Applied Geotechnical Engineering Consultants, Inc.

October 7, 2003

MPE Incorporated
P.O. Box 2429
Park City, Utah 84060

Attention: Pat Sweeney
FAX (435) 649-6215

Subject: Geotechnical/Geological Consultation
Treasure Hill, Phase 3
Park City, Utah
AGEC Project No. 1030820

Gentlemen:

Applied Geotechnical Engineering Consultants, Inc. (AGEC) has been requested to provide geotechnical and geologic consultation in regards to the design and construction of the Treasure Hill, Phase 3 development to be located near the town lift and west of Lowell Avenue in Park City, Utah.

AGEC is currently in the process of reviewing the geologic reports that have been developed in the area along with reviewing published geologic literature. Our preliminary review to date indicates that:

The stratigraphy of the site generally consists of Pennsylvanian age Weber Quartzite and Permian age Park City Formations. The Weber Quartzite consists of medium- to thin-bedded, pale gray to tan, fine-grained quartzite and sandstone while the Park City Formation consists largely of pale-gray fossiliferous limestone with some chert and sandstone.

Bedrock exposed at localized areas of the site in road cuts, along the hillside and in abandoned mine workings consist predominately of massively bedded Weber Quartzite. Vertical to near vertical joints were observed and measured in the exposures. Two dominant orientations are apparent in the data (although more data is necessary for a good statistical sample) with trends of roughly 220 and 330 degrees.

The Weber Quartzite is the dominant unit in the area proposed for development. The northwest portion of the property is largely underlain by Park City Formation. This includes some of the area proposed for fill placement. Quaternary age colluvial soils composed of clay, silt, sand, gravel, cobbles, and boulders overly the bedrock units over most of the site.

Based on the information currently available, it is our professional opinion that the proposed development is feasible from a geologic and geotechnical perspective. We anticipate that practical engineering solutions will be developed to provide:

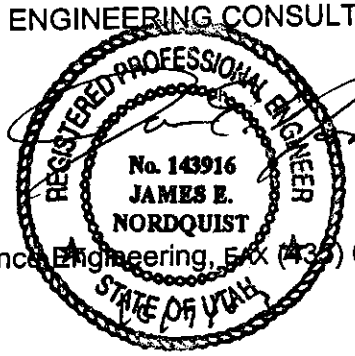
- stable construction slopes,
- stable long term slopes and "cliff" like landscaping,
- suitable foundation support,
- stable lateral support for the deep cuts,
- stable excavation waste disposal area.

Once the available information has been reviewed, an exploration program will be proposed to investigate the subsurface conditions in the area for the proposed development. The investigation will provide information for us to develop appropriate design parameters for design and construction of the proposed facility.

We look forward to working with you on this project. If you have any questions, please call.

Sincerely,

APPLIED GEOTECHNICAL ENGINEERING CONSULTANTS, INC.



James E. Nordquist, P.E.

JEN/sc
cc: Rob McMahon (Alliance Engineering, Fax (435) 649-9475)