UTILITY, MISC (GARAGES & DECKS) $ 38.66
4. BUILDING AREAS PER 12/10/10 CCYA DRAFT PACKAGE

EXHIBIT C

MAMMOTH VIEW
TOML FEE PROPOSAL

EDITED BY: HMC
DRAFT DATE: 12/14/2010

AGENCY	QUANTITY	UNITS	UNIT PRICING	AMOUNT	NOTES
1. PLANNING DIVISION					
CONCEPT REVIEW APPLICATION	1	COST TO DATE	$ 22,508	$ 22,508	PAID TO DATE AT 10/31/10.
PLANNING APPLICATION	1	ESTIMATE	$ 47,565	47,565	COMMUNITY DEVELOPMENT 12/1/10 ESTIMATE
ADVISORY DESIGN PANEL	-	LUMP SUM	$ 2,787	-	INCLUDED ABOVE
DESIGN REVIEW MAJOR	-	LUMP SUM	$ 7,033	-	INCLUDED ABOVE
ENVIRONMENTAL REVIEW DEPOSIT	-	LUMP SUM	$ 10,000	-	INCLUDED ABOVE
TENTATIVE TRACT MAP DEPOSIT	-	LUMP SUM	$ 6,243	-	INCLUDED ABOVE
USE PERMIT DEPOSIT	-	LUMP SUM	$ 2,500	-	INCLUDED ABOVE
SUBTOTAL PLANNING DIVISION				**$ 70,072**	
2. BUILDING DIVISION					
FULL PLAN REVIEW (BUILDING PERMIT)	$ 13,152,065	BUILDING VALUATION	0.00840	138,082	$78,005 + 0.0084 X VALUATION OVER $6M
DOCUMENT ARCHIVE	$ 13,152,065	BUILDING VALUATION	0.00050	6,981	$905 + 0.0005 X VALUATION OVER $1M
BSASRF FEE	1	LUMP SUM	970	970	NOT LISTED IN TOML FEE SCHEDULE
SMIP - RESIDENTIAL	$ 8,006,902	BUILDING VALUATION	0.00010	801	
SMIP - COMMERCIAL	$ 5,145,162	BUILDING VALUATION	0.00021	1,080	
MC SECTION 15.16.030 (MASTER PLAN)	122,246	HABITABLE AREA	0.36000	44,009	EXCLUDES PARKING, DECKS AND OPEN WALKWAY
DEMO PERMIT	-	EXISTING BUILDINGS	$ 200.00	-	COVERED BY GRADING PERMIT
FORCED AIR UNIT	-	AIR UNITS	$ 108.00	-	COVERED BY BUILDING PERMIT
INSPECTIONS - CABINS/TH	-	INSPECTIONS	$ 34.00	-	COVERED BY BUILDING PERMIT
INSPECTIONS - HOTEL	-	INSPECTIONS	$ 34.00	-	COVERED BY BUILDING PERMIT
LPG UPGRADE	-	BUILDINGS	$ 63.00	-	COVERED BY BUILDING PERMIT
TEMPORARY CERTIFICATE OF OCCUPANCY	-	BUILDINGS	$ 200.00	-	COVERED BY BUILDING PERMIT
TEMPORARY POWER POLE	-	POLES	$ 34.00	-	COVERED BY BUILDING PERMIT
WATER HEATER	-	BUILDINGS	$ 60.00	-	COVERED BY BUILDING PERMIT
SUBTOTAL BUILDING DIVISION				**$ 191,923**	
3. ENGINEERING SERVICES DIVISION					
GRADING PERMIT	$ 5,471,764	ENGINEERING VALUATION	0.01380	$ 96,195	$62,085 + 0.0138 X ($3M < VALUATION < $6M)
FINAL TRACT MAP	1	LUMP SUM	$ 8,630	8,696	BASE + $33 EACH FOR TWO LOTS
NEW ADDRESS	-	ADDRESSES	$ 950	-	COVERED IN GRADING PERMIT
ENCROACHMENT	-	PERMITS	$ 450	-	COVERED IN GRADING PERMIT
NEW CONSTRUCTION	-	UNITS	$ 550	-	COVERED IN GRADING PERMIT
SNOW REMOVAL EQUIPMENT	-	ANNUAL	$ 110	-	COVERED IN GRADING PERMIT
SUBTOTAL ENGINEERING				**$ 104,891**	

EXHIBIT C

MAMMOTH VIEW
TOML FEE PROPOSAL

EDITED BY: HMC
DRAFT DATE: 12/14/2010

AGENCY	QUANTITY	UNITS	UNIT PRICING	AMOUNT	NOTES
4. DEVELOPMENT IMPACT FEE					
54-ROOM HOTEL SITE (17, 1700 SF TOWNHOMES)	17	UNITS	$ 13,047	$ 221,799	MULTI UNIT NON TRANSIENT
CABIN A	6	UNITS	$ 6,524	39,144	MULTI UNIT NON TRANSIENT, 1 BED PAY 1/2 FEE
CABIN B	13	UNITS	$ 13,047	169,611	MULTI UNIT NON TRANSIENT
CABIN C	9	UNITS	$ 13,047	117,423	MULTI UNIT NON TRANSIENT
SUMMIT TOWNHOUSE	12	UNITS	$ 13,047	156,564	MULTI UNIT NON TRANSIENT
BASECAMP TOWNHOUSE	12	UNITS	$ 13,047	156,564	MULTI UNIT NON TRANSIENT
LESS EXISTING USES					
ROYAL PINES	29	UNITS	$ 8,445	(244,891)	MULTI UNIT TRANSIENT, STUDIO PAY 1/2 FEE
SWISS CHALET	25	UNITS	$ 8,445	(211,113)	MULTI UNIT TRANSIENT, STUDIO PAY 1/2 FEE
CERVINIOS RESTAURANT	4,880	BUILDING AREA	$ 11.43	(55,783)	COMMERCIAL/OFFICE
RENNER	6,620	BUILDING AREA	$ 11.43	(75,673)	COMMERCIAL/OFFICE
41 ALPINE CIRCLE - 2 BEDROOM UNITS	4	UNITS	$ 13,047	(52,188)	MULTI UNIT NON TRANSIENT
41 ALPINE CIRCLE - 1 BEDROOM UNITS	2	UNITS	$ 6,524	(13,047)	MULTI UNIT NON TRANSIENT, 1 BED PAY 1/2 FEE
11 ALPINE CIRCLE	1	UNITS	$ 21,687	(21,687)	SINGLE FAMILY TRANSIENT
SUBTOTAL DEVELOPMENT IMPACT FEE				**$ 186,724**	
5. AFFORDABLE HOUSING MITIGATION					
54-ROOM HOTEL SITE (17, 1700 SF TOWNHOMES)	28,900	NET BUILDING AREA (SF)	0.00012	3.5	MULTI-UNIT NON-TRANSIENT
CABIN A	5,100	NET BUILDING AREA (SF)	0.00012	0.6	MULTI-UNIT NON-TRANSIENT
CABIN B	15,960	NET BUILDING AREA (SF)	0.00012	1.9	MULTI-UNIT NON-TRANSIENT
CABIN C	12,312	NET BUILDING AREA (SF)	0.00012	1.5	MULTI-UNIT NON-TRANSIENT
TOWNHOUSE BASECAMP	20,400	NET BUILDING AREA (SF)	0.00012	2.4	MULTI-UNIT NON-TRANSIENT
TOWNHOUSE SUMMIT	21,000	NET BUILDING AREA (SF)	0.00012	2.5	MULTI-UNIT NON-TRANSIENT
LESS EXISTING USES					
ROYAL PINES	15,564	NET BUILDING AREA (SF)	0.00050	(7.8)	MULTI-UNIT NON-TRANSIENT
SWISS CHALET	9,697	NET BUILDING AREA (SF)	0.00050	(4.8)	MULTI-UNIT NON-TRANSIENT
CERVINIOS RESTAURANT	4,880	NET BUILDING AREA (SF)	0.00042	(2.0)	MULTI-UNIT NON-TRANSIENT
RENNER	6,620	NET BUILDING AREA (SF)	0.00042	(2.8)	MULTI-UNIT NON-TRANSIENT
41 ALPINE CIRCLE	5,040	NET BUILDING AREA (SF)	0.00012	(0.6)	MULTI-UNIT NON-TRANSIENT
11 ALPINE CIRCLE	1,135	NET BUILDING AREA (SF)	0.00050	(0.6)	MULTI-UNIT NON-TRANSIENT
NET FTEE GENERATED				**$ (6.19)**	**NO NET IMPACT GENERATED**
6. PUBLIC ART FEE	$ 13,152,065	BUILDING VALUATION	0.50%	**$ 65,760**	OWNER TO PROVIDE ART OF EQUAL VALUE ONSITE

NOTES

1. COMMUNITY DEVELOPMENT 2009-2010 FEE SCHEDULE.
2. BUILDING DIVISION FEE SCHEDULE FISCAL YEAR 2009-2010
3. DEVELOPMENT ENGINEERING DIVISION FEE SCHEDULE FISCAL YEAR 2009-2010
4. DEVELOPMENT IMPACT FEES SCHEDULE EFFECTIVE 5/6/10 CALCULATED FOR A 100% RESIDENTIAL PROJECT. HOTEL REPLACED BY 17, 1700 SF TOWNHOMES.
5. AFFORDABLE HOUSING MITIGATION CALCULATION PER MUNICIPAL CODE SECTION 17.36.030 FOR A 100% RESIDENTIAL PROJECT. HOTEL REPLACED BY 17, 1700 SF TOWNHOMES.
6. PUBLIC ART FEE PER MUNICIPAL CODE SECTION 15.18.070.D.3

EXHIBIT D

MAMMOTH VIEW
TEN YEAR DISCOUNTED CASH FLOW ANALYSIS
TOML TAX REVENUES

BRAND PARTICIPATION = 0.00%
COST OF CAPITAL (1) = 5.00%
INFLATION/GROWTH RATE = 3.00%
GEOTHERMAL COST = $ 1,000,000

TOT RATE (2) = 13.00% OF 13% TOT
PROPERTY TAX RATE (2) = 0.06%
SALES TAX RATE (2) = 1.50% $0.06 PER $1 COLLECTED
UTILITY TAX RATE (2)= 2.75% OF 8.75%

EDITED BY: HMC
DRAFT DATE: 12/14/10

	2010 DOLLARS	0	1	2	3	4	5	6	7	8	9	10	
		12/31/10	DEMO 12/31/11	HOTEL START 12/31/12	12/31/13	HOTEL OPEN 12/31/14	12/31/15	STABILIZED 12/31/16	12/31/17	12/31/18	12/31/19	12/31/20	TOTAL
HOTEL						54	54	54	54	54	54	54	54
CABIN/TOWNHOUSES						17	34	52	52	52	52	52	52
TOTAL UNITS		0	0	0	0	71	88	106	106	106	106	106	106
HOTEL													
ADR (3)	$ 211.00	$ 211.00	$ 217.33	$ 223.85	$ 230.57	$ 237.48	$ 244.61	$ 251.95	$ 259.50	$ 267.29	$ 275.31	$ 283.57	
OCCUPANCY (4)		0%	0%	0%	0%	60%	60%	60%	60%	60%	60%	60%	
CABIN/TOWNHOMES													
ADR (3)	$ 361.00	$ 361.00	$ 371.83	$ 382.98	$ 394.47	$ 406.31	$ 418.50	$ 431.05	$ 443.98	$ 457.30	$ 471.02	$ 485.15	
OCCUPANCY (4)	35%	0%	0%	0%	0%	35%	35%	35%	35%	35%	35%	35%	
PARTICIPATION	50%	0%	0%	0%	0%	50%	50%	50%	50%	50%	50%	50%	
PROJECT ASSESSED VALUE													
LAND (5)	$ 12,000,000	$ 12,000,000	$ 12,360,000	$ 12,730,800	$ 13,112,724	$ 13,506,106	$ 13,911,289	$ 14,328,628	$ 14,758,486	$ 15,201,241	$ 15,657,278	$ 16,126,997	
SITE COST (6)	5,471,764	5,471,764	5,635,917	5,804,994	5,979,144	6,158,519	6,343,274	6,533,572	6,729,580	6,931,467	7,139,411	7,353,593	
HOTEL COST (6)	13,856,335	-	-	-	-	15,595,427	16,063,290	16,545,189	17,041,544	17,552,791	18,079,374	18,621,756	
CABIN/TOWNHOME COST (6)	17,670,959	-	-	-	-	4,909,671	10,113,923	15,932,404	16,410,376	16,902,687	17,409,768	17,932,061	
ESTIMATE ASSESSED VALUE	$ 48,999,058	$ 17,471,764	$ 17,995,917	$ 18,535,794	$ 19,091,868	$ 40,169,723	$ 46,431,776	$ 53,339,792	$ 54,939,986	$ 56,588,186	$ 58,285,831	$ 60,034,406	
GROSS F&B SALES (7)	$ 1,813,519	$ -	$ -	$ -	$ -	$ 2,041,132	$ 2,102,366	$ 2,165,437	$ 2,230,400	$ 2,297,312	$ 2,366,231	$ 2,437,218	
UTILITIES (8)	$ 286,557	$ -	$ -	$ -	$ -	$ 178,335	$ 227,666	$ 282,461	$ 290,935	$ 299,663	$ 308,653	$ 317,913	
TAX REVENUES													
HOTEL TOT		$ -	$ -	$ -	$ -	$ 365,101	$ 376,054	$ 387,335	$ 398,955	$ 410,924	$ 423,252	$ 435,949	$ 2,797,570
CABIN/TH TOT		-	-	-	-	57,356	118,153	186,126	191,710	197,462	203,385	209,487	1,163,680
PROPERTY TAX		10,483	10,798	11,121	11,455	24,102	27,859	32,004	32,964	33,953	34,971	36,021	265,731
SALES TAX		-	-	-	-	30,617	31,535	32,482	33,456	34,460	35,493	36,558	234,601
UTILITY TAX		-	-	-	-	4,904	6,261	7,768	8,001	8,241	8,488	8,743	52,405
TOML TAX REVENUE		$ 10,483	$ 10,798	$ 11,121	$ 11,455	$ 482,080	$ 559,862	$ 645,715	$ 665,086	$ 685,039	$ 705,590	$ 726,758	$ 4,513,987
TOML FEES													
PLANNING DIVISION		22,508	47,565	-	-	-	-	-	-	-	-	-	70,072
BUILDING DIVISION		-	-	191,923	-	-	-	-	-	-	-	-	191,923
ENGINEERING SERVICES DIVISION		-	-	104,891	-	-	-	-	-	-	-	-	104,891
NET DIF		-	-	186,724	-	-	-	-	-	-	-	-	186,724
LESS INCENTIVES													
ACCELERATING DEVELOPMENT		-	-	-	-	(365,101)	(188,510)	-	-	-	-	-	(553,610)
GEOTHERMAL EXPANSION		-	-	-	-	-	(187,544)	(387,335)	(425,121)	-	-	-	(1,000,000)
BRAND PARTICIPATION		-	-	-	-	-	-	-	-	-	-	-	-
NET TOML TAX REVENUES		$ 32,991	$ 58,362	$ 494,659	$ 11,455	$ 116,979	$ 183,809	$ 258,380	$ 239,966	$ 685,039	$ 705,590	$ 726,758	$ 3,513,987

TOTAL NET TAX REVENUES =	**$ 3,513,987**
NPV =	**$ 2,514,786**

NOTES
1) COST OF CAPITAL IS ESTIMATED AT BLENDED TOML BOND INTEREST RATE OF 5.0% PAID FOR 2007-2008 PER JUNE 30, 2008 AUDITED STATEMENTS
2) PER FINANCE DEPARTMENT
3) WITH SELF BRANDING THE PROJECT WOULD BE PRICED SLIGHTLY BELOW WESTIN AND WITH BOUTIQUE OPERATED $100 PSF HIGHER THAN WESTIN BASED ON INITIAL TALKS WITH OPERATOR
4) TOML REPORTED 2005-2007 HOTEL OCCUPANCY OF 59-60%
5) LAND ASSESSED VALUE IS +/-50% OF PURCHASE PRICE IN 2006 AND BASED ON CBRE 12/08 APPRAISAL WHICH ASSESSOR IS USING TO ASSESS PROPERTY.
6) BASED ON 11/23/10 CONSTRUCTION COST ESTIMATE PREPARED BY NEUBAUER/JENNISON - OLTMANS
7) GROSS SALES BASED ON 11/5/2010 HOTEL PROFORMA AND RENTAL PROGRAM
8) BASED ON 11/5/2010 HOTEL PROFORMA AND RENTAL PROGRAM

EXHIBIT E

MAMMOTH VIEW
RESIDUAL LAND ANALYSIS (1)
ORIGINAL CONCEPT VS. HOTEL PROJECT

EDITED BY: HMC
DRAFT DATE: 12/14/2010

	NOTES	ORIGINAL CONCEPT (100% RESIDENTIAL)			HOTEL PROJECT		
I. PROGRAM							
SITE SIZE		5.51 ACRES			5.51 ACRES		
DENSITY		DENSITY	ACRES	UNITS/ACRE	DENSITY	ACRES	UNITS/ACRE
RESIDENTIAL	2	66.1	5.51	12	49.0	4.08	12
HOTEL		0.0	0.00	40	54.0	1.35	40
UNITS		66.1	5.51		103.0	5.43	
UNITS		QUANTITY	SIZE SF	DENSITY UNIT	QUANTITY	SIZE SF	DENSITY UNIT
CABIN A	3	6	850	3	6	850	3
CABIN B1		4	1,200	4	4	1,200	4
CABIN B2		9	1,240	9	9	1,240	9
CABIN C		9	1,368	9	9	1,368	9
SUMMIT TOWNHOUSE		12	1,750	12	12	1,750	12
BASECAMP TOWNHOUSE		12	1,700	12	12	1,700	12
HOTEL SITE		17	1,700	17	54		54
TOTAL UNITS		69		66	106		103
GROSS BUILDING AREA	4						
HOTEL		- SF			33,360 SF		
HOTEL DECKS		- SF			12,114 SF		
HOTEL GARAGE		- SF			15,575 SF		
RIDGE SPA		- SF			1,550 SF		
SUMMIT HOUSEKEEPING		- SF			450 SF		
RESIDENTIAL		103,672 SF			74,772 SF		
RESIDENTIAL DECKS		9,741 SF			6,528 SF		
RESIDENTIAL GARAGE		36,720 SF			25,296 SF		
GROSS BUILDING AREA		150,133 SF			169,645 SF		
NET BUILDING AREA (NSF)	5						
HOTEL		-			33,360		
RESIDENTIAL		103,672			74,772		
II. PROJECT VALUE AT COMPLETION		PER NSF		TOTAL	PER NSF		TOTAL
HOTEL CAP RATE							9.0%
HOTEL NOI MARGIN							25%
CAPITALIZATION OF HOTEL	6	$ -		$ -	$ 431		$ 14,367,978
RESIDENTIAL SALES	7	$ 545		$ 56,501,240	$ 700		$ 52,340,400
TOTAL PROJECT VALUE		$ 545		$ 56,501,240	$ 617		$ 66,708,378

EXHIBIT E

MAMMOTH VIEW
RESIDUAL LAND ANALYSIS (1)
ORIGINAL CONCEPT VS. HOTEL PROJECT

EDITED BY: HMC
DRAFT DATE: 12/14/2010

	NOTES	ORIGINAL CONCEPT (100% RESIDENTIAL)		HOTEL PROJECT	
III. DEVELOPMENT COSTS					
SITE WORK	8	$ -	$ 5,471,764	$ 50.60	$ 5,471,764
HOTEL	8, 9	$ -	-	$ 345.94	11,540,434
HOTEL FF&E/OS&E		$ -	-	$ 9.99	1,080,000
HOTEL GARAGE	8		-	$ 79.35	1,235,901
RESIDENTIAL	8	$ 212.85	22,066,545	$ 212.85	15,915,191
RESIDENTIAL GARAGE	8	$ 69.41	2,548,695	$ 69.41	1,755,768
TOTAL DIRECT COSTS		$ 290.21	$ 30,087,004	$ 342.17	$ 36,999,058
INDIRECT & FINANCING	10	$ 72.55	7,521,751	$ 85.54	9,249,765
SALES/MARKETING/COMM	11	$ 38.15	3,955,087	$ 43.18	4,669,586
BUILDER PROFIT	12	$ 43.53	4,513,051	$ 51.32	5,549,859
TOTAL DEVELOPMENT COSTS		$ 444.45	$ 46,076,893	$ 522.22	$ 56,468,268
IV. RESIDUAL LAND VALUE					
TOTAL PROJECT VALUE			$ 56,501,240		$ 66,708,378
LESS TOTAL DEVELOPMENT COSTS			(46,076,893)		(56,468,268)
RESIDUAL LAND VALUE	7		$ 10,424,347		$ 10,240,110
PER ACRE			$ 1,891,896		$ 1,858,459
PER SF			$ 43.43		$ 42.66

NOTES:

1. LAND RESIDUAL ANALYSIS SIMILAR TO 12/18/09 RESIDUAL LAND VALUE SCENARIOS PERFORMED FOR OLD MAMMOTH PLACE.
2. RESIDENTIAL DENSITY IS 12/ACRE FOR A CONDOMINIUM PROJECT.
3. RESIDENTIAL UNITS <850 SF ARE 1/2 A DENSITY UNIT
4. GROSS BUILDING AREA INCLUDES GARAGES AND DECKS
5. NET BUILDING AREA EXCLUDES GARAGES AND DECKS
6. ESTIMATED USING ASSUMPTIONS IN EXHIBIT D FOR ADR, OCCUPANCY AND F&B SALES
7. OWNER MUST GENERATE SALES PREMIUM ON RESIDENTIAL UNITS FOR THE HOTEL PROJECT TO BE ECONOMICALLY EQUIVALENT TO FULL RESIDENTIAL PROJECT.
8. CONSTRUCTION ESTIMATES BASED ON 12/23/10 NEUBAUER/JENNISON-OLTMANS CONSTRUCTION COST ESTIMATE
9. HOTEL COSTS EXCLUDE GEOTHERMAL OPTION THAT THE OWNER IS EXPLORING.
10. INDIRECT & FINANCING ESTIMATED AT 25% OF DIRECT COSTS
11. SALES/MARKETING/COMMISSION ESTIMATED AT 7% OF TOTAL PROJECT VALUE
12. BUILDER PROFIT ESTIMATED AT 15% OF DIRECT COSTS