This report is for the purpose of analyzing the economic potential of a Aerial Sky Tram / aerial tram in Jim Thorpe, PA. The Aerial Sky Tram would stretch from the Flagstaff Mountain property, 900 feet above the town of Jim Thorpe, down to the town. This report is for the sole use of Dominion Development Group, LLC in evaluating the market propensity and potential of this project, and is not intended as an investment offering. Duplication of this report, in part or in whole, without the prior written consent of the writer is prohibited.
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The information contained in this Executive Summary has been compiled from sources deemed reliable, however, all information contained herein is for business planning purposes only, by the developer, and is not to be construed as a guarantee of any kind. Approvals for the Aerial Tram System described herein will be sought by the developer. Support has been sought and secured from elected State officials and local and county officials for the purpose of grant procurement and political support within the government.
The Location - Incomparable

The site of the new Jim Thorpe Aerial Sky Tram stretches from the new Flagstaff Mountain Resort to the downtown area of historic Jim Thorpe, PA. Each year tens of thousands of visitors come to town for various events, activities and attractions. The area is noted for its historic restorations which number over 300, as well as its quaint shops. Outdoor activities include 100,000 whitewater rafters each year, thousands of mountain bikers and hikers, and thousands of visitors for special events like Fall Foliage Weekends, art festivals and the like. The Aerial Sky Tram itself will be a totally new attraction for the community.

Competitive Market Analysis

While the Pocono Mountain Region hosts numerous ski resorts with ski lifts, there is currently no other enclosed Aerial Tram in Eastern Pennsylvania.

Comparison ridership of other destination trams include:

- Palm Springs, CA = 400,000+ riders per year
- Sandia Tram, Albuquerque, NM = 200,000 to 260,000 riders per year.
The Aerial Sky Tram System – by Doppelmayr

Proposed Aerial Sky Tram from Downtown Jim Thorpe up to Flagstaff Mountain will be an enormous community attraction.

Dominion Development Group, LLC, in conjunction with Flagstaff Resort Land Holdings, Ltd., has retained the Doppelmayr Group for the purpose of installing the Aerial Sky Tram system to link downtown Jim Thorpe and the Flagstaff Mountain Resort. Doppelmayr is the largest manufacturer of such systems in the world. The project is a multi-million dollar project that will bring tremendous economic benefit to the community and will serve as a “self-funding marketing engine” for all nearby projects that are undertaken by the Developer. The developer has received support from state and local officials for this attraction. As a result of this support, this project as extremely feasible. A fifty-percent state grant of project costs has been proposed to the Developer by the local State Representative.

About Doppelmayr and Doppelmayr-CTEC
In the financial year 2006/2007*, Doppelmayr Holding AG was able to consolidate its position as world market and technology leader with a 4.4 percent increase in sales revenues to EUR 659 million (previous year EUR 631 million). 210 ropeway projects were realized worldwide with a workforce of 2,479 employees (previous year 2,223). The core markets of the Doppelmayr Group remain the European Alpine countries as well as North America. Major successes in Eastern, Southeastern and Central Europe made a significant contribution to the renewed improvement in results.

Source: Doppelmayr Website and Annual Report.

Capacity of the Aerial Sky Tram - The Aerial Sky Tram is designed to handle approximately 300 people per hour in each direction. Thus, in a 12 hour day, the maximum number of riders would be approximately 3,600 people.
The Closest Pocono County

Jim Thorpe is located in Carbon County, PA. Carbon County is one of four counties in the official Pocono region of Pennsylvania. It is also the southernmost county in the Pocono region.

The site lies within easy driving distance of the highest concentration of population in the country.

The opportunity to promote the southern Pocono region as a destination resort area is prime. The town of Jim Thorpe has become a thriving destination for summer vacationers who are seeking outdoor recreation in the form of white water rafting, biking, hiking, historical sightseeing and relaxation. Jim Thorpe is named after the famous Olympic athlete, known as the greatest athlete in history.

Proximity to Population Centers

Jim Thorpe, PA is ideally situated within easy driving distance of New York City and Philadelphia.

Jim Thorpe is located just off the Northeast extension of The Pennsylvania Turnpike. It is the first exit above Allentown, PA, and is just 20 minutes travel time via the Turnpike. The area is easily accessible from the entire Lehigh Valley, Philadelphia, North Jersey and New York. Travel time from NYC – 2.5 hours; Philadelphia – 1 hour, North Jersey – 1.5 hours, and the Jersey Shore - 2.5 hours.

An estimated 40 million people live within 300 miles of Jim Thorpe, PA
The State’s Emphasis on Tourism Development

The State of Pennsylvania, under the direction of Governor Ed Rendell, is making a strong thrust to promote tourism throughout the state. The Governor’s emphasis is to utilize the natural environmental attractions found in Pennsylvania to increase tourism. The marketing opportunity to build upon the historic foundation of Jim Thorpe is just beginning to be tapped.

Attractions abound in the Pocono region, but the Aerial Sky Tram will be the newest and most profound draw for tourists. Marketing will include packages with whitewater rafting companies, mountain biking promoters, hotels.

The Aerial Tram located in Palm Springs, California draws over 400,000 unique visitors per year, and their gift shop grosses over $1.2 million.

Sandia Peak Aerial Tram, outside Albuquerque, NM, draws between 200,000 and 260,000 unique visitors per year. “Unique visitors” are people who come to the site for the tram. Built in 1966, this Aerial tram has carried more than 9.2 million riders.

While both of the locations cited above are larger than the Aerial Tram proposed in Jim Thorpe, an advantage is evident in Jim Thorpe. Jim Thorpe, PA already has tens of thousands of visitors each year who will be exposed to the Aerial Sky Tram. And, Jim Thorpe is so much closer to major population areas than those cited. The Jim Thorpe Aerial Sky Tram can be successful with 100,000 riders.
Dominion Development has entered into formal agreement to develop a condominium hotel on the Flagstaff Restaurant site. The project team is in the design and site planning stage. Phase I of the project will include a condo hotel consisting of 78 one and two-bedroom suites, 60% to 70% of which will be pre-sold prior to construction. Architectural services have been provided by Robert A. Lack, AIA, of Lewisburg, PA. Suite designs are modeled after another project created by the developer in Ocean City, NJ.

The land at the Flagstaff Resort Site consists of approximately 30 acres of pristine mountaintop area. It includes a mountain ridge, and is ideal for creating a family-oriented mountaintop hotel resort, spa and wellness center, with a restaurant and ballroom, all with majestic views of the Lehigh River gorge and the entire mountain valley.

All of the condo suites are designed to provide extraordinary views from private balconies. The majestic setting, and the tranquility of the site and its uniqueness in nature, make this an exceptional project. Construction of the suites will follow the Aerial Tram completion.
The Flagstaff Restaurant and Ballroom

The Flagstaff Restaurant and Ballroom is another historic attraction. Situated immediately next to the subject property is the 10,000 square foot ballroom at Flagstaff. Over the decades, famous entertainers such as the Dorsey Brothers, and even Frank Sinatra appeared there. Today, the ballroom is the site of weddings and special events. The owners of the Flagstaff restaurant and ballroom are involved in the development of the Flagstaff Mountain, and they are already involved with Dominion Development in other projects.

The Aerial Sky Tram Tie-In with the Resort Complex

The Jim Thorpe Aerial Sky Tram will tie into the Flagstaff Resort site immediately adjacent to the condo hotel with a soundproof deck covering a glass enclosed walkway for tram riders, so as not to disturb the hotel guests.

A major themed restaurant will be available for tram riders at the top of the mountain, along with boutique shops and lookout decks.

A Tie-In With History

Jim Thorpe is also the original site of the historic Switchback Railroad, the nation’s first railroad system. The Switchback was designed to move coal from mines to the river in Jim Thorpe. It quickly transformed into a tourist attraction that became the precursor of the modern day roller coaster. At one time, Jim Thorpe and the Switchback Railroad was the number #2 destination in the entire country, next to Niagara Falls.

The Aerial Sky Tram will re-energize the historic tourism draw that made the area so popular in previous generations.
The Area Surrounding the Project
Linkage to Jim Thorpe, PA and Adjoining Communities

The area surrounding Flagstaff Mountain includes the historic restorations in Jim Thorpe, PA.

The landmark architecture of Jim Thorpe punctuates the Industrial Revolution and is an attraction to all who encounter it. Shown to the left is the historic rail station which now serves as the hub for vacationer information. It is also the home of the Switchback Foundation, a group committed to reconstructing portions of the historic Switchback Railroad.

The quaint nature of downtown Jim Thorpe is appealing to all who visit. Jim Thorpe was the home of Asa Packer, a wealthy railroad industrialist who founded Lehigh University. Jim Thorpe features an ever expanding array of unique shops and B&B’s. It also features the Inn of Jim Thorpe, a finely restored hotel.

The Lehigh Gorge State Park is adjacent to Jim Thorpe. A major attraction of the park is whitewater rafting. Entering at designated launch sites, with professional guides accompanying tour groups, the river rafting activity is safe for families. Approximately 100,000 visitors per year undertake the whitewater rafting experience.

A future vision would be to create a river walk along the Lehigh River in downtown Jim Thorpe.
The Spectacular Views of Jim Thorpe, PA from Flagstaff Mountain

Jim Thorpe is nestled serenely in the Lehigh River Gorge. It is a dramatic setting with spectacular views as seen from the **Flagstaff Ballroom**. Flagstaff is the location from which numerous postcard photos are taken of Jim Thorpe. Every unit in the Flagstaff will have similar views of the river valley.

From the site, the Lehigh River can be seen curving around Flagstaff Mountain. The Lehigh River was recently voted Pennsylvania’s River of the Year.

The photo to the right is the view to the east from Flagstaff Mountain.

The development of tourism by maintaining and featuring the natural environmental assets of the region is directly in line with Governor Rendell’s goals for tourism development for Pennsylvania.

The thrust of area groups, including the Pocono Mountain Vacation Bureau, the Carbon County Economic Development Council, Partners for Progress, and local Chambers of Commerce all support tourism as an economic engine to drive the local economy.

The nostalgia of the area is a magnetic attraction for visitors. In the photo to the right, restored rail cars adorn the parking lot that serves downtown Jim Thorpe.

**The main thing missing in and around Jim Thorpe is new resort development. That is Dominion’s primary business focus in the area.**
Marketing & Public Relations Objectives

- Jim Thorpe Sports Marketing Alliance™
- Wellness Marketing/ 80 Million Boomers
- Alpine Motorsports Strategic Alliance

Dominion Development Group will utilize the services of a professional public relations firm to promote the Flagstaff Resort and the Aerial Sky Tram as an attraction to millions of east coast residents. An initiative to create the Jim Thorpe Sports Marketing Alliance™ has already begun.

Sports, Fitness and Wellness Marketing Theme
Given the reputation of having been the “top athlete in the world,” the individual hero, Jim Thorpe, represents a potential marketing bonanza. DDG plans to capitalize on this theme to create a wellness and sports center at its Flagstaff Resort. Programming is being developed to this end, and will incorporate one or more strategic alliances in the fields of health and wellness and professional sports.

The Baby-Boomer market consists of 80 million people who are seeking ways to stay healthy, maintain youthful energy, and add to their personal longevity. This is a key target market.

The Alpine Motorsports Club – Strategic Marketing Alliance

Flagstaff Resort Lands Holdings, Ltd. has received a written commitment from the new $30 million Alpine Motorsports Club for co-op marketing whereby Flagstaff can market its units to the 3,000 upscale database members belonging to Alpine.

Alpine Assets Holdings, LLC is the developer of the premier auto driving club in the greater New York Metropolitan area, and is located just 20 minutes from Flagstaff.

The demographic profile of members at Alpine, who invest $44,000 to become members of Alpine for driving privileges, is a natural fit for Flagstaff.

“We believe that there is an untapped potential to capitalize on the fact that Jim Thorpe, the athlete, was the world’s greatest athlete, and that the area should develop a theme of promoting sports, health and fitness through the outdoor activities that abound here. We aim to fulfill that need.”

Larry a. Masi, President, Dominion Development Group, LLC
Financial Proformas
- Project Assumptions*
- Construction Cash Flow**
  - Sources and Uses of Funds
- Operating Budget & Proforma***
- Grant Eligibility Analysis****
- Grant Funds *****

*Note: There is approximately $2,500,000 in contingency, reserve and likely savings contained in the budget assumptions.

** Construction Cash Flow figures are based on Project Assumptions with the same contingency, reserve and likely savings.

*** Operating Budget & Proforma is based on ridership forecasts compiled by the Developer, and expenses provided by Dopplemayr.

**** Grant Eligibility is based on the Developer’s understanding of qualifying matching funds that may be permitted under state regulations and policies.

***** Grant Funds include $2,500,000 specified in House Bill No. 1589, Session 2007, General Assembly of Pennsylvania.
Additional Grant Funds being sought include $1,500,000 in casino set-aside funds for projects in counties adjoining gaming operations.

Summary of Project Cost and Sources of Funds
See Exhibit #1 – Project Overview & Status

Financials are for internal Use Only by the Developer

Financial information and projections contained in this report are for internal use only by the developer, for evaluating the economic potential of the project. Projections are not to be construed as a representation or guarantee of income or return on investment. This report is not an investment offering.
The Development Team*
- Dopplemayr CTEC – General Contractor for Aerial Sky Tram Construction
- Dominion Development Group, LLC – Project Acquisition and Management
- Conrad Consulting – Bruce Conrad – former Director of Planning for Carbon County.
- The Masi Marketing Organization, LLC – Marketing, Positioning and Public Relations
- Other Strategic Project Partners/Contractors:
  - Engineers and Surveyors – Berks Surveying & Engineering
  - Site Consulting Engineer - Green Engineering
  - Zoning – Michael Greek, Esquire
  - Legal Compliance and Registration – Ballard Spahr Andrews & Ingersoll, LLP
  - Consulting Planner – Peter K. Karabashian
  - Architect - Robert A. Lack, Architects
  - Pipeline Construction – Pact Construction.
  - Site Contractor – to be determined - to be coordinated by Tim Markley, T.R Markley, Inc.

*Development team members are subject to change.
*Dominion Development Group is a New Jersey LLC

Limited Partner Prospects
- The Developer is actively seeking the involvement of Pennsylvania-based businesses that have an interest in participating in this project. Ideal candidates are those who can contribute to the project through expertise, professional services and/or marketing alliances.
Dominion Mission Statement

Dominion Development Group (DDG) is dedicated to developing the highest and best use of outstanding destination location properties. DDG is committed to the process of creating extraordinary projects in extraordinary settings. Our logo portrays the difference between night and day...something that we hope each of our projects also shows when we have completed a project.

We recognize that all we have is given to us by God and that God is the Master Creator of our world. DDG is committed to using the natural environment to its best and fullest potential while preserving the natural aesthetics and beauty of each location we touch.

We seek to make OTHERS the beneficiary of our commitment to excellence in real estate development.

Project Mission Statement

Dominion Development Group, LLC
For
Jim Thorpe Aerial Sky Tram Project

To create an outstanding family-oriented resort attraction that draws people from the entire east coast to visit and frequent Jim Thorpe, PA. The goal is to offer a unique attraction that will keep visitors in town longer, and will give them something to talk about to their friends. Designed as an economically robust marketing engine, the Aerial Sky Tram will be tied into the new multi-million dollar Flagstaff Resort, Spa and Wellness Center. The Aerial Sky Tram project is designed to benefit the community at large as well as serve as a major attraction for the region for generations to come.

*Dominion Development Group, LLC is a NJ LLC
The Flagstaff Mountain View of Jim Thorpe, PA

The Flagstaff Mountain View to the East
The Changing Seasons at Flagstaff Mountain

For Additional Information Contact:

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