Projected Attendance and Indoor Waterpark Revenue
Proposed Indoor Waterpark and Adventure Center, Squaw Valley

	Calendar Years					
	2015	2016	2017	2018	2019	2020
Subject Squaw Valley Hotel Packages						
Subject Property Occupied Rooms	170,273	175,381	180,642	180,642	180,642	180,642
Waterpark Package Occupied Rooms	63,852	65,768	67,741	67,741	67,741	67,741
[redacted]						
Number of Waterpark Visitors	255,409	263,071	270,963	270,963	270,963	270,963
Local Day Pass Visitors						
Number of Waterpark Visitors	39,044	40,996	42,636	42,636	42,636	42,636
[redacted]						
Other Tahoe Region Overnight Leisure Visitors						
Number of Waterpark Visitors	101,756	104,809	107,953	107,953	107,953	107,953
[redacted]						
Total						
Subject Property Attendance	396,209	408,876	421,553	421,553	421,553	421,553
Subject Property Attendance (rounded)	396,000	409,000	422,000	422,000	422,000	422,000
[redacted]						
Statistical information						
Projected Indoor Attendance Per Day Open - 317	1,249	1,290	1,331	1,331	1,331	1,331
Available Indoor Capacity Per Day	2,000	2,000	2,000	2,000	2,000	2,000
Usage Percentage	62%	65%	67%	67%	67%	67%
Projected Indoor Attendance Per SF - 80,000	5.0	5.1	5.3	5.3	5.3	5.3
Demand segmentation:						
Subject Squaw Valley Hotel Packages	64%	64%	64%	64%	64%	64%
Local Day Pass Visitors	10%	10%	10%	10%	10%	10%
Other Tahoe Region Overnight Leisure Visitors	26%	26%	26%	26%	26%	26%

Source: Hotel & Leisure Advisors

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The stabilized usage level is intended to reflect the anticipated results of the property over its remaining economic life, given all changes in the life cycle of the waterpark, and assuming continual reinvestment in the waterpark. Thus, the stabilized usage level excludes from consideration any abnormal relationship between supply and demand, as well as any nonrecurring conditions that may result in unusually high or low usage levels. Although the subject property may operate at usage levels above this stabilized level, we believe it equally possible for shifts in the local economy and changes in the market's demand patterns to force the usage level below this selected point of stability.

Our projected attendance per day open ranges from 1,249 in the first year to 1,331 in a stabilized year of the analysis. Our projected attendance per square foot ranges from 5.0 in the first year to 5.3 in the third year of the analysis. Our estimate is within the range of other indoor waterparks as shown in the following table.

Annual Attendance at Indoor Waterpark Resorts

Waterpark	Estimated Annual Attendance	Attendance/SF
Splash Lagoon Indoor Waterpark, Erie, PA	400,000	4.0
Sahara Sam's Indoor Waterpark, Berlin, NJ	300,000	5.2
Evergreen Wings and Waves, McMinnville, OR	200,000	3.8
Kalahari Indoor Waterpark, Sandusky, OH	1,000,000	5.8
Jay Peak Pump House Waterpark, Jay Peak, VT Ski Resort	300,000	7.5
Massanutten Waterpark, Harrisonburg, VA Ski Resort	275,000	4.9

Source: Hotel & Leisure Advisors

The subject attendance per square foot is within the range of indoor waterparks we profiled because the subject's target market includes a large number of visitors coming to the subject from other resorts in the area. Our strong usage estimate is due to the large visitor base of people in the Lake Tahoe area.

Monthly Analysis: We have analyzed our attendance projection based upon a monthly analysis. The following table indicates our projections for the proposed subject waterpark on a monthly basis.

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Proposed Indoor Waterpark and Adventure Center, Squaw Valley
Projection of First Year Monthly and Daily Usage
2015

Month	%	Attendance	Days Open	Attendance/Day
JAN	11%	43,560	31	1,405
FEB	11%	43,560	28	1,556
MAR	10%	39,600	31	1,277
APR	10%	39,600	30	1,320
MAY	5%	19,800	19	1,042
JUN	8%	31,680	23	1,377
JUL	9%	35,640	31	1,150
AUG	9%	35,640	31	1,150
SEP	5%	19,800	23	861
OCT	5%	19,800	18	1,100
NOV	8%	31,680	21	1,509
DEC	9%	35,640	31	1,150
ANNUALIZED	100%	396,000	317	1,249

Source: Hotel & Leisure Advisors

Our projection indicates that the indoor waterpark will achieve stronger attendance in the winter months, during peak ski season. Our interview with Jay Peak ski resort revealed strong demand after the ski lifts were closed. The climate in the winter months and the additional attraction of an indoor mountain adventure center will be a welcome place to visit for local Lake Tahoe residents and tourists. The subject will have a capacity of approximately 2,000 people at any one time. We project higher usage on weekends than weekdays, and our daily admissions include revenue from evening events such as movie nights and receptions.

Our estimates as outlined in this section of the report are predicated on the following assumptions:

1. The subject waterpark will be professionally managed and maintained;

2. The subject waterpark will be effectively promoted with a well-targeted marketing program throughout the analysis period;

3. A continued program of periodic replacement of furniture, fixtures and equipment will continue throughout the analysis period to help maintain the efficiency of operation for the subject.

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TRANSPORTATION PLANNING AND
TRAFFIC ENGINEERING CONSULTANTS

2690 Lake Forest Road, Suite C
Post Office Box 5875
Tahoe City, California 96145
(530) 583-4053 FAX: (530) 583-5966
info@lsctahoe.com
www.lsctrans.com

MEMORANDUM

To: Chevis Hosea, Squaw Valley Real Estate, LLC

From: Gordon Shaw, PE, AICP, LSC Transportation Consultants, Inc.

Date: May 5, 2016

RE: Additional Information on MAC Trip Generation

This memo presents additional information on how information presented in the *Market Feasibility Study and Financial Analysis Report for the Proposed Indoor Waterpark and Adventure Center, Squaw Valley Far East Road Olympic Valley, Placer County, California* as released by Hotel and Leisure Advisors (HLA), July 23, 2012 was used as the basis for the trip generation analysis for the Mountain Adventure Center (MAC), as presented in LSC's memo dated August 19, 2015. This was conducted in the following steps:

1. A figure of 422,000 attendees per year was drawn from the HLA report, as first is presented in the table on page D-9 for long-term levels for a 120,000 square foot facility.

2. As the MAC is now proposed to have a total floor area of 90,000 square feet, the 422,000 figure was factored down by (90,000/120,000) and rounded to the nearest 5,000, yielding an annual visitation for the MAC of 315,000.

3. The proportion of annual visitation per month shown in the H&LA Memo table on D-11 of 11 percent in February (peak winter) and 9% in July (peak summer) was applied to identify monthly total MAC visitation of 34,650 in February and 28,350 in June.

4. The monthly total figures were divided by the number of days per month that the MAC would be open, based on the assumption that it would be open 6 days per week (calendar days times 6/7). (Note that assuming the facility was open all days in the month, as assumed in the HLA study, would yield a lower daily and peak-hour trip generation.)

5. This yields the figures of 1,394 daily attendees in February and 1,067 daily attendees in July, as shown in the August 19, 2015 memo.

From this point, the methodology presented in the August 19, 2015 memo was applied to yield the daily and peak-hour trip generation.