

Residence Club continued

Market conditions will dictate both the price and the number of fractional interests (1/8th to 1/12th) available at the time of sale, which will generate between 160-240 owner shares. Annual membership dues will cover property taxes, utility fees, weekly housekeeping, landscaping, concierge services, and general maintenance. These regularly populated homes will ensure continual patronage of the local merchants. Additionally, the discretionary rental program anticipates that a portion of the owners' dedicated time will be tendered to the Resort in return for revenue participation, commonly split 60% to the owner, 40% to the Resort. Transient Occupancy Tax (TOT) will be generated when non-owner hotel guests occupy a Residence Club home.

Keeping in mind its primary goal of maximizing occupancy of the hotel units, Enchanted Resorts nonetheless anticipates the Residence Club rental program to significantly provide incremental TOT revenue to the City of Calistoga. Projected first year revenues are \$131,400, rising to \$350,400 by year five.



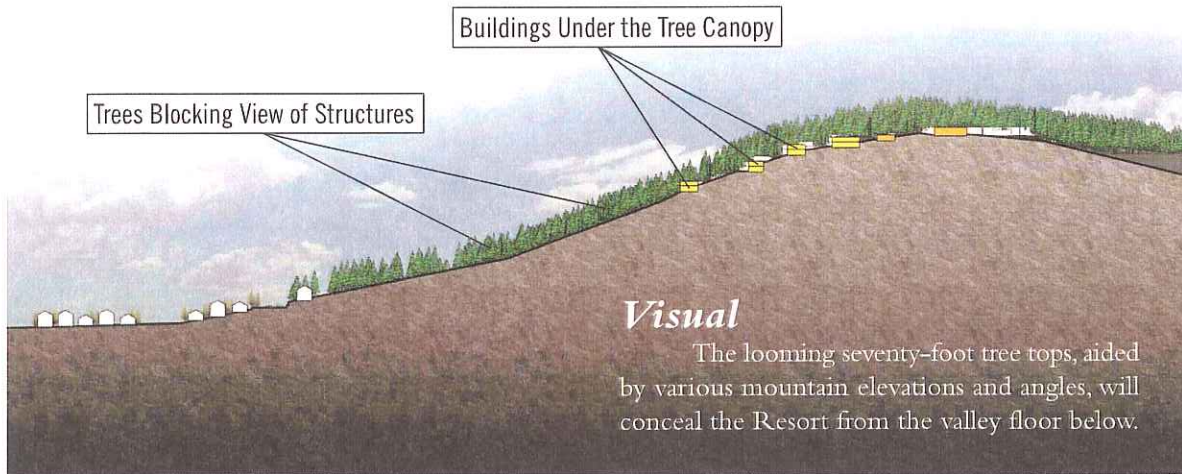
9A. View of property looking east from Kortum Canyon



9B. View of Diamond Mountain Appellation, from proposed public spaces of the Resort

Minimizing the Impact

Enchanted Resorts' Project Application will include updated studies that analyze and identify potential impacts to the City of Calistoga, while confirming that the project meets the standards set forth by the California Environmental Quality Act (CEQA). Additional concerns will be resolved to the satisfaction of the Calistoga City Council.



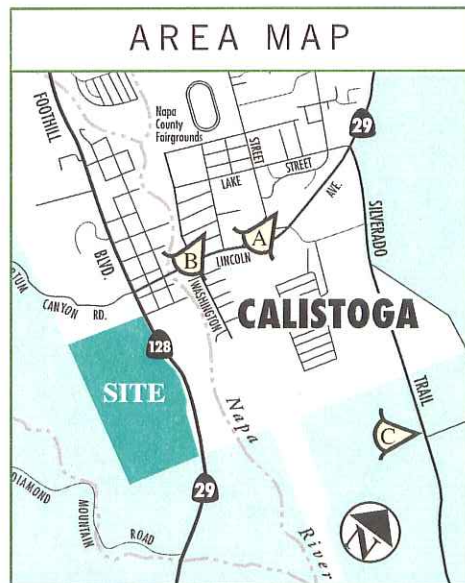
10A. Diagram showing the relationship between the Resort and the valley floor

These rooftop images illustrate disturbances of the natural tree line that Enchanted Resorts seeks to avoid.



10B.

The area map (below) pinpoints the locations where simulated photographs (as shown on pages 11-13) depict the hillside at various stages of construction. When viewing the foothills from the valley floor, the Resort will be virtually undetectable.



10C.

Minimizing the Impact continued



Image 11A. Before construction, site in its current state

Views from Calistoga - A

A southwesterly view of the site (forested background above buildings), as seen from Lincoln Avenue and Stevenson Street from downtown Calistoga:



Image 11B. During construction, white areas illustrate temporary construction sites



Image 11C. Post construction, photo rendition of hillside upon project completion

Minimizing the Impact continued.



Image 12A. Before construction, site in its current state

Views from Calistoga - B

Southwesterly view of site (forested background above buildings), as seen from Lincoln Avenue and Washington Street in downtown Calistoga:



Image 12B. During construction, white areas illustrate temporary construction sites



Image 12C. Post construction, photo rendition of hillside upon project completion

Minimizing the Impact continued



Image 13A. Before construction, site in its current state

Views from Calistoga - C

Southwesterly view of site (forested background) looking as seen from Silverado Trail and Pickett Road in Calistoga:



Image 13B. During construction, white areas illustrate temporary construction sites



Image 13C. Post construction, photo rendition of hillside upon project completion