

**AMENDED SERVICE PLAN  
FOR  
BEAVER CREEK METROPOLITAN DISTRICT  
EAGLE COUNTY  
COLORADO**

**NOVEMBER 11, 1997**

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# BEAVER CREEK METROPOLITAN DISTRICT

## AMENDED SERVICE PLAN

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## I. INTRODUCTION

### A. General Overview

This is an amended and restated service plan (the "Amended Service Plan") for Beaver Creek Metropolitan District (the "District"). The District was originally organized pursuant to (i) a service plan (the "Service Plan") approved by the Board of County Commissioners of Eagle County (the "County Commissioners") during 1978, (ii) an order and decree by the District Court, Fifth Judicial District during 1978, and (iii) approval of the qualified electors of the District on June 27, 1978.

The Service Plan authorized the District the power to provide municipal services and fund municipal capital improvements associated with domestic water systems; streets and drainage systems; fire protection systems; television relay and translator systems; and public parks and recreations systems.

The District submits this Amended Service Plan seeking authorization to broaden its scope of powers to include comprehensive transportation services and traffic and safety controls and to formally amend its multi-year financial plan. The District is also seeking authorization to increase its financial authorization so that it may issue general obligation bonds, or enter into long-term leases, for the purposes of funding its share of (a) the Beaver Creek Joint Maintenance Transportation Facility; (b) the Avon Public Works Joint Maintenance Facility; (iii) various road and transit related (i.e., bus turnarounds, bus stops, road improvement projects, etc.) improvements; and (iv) the potential Beaver Creek Funicular Transit System which is currently in the preliminary planning stages.

This Amended Service Plan addresses the transportation systems, including related improvements and bus and vehicle acquisitions, which will be provided by the District; and demonstrates how the District will best provide the transportation systems in a cost effective manner from its available resources and from annual contractual contributions from BCRC. This Amended Service Plan also presents a detailed and comprehensive Multi-Year Financial Plan for the District

which demonstrates that the District will have the financial capability to (i) fund its existing service levels on a reasonable basis and (ii) reasonably fund its share of the additional indebtedness, or multi-year lease commitments, for the Beaver Creek Joint Maintenance Transportation Facility, the Avon Public Works Joint Maintenance Facility, and various road and transit related improvements. This Amended Service Plan also presents a preliminary financial plan which demonstrates how the potential Beaver Creek Funicular Transit System could be implemented and funded.

This Amended Service Plan has been designed with sufficient flexibility to enable the District to provide required services and facilities under evolving circumstances without the need for numerous amendments. While the assumptions upon which this Amended Service Plan are generally based are reflective of the current plans and expectations of the Board of Directors of the District, the cost estimates and Financial Plans are sufficiently flexible to enable the District to provide necessary services and facilities without the need to amend this Amended Service Plan. Modification of the general types of services and facilities shall be permitted to accommodate potential changing needs and plans of the District. Material modifications to this Amended Service Plan shall be deemed to exist only in the event that the District seeks to add additional powers or provide general types of improvements which are not contemplated herein.

## II. THE TRANSPORTATION SYSTEM

### A. Background

Since inception of the Beaver Creek Resort ("Beaver Creek"), the Beaver Creek Resort Company ("BCRC") has been providing comprehensive transportation services benefiting the residents and guests of Beaver Creek. All Beaver Creek transportation services are free to passengers and have historically been financed through a variety of assessments collected by BCRC.

B. Parking Lot Transit Systems

BCRC currently contracts with the Town of Avon (the "Town") to operate a year around parking lot transit system that transports guests and employees from the East and West Parking lots adjacent to Highway 6 to the Beaver Creek Village core. Ridership has increased from approximately 382,000 passengers during 1992 to approximately 528,000 passengers during 1996 - an increase of 38%. It is estimated that operating costs (including bus leasing costs associated with a fleet of eleven buses) will be approximately \$1,700,000 for 1997.

C. Dial-A-Ride Transit Systems

BCRC also contracts with Vail Associates, Inc. ("VAI") to operate Beaver Creek's on-call "Dial-A-Ride" service and several "Intra-Beaver Creek Village" fixed transit routes.

The Dial-A-Ride transit system is a demand service, initiated by a telephone call to a dispatcher, which provides passenger pick-up anywhere at Beaver Creek within fifteen minutes during the hours of 6:00 AM to 2:30 PM. Guests and homeowners are transported anywhere within Beaver Creek and the Town of Avon. Dial-A-Ride ridership has increased from approximately 73,000 passengers during 1992 to approximately 156,000 passengers during 1996 - an increase of 112%.

Five "Intra-Beaver Creek Village" routes are currently in operation during the ski season. Ridership for the Intra-Village system has increased from approximately 91,000 passengers during 1992 to approximately 140,000 passengers during 1996 - an increase of 54%.

It is estimated that the combined operating costs for providing the Dial-A-Ride and Intra-Village transit systems (including the leasing costs associated with a fleet of twenty vehicles) will be approximately \$1,550,000 during 1997.

D. Plan to Transfer Transportation Systems to the District

The Board of Directors of the District (the "Board"), in conjunction with the Board of Directors of BCRC, has decided that it will be more efficient and cost effective for the District to assume operational and financial responsibilities for the above described Beaver Creek Transportation

Systems effective January 1, 1999. It is the Board's belief that cost savings can be realized because (i) the District will not have to pay sales tax on transit system operating supplies and bus acquisitions (BCRC is not exempt from paying state and local sales taxes); (ii) the District will be able to finance future buses and vans at tax-exempt interest rates which will result in a substantial reduction of interest costs; and (iii) the District will be able to finance (a) its proportionate share of the Beaver Creek Joint Maintenance Transportation Facility and the Avon Public Works Joint Maintenance Facility, and (b) its various road and transit related improvements at tax-exempt interest rates which will result in a substantial reduction of interest costs; (iv) opportunities will become available for the District to apply for various governmental transit related grants for equipment, buses, and vehicles that are not available to BCRC; and (v) the District's liability is limited by the Colorado Governmental Immunity Act which will result in reduced insurance premiums and in reduced operating costs.

#### E. Transportation System Financing Concepts

It is anticipated that the Board will enter into a long-term agreement with the Board of Directors of BCRC which will provide a stable and permanent source of funding for the District operated Beaver Creek Transportation Systems. It is expected that the District will agree to levy a special earmarked mill levy in amount of 12.20 mills for transportation purposes and that BCRC will provide annual contributions to the District's Transportation Fund based on the following formula:

*BCRC annual transportation funding will equal total net transportation operating and debt service costs less property tax revenues generated from a 12.20 mill levy.*

The proposed 12.20 Transportation Fund mill levy will be voted upon by the District's qualified electors during May of 1988. In an effort to offset the financial impacts to Beaver Creek property owners associated with this proposed Transportation Fund mill levy and property tax increase, the Board of Directors of BCRC has agreed to eliminate BCRC's Common Assessment mill levy equivalent which is currently set at 12.20 mills. The impact of the District's proposed Transportation

Fund property tax increase will also be further mitigated because owners of residential property will be able to deduct an assumed 35% of the proposed additional property taxes on their Federal and State income tax returns (i.e., the Internal Revenue Service does not currently allow residential property owners to deduct the Common Assessments levied by BCRC).

F. Transportation Fund Financial Plan

The Board has retained Stan Bernstein and Associates, Inc., Financial Planners from Denver and Vail, to assemble a Multi-Year Transportation Fund Financial Plan for the District (the "Transportation Financial Plan"). A summary of the Transportation Financial Plan is presented on the following page as Exhibit I and the complete Transportation Financial Plan, including detailed supporting schedules and a list of the significant planning assumptions, is presented as Exhibit A of this Amended Service Plan. The Transportation Fund Financial Plan has been used by the Board to assist them to evaluate the financial impacts that the Beaver Creek Transportation System will have upon the District and upon its taxpayers.

Exhibit I provides a one page summary of the current and projected transportation expenditures, revenues, and required property taxes and mill levies. The information presented on Exhibit I is based upon many assumptions that were obtained from reliable sources who are involved on a day-to-day basis with operating the Beaver Creek Transportation Systems.



EXHIBIT I  
BEAVER CREEK METROPOLITAN DISTRICT  
MULTI-YEAR FINANCIAL PLAN  
FOR THE YEARS ENDING DECEMBER 31, 1998 THROUGH 2008  
TRANSPORTATION FUND - SUMMARY

WORKING DRAFT DATED 11/6/97  
PRELIMINARY AND SUBJECT TO CHANGE

	BCRC BUDGET 1997	BCRC BUDGET 1998	1999	2000	2001	2002	2003	2004	2005	2006 REFERENCE/COMMENT
<b>OPERATING REVENUES</b>										
BUS ADVERTISING	11,330	11,500	11,730	11,965	12,204	12,448	12,697	12,951	13,210	13,474 SEE SCHEDULE 1
FEES FROM CONTRACTORS FOR EMPLOYEE BUS SERVICE	76,333	51,473	0	2,418,036	2,425,356	2,432,676	2,439,996	2,447,316	2,454,636	0 SEE SCHEDULE 1
PROPERTY TAXES FROM 12.20 MILL LEVY	0	0	2,386,316	2,418,036	2,425,356	2,432,676	2,439,996	2,447,316	2,454,636	2,454,636 12.20 MILLS X ASSESS. VALUE
SPECIFIC OWNERSHIP TAXES @ 4.0% OF PROP. TAXES	0	0	95,453	96,721	97,014	97,307	97,600	97,893	98,185	98,185 4.0% OF PROPERTY TAXES
BCRC FUNDING	3,125,014	3,392,635	1,530,834	1,730,235	2,070,520	2,246,652	2,546,204	2,747,046	2,949,700	3,188,785 NET COSTS LESS PROPERTY TAXES
FEES SPECIAL EVENTS BUS SERVICE @ \$45.00/HR	20,300	80,000	84,000	88,200	92,610	97,241	102,103	107,208	112,568	118,196 SEE SCHEDULE 1 & 2
<b>TOTAL OPERATING REVENUES</b>	<b>3,232,977</b>	<b>3,535,608</b>	<b>4,108,333</b>	<b>4,345,157</b>	<b>4,697,705</b>	<b>4,886,324</b>	<b>5,198,599</b>	<b>5,412,464</b>	<b>5,628,299</b>	<b>5,873,278</b>
<b>OPERATING EXPENDITURES</b>										
<b>PARKING LOT TRANSIT SYSTEM (SCH. 1):</b>										
TOWN OF AVON CONTRACT	1,024,947	1,060,898	1,127,744	1,198,913	1,274,689	1,355,378	1,441,305	1,532,818	1,630,288	1,734,110 SEE SCHEDULE 1
INTERNAL MANAGEMENT	36,379	0	0	0	0	0	0	0	0	0 SEE SCHEDULE 1
LEASE PAYMENTS FOR BUSES	428,470	428,470	471,547	471,547	471,547	471,547	592,927	592,927	592,927	610,463 SEE SCHEDULE 1A
1997 BUS BUYOUTS	81,552	0	0	0	0	0	0	0	0	0 SEE SCHEDULE 1
LICENSES FOR BUSES	5,000	30,000	30,800	31,212	31,836	32,473	33,122	33,765	34,461	35,150 SEE SCHEDULE 1
SWIFT GULCH FACILITY LEASE	114,265	114,265	114,265	57,133	263,010	265,258	267,597	270,029	272,558	275,188 SEE SCHEDULE 1B
20% DEBT SERVICE/OPERATIONS - JT. MAINT. FACILITY	0	0	0	130,424	263,010	265,258	267,597	270,029	272,558	275,188 SEE SCHEDULE 1B
<b>TOTAL PARKING LOT TRANSIT OPERATIONS</b>	<b>1,690,613</b>	<b>1,633,633</b>	<b>1,744,156</b>	<b>1,889,228</b>	<b>2,041,082</b>	<b>2,124,656</b>	<b>2,334,951</b>	<b>2,429,558</b>	<b>2,530,233</b>	<b>2,654,911</b>
<b>DIAL - A - RIDE TRANSIT SYSTEM (SCH. 2):</b>										
VAIL ASSOCIATES, INC. CONTRACT:										
OPERATIONS	1,310,000	1,538,655	1,615,588	1,696,367	1,781,185	1,870,245	1,963,757	2,061,845	2,165,042	2,273,294 5% ANNUAL INCREASE
PERFORMANCE BONUS	60,000	40,000	42,000	44,100	46,305	48,620	51,051	53,604	56,284	59,098 5% ANNUAL INCREASE
CAPITAL REIMBURSEMENT	0	33,000	33,000	33,000	0	0	0	0	0	0 FOR THREE YEARS ONLY
<b>TOTAL VAIL ASSOCIATES, INC. CONTRAC</b>	<b>1,370,000</b>	<b>1,611,655</b>	<b>1,690,588</b>	<b>1,773,467</b>	<b>1,827,490</b>	<b>1,918,865</b>	<b>2,014,808</b>	<b>2,115,549</b>	<b>2,221,326</b>	<b>2,332,392</b>
INTERNAL MANAGEMENT - 50% OF TOTAL	36,379	0	0	0	0	0	0	0	0	0 NO ALLOWANCE AFTER 1997
LEASE PAYMENTS FOR VEHICLES	44,860	257,320	568,640	445,770	458,510	469,330	472,420	487,100	493,330	499,520 SEE SCHEDULE 2A
LEASE PAYMENTS FOR MTNC. TRUCKS - ALLOW.	0	15,000	15,000	15,000	15,750	15,750	15,750	16,538	16,538	16,538 5% INCREASE EVERY THREE YEARS
SUBURBAN LEASE BUYOUT	45,125	0	0	0	0	0	0	0	0	0 NON RECURRING EXPENSE
INITIAL PAYMENTS ON DIAL - A - RIDE BUSES	36,000	0	0	0	0	0	0	0	0	0 NON RECURRING EXPENSE
LICENSES FOR BUSES	10,000	18,000	18,360	18,727	19,102	19,484	19,873	20,271	20,676	21,090 2% ANNUAL INCREASE
20% DEBT SERVICE/OPERATIONS - JT. MAINT. FACILITY	0	0	0	130,424	263,010	265,258	267,597	270,029	272,558	275,188 SEE SCHEDULE 1B
<b>TOTAL DIAL - A - RIDE TRANSIT OPERATIONS</b>	<b>1,542,364</b>	<b>1,901,975</b>	<b>2,292,588</b>	<b>2,383,388</b>	<b>2,583,862</b>	<b>2,688,687</b>	<b>2,790,448</b>	<b>2,909,486</b>	<b>3,024,428</b>	<b>3,144,728</b>
<b>3% EAGLE COUNTY COLLECTION FEE</b>	<b>0</b>	<b>0</b>	<b>71,589</b>	<b>72,541</b>	<b>72,761</b>	<b>72,980</b>	<b>73,200</b>	<b>73,419</b>	<b>73,639</b>	<b>73,859</b>
<b>TOTAL OPERATING EXPENDITURES</b>	<b>3,232,977</b>	<b>3,535,608</b>	<b>4,108,333</b>	<b>4,345,157</b>	<b>4,697,705</b>	<b>4,886,324</b>	<b>5,198,599</b>	<b>5,412,464</b>	<b>5,628,299</b>	<b>5,873,278</b>
<b>EXCESS OPERATING EXPENDITURES OVER R REVENUES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>PROJECTED ASSESSED VALUATION</b>	<b>145,170,200</b>	<b>186,524,600</b>	<b>195,599,600</b>	<b>198,199,690</b>	<b>198,799,690</b>	<b>199,399,690</b>	<b>199,999,690</b>	<b>200,599,690</b>	<b>201,199,690</b>	<b>201,199,690</b>
<b>PROJECTED MILL LEVY ASSUMED</b>	<b>0.000</b>	<b>0.000</b>	<b>12.200</b>	<b>12.200</b>	<b>12.200</b>	<b>12.200</b>	<b>12.200</b>	<b>12.200</b>	<b>12.200</b>	<b>12.200</b>
<b>PROJECTED MILL LEVY @ 65% (AFTER TAXES)</b>	<b>0.000</b>	<b>0.000</b>	<b>7.930</b>	<b>7.930</b>	<b>7.930</b>	<b>7.930</b>	<b>7.930</b>	<b>7.930</b>	<b>7.930</b>	<b>7.930</b>

THE ABOVE INFORMATION HAS NOT BEEN INDEPENDENTLY AUDITED, EXAMINED, REVIEWED, TESTED, OR COMPILED BY STAN BERNSTEIN AND ASSOCIATES, INC. TOTALS MAY NOT ADD DUE TO ROUNDING. THE NOTES AND ASSUMPTIONS CONTAINED IN THE ACCOMPANYING REPORT ARE AN INTEGRAL PART OF THIS EXHIBIT. THERE WILL USUALLY BE DIFFERENCES BETWEEN ESTIMATED AND ACTUAL RESULTS BECAUSE EVENTS AND CIRCUMSTANCES FREQUENTLY DO NOT OCCUR AS EXPECTED AND THOSE DIFFERENCES MAY BE MATERIAL.

#### G. Summary of Transportation Fund Financing Plan

Exhibit I indicates that Parking Lot Transit System expenditures (including bus leases, and Beaver Creek Joint Maintenance Transportation Facility debt and maintenance costs) are estimated to increase from the current year's \$1,690,613 to \$2,654,911 for the District's 2006 budget year. This increase in expenditures is based on the assumption that system service hours will increase 2% annually (as a result of additional day-skiers), and that operating costs will increase 5% annually (including inflation). It is also assumed that eleven buses (with a current replacement cost of approximately \$210,000 - \$215,000 each) will be replaced every seven years. Beginning in 2001, the expenditure estimates also include approximately \$265,000 per year for the annual debt service, or lease payments, and the utility and maintenance costs associated with 20% of the total annual costs associated with the Beaver Creek Joint Maintenance Transportation Facility which is estimated to cost approximately \$11,000,000 and contain approximately 48,000 square feet of maintenance space. It is also assumed that the lease agreement with the Town of Avon for the use of the Swift Gulch Maintenance Site and Facility will not be renewed when it expires on June 1, 2000.

Dial-A-Ride Transit System expenditures (including vehicle leases and Beaver Creek Joint Maintenance Transportation Facility debt and operations costs) are estimated to increase from the current year's \$1,542,364 to \$3,144,728 by the year 2006. This expenditure increase assumes that system service hours will increase from the 1997 estimate of 33,732 to 38,422 for 1999 and stabilize at that level. It is also assumed that operating costs will increase 5% annually (including inflation), and that twenty vehicles (with current replacement costs averaging approximately \$35,000 for Suburbans and \$65,000 for Metroliners) will be replaced every three years.

Exhibit I indicates total Beaver Creek Transportation System operating expenditures increasing from \$4,108,333 during 1999 to \$5,873,278 by the year 2006. It is assumed that these expenditures will be primarily funded from (i) a special District Transportation Fund mill levy of 12.20 and (ii) annual contractual contributions from BCRC.

### III. THE DISTRICT'S COMPREHENSIVE MULTI-YEAR FINANCIAL PLAN

#### A. BACKGROUND

The Board has also retained Stan Bernstein and Associates, Inc., Financial Planners from Denver and Vail, to assemble a Comprehensive Multi-Year Financial Plan (the "Comprehensive Financial Plan"). The Comprehensive Financial Plan was assembled based on information provided by management of the District, and includes all accounting funds of the District (i.e., General Fund, Capital Improvement Fund, Debt Service Fund, Utility Fund, Conservation Trust Fund, and the proposed Transportation Fund).

A summary of the Comprehensive Financial Plan is presented on the following page (Exhibit II) and the complete Comprehensive Financial Plan, including detailed supporting schedules by individual accounting fund and a list of the significant planning assumptions, is presented as Exhibit B of this Amended Service Plan. The Comprehensive Financial Plan has been used by the Board to assist them to evaluate the District's future financial condition and mill levy requirements, and its ability to afford its proportionate share of the costs associated with (i) the planned Beaver Creek Joint Maintenance Transportation Facility (i.e., the annual debt service or lease payments, and the annual facility maintenance and utility costs), (ii) the planned Avon Joint Maintenance Public Works Facility, and (iii) the planned various road and transit related improvements.

EXHIBIT II  
BEAVER CREEK METROPOLITAN DISTRICT  
MULTI-YEAR FINANCIAL PLAN  
FOR THE YEARS ENDING DECEMBER 31, 1998 THROUGH 2006  
ALL FUNDS COMBINED

WORKING DRAFT DATED 11/9/97  
PRELIMINARY AND SUBJECT TO CHANGE

	BUDGET							2006 REFERENCE/COMMENT	
	1997	1998	1999	2000	2001	2002	2003	2004	2005
REVENUES:									
PROPERTY TAXES	4,609,246	5,222,691	8,156,507	7,571,228	7,594,148	7,617,068	7,639,988	7,662,908	7,685,828
SPECIFIC OWNERSHIP TAXES @ 4% OF PROP. TAXES	260,000	222,371	326,260	302,849	303,766	304,683	305,600	306,516	307,433
CROSS TRAINING REVENUE - FROM FIRE DISTRICT	115,000	119,500	124,280	129,251	134,421	139,798	145,390	151,208	157,254
MISCELLANEOUS	94,381	20,000	20,800	21,632	22,497	23,397	24,333	25,306	26,319
BACHELOR GULCH EXCLUSION FEE	155,830	277,693	303,184	282,138	285,890	334,715	282,769	301,895	432,423
WATER TAP FEES	860,000	780,000	915,200	951,808	989,880	1,029,476	1,070,655	1,113,481	1,158,020
WATER USER FEES	800,000	880,000	915,200	951,808	989,880	1,029,476	1,070,655	1,113,481	1,158,020
CABLE T.V. REVENUES - FRANCHISE FEES	21,468	25,000	26,000	27,040	28,122	29,246	30,416	31,633	32,898
CONDUIT LEASE	255,400	98,711	93,588	87,853	81,434	78,042	75,000	72,000	69,000
LOTTERY PROCEEDS	1,600	2,000	2,080	2,163	2,250	2,340	2,433	2,531	2,632
LEASE/BOND PROCEEDS	0	3,500,000	7,400,000	0	0	0	0	0	0
TRANSIT SYSTEM OPERATING REVENUES	0	0	95,730	100,165	104,814	109,688	114,789	120,159	125,778
BCRC TRANSIT FUNDING	0	0	1,530,834	1,730,235	2,070,520	2,246,652	2,546,204	2,747,096	2,949,700
INTEREST @ 5%	452,230	328,940	297,800	276,969	230,587	203,421	201,798	186,635	178,475
TOTAL REVENUES	7,625,155	11,476,906	19,382,274	11,573,332	11,948,329	12,208,528	12,454,385	12,649,365	13,056,759
EXPENDITURES:									
VAI CONTRACT - RESORT SERVICES	426,148	663,054	779,576	810,759	843,190	876,917	911,894	948,474	986,413
VAI CONTRACT - GROUNDS MAINTENANCE	26,011	28,497	27,557	28,659	29,806	30,998	32,238	33,527	34,868
AVON JT. MAINT. FACILITY OPERATIONS - ALLOWANCE	0	0	0	24,000	24,960	25,958	26,997	28,077	29,200
ROAD CINDERS	15,000	20,000	20,800	21,632	22,497	23,397	24,333	25,306	26,319
STREET LIGHTS, ELECTRICITY	1,000	1,000	1,040	1,082	1,125	1,170	1,217	1,265	1,369
GENERAL REPAIRS AND MAINT.	3,640	4,000	4,160	4,326	4,499	4,679	4,867	5,061	5,264
R & M CONTRACT - ADMIN. MANAGEMENT	63,435	64,424	67,645	71,027	74,579	78,308	82,223	86,334	90,651
OTHER GENERAL AND ADMINISTRATION	161,340	143,725	135,954	144,632	147,048	156,429	159,047	169,188	172,025
COUNTY TREASURER'S 3% COLLECTION FEE	138,277	156,681	244,695	227,137	227,824	229,887	229,200	229,887	230,575
EQUIPMENT LEASES	20,000	18,000	18,720	19,469	20,248	21,057	21,900	22,776	23,687
TOWN OF AVON CONTRACT FOR FIRE PROTECTION	404,092	477,792	684,599	0	0	0	0	0	0
CONTRACT WITH BCRFC FOR SECURITY	145,287	158,416	164,763	171,343	178,196	185,324	192,737	200,447	208,465
FIRE STATION UTILITIES	10,400	10,600	11,024	0	0	0	0	0	0
BOND PRINCIPAL AND INTEREST	3,581,518	3,526,513	4,137,392	4,164,877	4,192,433	4,222,766	4,209,016	4,287,790	4,302,090
PAYING AGENT FEES	12,000	12,000	10,000	8,000	6,000	4,000	2,000	0	1,000
TOWN OF AVON UNDERPASS - DEBT SERVICE	228,984	0	0	0	0	0	0	0	0
EAGLE COUNTRY RECREATION AUTHORITY PAYMENT	11,322	11,324	11,304	11,514	11,514	11,514	11,514	11,514	11,514
WATER COSTS	789,000	890,800	847,832	881,145	915,791	951,823	989,296	1,013,267	1,053,798
TRANSPORTATION SYSTEMS	0	0	4,036,744	4,272,616	4,624,944	4,813,343	5,125,400	5,339,044	5,589,660
CAPITAL IMPROVEMENTS	4,542,846	4,327,798	8,589,900	1,633,356	1,161,370	598,945	727,583	404,286	456,058
MISCELLANEOUS OTHER	4,000	5,000	5,200	5,408	5,624	5,849	6,083	6,327	6,580
TOTAL EXPENDITURES	10,584,300	10,557,624	19,798,895	12,500,983	12,491,649	12,240,990	12,757,643	12,812,571	13,194,481
EXCESS REVENUES OVER EXPENDITURES	(2,959,146)	919,282	(416,621)	(927,651)	(543,319)	(32,464)	(303,259)	(163,205)	(560,829)
BEGINNING FUND BALANCE	7,995,872	5,036,726	5,956,009	5,539,388	4,611,737	4,068,418	4,035,953	3,732,695	3,569,490
ENDING FUND BALANCE	5,036,726	5,956,009	5,539,388	4,611,737	4,068,418	4,035,953	3,732,695	3,569,490	3,431,768
ASSESSED VALUATION	145,170,200	186,524,690	195,599,690	198,199,690	198,799,690	199,399,690	199,999,690	200,599,690	201,199,690
MILL LEVIES:									
GENERAL FUND	11.821	10.000	10.000	6.500	6.500	6.500	6.500	6.500	6.500
TRANSPORTATION FUND	0.000	0.000	12.200	12.200	12.200	12.200	12.200	12.200	12.200
DEBT SERVICE FUND	19.929	18.000	19.500	19.500	19.500	19.500	19.500	19.500	19.500
TOTAL ALL FUNDS	31.750	28.000	41.700	38.200	38.200	38.200	38.200	38.200	38.200

THE ABOVE INFORMATION HAS NOT BEEN INDEPENDENTLY AUDITED, EXAMINED, REVIEWED, TESTED, OR COMPILED BY STAN BERNSTEIN AND ASSOCIATES, INC.

TOTALS MAY NOT ADD DUE TO ROUNDING. THE NOTES AND ASSUMPTIONS CONTAINED IN THE ACCOMPANYING REPORT ARE AN

INTEGRAL PART OF THIS EXHIBIT. THERE WILL USUALLY BE DIFFERENCES BETWEEN ESTIMATED AND ACTUAL RESULTS BECAUSE EVENTS

AND CIRCUMSTANCES FREQUENTLY DO NOT OCCUR AS EXPECTED AND THOSE DIFFERENCES MAY BE MATERIAL.

**B. SUMMARY OF COMPREHENSIVE FINANCIAL PLAN - EXHIBIT II**

The District is approaching maturity and full-buildout. Upon completion of One Beaver Creek Place, Villa Montaine, Market Square, and an affordable housing project, there will be no undeveloped multi-family lots and approximately thirty to forty undeveloped single family lots remaining at Beaver Creek. Exhibit II indicates that the District currently is, and is likely to continue to be, a healthy financial entity because of the following reasons:

1. The District's ending combined fund balances are projected to average approximately \$4,100,000 during the next ten years which provides a healthy contingency for unexpected emergencies and capital improvement requirements;
2. The District's existing outstanding bonded indebtedness will be fully redeemed by December 1, 2005 at which time the District will no longer need a significant debt service mill levy as presented in detail on Schedule 7 of the Comprehensive Financial Plan;
3. The District expects to fund approximately \$7.6 million of road, street, drainage, water, and equipment acquisitions during the next ten years on a pay-as-you-go basis as presented in detail on Schedule 2 of the Comprehensive Financial Plan;
4. The District is in a financial position to issue approximately \$10.9 million of general obligation bonds which will be used to fund its proportionate share of the Avon Public Works Joint Maintenance Facility (\$3.5 million in 1998); the Beaver Creek Joint Maintenance Transportation Facility (\$4.4 million in 1999); and various transportation and road system improvements (\$3.0 million in 1999) as described in the following section; and
5. The District's combined mill levy is projected to average approximately 37.25 mills through the year 2005 assuming a Transportation Fund mill levy in amount of 12.20 mills is approved by voters next year (BCRC is planning to reduce its Common Assessment by 12.20 mills when the District begins levying its 12.20 Transportation Fund mill levy, thereby resulting in a combined District and BCRC mill levy of 25.05).

What is most impressive about the District's projected financial condition is that it is not predicated upon growth or new buildout - after 1998 the District is only estimating annual tap fee revenues of \$75,000 through the year 2003 as a result of the anticipated future buildout of the remaining single family lots.

#### IV. NEED FOR INCREASED FINANCIAL AUTHORIZATION

##### A. Beaver Creek Joint Maintenance Transportation Facility

Officials of the District, BCRC, Smith Creek Metropolitan District, Bachelor Gulch Homeowner's Association, Arrowhead Metropolitan District, and Vail Associates, Inc. have been planning for the development of a jointly funded transportation system storage and maintenance facility (the "Beaver Creek Joint Maintenance Transportation Facility") for several years. The Beaver Creek Joint Maintenance Transportation Facility is still in the planning stages and may include storage and maintenance space to accommodate the needs of the Eagle County Regional Transportation Authority's expanding regional transportation system.

Approximately eighteen months ago transportation planners identified the need for a 27,000 square foot Beaver Creek Joint Maintenance Transportation Facility. At that time it was estimated that construction and land acquisition costs would approximate \$5,400,000 and be allocated to participating entities based upon the following utilization ratios:

The District	21.9%
BCRC	23.5%
Vail Associates, Inc.	11.3%
Arrowhead Metro	4.4%
Smith Creek Metro	38.4%
Bach. Gulch Homeowner's	0.5%

In May 1996, based upon the 21.9% utilization ratio and the \$5,400,000 estimated land and construction costs, electors of the District authorized the future issuance of \$1,465,000 of general obligation bonds.

During the past twelve months, transportation planners have concluded that a 27,000 square foot facility should be of a larger size, and a facility containing approximately 48,000 to 60,000 square feet with a land acquisition and construction budget ranging from \$10,000,000 - \$12,000,000 will be required to meet the maintenance needs of all participating entities (this estimate does not assume maintenance space for the Eagle County Regional Transportation Authority's transportation system).

While cost and utilization ratios are still in the process of being developed, for financial planning purposes it is assumed that the District's relative capital and operating cost sharing percentage will be 40% - this is based upon 20% for the Parking Lot Transit System and 20% for the Dial-A-Ride Transit System.

Assuming a total capital cost of \$11,000,000, including bond issuance costs of 3% and one year's capitalized interest, the District's relative funding share of the Beaver Creek Joint Maintenance Transportation Facility would be \$4,400,000 which will require an increase in the existing voter approved \$1,465,000 general obligation bonding authorization. The District's annual debt service payments on \$4,400,000, with estimated interest rates of 7% and twenty year level debt service, are assumed to begin on June 1, 2000 (one year after the bonds are issued) and are estimated to be \$413,600. These annual debt service costs are reflected in the debt service fund of the District's Comprehensive Financial Plan. The maximum voted interest rate for the general obligation bonds will be 8.25%. The proposed maximum underwriting discount will be 5%. It is estimated that the general obligation bonds, when issued, will 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 as required by statute.

Assuming that annual Beaver Creek Joint Maintenance Transportation Facility maintenance

and utility costs are \$5.63 per square foot for the first year of operation and increase 4% annually thereafter, the District's relative share of maintenance and utility costs are estimated in the District's Comprehensive Financial Plan to be approximately \$112,440 for the first full year of operation. The District's Comprehensive Financial Plan indicates that the District's proportionate share of the Beaver Creek Joint Maintenance Transportation Facility can be funded without difficulty.

Planning efforts are still in process for the Beaver Creek Joint Maintenance Transportation Facility. When the final planning effort is completed, it is possible that the District's relative share of annual debt service and maintenance and utility costs associated with the Beaver Creek Joint Maintenance Transportation Facility could be higher than the cost estimates presented in this Amended Service Plan. The Board will not seek voter approval for additional general obligation bonding capacity until the final planning efforts have been completed and capital and operating costs have been agreed upon by all entities participating in the Beaver Creek Joint Maintenance Transportation Facility.

B. Avon Public Works Joint Maintenance Facility

Officials of the Town of Avon and the District have recently entered into discussions regarding the construction of a jointly funded public works facility (the "Avon Public Works Joint Maintenance Facility"). It is possible that the Avon Public Works Joint Maintenance Facility could be constructed as early as next year with an anticipated District capital contribution of approximately \$3.5 million. Plans are still being finalized, but it is the current intent of the Board to ask its qualified electors to approve the issuance of approximately \$3.5 million of general obligation bonds at the May, 1998 election. If the bond election is successful, the District's annual debt service payments on \$3,500,000, with estimated interest rates of 6% and twenty year level debt service, are assumed to begin on January 1, 1999 (six months after the bonds are issued) and are estimated to be approximately \$300,000. These annual debt service costs are reflected in the debt service fund of the District's Comprehensive Financial Plan. The maximum voted interest rate for the general obligation bonds will be 8.25%. The proposed



maximum underwriting discount will be 5%. It is estimated that the general obligation bonds, when issued, will 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 as required by statute.

C. Construction of Various Transportation and Road Related Improvements

The District is evaluating the costs and benefits associated with constructing a bus turnaround at the Beaver Creek Covered Bridge which will benefit Beaver Creek's employees and visitors. It is estimated that the cost of this improvement could be approximately \$1.25 million. The District is also considering the construction of a \$750,000 Dial-A-Ride bus stop at the Beaver Creek Chapel. It is expected that these transportation system improvements could be constructed during 1999. The District is also considering approximately \$1.0 million of basic road improvements during the year 2000.

Plans for the above projects are still being evaluated, but it is the current intent of the Board to request its qualified electors to approve the issuance of approximately \$3.0 million of general obligation bonds at the May, 1998 election. If the bond election is successful, the District's annual debt service payments on \$3,000,000, with estimated interest rates of 6% and twenty year level debt service, are assumed to begin on January 1, 1999 (six months after the bonds are issued) and are estimated to be approximately \$270,000. These annual debt service costs are reflected in the debt service fund of the District's Comprehensive Financial Plan. The maximum voted interest rate for the general obligation bonds will be 8.25%. The proposed maximum underwriting discount will be 5%. It is estimated that the general obligation bonds, when issued, will 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 as required by statute. While the above mentioned bond issues total \$10.9 million, because of the uncertainty associated with the timing, costs, and scope of these projects, it is the intent of this Amended Service Plan to increase the District's financial authorization by an additional \$15.0 million -

before bonds are actually issued, the qualified voters of the District will have to authorize the exact amount of each bond issue.

V. NEED FOR INCREASED FINANCIAL AUTHORIZATION - BEAVER CREEK  
FUNICULAR TRANSIT SYSTEM

A. Background

Officials of BCRC and the District are currently studying the operational, environmental, economic, and financial impacts of implementing a Funicular Transit System at Beaver Creek. This proposed Funicular Transit System, which is an environmentally sensitive light rail system that is very popular in many European Ski Resorts, would essentially replace the bus system from the Beaver Creek Parking Lots to Beaver Creek Village. Benefits of the proposed Funicular Transit System would include:

- o a 50% increase in the hourly capacity - from 2,000 persons per hour for the existing bus system to 3,060 persons per hour for the Funicular,
- o a shortened trip time - from ten minutes for the bus system to seven minutes for the Funicular,
- o reduced operating costs - from \$1.77 million for the bus system to \$250,000 for the Funicular,
- o enhanced guest experience,
- o improved air quality at Beaver Creek as a result of reduced bus exhaust fumes and dust particulates,
- o reduced noise pollution from buses, and
- o a competitive edge over other international resorts.

B. District's Plan of Finance - Beaver Creek Funicular Transit System

Exhibit III, as presented on the following page, sets forth a summary of the Transportation Fund of the District assuming that a Funicular Transit System essentially replaces the Parking Lot Bus Transit System effective January 1, 2001. Based upon preliminary research conducted by officials of BCRC, it is assumed that Funicular capital costs will be approximately \$33.0 million (including one year's capitalized interest and a discount not to exceed 5%); annual operating costs will average approximately \$250,000; and annual debt service costs (6%, 30 year financing which assumes that the initial 20-year serial bonds are refunded after year ten by bonds maturing serially for an additional twenty years) will average approximately \$2,398,000.

C. Future Beaver Creek Funicular Transit System Planning

Planning efforts are obviously still in process for the Beaver Creek Funicular Transit System. When the final planning effort is completed, it is possible that the capital costs and operational costs, and the method of funding and financing the Beaver Creek Funicular Transit System could vary from the amounts presented in this Amended Service Plan. The Board will not seek voter approval for additional general obligation bonding capacity, or for the issuance of revenue bonds, until the final planning efforts have been completed and capital and operating costs have been identified. It is requested that this Amended Service Plan authorize the issuance of \$50.0 million of Funicular related bonds in order to not understate the potential amount of the actual bond issue. The actual amount of bonds, of course, will need to be approved by the qualified voters of the District.

EXHIBIT III  
BEAVER CREEK METROPOLITAN DISTRICT  
MULTI-YEAR FINANCIAL PLAN  
FOR THE YEARS ENDING DECEMBER 31, 1998 THROUGH 2006  
TRANSPORTATION FUND

WORKING DRAFT DATED 11/6/97  
PRELIMINARY AND SUBJECT TO CHANGE

	BUDGET	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	REFERENCE/COMMENT
<b>REVENUES</b>												
PROPERTY TAXES	0	0	0	2,386,316	2,418,036	2,425,356	2,432,676	2,439,996	2,447,316	2,454,636	2,454,636	SCHEDULE 7
SPECIFIC OWNERSHIP TAXES @ 4% OF PROPERTY TAXES	0	0	0	95,453	96,721	97,014	97,307	97,600	97,893	98,185	98,185	4% OF PROPERTY TAXES
INTEREST EARNINGS @ 5%	0	0	0	0	0	0	0	0	0	0	0	5% OF BEGINNING FUNDS
BUS ADVERTISING	0	0	0	11,730	11,965	12,204	12,448	12,697	12,951	13,210	13,474	2% ANNUAL INCREASES
BORC FUNDING	0	0	0	1,530,834	1,599,811	2,702,438	2,808,746	2,912,440	3,033,885	3,151,731	3,282,852	NET COSTS LESS PROPERTY TAX
FEES SPECIAL EVENTS BUS SERVICE @ \$45.00/HR	0	0	0	84,000	88,200	92,610	97,241	102,103	107,208	112,568	118,196	5% ANNUAL INCREASES
TOTAL REVENUES	0	0	0	4,108,333	4,214,733	5,329,623	5,448,417	5,564,836	5,699,252	5,830,331	5,967,344	
<b>EXPENDITURES</b>												
<b>PARKING LOT TRANSIT SYSTEM:</b>												
TOWN OF AVON CONTRACT	0	0	0	1,127,744	1,198,913	50,000	52,500	55,125	57,881	60,775	63,814	5% INCR. PLUS GROWTH
INTERNAL MANAGEMENT	0	0	0	0	0	0	0	0	0	0	0	5% ANNUAL INCREASES
LEASE PAYMENTS FOR BUSES	0	0	0	471,547	471,547	0	0	0	0	0	0	7 YEAR LEASES
LICENSES FOR BUSES	35,000	0	0	30,600	31,212	0	0	0	0	0	0	2% ANNUAL INCREASES
SWIFT GULCH FACILITY LEASE	0	0	0	114,265	57,133	0	0	0	0	0	0	LEASE ENDS
FUNICULAR OPERATIONS & DEBT SERVICE	0	0	0	0	0	2,823,000	2,634,250	2,646,063	2,658,466	2,671,489	2,685,163	20% OF DEBT & O&M
TOTAL PARKING LOT TRANSIT OPERATIONS	35,000	0	0	1,744,156	1,758,804	2,673,000	2,686,750	2,701,188	2,718,347	2,732,264	2,748,977	
<b>DIAL - A-RIDE TRANSIT SYSTEM:</b>												
VAIL ASSOCIATES, INC. CONTRACT:												
OPERATIONS	0	0	0	1,615,588	1,696,367	1,781,185	1,870,245	1,963,757	2,061,945	2,165,042	2,273,294	5% ANNUAL INCREASES
PERFORMANCE BONUS	0	0	0	42,000	44,100	46,305	48,620	51,051	53,604	56,284	59,098	5% ANNUAL INCREASES
CAPITAL REIMBURSEMENT	0	0	0	33,000	33,000	0	0	0	0	0	0	5% ANNUAL INCREASES
TOTAL VAIL ASSOCIATES, INC. CONTRAC	0	0	0	1,690,588	1,773,467	1,827,490	1,918,865	2,014,808	2,115,549	2,221,326	2,332,392	
INTERNAL MANAGEMENT - 50% OF TOTAL	0	0	0	0	0	0	0	0	0	0	0	3 YEAR LEASES
LEASE PAYMENTS FOR VEHICLES	0	0	0	568,640	445,770	458,510	469,330	473,420	487,100	493,330	499,520	5% INCREASES EVERY THREE YE
LEASE PAYMENTS FOR MTNC. TRUCKS - ALLOW.	0	0	0	15,000	15,000	15,750	15,750	15,750	16,538	16,538	16,538	NON RECURRING EXPENSE
SUBURBAN LEASE BUYOUT	0	0	0	0	0	0	0	0	0	0	0	NON RECURRING EXPENSE
INITIAL PAYMENTS ON DIAL - A-RIDE BUSES	0	0	0	0	0	0	0	0	0	0	0	2% ANNUAL INCREASES
LICENSES FOR BUSES	0	0	0	18,360	18,727	19,102	19,484	19,873	20,271	20,676	21,090	20% OF DEBT & O&M
JT. MAINT. FACILITY DEBT AND MAINTENANCE	0	0	0	130,424	263,010	263,010	265,258	267,597	270,029	272,558	275,188	
TOTAL DIAL - A-RIDE TRANSIT OPERATIONS	0	0	0	2,292,588	2,383,388	2,583,862	2,688,887	2,790,448	2,909,486	3,024,428	3,144,728	
3% COUNTY TREASURER'S COLLECTION FEES	0	0	0	71,589	72,541	72,761	72,880	73,200	73,419	73,639	73,639	3% OF PROPERTY TAXES
TOTAL EXPENDITURES	35,000	0	0	4,108,333	4,214,733	5,329,623	5,448,417	5,564,836	5,699,252	5,830,331	5,967,344	
EXCESS REVENUES OVER EXPENDITURES	0	0	0	0	0	0	0	0	0	0	0	
BEGINNING FUNDS AVAILABLE	0	0	0	0	0	0	0	0	0	0	0	
ENDING FUNDS AVAILABLE	0	0	0	0	0	0	0	0	0	0	0	

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VI. NEED FOR THE DISTRICT, ADDITION OF TRANSPORTATION POWER,  
ADDITION OF TRAFFIC AND SAFETY CONTROLS POWER, AND RESTATED  
EXISTING POWERS

A. Need for the District

The District was organized pursuant to a Service Plan approved by the Board of County Commissioners of Eagle County in May 1978. As was the case then and as is the case now, the need for the District and its ability to provide necessary municipal services is essential for the continued success of Beaver Creek.

B. Broadened Transportation Powers

The District, in addition to its existing powers, will have power and authority to provide transportation services and facilities described in the following paragraph within and outside its boundaries in accordance with law.

The design, acquisition, installation, construction, operation and maintenance of public transportation system improvements, including transportation equipment, funicular systems and related improvements and equipment, Dial-A-Ride systems and related improvements and equipment, park and ride facilities and parking lots, transportation storage and maintenance facilities, parking structures, bus turnarounds, roundabouts, roofs, covers, and facilities, including, but not limited to facilities for the commercial structures and for the conveyance of the public consisting of public restrooms, buses, automobiles, and other means of conveyance, and structures for repair, operations and maintenance of such facilities, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities or systems

C. Broadened Traffic and Safety Controls Powers

The District, in addition to its existing powers, will also have power and authority to provide traffic and safety control services and facilities described in the following paragraph within and outside its boundaries in accordance with law.

The design, acquisition, installation, construction, operation, and maintenance of traffic and safety protection facilities and services through traffic and safety controls and devices on streets and highways, environmental monitoring, and rodent and pest controls necessary for public safety, as well as other facilities and improvements including but not limited to, main entry building, access gates, signalization at intersections, traffic signs, area identification signs, directional assistance, and driver information signs, together with all necessary, incidental, and appurtenant facilities, land easements, together with extensions of and improvements to said facilities.

D. Restated Existing District Powers

The District will continue to have power and authority to provide the services and facilities described in this section within and outside its boundaries in accordance with law. The District shall have authority to provide the following services and facilities;

1. Water. The design, acquisition, installation, construction, operation, and maintenance of a complete water and irrigation water system, including but not limited to, water rights, water supply, treatment, storage, transmission and distribution systems for domestic and other public or private purposes, together with all necessary and proper reservoirs, treatment works and facilities, wells, water rights, equipment and appurtenances incident thereto which may include, but shall not be limited to, transmission lines, distribution mains and laterals, storage facilities, land and easements, together with extensions of and improvements to said systems.

2. Streets. The design, acquisition, installation, construction, operation, and maintenance of street and roadway improvements, including but not limited to curbs, gutters, culverts, storm sewers and other drainage facilities, detention ponds, retaining walls and appurtenances, as well as sidewalks, bridges, bus turnarounds, roundabouts, equipment storage and maintenance facilities, parking facilities, paving, lighting, grading, landscaping, tunnels and other street improvements, together with all necessary, incidental, and appurtenant facilities, land and easements, together with extensions of and improvements to said facilities.

3. Fire Protection The acquisition, construction, completion, installation and/or operation and maintenance of facilities and/or services for protection against fire, including, but not limited to, fire stations, fire protection and fire fighting equipment, adoption of fire codes, as well as all necessary, incidental, and appurtenant facilities, land and easements, together with extensions of and improvements to said system.

4. Television Relay and Translator. The acquisition, construction, completion, installation and/or operation and maintenance of television relay and translator facilities, including but not limited to cable television, co-axial cable and communication facilities, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities.

5. Parks and Recreation. The design, acquisition, installation, construction, operation and maintenance of public park and recreation facilities or programs including, but not limited to, swimming pools and spas, tennis courts, exercise facilities, bike paths, hiking trails, pedestrian trails, pedestrian bridges, pedestrian malls, public fountains and sculpture, art, and botanical gardens, equestrian trails and centers, picnic areas, skating areas and facilities, common area landscaping and weed control, outdoor lighting of all types, community events, and other facilities, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities or systems.

E. Legal Powers

The powers of the District will be exercised by its Board to the extent necessary to provide the services contemplated in this Amended Service Plan. The foregoing improvements and services, along with all other activities permitted by law, will be undertaken in accordance with, and pursuant to, the procedures and conditions contained in the Special District Act, other applicable statutes, and this Amended Service Plan, as any or all of the same may be amended from time to time.

F. Other

In addition to the powers enumerated above, the Board of the District shall also have the following authority:

a. To amend this Amended Service Plan as needed, subject to the appropriate statutory procedures, including, by written notice to Eagle County pursuant to SS 32-1-207, C.R.S., of actions which the District believes is permitted by this Amended Service Plan but which may be unclear. In the event Eagle County elects not to seek to enjoin any such activities under said statute, such election shall constitute agreement by Eagle County that such activities are within the scope of this Amended Service Plan; and

b. To forego, reschedule, or restructure the financing and construction of certain improvements and facilities, in order to better accommodate the pace of growth, resource availability, and potential inclusions of property within the District, or if the development of the improvements and facilities would best be performed by another entity; and

c. To provide all such additional services and exercise all such powers as are expressly or impliedly granted by Colorado law, and which the District is required to provide or exercise or, in its discretion, choose to provide or exercise; and

d. To exercise all necessary and implied powers under Title 32, C.R.S. in the reasonable discretion of the Board of the District.

VII. POPULATION AND ASSESSED VALUATION ESTIMATES

A. Population

The District is approaching full-buildout and according to records maintained by the Eagle River Water and Sanitation District, there are currently approximately 2,276 single family equivalent units within the boundaries of the District. While it is difficult at any one time to estimate the population of Beaver Creek, if one assumes an average of 2.75 persons per single family equivalent



unit the population can be calculated to be 6,259. Officials of BCRC estimate that during peak skiing days, there are approximately 6,500 people at Beaver Creek.

B. Assessed Valuation

The most recent certified assessed valuation of the District as of the January 1, 1997 assessment date is \$186,524,690.

VIII. DISTRICT BOUNDARIES

The boundaries of the District are the same as they were when the District's original service plan was approved with the exception of the exclusion of Upper Bachelor Gulch and the West Prater Road area which have been excluded from the District and included within the boundaries of Bachelor Gulch Metropolitan District; and the pending exclusion of the River Edge Housing Project. The Smith Creek Metropolitan District has agreed to compensate the District on an annual basis for its proportionate share of the District's annual debt service payments for general obligation bonds issued before 1996.

IX. EXISTING AND PROPOSED INTERGOVERNMENTAL AGREEMENTS

A. Fire Service Agreement

The District contracts with the Town of Avon for comprehensive fire protection services. It is expected that beginning January 1, 1999 a regional fire protection district will be formed and, upon formation of such regional fire protection district, the District will legally relinquish its fire protection powers.

B. Water Treatment and Maintenance Agreement

The District contracts with the Upper Eagle Regional Water Authority for water treatment, for maintenance of its domestic water storage and transmission utility systems, and for accounting and customer billing services.

C. Road Maintenance Agreement

The District contracts with Vail Associates, Inc. for comprehensive road, drainage, and road landscaping services.

D. Assumed Continuance of Transit System Agreements

It is assumed that when the Beaver Creek Transportation System becomes the responsibility of the District, on January 1, 1999, services will continue to be provided on a contractual basis with the Town of Avon and with VAI.

E. Assumed Intergovernmental Agreement for Construction  
and Use of Avon and Beaver Creek Joint Maintenance Facilities

It is assumed that the District will enter into a Joint Use Agreement with the other participants of the proposed Beaver Creek Joint Maintenance Transportation Facility; and with the Town of Avon relating to the Avon Public Works Joint Maintenance Facility.

F. Funding Agreement with Eagle County Recreation Authority

The District is a member of the Eagle County Recreation Authority and participates in the funding of the annual debt service costs associated with the acquisition of land, and with the ongoing funding of the administrative and planning costs.

G. Other Agreements

To the extent practicable, the District may enter into additional intergovernmental and private agreements when it is in the best interest of the District to better ensure long-term provision of the improvements and services and effective management. Agreements may be executed with property owner associations and other service providers where applicable.

X. STATUTORY REQUIREMENTS FOR APPROVAL

This Amended Service Plan is submitted in accordance with the requirements of Part 2, of Title 32 of the Colorado Revised Statutes (the "Special District Act"). The major purpose of this

Amended Service Plan is to produce satisfactory evidence that the requirements for Eagle County approval of the Amended Service Plan, as set forth in Sections 32-1-203(2) and (2.5), C.R.S., have been met.

The following requirements for approval of this Amended Service Plan for the purposes of (i) broadening the District's existing service powers to include transportation, and traffic and safety controls; (ii) enabling the District to proceed (pending the results of several future general obligation or revenue bond elections) with the issuance of additional general obligation or revenue bonds which will be used for the construction and equipping of the District's proportionate share of the planned Beaver Creek Joint Maintenance Transportation Facility, the Avon Joint Public Works Maintenance Facility, various transportation and road related improvements, and the Beaver Creek Funicular Transit System; and (iii) the continuation of all other services and powers which the District has successfully, efficiently, and economically been providing for the past eighteen years are confirmed by this Amended Service Plan.

1. There is sufficient existing and projected need for the services in the area to be serviced by the District;
2. The existing service in the area to be served by the District is inadequate for the present and projected needs;
3. The District is capable of providing economical and sufficient service to the area within the District's boundaries;
4. The area included in the District has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis;
5. Adequate service is not, or will not be, available to the area through Eagle County, or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis;

6. The facility and service standards of the District is compatible with the facility and service standards of Eagle County, and each municipality which is an interested party under Section 32-1-204(1), C.R.S.:

7. The proposal is in substantial compliance with the Eagle County master plan adopted pursuant to Section 30-28-106, C.R.S.;

8. The proposal is in compliance with the duly adopted county, regional or state long-range water quality management plan for the area; and

9. The addition of the transportation powers and the traffic and safety control powers will be in the best interest of the area proposed to be served.

The following items are included in this Amended Service Plan:

1. A description of the proposed transportation services and systems (including the Beaver Creek Funicular Transit System). 2. A financial plan showing how the proposed transportation services and facilities (including the Beaver Creek Funicular Transit System), the proposed traffic and safety control services and facilities, and the existing services which the District has been providing, are to be financed.

3. A description showing how the proposed transportation services and facilities will be provided by the District.

4. An estimate of the current population and valuation for assessment of the District.

5. A general description of the estimated costs related to the proposed amenities anticipated to be funded from general obligation or revenue bonds, initial proposed indebtedness and estimated proposed interest rates and discounts.

6. A general description of the estimated capital costs relating to the Beaver Creek Funicular Transit System; and the initial proposed indebtedness and estimated proposed interest rates and discounts, and other expenses and revenues related to the operation of the Beaver Creek Funicular Transit System.

7. A description of any arrangement or proposed agreement with any political subdivision for the performance of any services between the District and such other political subdivision.

Therefore, it is requested that the Board of Eagle County Commissioners of Eagle County, Colorado, which has jurisdiction to approve this Amended Service Plan by virtue of SS 32-1-207, C.R.S., et seq., as amended, adopt a resolution which approves this Amended Service Plan for Beaver Creek Metropolitan District as submitted.

## XI. SUMMARY AND CONCLUSIONS

As previously stated in Section II of this Amended Service Plan, the Board of Directors of the District (the "Board"), after careful analysis and evaluation, has decided that it will be more efficient and cost effective for the District, and its taxpayers, to assume operational and financial responsibilities for the Beaver Creek Transportation Systems (as described in detail in Section II of this Amended Service Plan) which is currently the responsibility of the Beaver Creek Resort Company ("BCRC").

It is the Board's belief that the District's assumption of the Beaver Creek Transportation Systems can result in cost savings and efficiencies because (i) the District will not have to pay sales tax on transit system operating supplies and bus and van acquisitions; (ii) the District will be able to finance future buses and vans at tax-exempt interest rates; (iii) the District will be able to finance its proportionate share of the Beaver Creek Joint Maintenance Transportation Facility, and other transportation related capital improvements, at tax-exempt interest rates; (iv) opportunities will

become available to the District to apply for various governmental transit related grants for equipment, buses, and vehicles; and (v) the District's liability is limited by the Colorado Governmental Immunity Act which will result in reduced insurance premiums.

The Board believes that the costs associated with the Beaver Creek Transportation Systems will require an initial District mill levy for tax collection year 1999 of approximately 12.20 mills. In an effort to offset the financial impacts to Beaver Creek property owners associated with this additional transportation system mill levy and property tax increase, the Board of Directors of BCRC has agreed to eliminate BCRC's Common Assessment mill levy, which is currently 12.20 mills, effective January 1, 1999. The impacts of the District's proposed transportation system property tax increase will be further mitigated because owners of residential property at Beaver Creek will be able to deduct an assumed 35% of these proposed additional property taxes on their Federal and State income tax returns - a deduction that is not currently legally available for many of the residential property owners who are paying BCRC's Common Assessments.

The District has been providing, pursuant to authority granted by its street powers, many of the services which will be authorized by the traffic and safety controls power; and the projected costs associated with such services are included in the District's general fund and capital improvements fund sections of the Comprehensive Financial Plan. While the Board is of the opinion that it currently has the power to provide such services, it believes that the addition of the traffic and safety controls power as a part of this Amended Service plan is a prudent course of action.

## XII. ELECTION REQUIREMENTS

Following approval of this Amended Service Plan by Eagle County, as necessary, the District will conduct elections on the question of (i) approving a Beaver Creek Transportation System operating mill levy, and (ii) approving additional bonded indebtedness for the aforementioned capital improvement projects.

All Elections will be conducted as provided by the Uniform Election Code of 1992 (as substantially amended by House Bill 93-1255), and the TABOR Amendment. The election questions may include TABOR Amendment ballot questions. Eagle County should be assured that the District intends to follow both the letter and the spirit of the Special District Act, the Uniform Election Code, and the TABOR Amendment.

EXHIBIT A

TRANSPORTATION FUND FINANCIAL PLAN



# Stan Bernstein and Associates, Inc.

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Financial Planners and Consultants  
For Local Governments, Municipal Bond Underwriters, and Real Estate Developers

November 6, 1997

Board of Directors  
Beaver Creek Metropolitan District  
Avon, Colorado 81657

The attached Multi-Year Financial Plan for the Transportation Fund (the "Transportation Financial Plan") of Beaver Creek Metropolitan District has been assembled by Stan Bernstein and Associates, Inc. based upon information provided by others.

The objective of the Transportation Financial Plan is to provide interested parties with information that will enable them to understand the operations, costs, operating revenues, property tax revenues, BCRC annual contributions, and incremental mill levies that are associated with the Beaver Creek Metropolitan District assuming responsibility for the Beaver Creek transportation systems which are currently the responsibility of the Beaver Creek Resort Company.

Because Stan Bernstein and Associates, Inc. has not independently audited, examined, reviewed, tested, or compiled the information contained on Exhibit I or on the supporting schedules, Stan Bernstein and Associates, Inc. does not vouch for the achievability of the projected financial results, or for the accuracy of the underlying planning assumptions. Furthermore, there will usually be differences between estimated and actual results because events and circumstances frequently do not occur as expected and those differences may be material.

Very truly yours,

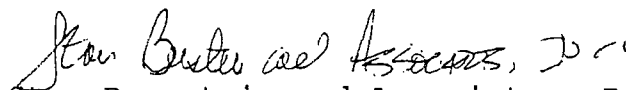
  
Stan Bernstein and Associates, Inc.

EXHIBIT I  
BEAVER CREEK METROPOLITAN DISTRICT  
MULTI-YEAR FINANCIAL PLAN  
FOR THE YEARS ENDING DECEMBER 31, 1998 THROUGH 2006  
TRANSPORTATION FUND - SUMMARY

WORKING DRAFT DATED 11/6/97  
PRELIMINARY AND SUBJECT TO CHANGE

	BCRC BUDGET 1997	BCRC BUDGET 1998	1999	2000	2001	2002	2003	2004	2005	2006 REFERENCE/COMMENT
<b>OPERATING REVENUES</b>										
BUS ADVERTISING	11,330	11,500	11,730	11,965	12,204	12,448	12,697	12,951	13,210	13,474 SEE SCHEDULE 1
FEES FROM CONTRACTORS FOR EMPLOYEE BUS SERVICE	76,333	51,473	0	0	0	0	0	0	0	0 SEE SCHEDULE 1
PROPERTY TAXES FROM 12.20 MILL LEVY	0	0	2,386,316	2,418,036	2,425,356	2,432,676	2,439,996	2,447,316	2,454,636	2,454,636 12.20 MILLS x ASSESS. VALUE
SPECIFIC OWNERSHIP TAXES @ 4.0% OF PROP. TAXES	0	0	95,453	96,721	97,014	97,307	97,600	97,893	98,185	98,185 4.0% OF PROPERTY TAXES
BCRC FUNDING	3,125,014	3,392,635	1,530,834	1,730,235	2,070,520	2,246,652	2,546,204	2,747,096	2,949,700	3,188,785 NET COSTS LESS PROPERTY TAXES
FEES SPECIAL EVENTS BUS SERVICE @ \$45.00/HR	20,300	80,000	84,000	88,200	92,610	97,241	102,103	107,208	112,568	118,196 SEE SCHEDULE 1 & 2
<b>TOTAL OPERATING REVENUES</b>	<b>3,232,977</b>	<b>3,535,608</b>	<b>4,108,333</b>	<b>4,345,157</b>	<b>4,697,705</b>	<b>4,886,324</b>	<b>5,198,599</b>	<b>5,412,464</b>	<b>5,628,299</b>	<b>5,873,278</b>
<b>OPERATING EXPENDITURES</b>										
<b>PARKING LOT TRANSIT SYSTEM (SCH. 1):</b>										
TOWN OF AVON CONTRACT	1,024,947	1,060,898	1,127,744	1,198,913	1,274,689	1,355,378	1,441,305	1,532,818	1,630,288	1,734,110 SEE SCHEDULE 1
INTERNAL MANAGEMENT	36,379	0	0	0	0	0	0	0	0	0 SEE SCHEDULE 1
LEASE PAYMENTS FOR BUSES	428,470	428,470	471,547	471,547	471,547	471,547	592,927	592,927	592,927	610,463 SEE SCHEDULE 1A
1997 BUS BUYOUTS	81,552	0	0	0	0	0	0	0	0	0 SEE SCHEDULE 1
LICENSES FOR BUSES	5,000	30,000	30,600	31,212	31,836	32,473	33,122	33,785	34,461	35,150 SEE SCHEDULE 1
SWIFT GULCH FACILITY LEASE	114,265	114,265	114,265	57,133	0	0	0	0	0	0 SEE SCHEDULE 1
20% DEBT SERVICE/OPERATIONS - JT. MAINT. FACILITY	0	0	0	130,424	263,010	265,258	267,597	270,029	272,558	275,188 SEE SCHEDULE 1B
<b>TOTAL PARKING LOT TRANSIT OPERATIONS</b>	<b>1,690,613</b>	<b>1,693,633</b>	<b>1,744,156</b>	<b>1,889,228</b>	<b>2,041,082</b>	<b>2,124,656</b>	<b>2,334,951</b>	<b>2,429,558</b>	<b>2,630,293</b>	<b>2,854,911</b>
<b>DIAL - A - RIDE TRANSIT SYSTEM (SCH. 2):</b>										
<b>VAIL ASSOCIATES, INC. CONTRACT:</b>										
OPERATIONS	1,310,000	1,538,655	1,615,588	1,696,367	1,781,185	1,870,245	1,963,757	2,061,945	2,165,042	2,273,294 5% ANNUAL INCREASE
PERFORMANCE BONUS	60,000	40,000	42,000	44,100	46,305	48,620	51,051	53,604	56,284	59,098 5% ANNUAL INCREASE
CAPITAL REIMBURSEMENT	0	33,000	33,000	33,000	0	0	0	0	0	0 FOR THREE YEARS ONLY
<b>TOTAL VAIL ASSOCIATES, INC. CONTRAC</b>	<b>1,370,000</b>	<b>1,611,655</b>	<b>1,690,588</b>	<b>1,773,467</b>	<b>1,827,490</b>	<b>1,918,865</b>	<b>2,014,808</b>	<b>2,115,549</b>	<b>2,221,326</b>	<b>2,332,392</b>
INTERNAL MANAGEMENT - 50% OF TOTAL	36,379	0	0	0	0	0	0	0	0	0 NO ALLOWANCE AFTER 1997
LEASE PAYMENTS FOR VEHICLES	44,860	257,320	568,640	445,770	458,510	469,330	472,420	487,100	493,330	499,520 SEE SCHEDULE 2A
LEASE PAYMENTS FOR MINC. TRUCKS - ALLOW.	0	15,000	15,000	15,000	15,750	15,750	15,750	16,538	16,538	16,538 5% INCREASE EVERY THREE YEARS
SUBURBAN LEASE BUYOUT	45,125	0	0	0	0	0	0	0	0	0 NON RECURRING EXPENSE
INITIAL PAYMENTS ON DIAL - A - RIDE BUSES	36,000	0	0	0	0	0	0	0	0	0 NON RECURRING EXPENSE
LICENSES FOR BUSES	10,000	18,000	18,360	18,727	19,102	19,484	19,873	20,271	20,676	21,090 2% ANNUAL INCREASE
20% DEBT SERVICE/OPERATIONS - JT. MAINT. FACILITY	0	0	0	130,424	263,010	265,258	267,597	270,029	272,558	275,188 SEE SCHEDULE 1B
<b>TOTAL DIAL - A - RIDE TRANSIT OPERATIONS</b>	<b>1,542,364</b>	<b>1,901,975</b>	<b>2,292,588</b>	<b>2,383,388</b>	<b>2,583,862</b>	<b>2,688,687</b>	<b>2,790,448</b>	<b>2,909,486</b>	<b>3,024,428</b>	<b>3,144,728</b>
<b>3% EAGLE COUNTY COLLECTION FEE</b>	<b>0</b>	<b>0</b>	<b>71,589</b>	<b>72,541</b>	<b>72,761</b>	<b>72,980</b>	<b>73,200</b>	<b>73,419</b>	<b>73,639</b>	<b>73,639</b>
<b>TOTAL OPERATING EXPENDITURES</b>	<b>3,232,977</b>	<b>3,535,608</b>	<b>4,108,333</b>	<b>4,345,157</b>	<b>4,697,705</b>	<b>4,886,324</b>	<b>5,198,599</b>	<b>5,412,464</b>	<b>5,628,299</b>	<b>5,873,278</b>
<b>EXCESS OPERATING EXPENDITURES OVER R REVENUES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>PROJECTED ASSESSED VALUATION</b>	<b>145,170,200</b>	<b>186,524,690</b>	<b>195,599,690</b>	<b>198,199,690</b>	<b>198,789,690</b>	<b>199,399,690</b>	<b>199,999,690</b>	<b>200,599,690</b>	<b>201,199,690</b>	<b>201,199,690</b>
<b>PROJECTED MILL LEVY ASSUMED</b>	<b>0.000</b>	<b>0.000</b>	<b>12.200</b>	<b>12.200</b>	<b>12.200</b>	<b>12.200</b>	<b>12.200</b>	<b>12.200</b>	<b>12.200</b>	<b>12.200</b>
<b>PROJECTED MILL LEVY @ 65% (AFTER TAXES)</b>	<b>0.000</b>	<b>0.000</b>	<b>7.930</b>	<b>7.930</b>	<b>7.930</b>	<b>7.930</b>	<b>7.930</b>	<b>7.930</b>	<b>7.930</b>	<b>7.930</b>

THE ABOVE INFORMATION HAS NOT BEEN INDEPENDENTLY AUDITED, EXAMINED, REVIEWED, TESTED, OR COMPILED BY STAN BERNSTEIN AND ASSOCIATES, INC. TOTALS MAY NOT ADD DUE TO ROUNDING. THE NOTES AND ASSUMPTIONS CONTAINED IN THE ACCOMPANYING REPORT ARE AN INTEGRAL PART OF THIS EXHIBIT. THERE WILL USUALLY BE DIFFERENCES BETWEEN ESTIMATED AND ACTUAL RESULTS BECAUSE EVENTS AND CIRCUMSTANCES FREQUENTLY DO NOT OCCUR AS EXPECTED AND THOSE DIFFERENCES MAY BE MATERIAL.

BEAVER CREEK METROPOLITAN DISTRICT  
PROPOSED TRANSPORTATION FUND  
MULTI-YEAR FINANCIAL PLAN  
FOR THE YEARS ENDING DECEMBER 31, 1998 THROUGH 2006

SUMMARY OF MULTI-YEAR FINANCIAL PLAN

The enclosed Multi-Year Financial Plan (the "Financial Plan") for the proposed Transportation Fund of the Beaver Creek Metropolitan District has been assembled by Stan Bernstein and Associates, Inc. based upon information provided by others.

The objective of the Financial Plan is to provide interested parties with information that will enable them to understand the operations, costs, operating revenues, property tax revenues, and incremental mill levies that are associated with the Beaver Creek Metropolitan District ("BCMD") assuming responsibility for the Beaver Creek transportation systems which are currently the responsibility of the Beaver Creek Resort Company ("BCRC").

CURRENT SCOPE OF BEAVER CREEK TRANSPORTATION SYSTEMS

The BCRC currently is responsible for operating two separate transportation systems.

The Parking Lot Transportation System is the "no charge" system that transports day-skiers, visitors, and employees from the West and East Parking Lots to Beaver Creek Village.

This system is operated on a contractual basis by the Town of Avon for an annual fee (i.e., for fiscal year ending September 30, 1997) of approximately \$1,025,000 based upon 24,006 service hours - the actual contract amount will vary depending upon the actual number of service hours incurred.

A fleet of thirteen buses (which are provided and paid for by BCRC) are currently used to provide services, although it is anticipated that after this year only eleven buses will be required as a result of the elimination of the "construction employee bus route." Ten new buses (costing approximately \$215,000 each) were recently acquired and are being funded through a seven year lease - it is assumed that these buses will need to be replaced every seven years.

BCRC has entered into a facilities lease with the Town of Avon, which provides for annual lease payments in amount of \$114,265 through approximately June 30, 2000, for the use of the Town of Avon's Swift Gulch public works maintenance facility - it is assumed that the proposed new Beaver Creek Joint Maintenance Facility will be operational when the Swift Gulch maintenance facility lease expires.

The Dial-A-Ride Transportation System is the "no charge" intra-Beaver Creek system that provides "taxi/limo type services" to guests and residents of Beaver Creek - this system includes several set neighborhood routes (i.e., Valley Route, Creek Route, Eastern Route, Western Route), the popular Dial-A-Ride system (which comprises approximately 67% of the total service hours of the entire Dial-A-Ride Transportation System), and the Special Events and Night Village systems.

The Dial-A-Ride transportation systems, which have historically been provided by the Town of Avon and Colorado Mountain Express, Inc., are now being provided through a contract with Vail Associates, Inc. ("VAI") for an annual fee of approximately \$1,611,000 (including \$40,000 of incentive bonuses and \$33,000 of capital reimbursements) based upon approximately 38,000 service hours.

A fleet of twenty Suburban and Metroliners (which are provided for and paid for by BCRC) are currently used to provide services, and four new Metroliners were recently acquired (costing approximately \$65,000 each) and are being funded through a three year lease - it is assumed that all Dial-A-Ride Transportation System vehicles will be replaced every three years.

#### MULTI-YEAR FINANCIAL PLAN SUMMARY - EXHIBIT I

The enclosed Exhibit I provides a one page summary of the current and projected costs, revenues, required funding from BCRC, and property tax revenues based on a 12.20 BCMD Transportation Fund mill levy. Exhibit I is based upon many assumptions (which do not appear to be unreasonable to use for financial planning purposes) that have been provided to me from various sources (i.e., Bill Simmons - BCRC Transit Manager; Harry Taylor - TOA Transit Manager; Bob McIlveen, Tom Allen - BCRC Finance Director, Ken Marchetti - BCMD Administrator).

In anticipation of a contractual agreement between BCMD and BCRC, the Transportation Fund will generate annual revenues from (i) property tax revenues generated from a 12.20 mill levy and (ii) annual contributions from BCRC which will be calculated by subtracting property tax revenues from total net transportation system operating and debt service costs. It is expected that BCRC will agree to eliminate its Common Assessment of 12.20 mills as of January 1, 1999 thereby offsetting the incremental Transportation Fund mill levy which BCMD will impose; and thereby ensuring that property taxpayers at Beaver Creek will not pay any additional mill levy (i.e., for residential property owners BCMD's mill levy will be tax-deductible for federal and state income tax purposes, which is not the case for BCRC's Common Assessments).

The assessed valuation projections for BCMD are based on a preliminary certified January 1, 1997 assessed valuation (from records obtained from the Eagle County Assessor's Office) in amount of approximately \$186,524,690. Future increases in assessed valuation are projected to be minimal because Beaver Creek is approaching full-buildout. Assessed valuation at BCMD has not been inflated because of the assumed continuance of the decline in the residential assessment rate caused by the Gallagher Amendment (i.e., it is assumed that inflationary increases in market values will be offset by decreases in the residential assessment rate).

#### SUMMARY OF PARKING LOT TRANSPORTATION SYSTEMS - SCHEDULE 1

The enclosed Schedule 1 presents a financial summary of the Parking Lot Transportation System. The significant financial planning assumptions are as follows:

1. Service hours will increase 2% annually and are partially related to increases in Beaver Creek Skier Days, although some excess capacity currently exists.
2. Variable costs per hour will increase 5% annually as a result of inflation and growth.
3. Bus Advertising revenues will be minimal and increase at 2% annually.
4. Ridership fees from contractors for bussing their employees will cease after 1998.
5. Fees for "Special Event" buses will increase 5% annually.
6. Town of Avon Personal Services will increase 5% annually as a result of inflation and merit increases.
7. Town of Avon Contractual Services will increase 5% annually as a result of inflation and growth.
8. Eleven buses will be replaced every seven years at a current replacement cost of \$210,000 increasing 5% per year. Municipal interest rates of 6 - 8% have been assumed for leases.
9. Annual lease payments for the use of the Swift Gulch public works maintenance facility will continue until June 30, 2000 at \$114,265 per year.

10. The proposed Joint Maintenance Facility will become operational on July 1, 2000. The BCMD Parking Lot Transit System will be responsible for paying for approximately 20% of the annual debt service and operating costs. Debt service costs have been calculated assuming a \$11.0 million bond issue (bonds issued by Smith Creek Metropolitan District), 7% interest rates, and 20 year level amortization with year-one payment capitalized from the initial bond proceeds. Facility operating costs are based on 48,000 square feet and \$5.63 per square foot increasing 4% per year.

#### SUMMARY OF DIAL-A-RIDE TRANSPORTATION SYSTEMS - SCHEDULE 2

The enclosed Schedule 1 presents a financial summary of the Dial-A-Ride Transportation System. The significant financial planning assumptions are as follows:

1. Service hour increases will not increase except for the Valley Route during 1998 (600 service hour increase per Bill Simmons), and the Dial-A-Ride System (10% increases during 1998 and 1999 per Bill Simmons).

2. The variable rate hourly fee will increase 5% per year.

3. User Fees for "Special Events" buses will increase 5% per year.

4. Operating Costs (including labor and contractual services) will increase 5% per year above estimated 1998 costs of \$1,578,655.

5. Twenty vehicles will be replaced every three years Current costs are assumed to be \$65,000 for a Metroliner and \$32,000 for a Suburban - costs are assumed to escalate 5% per year with credit being given for trade-in value (approximately \$10,000 per vehicle). Municipal interest rates of 8% have been assumed.

#### PARKING LOT TRANSPORTATION SYSTEM BUS REPLACEMENTS - SCHEDULE 1A

This schedule presents the annual lease payments for eleven buses which are replaced every seven years.

#### DIAL-A-RIDE SYSTEM VEHICLE REPLACEMENTS - SCHEDULE 2A

This schedule presents the annual lease payments for twenty vehicles which are replaced every three years.

#### ANNUAL COSTS RE: JOINT MAINTENANCE FACILITY - SCHEDULE 1B

This schedule presents the annual debt service costs and operating costs associated with 40% (i.e. 20% for parking lot buses and 20% for Dial-A-Ride buses) of an \$11.0 bond issue (including one year's capitalized interest and costs of bond issuance, and land).

SCHEDULE 1  
BEAVER CREEK METROPOLITAN DISTRICT  
MULTI-YEAR FINANCIAL PLAN  
FOR THE YEARS ENDING DECEMBER 31, 1998 THROUGH 2008  
TRANSPORTATION FUND - PARKING LOT TRANSIT SYSTEM

WORKING DRAFT DATED 11/9/97  
PRELIMINARY AND SUBJECT TO CHANGE

OPERATING DATA	BCRC BUDGET 1997	BCRC BUDGET 1998	1999	2000	2001	2002	2003	2004	2005	2008 REFERENCE/COMMENT
SERVICE HOURS										
VARIABLE COST PER HOUR	24,006	24,486	24,976	25,475	25,985	26,505	27,035	27,575	28,127	28,689 2% INCREASE IN SERVICE HOURS
	\$26.68	\$26.84	\$28.18	\$28.59	\$31.07	\$32.62	\$34.26	\$35.97	\$37.77	\$39.65 5% ANNUAL INCREASE
OPERATING REVENUES										
BUS ADVERTISING	11,330	11,500	11,730	11,965	12,204	12,448	12,697	12,951	13,210	13,474 2% ANNUAL INCREASE
FEES FROM CONTRACTORS FOR EMPLOYEE BUS SERVICE	76,333	51,473	0	0	0	0	0	0	0	0 PRIVATE SERVICE ENDS IN 1999
BCRC FUNDING	1,582,650	1,622,684	0	0	0	0	0	0	0	0 SEE EXHIBIT I FOR BCRC FUNDING
FEES SPECIAL EVENTS BUS SERVICE @ \$45.00/HR	20,300	0	0	0	0	0	0	0	0	0 NONE AFTER 1997
TOTAL OPERATING REVENUES	1,690,613	1,685,657	11,730	11,965	12,204	12,448	12,697	12,951	13,210	13,474
OPERATING EXPENDITURES										
TOWN OF AVON CONTRACT:										
FIXED COSTS - PERSONAL SERVICES	269,066	282,519	296,645	311,478	327,051	343,404	360,574	378,603	397,533	417,410 5% ANNUAL INCREASE
FIXED COSTS - CONTRACTUAL SERVICES	118,401	121,171	127,230	133,591	140,271	147,284	154,648	162,381	170,500	179,025 5% ANNUAL INCREASE
VARIABLE COSTS	640,480	657,207	703,869	753,844	807,367	854,690	926,083	991,835	1,062,255	1,137,675 PER ABOVE ASSUMPTIONS
TOTAL TOWN OF AVON CONTRACT	1,024,947	1,060,898	1,127,744	1,198,913	1,274,689	1,355,378	1,441,305	1,532,818	1,630,288	1,734,110
INTERNAL MANAGEMENT - 50% OF TOTAL LEASE PAYMENTS FOR BUSES	38,379	0	471,547	471,547	471,547	471,547	592,927	592,927	592,927	0 5% ANNUAL INCREASE
BUS LEASE BUYOUT	53,850	0	0	0	0	0	0	0	0	0 NON-RECURRING PAYMENT
TOWN OF AVON BUS LEASE	27,702	0	0	0	0	0	0	0	0	0 NON-RECURRING PAYMENT
LICENSES FOR BUSES	5,000	30,000	30,600	31,212	31,836	32,473	33,122	33,785	34,461	35,150 2% ANNUAL INCREASE
LEASE FOR SHARE OF SWIFT GULCH SITE - TOA	114,265	114,265	114,265	57,133	0	0	0	0	0	0 NEW FACILITY OPER. BY 6/1/2000
20% DEBT SERVICE/OPERATIONS - JT. MAINT. FACILITY	0	0	0	130,424	263,010	265,258	267,597	270,029	272,558	275,188 SEE SCHEDULE 1B
TOTAL OPERATING EXPENDITURES	1,690,613	1,633,633	1,744,156	1,889,228	2,041,082	2,124,656	2,334,051	2,429,558	2,530,233	2,654,911
EXCESS OPERATING EXPENDITURES OVER REVENUES	0	0	1,732,426	1,877,263	2,028,879	2,112,208	2,322,254	2,416,608	2,517,023	2,641,437

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**SCHEDULE 2**

**BEAVER CREEK METROPOLITAN DISTRICT**

**MULTI-YEAR FINANCIAL PLAN  
FOR THE YEARS ENDING DECEMBER 31, 1998 THROUGH 2006  
TRANSPORTATION FUND - DIAL - A - RIDE TRANSIT SYSTEM**

**WORKING DRAFT DATED 11/6/97  
PRELIMINARY AND SUBJECT TO CHANGE**

	BCRC BUDGET 1997	BCRC BUDGET 1998	1999	2000	2001	2002	2003	2004	2005	2006 REFERENCE/COMMENT
<b>OPERATING DATA</b>										
<b>SERVICE HOURS:</b>										
VALLEY ROUTE	1,624	2,224	2,224	2,224	2,224	2,224	2,224	2,224	2,224	2,224 ESTIMATES PER BCRC
CREEK ROUTE	2,274	2,274	2,274	2,274	2,274	2,274	2,274	2,274	2,274	2,274 ESTIMATES PER BCRC
EASTERN ROUTE	3,167	3,167	3,167	3,167	3,167	3,167	3,167	3,167	3,167	3,167 ESTIMATES PER BCRC
WESTERN ROUTE	3,276	3,276	3,276	3,276	3,276	3,276	3,276	3,276	3,276	3,276 ESTIMATES PER BCRC
DIAL - A - RIDE	19,478	23,158	25,474	25,474	25,474	25,474	25,474	25,474	25,474	25,474 ESTIMATES PER BCRC
SPECIAL EVENTS	3,173	3,173	3,173	3,173	3,173	3,173	3,173	3,173	3,173	3,173 ESTIMATES PER BCRC
NIGHT VILLAGE	740	740	740	740	740	740	740	740	740	740 ESTIMATES PER BCRC
<b>TOTAL SERVICE HOURS</b>	<b>33,732</b>	<b>38,012</b>	<b>40,328</b>	<b>40,328</b>	<b>40,328</b>	<b>40,328</b>	<b>40,328</b>	<b>40,328</b>	<b>40,328</b>	<b>40,328 ESTIMATES PER BCRC</b>
<b>OPERATING REVENUES</b>										
BCRC FUNDING	1,522,064	2,111,548	0	0	0	0	0	0	0	0 SEE EXHIBIT 1 FOR BCRC FUNDING
FEES SPECIAL EVENTS BUS SERVICE @ \$45.00/HR	20,300	80,000	84,000	88,200	92,610	97,241	102,103	107,208	112,568	118,196 5% ANNUAL INCREASE
<b>TOTAL OPERATING REVENUES</b>	<b>1,542,364</b>	<b>2,191,548</b>	<b>84,000</b>	<b>88,200</b>	<b>92,610</b>	<b>97,241</b>	<b>102,103</b>	<b>107,208</b>	<b>112,568</b>	<b>118,196</b>
<b>OPERATING EXPENDITURES</b>										
<b>VAIL ASSOCIATES, INC. CONTRACT:</b>										
OPERATIONS	1,310,000	1,538,655	1,615,588	1,696,367	1,781,185	1,870,245	1,963,757	2,061,945	2,165,042	2,273,294 5% ANNUAL INCREASE
PERFORMANCE BONUS	60,000	40,000	42,000	44,100	46,305	48,620	51,051	53,604	56,284	59,098 5% ANNUAL INCREASE
CAPITAL REIMBURSEMENT	0	33,000	33,000	33,000	0	0	0	0	0	0 FOR THREE YEARS ONLY
<b>TOTAL VAIL ASSOCIATES, INC. CONTRA</b>	<b>1,370,000</b>	<b>1,611,655</b>	<b>1,690,588</b>	<b>1,773,467</b>	<b>1,827,490</b>	<b>1,918,865</b>	<b>2,014,808</b>	<b>2,115,549</b>	<b>2,221,326</b>	<b>2,332,392</b>
INTERNAL MANAGEMENT - 50% OF TOTAL	36,379	0	0	0	0	0	0	0	0	0 NO ALLOWANCE AFTER 1997
LEASE PAYMENTS FOR VEHICLES	44,860	257,320	588,640	445,770	458,510	469,330	472,420	487,100	493,330	499,520 SEE SCHEDULE 2A
LEASE PAYMENTS FOR MTNC. TRUCKS - ALLOW.	0	15,000	15,000	15,000	15,750	15,750	15,750	16,538	16,538	16,538 5% INCREASE EVERY THREE YEARS
SUBURBAN LEASE BUYOUT	45,125	0	0	0	0	0	0	0	0	0 NON-RECURRING PAYMENT
INITIAL PAYMENTS ON DIAL - A - RIDE BUSES	36,000	0	0	0	0	0	0	0	0	0 INVAL CONTRACT AFTER 1997
LICENSES FOR BUSES	10,000	18,000	18,360	18,727	19,102	19,484	19,873	20,271	20,676	21,090 2% ANNUAL INCREASE
LEASE FOR SHARE OF JT. MAINT. FACILITY	0	0	0	130,424	263,010	265,258	267,597	270,029	272,558	275,188 SEE SCHEDULE 1B
<b>TOTAL OPERATING EXPENDITURES</b>	<b>1,542,364</b>	<b>1,901,975</b>	<b>2,292,588</b>	<b>2,383,388</b>	<b>2,583,862</b>	<b>2,688,687</b>	<b>2,790,448</b>	<b>2,909,486</b>	<b>3,024,428</b>	<b>3,144,728</b>
<b>EXCESS OPERATING EXPENDITURES OVER R REVENUES</b>	<b>0</b>	<b>0</b>	<b>2,208,588</b>	<b>2,295,188</b>	<b>2,491,252</b>	<b>2,591,447</b>	<b>2,688,346</b>	<b>2,802,278</b>	<b>2,911,860</b>	<b>3,026,531</b>

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**SCHEDULE 1A**  
**BEAVER CREEK METROPOLITAN DISTRICT**  
**MULTI-YEAR FINANCIAL PLAN**  
**FOR THE YEARS ENDING DECEMBER 31, 1998 THROUGH 2006**  
**TRANSPORTATION FUND - PARKING LOT TRANSIT SYSTEM**  
**VEHICLE REPLACEMENT/LEASE SCHEDULE**

WORKING DRAFT DATED 11/6/97 PRELIMINARY AND SUBJECT TO CHANGE																						
# OF BUSES (*)	COST PER BUS	BCRC BUDGET		BCRC BUDGET		1998		1999		2000		2001		2002		2003		2004		2005		2006 REFERENCE/COMMENT
		1997	1998	1997	1998	1997	1998	1997	1998	1997	1998	1997	1998	1997	1998	1997	1998	1997	1998	1997	1998	
ANNUAL LEASE PAYMENTS																						
1997	10	210,000		428,470	428,470	428,470	428,470	428,470	428,470	428,470	428,470	428,470	428,470	428,470	428,470	428,470	428,470	428,470	428,470	428,470	428,470	0.8% TAXABLE RATE
1998	0	220,500		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1999	1	231,525		0	0	43,077	43,077	43,077	43,077	43,077	43,077	43,077	43,077	43,077	43,077	43,077	43,077	43,077	43,077	43,077	43,077	0.6% TAX-EXEMPT RATE
2000	0	243,101		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2001	0	255,256		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2002	0	268,019		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2003	10	281,420		0	0	0	0	0	0	0	0	0	0	0	0	549,850	549,850	549,850	549,850	549,850	549,850	549,850 6% TAX-EXEMPT RATE
2004	0	295,491		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2005	0	310,266		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2006	1	325,779		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	60,614 6% TAX-EXEMPT RATE
TOTALS				428,470	428,470	471,547	471,547	471,547	471,547	471,547	471,547	471,547	471,547	471,547	471,547	592,927	592,927	592,927	592,927	592,927	592,927	610,463

(\*) ASSUMES BUSES ARE REPLACED EVERY SEVEN YEARS.

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SCHEDULE 1B  
BEAVER CREEK METROPOLITAN DISTRICT  
MULTI-YEAR FINANCIAL PLAN  
SCHEDULE OF PROJECTED DEBT SERVICE COSTS, AND NET INCREMENTAL OPERATING COSTS ASSOCIATED WITH \$11.0 MILLION BOND ISSUE -- JUNE 1, 1999  
FOR THE YEARS ENDING DECEMBER 31, 1998 THROUGH 2006

WORKING DRAFT DATED 11/6/97  
PRELIMINARY AND SUBJECT TO CHANGE

	BCRC BUDGET 1997	BCRC BUDGET 1998	1999	2000	2001	2002	2003	2004	2005	2006
<u>ADD. COSTS -- NEW MAINT. FACILITY</u>										
ANNUAL DEBT SERVICE ON \$11.0 MILLION (*) (JUNE 1, 1999, 7.0% 20 YEAR AMORT.)	0	0	0	517,000	1,034,000	1,034,000	1,034,000	1,034,000	1,034,000	1,034,000
UTILITY AND MAINTENANCE COSTS (\$5.63 PER SQ. FT. @ 48,000 SQ. FT. IN YEAR 2000)	0	0	0	135,120	281,050	292,292	303,983	316,143	328,788	341,940
TOTAL ANNUAL COSTS -- NEW MAINT. FACILITY	0	0	0	652,120	1,315,050	1,326,292	1,337,983	1,350,143	1,362,788	1,375,940
ASSUME 40% OF COSTS ARE BCMD	0	0	0	260,848	528,020	530,517	535,193	540,057	545,115	550,376
ASSUME 20% OF COSTS ARE BCMD -- PARKING TRANSIT	0	0	0	130,424	263,010	265,258	267,597	270,029	272,558	275,188
ASSUME 20% OF COSTS ARE BCMD -- DIAL-A-RIDE SYS	0	0	0	130,424	263,010	265,258	267,597	270,029	272,558	275,188

(\*) \$11.0 MILLION BOND ISSUE INCLUDES LAND, INFRA., CONSTRUCTION, DESIGN, COST OF ISSUANCE, AND ONE YEAR CAPITALIZED INTEREST.

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**WORKING DRAFT DATED 11/6/97  
PRELIMINARY AND SUBJECT TO CHANGE**

ANNUAL LEASE PAYMENTS												
# OF VEHICLES (*)	COST VEHICLE	BCRC BUDGET 1997	BCRC BUDGET 1998	1998	2000	2001	2002	2003	2004	2005	2006	
PEOPLE MOVERS												
1997	64,000	44,860	44,860	227,940	0	0	0	0	0	0	0	0 8% TAXABLE RATE
1998	65,000	0	150,650	150,650	150,650	0	0	0	0	0	0	0 7.75% TAXABLE RATE
1999	65,000	0	0	100,430	100,430	100,430	0	0	0	0	0	0 7.75% TAXABLE RATE
2000	65,000	0	0	0	105,070	105,070	105,070	0	0	0	0	0 7.75% TAXABLE RATE
2001	68,000	0	0	0	0	157,600	157,600	157,600	0	0	0	0 7.75% TAXABLE RATE
2002	70,000	0	0	0	0	0	108,160	108,160	108,160	0	0	0 7.75% TAXABLE RATE
2003	70,000	0	0	0	0	0	0	108,160	108,160	108,160	166,880	166,880 7.75% TAXABLE RATE
2004	72,000	0	0	0	0	0	0	0	166,880	166,880	111,300	111,300 7.75% TAXABLE RATE
2005	72,000	0	0	0	0	0	0	0	0	0	0	114,350 7.75% TAXABLE RATE
2006	74,000	0	0	0	0	0	0	0	0	0	0	392,530
TOTALS	46	44,860	195,510	479,020	356,150	363,100	370,830	373,920	383,200	386,340	392,530	

## SUBURBANS

[illegible]

**VANS**

[illegible]

(\*) ASSUMES VEHICLES ARE REPLACED EVERY THREE YEARS

THE ABOVE INFORMATION HAS NOT BEEN INDEPENDENTLY AUDITED, EXAMINED, REVIEWED, TESTED, OR COMPILED BY STAN BERNSTEIN AND ASSOCIATES, INC. TOTALS MAY NOT ADD DUE TO ROUNDING. THE NOTES AND ASSUMPTIONS CONTAINED IN THE ACCOMPANYING REPORT ARE AN INTEGRAL PART OF THIS EXHIBIT. THERE WILL USUALLY BE DIFFERENCES BETWEEN ESTIMATED AND ACTUAL RESULTS BECAUSE EVENTS AND CIRCUMSTANCES FREQUENTLY DO NOT OCCUR AS EXPECTED AND THOSE DIFFERENCES MAY BE MATERIAL.

EXHIBIT B

COMPREHENSIVE FINANCIAL PLAN

ALL FUNDS

EXHIBIT B

COMPREHENSIVE FINANCIAL PLAN

ALL FUNDS

# Stan Bernstein and Associates, Inc.

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Financial Planners and Consultants  
For Local Governments, Municipal Bond Underwriters, and Real Estate Developers

November 6, 1997

Board of Directors  
Beaver Creek Metropolitan District  
Avon, Colorado 81657

The attached Multi-Year Financial Plan for Beaver Creek Metropolitan District (the "Financial Plan") has been assembled by Stan Bernstein and Associates, Inc. based upon information provided by others.

The objective of the Financial Plan is to provide interested parties with prospective financial information concerning the operations, capital costs, debt service requirements, operating revenues and expenditures, property tax revenues, fund balances and mill levies for the Beaver Creek Metropolitan District (the "District").

Because Stan Bernstein and Associates, Inc. has not independently audited, examined, reviewed, tested, or compiled the information contained on Exhibit I or on the supporting schedules, Stan Bernstein and Associates, Inc. does not vouch for the achievability of the projected financial results, or for the accuracy of the underlying planning assumptions. Furthermore, there will usually be differences between estimated and actual results because events and circumstances frequently do not occur as expected and those differences may be material.

Very truly yours,

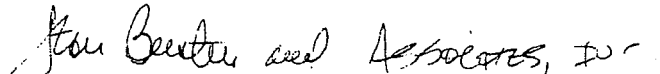
  
Stan Bernstein and Associates, Inc.

EXHIBIT 1  
BEAVER CREEK METROPOLITAN DISTRICT  
MULTI-YEAR FINANCIAL PLAN  
FOR THE YEARS ENDING DECEMBER 31, 1998 THROUGH 2006  
ALL FUNDS COMBINED

WORKING DRAFT DATED 11/6/97  
PRELIMINARY AND SUBJECT TO CHANGE

	BUDGET							2006 REFERENCE/COMMENT	
	1997	1998	1999	2000	2001	2002	2003	2004	2005
REVENUES:									
PROPERTY TAXES	4,609,246	5,222,691	8,156,507	7,571,228	7,594,148	7,617,068	7,639,988	7,662,908	7,685,828
SPECIFIC OWNERSHIP TAXES @ 4% OF PROP. TAXES	260,000	222,371	326,260	302,849	303,786	304,683	305,600	306,516	307,433
CROSS TRAINING REVENUE - FROM FIRE DISTRICT	115,000	119,500	124,280	128,251	134,421	139,798	145,390	151,204	157,254
MISCELLANEOUS	94,381	20,000	20,800	21,632	22,497	23,397	24,333	25,306	26,319
BACHELOR GULCH EXCLUSION FEE	155,830	277,693	303,194	282,138	295,890	304,715	282,769	301,895	432,423
WATER TAP FEES	860,000	780,000	900,000	900,000	900,000	90,000	90,000	0	0
WATER USER FEES	800,000	880,000	915,200	951,808	989,880	1,029,476	1,070,655	1,113,481	1,158,020
CABLE T.V. REVENUES - FRANCHISE FEES	21,468	25,000	26,000	27,040	28,122	29,246	30,416	31,633	32,898
CONDUIT LEASE	255,400	98,711	93,588	87,853	81,434	78,042	0	0	0
LOTTERY PROCEEDS	1,600	2,000	2,080	2,163	2,250	2,340	2,433	2,531	2,632
LEASE/BOND PROCEEDS	0	3,500,000	7,400,000	0	0	0	0	0	0
TRANSIT SYSTEM OPERATING REVENUES	0	0	93,730	100,165	104,814	109,688	114,799	120,159	125,778
BCRC TRANSIT FUNDING	0	0	1,530,834	1,730,235	2,070,520	2,246,652	2,546,204	2,747,096	2,949,700
INTEREST @ 5%	452,230	328,940	297,800	276,969	230,587	203,421	201,798	186,635	178,475
TOTAL REVENUES	7,625,155	11,476,908	19,382,274	11,573,332	11,948,329	12,208,526	12,454,385	12,649,365	13,056,759
EXPENDITURES:									
VAI CONTRACT - RESORT SERVICES	426,148	663,054	779,576	810,759	843,190	876,917	911,994	948,474	986,413
VAI CONTRACT - GROUNDS MAINTENANCE	26,011	26,497	27,557	28,659	29,806	30,998	32,238	33,527	34,868
AVON JT. MAINT. FACILITY OPERATIONS - ALLOWANCE	0	0	0	24,000	24,960	25,958	26,997	28,077	29,200
ROAD CINDERS	15,000	20,000	20,800	21,632	22,497	23,397	24,333	25,306	26,319
STREET LIGHTS, ELECTRICITY	1,000	1,000	1,040	1,082	1,125	1,170	1,217	1,265	1,369
GENERAL REPAIRS AND MAINT.	3,640	4,000	4,160	4,326	4,498	4,679	4,864	5,061	5,264
R & M CONTRACT - ADMIN. MANAGEMENT	63,435	64,424	67,645	71,027	74,579	78,308	82,223	86,334	90,651
OTHER GENERAL AND ADMINISTRATION	161,340	143,725	135,954	144,632	147,048	159,429	159,047	169,188	172,025
COUNTY TREASURER'S 3% COLLECTION FEE	138,277	156,681	244,695	227,137	227,824	228,512	229,200	229,887	230,575
EQUIPMENT LEASES	20,000	18,000	18,720	19,469	20,248	21,057	21,900	22,776	23,687
TOWN OF AVON CONTRACT FOR FIRE PROTECTION	404,092	477,792	684,599	0	0	0	0	0	0
CONTRACT WITH BCRC FOR SECURITY	145,287	158,416	164,753	171,343	178,196	185,324	192,737	200,447	208,465
FIRE STATION UTILITIES	10,400	10,600	11,024	0	0	0	0	0	0
BOND PRINCIPAL AND INTEREST	3,581,518	3,526,513	4,137,392	4,164,877	4,192,433	4,222,766	4,209,016	4,287,790	4,302,090
PAYING AGENT FEES	12,000	12,000	10,000	8,000	6,000	4,000	2,000	0	1,000
TOWN OF AVON UNDERPASS - DEBT SERVICE	228,984	0	0	0	0	0	0	0	0
EAGLE COUNTY RECREATION AUTHORITY PAYMENT	11,322	11,324	11,304	11,514	11,514	11,514	11,514	11,514	11,514
WATER COSTS	789,000	930,800	847,832	881,145	915,791	951,823	988,296	1,013,267	1,053,798
TRANSPORTATION SYSTEMS	0	0	4,036,744	4,272,616	4,624,944	4,813,943	5,125,400	5,339,044	5,554,660
CAPITAL IMPROVEMENTS	4,542,846	4,327,798	8,589,900	1,633,356	1,161,370	598,945	727,583	404,286	458,058
MISCELLANEOUS OTHER	4,000	5,000	5,200	5,408	5,624	5,849	6,083	6,327	6,580
TOTAL EXPENDITURES	10,584,300	10,557,624	19,798,895	12,500,983	12,491,649	12,240,990	12,757,643	12,812,571	13,194,481
EXCESS REVENUES OVER EXPENDITURES	(2,959,145)	919,282	(416,621)	(927,651)	(543,319)	(32,464)	(303,259)	(163,205)	(580,829)
BEGINNING FUND BALANCE	7,995,872	5,036,726	5,956,009	5,539,388	4,611,737	4,068,418	4,035,953	3,732,695	3,569,490
ENDING FUND BALANCE	5,036,726	5,956,009	5,539,388	4,611,737	4,068,418	4,035,953	3,732,695	3,569,490	3,431,768
ASSESSED VALUATION	145,170,200	186,524,690	195,599,690	198,199,690	198,799,690	199,399,690	199,999,690	200,599,690	201,199,690
MILL LEVIES:									
GENERAL FUND	11.821	10.000	10.000	6.500	6.500	6.500	6.500	6.500	6.500
TRANSPORTATION FUND	0.000	0.000	12.200	12.200	12.200	12.200	12.200	12.200	12.200
DEBT SERVICE FUND	19.929	18.000	19.500	19.500	19.500	19.500	19.500	19.500	19.500
TOTAL ALL FUNDS	31.750	28.000	41.700	38.200	38.200	38.200	38.200	38.200	38.200

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AND CIRCUMSTANCES FREQUENTLY DO NOT OCCUR AS EXPECTED AND THOSE DIFFERENCES MAY BE MATERIAL.

BEAVER CREEK METROPOLITAN DISTRICT  
MULTI-YEAR FINANCIAL PLAN  
ALL FUNDS COMBINED  
FOR THE YEARS ENDING DECEMBER 31, 1998 THROUGH 2006

SUMMARY OF MULTI-YEAR FINANCIAL PLAN

The enclosed Multi-Year Financial Plan (the "Financial Plan") for the Beaver Creek Metropolitan District has been assembled by Stan Bernstein and Associates, Inc. based upon information provided by others.

The objective of the Financial Plan is to provide interested parties with prospective financial information concerning the operations, capital costs, debt service requirements, operating revenues and expenditures, property tax revenues, fund balances and mill levies for the Beaver Creek Metropolitan District (the "District").

DISTRICT FUND AND ACCOUNTING STRUCTURE

The District currently accounts for its finances through a system of accounting funds which consist of the General Fund, the Capital Improvements Fund, the Debt Service Fund, the Utility Fund and the Conservation Trust Fund. The District is in the process of evaluating whether it will assume financial and operational responsibility for the Beaver Creek transportation systems - this Financial Plan assumes that as of January 1, 1999 the District will establish a Transportation Fund which will be used to account for the revenues and expenditures associated with the Beaver Creek transportation systems.

SUMMARY - EXHIBIT I - ALL FUNDS COMBINED

The enclosed Exhibit I provides a one page "All Funds Combined" summary of the current and projected revenues, expenditures, and required property taxes and mill levies of the District. The Financial Plan is based upon many assumptions (which are set forth in detail on Exhibit I and supporting Schedules 1 - 9) that have been provided to Stan Bernstein and Associates, Inc. by officials of the District and, with respect to the Transportation Fund, officials of Beaver Creek Resort Company and the Town of Avon.

The District is approaching maturity and full-buildout. Upon completion of One Beaver Creek Place, Villa Montaine, Market Square, and an affordable housing project, there will be no undeveloped multi-family lots and approximately thirty undeveloped single family lots remaining at Beaver Creek. Exhibit I indicates that the District is, and is likely to continue to be, a healthy financial entity because of the following reasons:



1. The District's ending combined fund balances are projected to average approximately \$4.1 million during the next ten years which provides a healthy contingency for unexpected emergencies and capital improvement requirements;

2. The District's exiting outstanding bonded indebtedness will be fully redeemed by December 1, 2005 at which time the District will no longer need a significant debt service mill levy;

3. The District expects to fund approximately \$7.6 million of road and drainage improvements, water improvements, and equipment acquisitions during the next ten years on a pay-as-you-go basis as presented in detail on Schedule 2 of the Financial Plan;

4. The District is in a financial position to issue approximately \$10.9 million of general obligation bonds which will be used to fund its proportionate share of the Avon Public Works Facility (\$3.5 million in 1998); the Beaver Creek Joint Maintenance Transit Facility (\$4.4 million in 1999); and a bus system turnaround, Dial-A-Ride bus stops, and various road improvements (\$3.0 million in 1999).

5. The District's combined mill levy is projected to average approximately 37.25 mills through the year 2005 assuming a Transportation Fund mill levy averaging approximately 12.20 mills is approved by voters later this year (the Beaver Creek Resort Company is planning to reduce its Common Assessment by 12.20 mills when the District begins levying its 12.20 Transportation Fund mill levy).

What is most impressive about the District's projected financial condition is that it is not predicated upon growth or new buildout - after 1998 the District is only estimating annual tap fee revenues of \$75,000 through the year 2003 as a result of the anticipated future buildout of the remaining single family lots.

#### SUMMARY - SCHEDULE 1 - GENERAL FUND

The District's General Fund accounts for (i) road and drainage related services, (ii) fire protection related services, and (iii) general and administrative services such as management, accounting, legal, insurance, and office overhead. The District's General Fund also transfers excess revenues to the District's Capital Improvements Fund and to its Debt Service Fund.

Funding for the District's General Fund is primarily generated from property taxes levied from a current year 11.821 mill levy - this mill levy is projected to decrease to 6.50 mills by the year 2000 because (i) fire protection services are expected to be provided by a new regional fire protection district, and (ii) transfers to the District's Capital Improvements and Debt Service Fund are projected to decrease substantially.

## SUMMARY - SCHEDULE 2 - CAPITAL IMPROVEMENTS FUND

The District's Capital Improvements Fund accounts for capital improvement related expenditures. The District has accumulated in excess of \$4.9 million as of January 1, 1997 in its Capital Improvements Fund and, consequently, is in a position to fund in excess of \$7.5 million of capital improvements during the next ten years on a cash pay-as-you-go basis.

Approximately \$4.5 million of pay-as-you-go capital improvements are expected to be incurred during 1997 - \$2,405,000 for the bus turnaround project, \$570,000 for Highway 6 roundabout projects; \$895,000 for other Beaver Creek related roads, pathways, and drainage projects; and approximately \$630,000 for other relatively minor projects and heavy equipment acquisitions. These projects will be funded from accumulated cash balances and from a budgeted \$1,000,000 transfer from the District's Utility Fund and a \$2,000,000 transfer from the General Fund.

Approximately \$2.2 million of road related improvements and heavy equipment replacements are planned to be funded during 1998 from cash reserves and from \$1,000,000 of transfers from the District's General and Utility Funds. Funding for the District's \$3.5 million share of the Avon Public Works Maintenance Facility is expected to be provided from the proceeds of a 1998 general obligation bond issue pending voter approval.

During 1999, pending approval from the District's electors, it is expected that the District will issue approximately \$7.4 million of general obligation bonds which will be used to fund (i) the District's estimated \$4.4 million share of the Beaver Creek Joint Maintenance Transportation Facility, and (ii) approximately \$3.0 million of transit system and general road improvements.

Capital improvements averaging approximately \$650,000 per year have been planned from 2000 to 2006 - these capital improvements are expected to be funded from General Fund and Utility Fund transfers, and from available cash balances.

## SUMMARY - SCHEDULE 3 - DEBT SERVICE FUND

The District's Debt Service Fund accounts for all of the District's debt service commitments. Funding is provided from property tax revenues generated from a mill levy that is projected to average approximately 19.50 mills through the year 2005 when all of the District's existing general obligation bonds are fully redeemed. The Debt Service Fund also generates revenues from (i) specific ownership taxes, (ii) payments from Smith Creek Metropolitan District for a portion of the District's general obligation bonds issued before 1996 (with the exception of the Series 1995 new money bonds), (iii) anticipated transfers from the District's

Transportation Fund which represents the annual debt service payments of the proposed District's share of the \$4,400,000 Beaver Creek Joint Maintenance Facility, and (iv) transfers from the District's General Fund - a \$500,000 transfer is anticipated during 1997.

This fund is also responsible for making payments to (i) bond paying agents, and (ii) funding for a portion of the planning costs of the Eagle County Regional Recreation Authority.

#### SUMMARY - SCHEDULE 4 - UTILITY FUND

The District's Utility Fund accounts for water and cable television related revenues and expenditures. Revenues are generated (i) from water tap and plant investment fee revenues (which have historically been substantial, but, as a result of the District's approaching full-buildout, will only generate minimal revenues after 1998); (ii) from water user fees; (iv) from cable television franchise fees, and (iv) from a conduit lease agreement with U.S. West.

Approximately 90% of the District's water user fee revenues are paid to the Upper Eagle Regional Water Authority for water treatment, system maintenance, and customer billing services. All of the District's plant investment fees are paid to the Upper Eagle Regional Water Authority to help defray the costs associated with the Avon Regional Water Treatment Plant. A portion of the District's administrative costs have been allocated to the Utility Fund. The Utility Fund also transfers excess cash to the District's Capital Improvements Fund.

#### SUMMARY - SCHEDULE 5 - CONSERVATION TRUST FUND

This fund accounts for the revenues received from the Colorado Lottery Program. These revenues are transferred to the District's Capital Improvements Fund.

#### SUMMARY - SCHEDULE 6 - TRANSPORTATION FUND

It is assumed that this fund will be created to account for the revenues and expenditures associated with the District's assumed operation of all Beaver Creek transportation systems effective January 1, 1999. In anticipation of entering into a contract with Beaver Creek Resort Company, it is assumed that (i) the District will begin assessing a mill levy for budget year 1999 of 12.20 which, when combined with annual contributions from Beaver Creek Resort Company, will provide funding for the District's Parking Lot and Dial-A-Ride Systems projected operating and debt service costs. Additional detail relating to the District's Transportation Fund is set forth in the District's Financial Plan for the Transportation Fund.

SCHEDULE 1  
BEAVER CREEK METROPOLITAN DISTRICT  
MULTI-YEAR FINANCIAL PLAN  
FOR THE YEARS ENDING DECEMBER 31, 1998 THROUGH 2006  
GENERAL FUND

WORKING DRAFT DATED 11/6/97  
PRELIMINARY AND SUBJECT TO CHANGE

	REVISED 1997	BUDGET 1998	1999	2000	2001	2002	2003	2004	2005	2006 REFERENCE/COMMENT
REVENUES:										
PROPERTY TAXES	1,716,091	1,865,247	1,955,997	1,288,298	1,282,188	1,286,098	1,299,998	1,303,898	1,307,798	SCHEDULE 7
SPECIFIC OWNERSHIP TAXES @ 4% OF PROP. TAXES	80,000	88,073	78,240	51,532	51,688	51,844	52,000	52,156	52,312	4% OF PROPERTY TAXES
MISCELLANEOUS OTHER REVENUE	30,000	20,000	20,800	21,632	22,497	23,397	24,333	25,306	26,319	4% ANNUAL INCREASES
CROSS TRAINING REVENUE - FROM FIRE DISTRICT	115,000	119,500	124,280	129,251	134,421	139,798	145,390	151,206	157,254	4% ANNUAL INCREASES
INTEREST GENERAL FUND @ 5%	95,230	43,162	8,673	5,685	4,910	7,193	7,258	10,250	10,851	5% OF BEGINNING FUNDS
TOTAL REVENUES	2,036,321	2,135,982	2,188,190	1,496,398	1,505,714	1,518,330	1,528,979	1,542,816	1,554,533	
EXPENDITURES:										
VAI CONTRACT - RESORT SERVICES	426,148	578,054	601,176	625,223	650,232	676,241	703,291	731,423	760,680	4% ANNUAL INCREASES
VAI CONTRACT - GROUNDS MAINTENANCE	26,011	26,497	27,557	28,659	29,806	30,998	32,238	33,527	34,868	4% ANNUAL INCREASES
AVON JT. MAINT. FACILITY OPERATIONS - ALLOWANCE	0	0	0	24,000	24,960	25,958	26,997	28,077	29,200	4% ANNUAL INCREASES
SKIWAY MAINTENANCE	0	50,000	52,000	54,000	56,243	58,493	60,833	63,266	65,797	4% ANNUAL INCREASES
MARKET SQ. UTILITIES & MAINTENANCE	0	35,000	36,400	37,856	39,370	40,945	42,583	44,286	46,058	4% ANNUAL INCREASES
EASEMENT MAINTENANCE	0	0	90,000	93,600	97,344	101,238	105,287	109,499	113,879	4% ANNUAL INCREASES
ROAD CINDERS	15,000	20,000	20,800	21,632	22,497	23,397	24,333	25,306	26,319	4% ANNUAL INCREASES
STREET LIGHTS, ELECTRICITY	1,000	1,000	1,040	1,082	1,125	1,170	1,217	1,265	1,316	4% ANNUAL INCREASES
GENERAL REPAIRS AND MAINT.	3,640	4,000	4,160	4,326	4,499	4,679	4,867	5,061	5,264	4% ANNUAL INCREASES
R & M CONTRACT - ADMIN. MANAGEMENT	42,983	42,950	45,098	47,352	49,720	52,206	54,816	57,557	60,435	SCHEDULE 8
OTHER GENERAL AND ADMINISTRATION	161,340	143,725	135,954	144,632	147,048	156,429	159,047	168,188	172,025	3% OF PROPERTY TAXES
COUNTY TREASURER'S 3% COLLECTION FEE	51,483	55,957	58,680	61,649	64,768	68,083	71,600	75,317	79,234	4% ANNUAL INCREASES
EQUIPMENT LEASES	20,000	18,000	18,720	19,469	20,248	21,057	21,900	22,776	23,687	4% ANNUAL INCREASES
TOWN OF AVON CONTRACT FOR FIRE PROTECTION	404,082	477,792	684,599	0	0	0	0	0	0	REGIONAL DISTRICT IN 2000
CONTRACT WITH BCRC FOR SECURITY	145,287	158,416	164,753	171,343	178,196	185,324	192,737	200,447	208,465	4% ANNUAL INCREASES
FIRE STATION UTILITIES	10,400	10,600	11,024	0	0	0	0	0	0	REGIONAL DISTRICT IN 2000
TRANSFER TO CAPITAL IMPROVEMENT FUND	2,000,000	500,000	300,000	200,000	100,000	100,000	0	0	0	ANNUAL TRANSFER
TRANSFER TO DEBT SERVICE FUND	500,000	0	0	0	0	0	0	0	0	ANNUAL TRANSFER
TOTAL EXPENDITURES	3,807,384	2,121,991	2,251,960	1,511,903	1,460,054	1,517,019	1,469,145	1,530,795	1,587,224	
EXCESS REVENUES OVER EXPENDITURES	(1,771,063)	13,990	(69,770)	(15,505)	45,660	1,311	59,834	12,021	(32,691)	
BEGINNING FUND BALANCE	1,934,542	163,479	177,470	113,700	98,185	143,854	145,165	204,999	217,021	
ENDING FUND BALANCE	163,479	177,470	113,700	98,195	143,854	145,165	204,999	217,021	184,330	

THE ABOVE INFORMATION HAS NOT BEEN INDEPENDENTLY AUDITED, EXAMINED, REVIEWED, TESTED, OR COMPILED BY STAN BERNSTEIN AND ASSOCIATES, INC. TOTALS MAY NOT ADD DUE TO ROUNDING. THE NOTES AND ASSUMPTIONS CONTAINED IN THE ACCOMPANYING REPORT ARE AN INTEGRAL PART OF THIS EXHIBIT. THERE WILL USUALLY BE DIFFERENCES BETWEEN ESTIMATED AND ACTUAL RESULTS BECAUSE EVENTS AND CIRCUMSTANCES FREQUENTLY DO NOT OCCUR AS EXPECTED AND THOSE DIFFERENCES MAY BE MATERIAL.

SCHEDULE 2  
BEAVER CREEK METROPOLITAN DISTRICT  
MULTI-YEAR FINANCIAL PLAN  
FOR THE YEARS ENDING DECEMBER 31, 1998 THROUGH 2006  
CAPITAL IMPROVEMENTS FUND

WORKING DRAFT DATED 11/6/97  
PRELIMINARY AND SUBJECT TO CHANGE

	REVISED 1997	BUDGET 1998	1999	2000	2001	2002	2003	2004	2005	2006 REFERENCE/COMMENT
REVENUES:										
TRANSFER FROM GENERAL FUND	2,000,000	500,000	300,000	200,000	100,000	100,000	0	0	0	ANNUAL TRANSFER
TRANSFER FROM UTILITY FUND	1,000,000	500,000	900,000	300,000	200,000	200,000	200,000	100,000	100,000	ANNUAL TRANSFER
TRANSFER FROM CONSERVATION TRUST FUND	1,600	2,000	2,080	2,163	2,250	2,340	2,433	2,531	2,632	2,737
BOND/LEASE PROCEEDS	0	3,500,000	7,400,000	0	0	0	0	0	0	BC JT. MAINT. FACILITY
INTEREST CAPITAL IMPROVEMENT FUND @ 5%	300,000	148,671	199,476	210,059	164,002	129,246	120,878	100,664	90,610	77,469
TOTAL REVENUES	<u>3,301,600</u>	<u>4,650,671</u>	<u>8,801,556</u>	<u>712,222</u>	<u>466,252</u>	<u>431,586</u>	<u>323,311</u>	<u>203,195</u>	<u>183,242</u>	<u>180,206</u>
EXPENDITURES:										
ROADS, PATHWAYS, DRAINAGE	895,000	999,000	2,000	1,117,500	680,000	197,000	250,000	0	0	ANNUAL ALLOWANCES
BUS TURNAROUND & DIAL-A-RIDE BUS STOP	2,405,000	0	2,000,000	0	0	0	0	0	0	ANNUAL ALLOWANCES
ROADWAY LANDSCAPE PROJECT	0	0	75,000	0	0	0	0	0	0	ANNUAL ALLOWANCES
WATER RIGHTS ACQUISITION	0	0	0	0	0	0	0	0	0	ANNUAL ALLOWANCES
ASPHALT CRACK & SEAL	52,250	50,000	41,500	33,000	22,000	21,000	50,000	50,000	50,000	ANNUAL ALLOWANCES
DRAINAGE MAINTENANCE	30,000	35,000	36,400	37,856	39,370	40,945	42,583	44,286	46,058	ANNUAL ALLOWANCES
EQUIPMENT PURCHASE REPLACEMENT	162,000	495,000	310,000	225,000	160,000	60,000	200,000	200,000	200,000	ANNUAL ALLOWANCES
BRIDGE MAINTENANCE	0	0	35,000	0	0	20,000	0	0	50,000	ANNUAL ALLOWANCES
OTHER REPAIRS AND MAINTENANCE	86,000	30,000	0	0	0	0	0	0	0	ANNUAL ALLOWANCES
ENGINEERING	30,000	35,000	20,000	10,000	10,000	10,000	10,000	10,000	10,000	ANNUAL ALLOWANCES
CONTINGENCY RESERVE	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	ANNUAL ALLOWANCES
AVON JOINT MAINTENANCE FACILITY - ROADS	0	2,150,000	1,500,000	0	0	0	0	0	0	ANNUAL ALLOWANCES
BEAVER CREEK JOINT MAINTENANCE FACILITY - TRANSIT	0	0	4,400,000	0	0	0	0	0	0	ANNUAL ALLOWANCES
HIGHWAY 6 AND ROUNDABOUTS	567,596	283,798	0	0	0	0	0	0	0	ANNUAL ALLOWANCES
EMPLOYEE HOUSING	205,000	0	0	0	0	0	0	0	0	ANNUAL ALLOWANCES
FUNICULAR EVALUATION	10,000	150,000	0	0	0	0	0	0	0	ANNUAL ALLOWANCES
POND DREDGING	0	0	70,000	110,000	150,000	150,000	75,000	0	0	ANNUAL ALLOWANCES
TOTAL EXPENDITURES	<u>4,542,846</u>	<u>4,327,798</u>	<u>8,589,900</u>	<u>1,633,356</u>	<u>1,161,370</u>	<u>598,945</u>	<u>727,583</u>	<u>404,286</u>	<u>456,058</u>	<u>647,900</u>
EXCESS REVENUES OVER EXPENDITURES	<u>(1,241,246)</u>	<u>322,873</u>	<u>211,656</u>	<u>(921,134)</u>	<u>(695,119)</u>	<u>(167,359)</u>	<u>(404,272)</u>	<u>(201,091)</u>	<u>(262,816)</u>	<u>(467,694)</u>
BEGINNING FUND BALANCE	<u>4,907,888</u>	<u>3,666,642</u>	<u>3,989,515</u>	<u>4,201,171</u>	<u>3,280,036</u>	<u>2,584,918</u>	<u>2,417,558</u>	<u>2,013,287</u>	<u>1,812,196</u>	<u>1,549,380</u>
ENDING FUND BALANCE	<u>3,666,642</u>	<u>3,989,515</u>	<u>4,201,171</u>	<u>3,280,036</u>	<u>2,584,918</u>	<u>2,417,558</u>	<u>2,013,287</u>	<u>1,812,196</u>	<u>1,549,380</u>	<u>1,081,686</u>

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SCHEDULE 3  
BEAVER CREEK METROPOLITAN DISTRICT  
MULTI-YEAR FINANCIAL PLAN  
FOR THE YEARS ENDING DECEMBER 31, 1998 THROUGH 2006  
DEBT SERVICE FUND

WORKING DRAFT DATED 11/6/97  
PRELIMINARY AND SUBJECT TO CHANGE

	REVISED 1997	BUDGET 1998	1999	2000	2001	2002	2003	2004	2005	2006 REFERENCE/COMMENT
REVENUES:										
PROPERTY TAXES	2,893,155	3,357,444	3,814,194	3,864,884	3,878,584	3,888,294	3,899,994	3,911,694	3,923,394	502,999
SPECIFIC OWNERSHIP TAXES @ 4% OF PROP. TAXES	180,000	134,298	152,568	154,596	155,064	155,532	156,000	156,468	156,936	20,120
INTEREST @ 5% OF FUND BALANCE	35,000	91,287	25,019	26,111	27,481	28,820	31,547	33,088	32,411	38,053
SMITH CREEK METRO DISTRICT EXCLUSION FEE	155,830	277,683	303,194	282,138	295,890	334,715	282,769	301,895	432,423	0
TRANSFER FROM TRANSPORTATION FUND	0	0	0	206,800	413,600	413,600	413,600	413,600	413,600	413,600
TRANSFER FROM GENERAL FUND	500,000	0	0	0	0	0	0	0	0	0
TOTAL REVENUES	3,763,985	3,860,722	4,294,974	4,534,539	4,768,629	4,821,061	4,783,910	4,816,743	4,958,763	974,773
EXPENDITURES:										
DEBT SERVICE:										
INTEREST										
1989 REFUNDING	29,815	0	0	0	0	0	0	0	0	0
1993 REFUNDING	189,332	189,332	165,573	143,412	139,248	38,062	0	0	0	0
1994 REFUNDING	293,770	243,265	187,915	128,145	64,125	0	0	0	0	0
1995 REFUNDING	612,422	456,488	431,488	399,222	386,462	330,428	279,066	204,340	187,090	0
1995 NEW MONEY	152,418	152,418	152,418	149,098	127,588	204,278	94,950	48,450	0	0
1998 NEW MONEY - AVON JT. TRANSIT (NET OF CAP INT)	0	0	210,000	204,000	196,000	186,000	175,000	164,000	155,000	143,000
1999 NEW MONEY - JT. TRANSIT (NET OF CAP INTEREST)	0	0	0	191,800	308,600	298,600	288,600	278,600	263,600	248,600
1999 NEW MONEY - ROAD PROJECTS, BUS TURNAROUND	0	0	180,000	175,000	170,000	160,000	150,000	140,000	130,000	120,000
PRINCIPAL										
1989 REFUNDING	445,000	0	0	0	0	0	0	0	0	0
1993 REFUNDING	540,000	560,000	420,000	85,000	180,000	1,780,000	725,000	0	0	0
1994 REFUNDING	1,295,000	1,350,000	1,390,000	1,455,000	1,425,000	0	0	0	0	0
1995 REFUNDING	0	575,000	725,000	720,000	775,000	1,070,000	1,525,000	345,000	3,530,000	0
1995 NEW MONEY	0	0	80,000	500,000	530,000	205,000	1,000,000	1,020,000	0	0
1998 NEW MONEY - AVON JT. TRANSIT	0	0	105,000	111,000	119,000	129,000	140,000	151,000	160,000	172,000
1999 NEW MONEY - JT. TRANSIT	0	0	0	15,000	105,000	115,000	125,000	135,000	150,000	165,000
1999 NEW MONEY - ROAD PROJECTS, BUS TURNAROUND	0	0	90,000	95,000	100,000	110,000	120,000	130,000	140,000	150,000
CAPITAL APPRECIATION BOND	0	0	0	0	0	0	0	2,085,000	0	0
TOTAL DEBT SERVICE	3,581,518	3,526,513	4,137,392	4,371,677	4,608,033	4,636,366	4,622,616	4,701,390	4,715,690	998,600
3% COUNTY COLLECTION FEE	86,795	100,723	114,426	115,947	116,298	116,649	117,000	117,351	117,702	15,080
PAYING AGENT FEES	12,000	12,000	10,000	8,000	6,000	4,000	2,000	0	1,000	0
TOWN OF AVON UNDERPASS	228,984	0	0	0	0	0	0	0	0	0
EAGLE COUNTY RECREATION AUTHORITY	11,322	11,324	11,304	11,514	11,514	11,514	11,514	11,514	11,514	11,514
TOTAL EXPENDITURES	3,920,619	3,650,560	4,273,122	4,507,138	4,739,845	4,788,529	4,753,130	4,830,255	4,845,906	1,025,204
EXCESS REVENUES OVER EXPENDITURES	(156,634)	210,162	21,853	27,401	28,784	52,532	30,780	(13,512)	112,857	(50,431)
BEGINNING FUND BALANCE	446,844	290,210	500,372	522,225	549,626	578,410	630,942	661,722	648,210	761,068
ENDING FUND BALANCE	290,210	500,372	522,225	549,626	578,410	630,942	661,722	648,210	761,068	710,636

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SCHEDULE 4  
BEAVER CREEK METROPOLITAN DISTRICT  
MULTI-YEAR FINANCIAL PLAN  
FOR THE YEARS ENDING DECEMBER 31, 1998 THROUGH 2006  
UTILITY FUND

WORKING DRAFT DATED 11/6/97  
PRELIMINARY AND SUBJECT TO CHANGE

	REVISED 1997	BUDGET 1998	1999	2000	2001	2002	2003	2004	2005	2006 REFERENCE/COMMENT
<b>REVENUES:</b>										
WATER TAP FEES	800,000	650,000	75,000	75,000	75,000	75,000	75,000	0	0	0
PLANT INVESTMENT FEES	60,000	130,000	15,000	15,000	15,000	15,000	15,000	0	0	0
WATER USER FEES	800,000	880,000	915,200	951,808	989,880	1,029,475	1,070,655	1,113,481	1,158,020	1,204,341
FRANCHISE FEES	21,468	25,000	26,000	27,040	28,122	29,246	30,416	31,633	32,898	34,214
INTEREST @ 5% OF FUND BALANCE	22,000	45,820	64,433	35,115	34,194	38,062	42,114	42,634	44,603	46,850
UERWA REFUND - CBF	64,381	0	0	0	0	0	0	0	0	0
CONDUIT LEASE	255,400	93,711	93,588	87,853	81,434	78,042	0	0	0	0
<b>TOTAL REVENUES</b>	<b>2,023,249</b>	<b>1,829,531</b>	<b>1,189,221</b>	<b>1,191,816</b>	<b>1,223,630</b>	<b>1,264,826</b>	<b>1,233,185</b>	<b>1,187,748</b>	<b>1,235,521</b>	<b>1,285,405</b>
<b>EXPENDITURES:</b>										
WATER COSTS	728,000	800,800	832,832	866,145	900,791	936,823	974,296	1,013,257	1,053,798	1,095,950
PLANT INVESTMENT FEES TO UERWA	60,000	130,000	15,000	15,000	15,000	15,000	15,000	0	0	0
ALLOCATED DISTRICT MANAGEMENT	20,452	21,474	22,548	23,675	24,859	26,102	27,407	28,777	30,216	31,727
MISCELLANEOUS	4,000	5,000	5,200	5,408	5,624	5,849	6,083	6,327	6,580	6,843
TRANSFER TO CAPITAL IMPROVEMENT FUND	1,000,000	500,000	900,000	300,000	200,000	200,000	200,000	100,000	100,000	100,000
<b>TOTAL EXPENDITURES</b>	<b>1,813,452</b>	<b>1,457,274</b>	<b>1,775,580</b>	<b>1,210,228</b>	<b>1,146,274</b>	<b>1,183,774</b>	<b>1,222,786</b>	<b>1,148,371</b>	<b>1,190,584</b>	<b>1,234,520</b>
<b>EXCESS REVENUES OVER EXPENDITURES</b>	<b>209,797</b>	<b>372,257</b>	<b>(586,359)</b>	<b>(18,413)</b>	<b>77,356</b>	<b>81,052</b>	<b>10,399</b>	<b>39,377</b>	<b>44,928</b>	<b>50,885</b>
<b>BEGINNING FUND BALANCE</b>	<b>706,598</b>	<b>916,395</b>	<b>1,288,652</b>	<b>702,293</b>	<b>683,880</b>	<b>761,236</b>	<b>842,288</b>	<b>852,687</b>	<b>892,064</b>	<b>936,991</b>
<b>ENDING FUND BALANCE</b>	<b>916,395</b>	<b>1,288,652</b>	<b>702,293</b>	<b>683,880</b>	<b>761,236</b>	<b>842,288</b>	<b>852,687</b>	<b>892,064</b>	<b>936,991</b>	<b>987,876</b>

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SCHEDULE 5  
BEAVER CREEK METROPOLITAN DISTRICT  
MULTI-YEAR FINANCIAL PLAN  
FOR THE YEARS ENDING DECEMBER 31, 1998 THROUGH 2008  
CONSERVATION TRUST FUND

WORKING DRAFT DATED 11/6/97  
PRELIMINARY AND SUBJECT TO CHANGE

	REVISED BUDGET		1999	2000	2001	2002	2003	2004	2005	2006 REFERENCE/COMMENT
	1997	1998								
REVENUES:										
LOTTERY PROCEEDS @ 4% ANNUAL INCREASE	1,600	2,000	2,080	2,163	2,250	2,340	2,433	2,531	2,632	2,737
TOTAL REVENUES	1,600	2,000	2,080	2,163	2,250	2,340	2,433	2,531	2,632	2,737
EXPENDITURES:										
TRANSFER TO CAPITAL IMPROVEMENT FUND	1,600	2,000	2,080	2,163	2,250	2,340	2,433	2,531	2,632	2,737
TOTAL EXPENDITURES	1,600	2,000	2,080	2,163	2,250	2,340	2,433	2,531	2,632	2,737
EXCESS REVENUES OVER EXPENDITURES	0	0	0	0	0	0	0	0	0	0
BEGINNING FUND BALANCE	0	0	0	0	0	0	0	0	0	0
ENDING FUND BALANCE	0	0	0	0	0	0	0	0	0	0

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SCHEDULE 6  
BEAVER CREEK METROPOLITAN DISTRICT  
MULTI-YEAR FINANCIAL PLAN  
FOR THE YEARS ENDING DECEMBER 31, 1998 THROUGH 2008  
TRANSPORTATION FUND

WORKING DRAFT DATED 11/9/97  
PRELIMINARY AND SUBJECT TO CHANGE

	BUDGET	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006 REFERENCE/COMMENT
<b>REVENUES</b>											
PROPERTY TAXES	0	0	0	2,386,316	2,418,036	2,425,356	2,432,676	2,439,896	2,447,316	2,454,636	SCHEDULE 7
SPECIFIC OWNERSHIP TAXES @ 4% OF PROPERTY TAXES	0	0	0	95,453	96,721	97,014	97,307	97,600	97,893	98,185	4% OF PROPERTY TAXES
INTEREST EARNINGS @ 5%	0	0	0	0	0	0	0	0	0	0	5% OF BEGINNING FUNDS
BUS ADVERTISING	0	0	0	11,730	11,965	12,204	12,448	12,692	12,936	13,180	2% ANNUAL INCREASES
BOR FUNDING	0	0	0	1,530,834	1,730,235	2,070,520	2,248,652	2,546,204	2,747,086	2,948,700	NET COSTS LESS PROPERTY TAXE
FEES SPECIAL EVENTS BUS SERVICE @ \$45.00/HR	0	0	0	84,000	88,200	92,610	97,241	102,103	107,208	112,568	5% ANNUAL INCREASES
<b>TOTAL REVENUES</b>	0	0	0	4,108,333	4,345,157	4,697,705	4,886,324	5,198,599	5,412,464	5,628,299	5,873,278
<b>EXPENDITURES</b>											
<b>PARKING LOT TRANSIT SYSTEM:</b>											
TOWN OF AVON CONTRACT	0	0	0	1,127,744	1,198,913	1,274,989	1,355,378	1,441,305	1,532,818	1,630,288	5% INC. PLUS GROWTH
INTERNAL MANAGEMENT	0	0	0	0	0	0	0	0	0	0	5% ANNUAL INCREASES
LEASE PAYMENTS FOR BUSES	0	0	0	471,547	471,547	471,547	471,547	592,927	592,927	592,927	7 YEAR LEASES
LICENSES FOR BUSES	35,000	35,000	35,000	30,600	31,212	31,836	32,473	33,122	33,785	34,461	2% ANNUAL INCREASES
SWIFT GULCH FACILITY LEASE	0	0	0	114,265	57,133	0	0	0	0	0	LEASE ENDS
JOINT MAINT. FACILITY LEASE & MAINT.	0	0	0	0	130,424	263,010	265,258	267,597	270,029	272,558	20% OF DEBT & O&M
<b>TOTAL PARKING LOT TRANSIT OPERATIONS</b>	35,000	35,000	35,000	1,744,156	1,889,228	2,041,082	2,124,656	2,334,851	2,429,558	2,530,293	2,654,911
<b>DIAL - A-RIDE TRANSIT SYSTEM:</b>											
VAIL ASSOCIATES, INC. CONTRACT:											
OPERATIONS	0	0	0	1,615,588	1,696,367	1,781,185	1,870,245	1,963,757	2,061,945	2,165,042	5% ANNUAL INCREASES
PERFORMANCE BONUS	0	0	0	42,000	44,100	46,305	48,620	51,051	53,604	56,284	5% ANNUAL INCREASES
CAPITAL REIMBURSEMENT	0	0	0	33,000	33,000	0	0	0	0	0	5% ANNUAL INCREASES
<b>TOTAL VAIL ASSOCIATES, INC. CONTRAC</b>	0	0	0	1,690,588	1,773,467	1,827,490	1,918,865	2,014,808	2,115,549	2,221,326	2,332,392
INTERNAL MANAGEMENT - 50% OF TOTAL	0	0	0	0	0	0	0	0	0	0	0
LEASE PAYMENTS FOR VEHICLES	0	0	0	588,640	445,770	458,510	469,330	472,420	487,100	493,330	3 YEAR LEASES
LEASE PAYMENTS FOR MTNC. TRUCKS - ALLOW.	0	0	0	15,000	15,000	15,750	15,750	15,750	16,538	16,538	5% INCREASES EVERY THREE YE
SUBURBAN LEASE BUYOUT	0	0	0	0	0	0	0	0	0	0	NON RECURRING EXPENSE
INITIAL PAYMENTS ON DIAL - A-RIDE BUSES	0	0	0	0	0	0	0	0	0	0	NON RECURRING EXPENSE
LICENSES FOR BUSES	0	0	0	18,360	18,727	19,102	19,484	19,873	20,271	20,676	2% ANNUAL INCREASES
JOINT MAINT. FACILITY LEASE & MAINT.	0	0	0	0	130,424	263,010	265,258	267,597	270,029	272,558	20% OF DEBT & O&M
<b>TOTAL DIAL - A-RIDE TRANSIT OPERATIONS</b>	0	0	0	2,292,588	2,383,388	2,583,862	2,688,887	2,780,448	2,909,486	3,024,428	3,144,728
<b>3% COUNTY TREASURER'S COLLECTION FEES</b>	0	0	0	71,589	72,541	72,761	72,980	73,200	73,419	73,639	3% OF PROPERTY TAXES
<b>TOTAL EXPENDITURES</b>	35,000	35,000	35,000	4,108,333	4,345,157	4,697,705	4,886,324	5,198,599	5,412,464	5,628,299	5,873,278
<b>EXCESS REVENUES OVER EXPENDITURES</b>	0	0	0	0	0	0	0	0	0	0	0
<b>BEGINNING FUNDS AVAILABLE</b>	0	0	0	0	0	0	0	0	0	0	0
<b>ENDING FUNDS AVAILABLE</b>	0	0	0	0	0	0	0	0	0	0	0

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**SCHEDULE 7**  
**BEAVER CREEK METROPOLITAN DISTRICT**  
**MULTI-YEAR FINANCIAL PLAN**  
**FOR THE YEARS ENDING DECEMBER 31, 1998 THROUGH 2006**  
**ASSESSED VALUATION AND PROPERTY TAX MILL LEVY**

WORKING DRAFT DATED 11/6/97  
 PRELIMINARY AND SUBJECT TO CHANGE

	REVISED 1997	BUDGET 1998	1999	2000	2001	2002	2003	2004	2005	2006	REFERENCE/COMMENT
PREVIOUS YEAR'S ASSESSED VALUATION	136,023,170	145,170,200	186,524,690	185,569,690	188,199,690	198,799,690	199,399,690	199,999,690	200,599,690	201,199,690	
INCREASES DUE TO REASSESSMENTS:		34,568,416									
INCREASES DUE TO NEW CONSTRUCTION (1):											
ST. JAMES - PHASE III											
ASPENS											
ELKHORN			3,325,000								
ONE BEAVER CREEK PLACE			1,900,000								
MARKET SQUARE			2,000,000	2,000,000							
VILLA MONTAIN (EXCL. MKT. SQUARE)			1,250,000								
AFFORDABLE HOUSING			300,000	300,000	300,000	300,000	300,000	300,000	300,000	0	TWO - THREE UNITS PER YEAR
RESIDENTIAL - NON STRAWBERRY PARK			300,000	300,000	300,000	300,000	300,000	300,000	300,000	0	TWO - THREE UNITS PER YEAR
RESIDENTIAL - STRAWBERRY PARK			9,075,000	2,600,000	600,000	600,000	600,000	600,000	600,000	0	
TOTAL ASSESSED VALUATION INCREASES - CONST.	9,147,030	6,788,074									
ASSESSED VALUATION FOR CURRENT YEAR	145,170,200	186,524,690	195,599,690	198,199,690	198,799,690	199,399,690	199,999,690	200,599,690	201,199,690	201,199,690	
GENERAL FUND MILL LEVY	11.821	10.000	10.000	6.500	6.500	6.500	6.500	6.500	6.500	6.500	GENERAL FUND LEVY DECREASES
TRANSPORTATION MILL LEVY	0.000	0.000	12.200	12.200	12.200	12.200	12.200	12.200	12.200	12.200	REPLACES BCR COM. ASS. LEVY
DEBT SERVICE MILL LEVY	19.929	18.000	19.500	19.500	19.500	19.500	19.500	19.500	19.500	2.500	DEBT MILL LEVY IS STABLE
TOTAL DISTRICT MILL LEVY	31.750	28.000	41.700	38.200	38.200	38.200	38.200	38.200	38.200	21.200	BACH, GULCH LEVY IS 45.00
OPERATING PROPERTY TAX REVENUES	1,716,057	1,865,247	1,955,997	1,288,298	1,292,198	1,296,098	1,299,998	1,303,898	1,307,798	1,307,798	
TRANSPORTATION PROPERTY TAX REVENUES	0	0	2,386,316	2,418,036	2,425,356	2,432,676	2,439,996	2,447,316	2,454,636	2,454,636	
DEBT SERVICE PROPERTY TAX REVENUES	2,893,097	3,357,444	3,814,194	3,864,894	3,876,594	3,888,294	3,899,994	3,911,694	3,923,394	3,923,394	
TOTAL DISTRICT PROPERTY TAX REVENUES	4,609,154	5,222,691	8,156,507	7,571,228	7,594,148	7,617,068	7,639,988	7,662,908	7,685,828	7,685,828	

(1) CONSTRUCTION PROJECTS OCCUR TWO YEARS BEFORE TAX COLLECTION YEAR.

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**SCHEDULE 8**  
**BEAVER CREEK METROPOLITAN DISTRICT**  
**MULTI-YEAR FINANCIAL PLAN**

FOR THE YEARS ENDING DECEMBER 31, 1998 THROUGH 2008  
 REPAIR AND MAINTENANCE CONTRACT AND OTHER GENERAL AND ADMINISTRATION

WORKING DRAFT DATED 11/6/97  
 PRELIMINARY AND SUBJECT TO CHANGE

	REVISED 1997	BUDGET 1998	1999	2000	2001	2002	2003	2004	2005	REFERENCE/COMMENT
<b>R &amp; M CONTRACT/OFFICE OVERHEAD (+5%/YEAR):</b>										
DISTRICT ADMIN./MANAGER	22,680	23,814	25,005	26,255	27,568	28,946	30,393	31,913	33,509	35,184
FINANCIAL/ADMIN. ASSISTANT	16,380	17,199	18,059	18,962	19,910	20,905	21,951	23,048	24,201	25,411
PAYROLL TAXES/WORKERS COMP.	1,474	1,548	1,625	1,707	1,792	1,882	1,976	2,074	2,178	2,287
EMPLOYEE INSURANCE	1,260	1,323	1,389	1,459	1,532	1,608	1,689	1,773	1,862	1,955
BENEFITS - SKIING	950	496	521	547	574	603	633	665	698	733
OFFICE RENT	11,466	12,039	12,641	13,273	13,937	14,633	15,365	16,133	16,940	17,787
TELEPHONE	2,520	2,646	2,778	2,917	3,063	3,216	3,377	3,546	3,723	3,909
OFFICE SUPPLIES/COPIER/FAX	3,000	2,183	2,292	2,407	2,527	2,653	2,786	2,925	3,072	3,225
COMPUTER COSTS	1,890	1,985	2,084	2,188	2,298	2,413	2,533	2,660	2,793	2,933
POSTAGE	600	529	555	583	612	643	675	709	744	782
DISTRICT TRAVEL	900	331	348	365	383	402	422	444	466	489
LIABILITY INSURANCE	315	331	348	365	383	402	422	444	466	489
ALLOCATION TO COMMUNITY FUND	0	0	0	0	0	0	0	0	0	0
ALLOCATION TO UTILITY FUND	(20,452)	(21,474)	(22,548)	(23,675)	(24,859)	(26,102)	(27,407)	(28,777)	(30,216)	(31,727)
<b>TOTAL R &amp; M CONTRACT/OFFICE</b>	<b>42,983</b>	<b>42,950</b>	<b>45,098</b>	<b>47,352</b>	<b>49,720</b>	<b>52,206</b>	<b>54,816</b>	<b>57,557</b>	<b>60,435</b>	<b>63,457</b>
<b>OTHER GENERAL &amp; ADMINISTRATION (+4%/YEAR):</b>										
INSURANCE	35,000	40,000	41,600	43,264	44,995	46,794	48,666	50,613	52,637	54,743
MISCELLANEOUS	20,000	20,000	20,800	21,632	22,497	23,397	24,333	25,306	26,319	27,371
DUES	1,650	1,650	1,716	1,785	1,856	1,930	2,007	2,088	2,171	2,258
ELECTION	0	5,000	0	3,240	0	3,499	0	3,779	0	4,081
BOARD MEETING COSTS	300	500	520	541	562	585	608	633	658	684
DIRECTORS TRAVEL	5,000	1,000	1,040	1,082	1,125	1,170	1,217	1,265	1,316	1,369
LEGAL FEES	60,000	35,000	36,400	37,856	39,370	40,945	42,583	44,286	46,058	47,900
CONSULTING FEES	25,000	8,000	26,000	27,040	28,122	29,246	30,416	31,633	32,898	34,214
AUDIT FEES	8,450	25,000	4,420	4,597	4,781	4,972	5,171	5,378	5,593	5,816
DIRECTORS FEES	3,900	4,250	4,420	4,600	4,781	4,972	5,171	5,378	5,593	5,816
DIRECTORS PAYROLL TAXES	390	425	442	460	478	497	517	538	559	582
EAGLE COUNTY RECREATION AUTHORITY	1,650	2,900	3,016	3,137	3,262	3,393	3,528	3,669	3,816	3,969
<b>TOTAL OTHER GENERAL AND ADMIN.</b>	<b>161,340</b>	<b>143,725</b>	<b>135,954</b>	<b>144,632</b>	<b>147,048</b>	<b>156,429</b>	<b>159,047</b>	<b>168,188</b>	<b>172,025</b>	<b>182,987</b>

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SCHEDULE 9  
BEAVER CREEK METROPOLITAN DISTRICT  
MULTI-YEAR FINANCIAL PLAN  
FOR THE YEARS ENDING DECEMBER 31, 1998 THROUGH 2006  
TRANSPORTATION FUND  
SCHEDULE OF PROJECTED DEBT SERVICE COSTS, AND NET INCREMENTAL OPERATING COSTS ASSOCIATED WITH \$11.0 MILLION BOND ISSUE -- JUNE 1, 1999

WORKING DRAFT DATED 11/6/97  
PRELIMINARY AND SUBJECT TO CHANGE

	BUDGET 1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<u>ADD. COSTS -- NEW MAINT. FACILITY</u>										
ANNUAL DEBT SERVICE ON \$11.0 MILLION (*) (\$5.63 PER SQ. FT. @ 48,000 SQ. FT. IN YEAR 2000)	0	0	0	517,000	1,034,000	1,034,000	1,034,000	1,034,000	1,034,000	1,034,000
UTILITY AND MAINTENANCE COSTS	0	0	0	135,120	281,050	292,292	303,983	316,143	328,788	341,940
TOTAL ANNUAL COSTS -- NEW MAINT. FACILITY	0	0	0	552,120	1,315,050	1,326,292	1,337,983	1,350,143	1,362,788	1,375,940
<u>ASSUME 40% OF COSTS ARE BCMD</u>	0	0	0	260,848	526,020	530,517	535,193	540,057	545,115	550,376
<u>ASSUME 20% OF COSTS ARE BCMD -- PARKING TRANSIT</u>	0	0	0	130,424	263,010	265,258	267,597	270,029	272,558	275,188
<u>ASSUME 20% OF COSTS ARE BCMD -- DIAL-A-RIDE</u>	0	0	0	130,424	263,010	265,258	267,597	270,029	272,558	275,188

(\*) \$11.0 MILLION BOND ISSUE INCLUDES LAND, INFRA., CONSTRUCTION, DESIGN, COST OF ISSUANCE, AND ONE YEAR CAPITALIZED INTEREST.

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