

## **WINTER PARK TRANSACTION**

### **Key Points Summary**

Under the current agreements, WPRA leases to Intrawest/Winter Park Operations Corporation (“Intrawest Operations”) all of its assets at the Winter Park Resort (the “Resort”) for 50 years (with extensions for another 26 years) under the Lease Agreement, and agrees to apply to the U.S. Forest Service to add Intrawest Operations to the permits as the operator of the Resort. Intrawest Operations is responsible for operating the Resort on a multi-seasonal basis.

WPRA also grants Intrawest/Winter Park Development Corporation (“Intrawest Development”) the option to buy and develop certain “Developable Land” at the Resort under the Option Agreement. Intrawest Development is responsible for creating a master plan for all development at the Resort with the input and approval of the WPRA Board and the local community. Land owned by the Forest Service and certain “Resort Parcels” cannot be sold to Intrawest and are not subject to the Option Agreement.

Intrawest Holding/Winter Park Holdings Corporation (“Intrawest Holdings”) also agrees to make quarterly payments to WPRA during the first 10 years of the Lease term under the Additional Consideration Agreement.

WPRA owns the Resort’s assets on behalf of the City and County of Denver (the “City”) pursuant to an agency agreement. It operates as the City’s agent overseeing Intrawest Operations’ and Intrawest Development’s activities at the Resort.

#### Day 1

- Intrawest Operations assumes all assets and liabilities, known and unknown, and hires almost all employees
- Intrawest Operations pays the City \$3 million, pays/reimburses \$1.1 million of City’s and WPRA’s expenses
- Intrawest Operations allows WPRA to keep \$150,000 to fund initial operating costs

#### Additional Consideration Payments

- Intrawest Holdings pays the City \$500,000 at the beginning of each quarter beginning 10/01/02 for 10 years

#### Ski Operations Payments to City

- After the first 10 years, the City is entitled to an annual payment equal to \$2 million + 3% of Gross Revenue over \$33 million (subject to a payment first to WPRA for operating expenses under certain financial conditions)

#### Operating Capital

- Funded as necessary by Intrawest Operations

#### Ski Operations Capital Improvements

- Funded by Intrawest Operations under the Lease Agreement
- \$99 million planned capital improvements over 10 years; \$40 million required by 9/30/09
- \$50 million guaranteed on mountain improvements within the first 10 years (maximum 1 year extension)
- 6% of Gross Revenue committed to capital maintenance each year for the life of the lease

#### Maximum Debt of WPRA (called the “Agreed Upon Indebtedness”)

- Maximum level \$33 million
- Permanent debt reductions for principal paid from land sales by WPRA. 90-100% of WPRA’s land purchase net proceeds pay-down principal on the Agreed Upon Indebtedness
- Except for the land sales payments, all payments of interest and principal must be made by Intrawest Operations.

#### Land Development

- Intrawest Operations pays for all development infrastructures (roads, utilities, etc.)
- Grand County community and WPRA have comment input into the development plans
- Mandatory land purchases by Intrawest Development in first 10 years projected at \$9.75 million
- WPRA to receive 0.25% real estate transfer fee to spend at the Resort (including WPRA operating expenses)

#### Miscellaneous

- Continued support of the National Sports Center for the Disabled
- Continuation of Denver’s children’s programs
- WPRA has option to buy all Intrawest Operations’ assets at Winter Park at end of Lease at or below fair market value
- Employee benefits (pension, insurance, etc.) protected
- There is guaranty from parent corporations of Intrawest Operations and Intrawest Development, and Intrawest Holdings for all financial obligations under the Lease, Option Agreement and Additional Consideration Agreement

#### Use of City Payments

- First \$3.0 million for parks and recreation capital projects approved by Mayor and City Council
- On-going payments restricted to capital repairs, rehab, replacement of existing parks and recreational facilities