

**Message from Michael**

It's a new year, and we are now on the downhill stretch of Aspen Lodge's construction. With the building having been dried in for over two months our crew's have been busy getting the internals of the building in place. The exterior timber siding is now complete and the elevator is starting to be installed inside the building. Our construction timeline looks to be still slightly ahead of schedule with an estimated completion of the building and settlements due for the 1st of July. We are now getting all geared up for the start of the 5th and final stage of the resort, "Emerald Lodge". The "Emerald Lodge" condos are due for public release on March 1st. If you or any of your friends or family would like to find out about the pre-release information on the final stage now is to time to inquire, before the project hits the open market and prices go up.

If you have any questions or require any additional information on either Aspen Lodge or Emerald Lodge, please feel free to call either myself or Jody Gale at anytime.

Regards, Michael Hurley



**STEAMBOAT REAL ESTATE MARKET**

2005 – Another record breaking year for the real estate market

Real estate markets, like other investment commodities, are determined by factors of supply and demand. With more people entering the vacation / retirement property market, the baby boomer factor has increased the demand and activity over the past decade, as evidenced by records being set in the 2004 and 2005 Steamboat real estate market. 2005 sales were up 24% from 2004, which was a record breaking year.

On the supply side, the number of listings have dwindled over 20% from typical years. Local growth limits, more stringent development regulations and the supply of developable land have all caused real estate supply to be less than in times past, (Figure 1).

Figure 2 shows the result of all of this activity, where the Absorption Rate (the ratio of listings to sales) is the highest it has ever been. Inventory over the past several quarters has been dwindling, with quarterly absorption rates exceeding 40% for the first time in the past decade.

2005 saw a record number of transactions at 1,621, a 24% increase over the prior record year of 2004. 2005 also reached a new record in Dollar Volume at \$606million.

**STEAMBOAT REPORTS 100-INCH BASE AS MORE CHAMPAGNE POWDER SNOW CONTINUES TO FALL**

Steamboat's Cumulative Snowfall for 2005/2006 Season Well Over 26 Feet. So far, 2005/2006 is the third snowiest year to date on record in the past 27 years. "The 100-inch base level is a really great mile marker to race right by in early February, a point augmented when you consider that this is coming at a time in the year where we're only half way through the winter season." said Andy Wirth, Vice President of Sales & Marketing for Steamboat Ski & Resort Corporation. "The snow just keeps coming and even the hard-core powder hounds here in Steamboat are getting worn out by the seemingly non stop series of epic powder days." Steamboat has received over 95 inches in January alone, making it Steamboat's snowiest January in the past six years. For up-to-date snow reports, check out Steamboat's new website [www.bigsno.com](http://www.bigsno.com).

**STEAMBOAT - SKI TOWN U.S.A. SENDS 20 ATHLETES TO 2006 WINTER OLYMPICS**

Twenty athletes with ties to Steamboat-Ski Town, U.S.A. including Travis Mayer, 2002 Olympic Silver Medalist; Todd Lodwick, now a four-time Olympic athlete and 17-time national champion; Caroline Lalive, two-time Olympian; and Johnny Spillane, America's first World Champion in Nordic Combined, will represent their respective countries and the Yampa Valley at the upcoming 2006 Winter Games.

Steamboat is known around the globe simply as Ski Town, U.S.A. and has produced more winter Olympians than any other town in North America, now a record 69 and counting. Including the 2006 Games, Steamboat's Olympians have represented five different countries, made 120 Olympic appearances during 16 Winter Games. The following 2006 Olympians, who have all trained with the Steamboat Springs Winter Sports Club, will compete in the upcoming Winter Games in Italy.

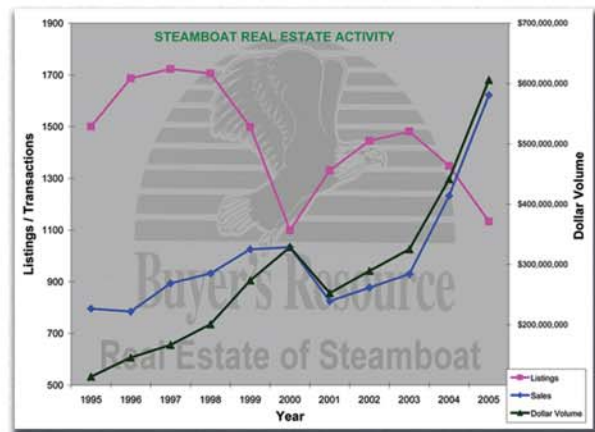
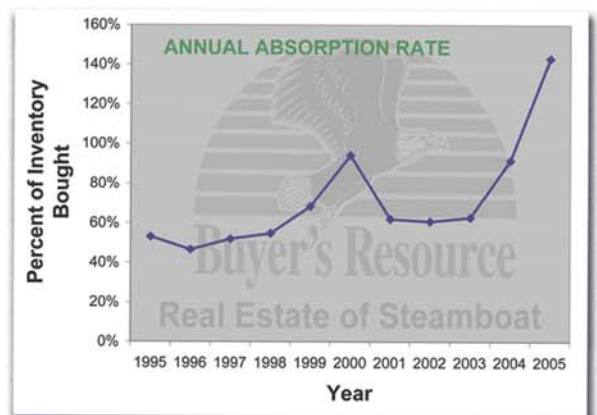


Figure 1

Figure 2





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