Originally Processed With FOIA(s): S

FOIA Number: S

FOIA MARKER

This is not a textual record. This is used as an administrative marker by the George Bush Presidential Library Staff.

Record Group/Collection: Donated Historical Materials
Collection/Office of Origin: Bush, George H.W., Collection
Series: Personal Papers
Subseries: Zapata Oil File, Personal Alphabetical File

OA/ID Number: 25844
Folder ID Number: 25844-005

Folder Title:
Vail Associates, Ltd. [1961-1964]

Stack:	Row:	Section:	Shelf:	Position:
G	5	1	2	6

but has not yet become effective. Information contained herein is subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Registration Statement becomes effective. This Prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any State in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such State.

Preliminary Prospectus dated September 18, 1963.

PROSPECTUS

VAIL ASSOCIATES, LTD.

(a Colorado Limited Partnership)

$600,000 IN 6% SUBORDINATED NOTES due November 1, 1973

$600,000 IN ADDITIONAL LIMITED PARTNERSHIP INTERESTS

120 Units, Consisting of $5,000 in 6% Subordinated Notes and $5,000 in Additional Limited Partnership Interests, at a Price of $10,000 Per Unit

THESE ARE SPECULATIVE SECURITIES
See heading SPECULATIVE ASPECTS on page 3

The 6% Subordinated Notes are subordinated to Senior Indebtedness which is defined to include all other indebtedness, including indebtedness to general creditors and after incurred indebtedness. There is no limit on the amount of Senior Indebtedness. See heading "6% Subordinated Notes" on pages 24-26.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Price to Public (1)	Underwriting Commissions (2)	Proceeds to Registrant (2) (3)
Per Unit	$ 10,000	$ 500	$ 9,500
Total	1,200,000	60,000	1,140,000(4)

(1) The General Partners have the right at their discretion to sell 6% Subordinated Notes and Additional Limited Partnership Interests in units smaller than $10,000.

(2) Vail Associates, Ltd., has agreed to pay a commission of 5% of the gross proceeds of the sale of the Units offered hereunder to Caulkins Securities Corporation of which Keith L. Brown, George P. Caulkins, Jr., and Harley G. Higbie, Jr., Original Limited Partners of Issuer, are stockholders, officers and directors. Caulkins Securities Corporation will be an underwriter within the meaning of Section 2(11) of the Securities Act of 1933. It will bear all of the expenses connected with such sales. Caulkins Securities Corporation has not engaged in the securities business in any capacity except in connection with the sale of securities of Issuer. See heading UNDERWRITING on page 30.

(3) Before the deduction of certain expenses of registration payable by Vail Associates, Ltd., estimated at $20,120.

(4) The total proceeds to registrant are based upon the assumption that all securities will be sold. Since the underwriting agreement is on "a best efforts" basis, there is no assurance that the Issuer will receive any proceeds of the offering.

The date of this Prospectus is ....

No dealer, salesman or any other person has been authorized to give any information or to make any representations other than those contained in this Prospectus in connection with the offer contained in this Prospectus, and if given or made such information or representations must not be relied upon as having been authorized by Vail Associates, Ltd. This Prospectus does not constitute an offer by Vail Associates, Ltd., to sell, or a solicitation by it of an offer to purchase, the securities offered hereby in any State to any person to whom it is unlawful for Vail Associates, Ltd., to make such offer or solicitation in such State. Neither the delivery of this Prospectus nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of Vail Associates, Ltd., since the date hereof.

TABLE OF CONTENTS

This Prospectus omits certain information contained in the Registration Statement filed with the Securities and Exchange Commission. Items of information which are thus omitted may be obtained from the Securities and Exchange Commission upon payment of the fee prescribed by the rules and regulations of the Commission.

VAIL ASSOCIATES, LTD.

(a Colorado Limited Partnership)

SPECULATIVE ASPECTS

Any person considering the purchase of the 6% Subordinated Notes and the Additional Limited Partnership Interests (Units) being offered hereunder should recognize the speculative nature of the business and should carefully consider the factors set forth under this heading.

There has been no active market for the existing partnership interest of Vail Associates, Ltd. (Vail Associates) since its inception. The price at which the Units are sold hereunder has been arbitrarily determined. Although the assignee of a Limited Partner is entitled to share in the profits of the partnership and in its assets on dissolution, he cannot become a Substituted Limited Partner without the consent of the General Partners. There is no assurance that an assignee will be accepted by the General Partners as a Substituted Limited Partner.

The primary source of income of the partnership is the operation of ski lift facilities which is dependent upon suitable weather conditions and the quantity and quality of snow during the weekend and holiday periods of the winter season, even though the lift facilities will be in operation for sightseeing purposes during the non-skiing seasons of the year.

The success of the partnership's business is dependent upon the ability of its management to create housing facilities and atmosphere which appeal to the public's taste. It is subject to competition from other enterprises offering the same or similar type facilities and services, as well as from other types of entertainment and recreation. It is also subject to the changing desires and tastes of the public.

Repayment of the Notes and any cash returns to the Additional Limited Partners are dependent upon the ability of the enterprise to generate cash in excess of operating and capital requirements. Since it is anticipated that substantially all of the excess cash generated will be applied to the retirement of debt and reinvested in additional plant facilities during the first years of operation, the investor may not expect an early recovery of his investment through cash distributions by the partnership. No assurance can be given that the investor will ever receive a recovery of his investment through cash distributions. The partnership sustained a loss during its operations through June 30, 1963. (See heading STATEMENTS OF OPERATIONS on page 6). As of such date Current Assets, Current Liabilities, and outstanding Senior Indebtedness were as follows:

Current Assets	$ 164,892
Current Liabilities	$ 847,528
Senior Indebtedness	$1,304,193

No Limited Partner shall take any part in the control or management of the business of the partnership nor shall any Limited Partner have any power or authority to act for or on behalf of the partnership. If a Limited Partner takes part in the control or management of the partnership business, he becomes liable as a General Partner for the debts and obligations of the partnership under the provisions of Colorado Law. A Limited Partner does not have the right to withdraw from the partnership, although he may assign his interest subject to the limitations described above. The management and control of Vail Associates are vested in the General Partners who are Peter W. Seibert and The Vail Corporation.

Although the notes and Partnership Interests are being offered for sale in Units, there is no restriction on the separability of the securities constituting a Unit.

In the event that all of the securities offered hereunder are not sold, there are no arrangements for the return of funds to subscribers. There is no assurance that all of the Units will be sold. If all of the Units are not sold the partnership may have to seek other financing at greater cost. There is no assurance that such financing will be available.

DILUTION

Contributions to Capital of Existing Partners

The General Partners acquired a 21.66% interest in the capital of the partnership in exchange for assets and unrecovered promotional, exploratory and development expenditures costing $146,382.21 in cash. The Original Limited Partners acquired a 20.92% interest in the capital of the partnership in exchange for assets and unrecovered promotional, exploratory and development expenditures costing $138,426.22 in cash. The interests of the General and Original Limited Partners aggregated 42.58% of the capital of the partnership which they acquired in exchange for assets and unrecovered promotional, exploratory and development expenditures costing $284,808.43 in cash.

The Additional Limited Partners furnished $1,000,000 in cash, being substantially all of the cash necessary for the initial construction program, except for amounts derived from bank and other loans, in exchange for a 57.42% interest in the capital of the partnership. This 57.42% interest will be reduced to a 50% interest, through the operation of special allocations to the Additional Limited Partners, prior to admission of new partners purchasing units offered hereunder.

The effect of assigning to the General and Original Limited Partners as a group 42.58% of the capital of the partnership for assets, as above described, costing $284,808.43 in cash and assigning to the Additional Limited Partners as a group a 57.42% interest in the capital of the partnership for their contribution of $1,000,000 in cash was an immediate dilution of the contribution of the Additional Limited Partners of $1,000,000 to $734,887. Prior to admission of new partners purchasing units offered hereunder, the Additional Limited Partners will have been charged with an aggregate of $179,347 through the special allocation of depreciation and other items as set forth below.

Under the provisions of the original Limited Partnership Agreement of Vail Associates, and as permitted under the 1954 Internal Revenue Code, all noncapitalized expenses incurred during construction prior to the commencement of lift operations, depreciation and the investment tax credit were allocated to the Additional Limited Partners until the sum of such allocations and any cash distributions to the Additional Limited Partners totalled $179,347, which was the difference between the aggregate capital accounts of the Additional Limited Partners and the aggregate capital accounts of the General and Original Limited Partners. The special allocation terminated upon equalization of the aggregate capital accounts of the respective partner groups in June 1963.

Contributions to Capital of New Partners

The interests of the new partners subscribing under this Prospectus have been determined as if such partners had subscribed to such interests as of the commencement of the venture. Assuming the sale of all Units offered hereunder, the new partners will have furnished $600,000 in cash in exchange for a 23.08% interest in the capital of the partnership. The effect of assigning to the new partners as a group 23.08% of the capital of the partnership is an immediate dilution of the contribution of the new partners from $600,000 to $433,869. In addition, there will be charged to the interests of the new partners 23.08% of the total charges accrued against partnership capital since inception. The ultimate amount of such charges is not presently determinable. At June 30, 1963, the charge would have been $71,950. This would have resulted in the aggregate dilution of the investment of the new partners from $600,000 to $361,919 as of such date.

The existing Additional Limited Partners will have furnished $1,000,000 in cash for a 38.46% interest in the capital of the partnership. The General and Original Limited Partners will have furnished cash, real estate, and unrecovered promotional, exploratory and development expenditures costing $284,808.43 in cash for a 38.46% interest in the capital of the partnership. Neither the General, Original or Existing Additional Limited Partners will have contributed to the capital in the form of 6% Subordinated Notes, unless they purchase Units hereunder.

SUMMARY OF OFFERING

Vail Associates, a limited partnership, was organized under the Uniform Limited Partnership Law of the State of Colorado as of March 1, 1961. It proposes to offer for sale $600,000 in 6% Subordinated Notes due November 1, 1973 and $600,000 of the Additional Limited Partnership interests in Units of $10,000 each, consisting of $5,000 in 6% Subordinated Notes and $5,000 in Additional Limited Partnership Interests, although notes and interests may be sold in smaller units if the General Partners so determine.

The Units may be subscribed by executing a subscription agreement and the Partnership Agreement. The entire purchase price shall be paid in cash or by check or money order at the time of subscription.

Although the 6% Subordinated Notes will be dated November 1, 1963, Vail Associates will pay interest from the date of actual receipt of proceeds of the sale of such notes. Although the partnership agreement will be dated as of November 1, 1963, persons purchasing partnership interests hereunder will share in the economic burdens or benefits of membership in the partnership from the first day of the month next following the date of receipt of his subscription.

USE OF PROCEEDS

The net proceeds from the sale of the Units after deducting underwriting commissions and other expenses estimated at $80,000, are intended to be used by Vail Associates for the following purposes:

1.	Payment of amounts due on Bank Loan	$ 117,000.00
2.	Additional working capital	168,000.00
3.	Repayment of amounts due partners	500,000.00
4.	Capital improvements	65,000.00
5.	Investment in Lodge Associates, Ltd.	89,000.00
6.	Purchase of Antholz land including attendant expenses	170,000.00
7.	Miscellaneous	11,000.00
		$1,120,000.00

If less than all of the Units offered hereunder are sold, the proceeds will be applied in order listed above. If funds are not available from the proceeds of the sale of the Units being offered hereunder, the partnership will have to seek other sources of financing. There is no assurance that the amount of proceeds shown above will be received by the Issuer or that other financing can be procured on satisfactory terms and conditions.

The proceeds of the loan from partners (whose names are set forth under the heading Vail Associates, Ltd. on page 9) to be repaid from the sale of the Units being offered hereunder have been used with the other funds of the partnership for the acquisition of the assets set forth in the balance sheet of the partnership shown on pages 32-33 of the Prospectus.

The capital improvements enumerated in the foregoing USE OF PROCEEDS include improvements in trails, additional snow packing equipment, ski patrol equipment, a small maintenance shop on the mountain, and minor improvements to the lifts. Such improvements will not expand lift capacity.

The additional working capital is to be used for the general operating purposes of the partnership and as such would be applied to the extent necessary to payroll, inventory, interests, taxes and other expenses of operation.

Vail Associates has acquired from The Gore Creek Company, a joint venture, an option to purchase approximately 140 acres of land consisting of part of the Antholz ranch lying immediately east of the Hanson ranch for a price of $253,500, payable as follows: $148,500 at closing and the balance in three annual installments of $35,000 per year, which is the price paid for such land by The Gore Creek Company. Upon exercise of the option, Vail Associates will be required to reimburse The Gore Creek Company for the expenses involved in the purchase, including a commission of five percent of the purchase price payable to John F. Conway, Jr., for services rendered in negotiating the sale and to pay interest at the rate of six percent per annum on all sums invested by The Gore Creek Company in the acquisition during the period between the date of such investment and the exercise of the option by Vail Associates. Such sum would include in addition to the purchase price of the land and the commission, legal fees estimated at $1,500 and real estate taxes, the amount of which is impossible to estimate because the land has not yet been separately assessed. No commission, finder's fee or other compensation other than commission and interest described above will be paid by Vail Associates for such option, which expires on April 30, 1964.

Mr. Conway is one of the promoters and an Original Limited Partner of Vail Associates, Ltd. He is also a stockholder of The Vail Corporation.

Among the members of The Gore Creek Company are Caulkins Oil Company, David C. Hart, John D. Murchison, Jerome Rich, Fitzhugh Scott, Peter W. Seibert, Robert D. Stuart, Jr., Thomas E. Taplin, Vernon Taylor, Jr., and John B. Tweedy. All of the foregoing are partners of Vail Associates except Caulkins Oil Company, which is owned by George P. Caulkins, a partner of Vail Associates. The other relationships of Messrs. Conway, Murchison, Scott, Seibert, Taylor and Tweedy to Issuer are set forth under the headings HISTORY on pages 7, 8, and 9, MANAGEMENT on page 27, and REMUNERATION AND INTEREST OF MANAGEMENT AND OTHERS IN CERTAIN TRANSACTIONS on pages 27, 28, and 29.

Vail Associates believes that the tract will provide an important complement to land already owned by it.

Assuming a successful operation during the 1963-64 winter season, Vail Associates expects that it will be necessary to expand substantially its lift capacity during the summer of 1964 by the erection of two new double chair lifts at a total cost of approximately $350,000. Assuming the sale of all of the Units offered hereunder, management believes that cash on hand and other financial resources available to it will enable it to finance such additional equipment. There is no assurance that there will be either cash on hand or other financial resources available for such purposes at that time.

STATEMENTS OF OPERATIONS

Statements of operations for the period December 15, 1962 (commencement of lodge and lift operations) through March 31, 1963, and for the period December 15, 1962 through June 30, 1963, are set forth below. The statement of operations for the period December 15, 1962 through March 31, 1963, has been examined by Arthur Andersen & Co., independent public accountants, as set forth in their opinion included elsewhere in this Prospectus. The statement for the period December 15, 1962 through June 30, 1963, has been prepared by the partnership and has not been examined by independent public accountants. In the opinion of the partnership, all known adjustments (which include only normal recurring accruals) necessary to present fairly the results of operations for the period ended June 30, 1963, have been made. These statements should be read in conjunction with the financial statements and related notes included elsewhere in this Prospectus.

The operations of the partnership are of a seasonal nature. The results presented below are not necessarily indicative of what may be expected from operations for the complete fiscal year.

	December 15, 1962 through June 30, 1963 (Not Audited)	December 15, 1962 through March 31, 1963 (Audited)
OPERATING REVENUES:		
Lodge	$ 291,737	$256,409
Ski lifts	204,309	178,824
Ski school	31,363	26,176
	$ 527,409	$461,409
OPERATING EXPENSES:		
Lodge	$ 368,372	$292,434
Ski lifts	127,913	96,486
Ski school	31,234	26,610
General repairs and maintenance	17,838	5,747
Depreciation and amortization	69,638	37,460
	$ 614,995	$458,737
Gross profit (loss) from operations	$ (87,586)	$ 2,672
GROSS PROFIT FROM REAL ESTATE SALES:		
Gross sales	$ 144,651	$130,419
Cost of property sold	31,385	24,642
	$ 113,266	$105,777
Gross profit	$ 25,680	$108,449
GENERAL AND ADMINISTRATIVE EXPENSES:		
General and administrative	$ 67,208	$ 46,118
Advertising and information	39,164	28,030
Amortization of deferred costs	31,399	16,754
	$ 137,771	$ 90,902
Income (loss) from operations	$(112,091)	$ 17,547
INTEREST EXPENSE	39,461	22,981
Net income (loss)	$(151,552)	$ (5,434)

Additional annual interest requirements on the subordinated notes being offered hereunder will be $6,000 (net of interest requirements on $500,000 in partners' loans outstanding as of June 30, 1963, to be repaid out of the proceeds from sale of the notes).

HISTORY

Preliminary Investigation

In 1957, after thorough reconnaissance of the area which Vail Associates is developing (Vail) and other potential sites in Colorado, John F. Conway, Jr., Earl V. Eaton, J. Robert Fowler and Peter W. Seibert purchased a tract of land containing 500 acres, more or less, known as the Hanson Ranch, for a purchase price of $55,000. In 1959, Messrs. Conway, Eaton, Fowler and Seibert, together with George P. Caulkins, Jr., and John B. Tweedy, obtained from the U. S. Department of Agriculture, Forest Service, (Forest Service) approval of their application for a Conditional Special Use Permit (Conditional Permit) for the financing of the development of a summer and winter recreational area on National Forest land abutting the southern boundary of the Hanson Ranch. The Hanson Ranch, the area covered by the Forest Service Permit, and the other properties hereinafter referred to are shown on the map appearing on pages 22 and 23.

The Vail Corporation

In December 1959, The Vail Corporation was formed to plan and develop the proposed area. Messrs. Caulkins, Conway, Eaton, Fowler, Seibert and Tweedy assigned to it 200 acres of land controlling access to the permit area, the right to obtain a Conditional Permit, and all of the data which had been accumulated in studying the project, which assets had been acquired at a cash cost of $22,790.00, in exchange for 10,000 shares of $1.00 par value common stock of The Vail Corporation, being 50% of the authorized stock of the corporation. Twenty-one other persons, whose names are listed below, contributed an aggregate of $96,000 in cash and $4,000 in services in exchange for 10,000 shares of $1.00 par value common stock of The Vail Corporation, being the remaining 50% of its authorized stock.

Fredric A. Benedict	Aspen, Colorado
Keith L. Brown	Denver, Colorado
G. W. Douglas Carver	Redwood City, California
C. T. Chenery	New York, New York
Cortlandt S. Dietler	Denver, Colorado
Charles E. Dimit	Boulder, Colorado
Gerald T. Hart	Denver, Colorado
Richard M. Hauserman	Cleveland, Ohio
Harley G. Higbie, Jr.	Denver, Colorado
Jerome A. Lewis	Denver, Colorado
William McBride Love	St. Louis, Missouri
John F. McAllister	Minturn, Colorado
William H. McCluskey	Tulsa, Oklahoma
John D. Murchison	Dallas, Texas
William B. Rubey	Houston, Texas
Fitzhugh Scott	Milwaukee, Wisconsin
William F. Stevens	Gypsum, Colorado
Vernon Taylor, Jr.	Denver, Colorado
Ione Uihlein	Rochester, Minnesota
William K. Whiteford, Jr.	Denver, Colorado
Philip H. Wootton, Jr.	New York, New York

The cash resources of The Vail Corporation were budgeted and substantially expended between December 1959, and June 30, 1961, for: studies of lift equipment, aerial and ground surveys and mapping, engineering studies of lift design and construction, engineering studies of a water supply and a sewage disposal system, architectural studies of terminal facilities and a preliminary site plan, economic feasibility studies of lift operations, economic feasibility studies of hotel operations, the establishment of a still and motion picture library, attorneys' fees, accountants' fees, the purchase of a snow cat and jeep, the purchase of safety and other miscellaneous equipment, the construction of a small summit house, salaries and office expense.

The Vail Corporation's sole investment is its investment in Vail Associates, and its only present activity is that of acting as one of the two General Partners of the Issuer.

The Transmontane Company

As of May 2, 1960, Messrs. Caulkins, Conway, Eaton, Fowler, Seibert and Tweedy and the other stockholders of The Vail Corporation named above formed a general partnership for the acquisition, ownership and disposition of real estate in Gore Creek Valley under the name of The Transmontane

Company. On that date, The Transmontane Company purchased from Peter E. Katsos a tract of land known as the Katsos Ranch, containing 500 acres, more or less, situated approximately 1.5 miles east of the Hanson Ranch for a purchase price of $75,000. The purchase price was payable as follows: $10,000 at closing, with the balance represented by the purchaser's promissory note for $65,000 payable in ten equal annual installments with interest at the rate of six per cent per annum. As of the same date, Messrs. Caulkins, Conway, Eaton, Fowler, Seibert and Tweedy assigned to The Transmontane Company the remaining 300 acres of the Hanson Ranch, which had not been assigned to The Vail Corporation. The cost of such land to the assignors was $35,504 in cash. Subsequently on December 20, 1961, all lands held by The Transmontane Company and proceeds from the sale of a grazing preference and cattle, totaling $6,833, were assigned by it to Vail Associates as part of the contribution of its partners to the capital of the partnership. Since the assignment, The Transmontane Company has remained inactive, although it has not been formally dissolved.

Vail Associates, Ltd.

As of March 1, 1961, Vail Associates was organized to purchase, construct, own and operate the facilities described under the heading BUSINESS as a summer and winter recreational area.

As one of the General Partners of Vail Associates, The Vail Corporation assigned, on December 20, 1961, as its capital contribution to Vail Associates, the following: (a) the results of the organization and development expenditures and miscellaneous property and equipment described above, (b) the Conditional Permit and (c) 200 acres of land, more or less, for a 17.23% interest in the capital of the partnership. The assigned assets cost The Vail Corporation $96,000 in cash and 10,400 shares of capital stock of The Vail Corporation.

Peter W. Seibert, the other General Partner, and the other individuals listed above as stockholders of The Vail Corporation, or their successors, as Original Limited Partners, contributed on December 20, 1961, as their capital contribution to Vail Associates, the following: (a) $100,000 in cash, and (b) 800 acres, more or less, consisting of the Katsos Ranch (500 acres, more or less), and 300 acres, more or less, of the Hanson Ranch, for a 25.35% interest in the capital of the partnership. The assigned assets cost the partners $166,017.61 in cash. The Katsos Ranch was assigned subject to the lien of the deed of trust given to secure the purchase money note on which there was an unpaid balance due of $58,500, which was assumed by Vail Associates.

On March 9, 1961, The First National Bank of Denver (Bank) and the Small Business Administration (SBA) agreed to loan to Vail Associates $500,000 (Bank Loan), subject to certain conditions, one of which is that Borrower apply 75% of the proceeds of the sale of real estate to the prepayment of the principal installments last maturing. The loan is represented by a promissory note payable to The First National Bank of Denver in annual principal installments of $60,000 per annum for the first five years and $40,000 for the second five years with interest at the rate of 5.65% and is secured by the lien of a first deed of trust.

The balance of the capital of Vail Associates was provided through the sale of $1,000,000 in Additional Limited Partnership Interests and through the borrowing of $386,000 from certain partners. On May 27, 1963, Vail Associates borrowed an additional $114,000 from such partners to provide it with working capital pending the sale of the securities being offered hereunder. The partners who have made such loans to Vail Associates, Ltd., are George P. Caulkins, Jr., J. Robert Fowler, Gerald T. Hart, R. M. Hauserman, Harley G. Higbie, Jr., Fitzhugh Scott, Peter W. Seibert, and John B. Tweedy. Vail Associates has executed a deed of trust granting a lien on all of its properties to secure such loans, which lien is subordinate to the lien of the Bank.

Vail Associates owns and operates ski lifts, a ski school, related food serving facilities and a hotel. In addition it leases and sells real estate for commercial and residential development. A more complete description of its properties and operations follows.

Location

The properties which Vail Associates owns are located approximately 107 miles west of Denver on U. S. Highway No. 6 on the west flank of Vail Pass. U. S. Highway No. 6 has been designated as the route of Interstate 70, a limited access, divided highway from Denver and points east, to Grand Junction, Colorado, and points west.

Plans for Interstate 70 project a tunnel under the Continental Divide near Loveland Pass with an east portal at the Loveland Basin ski area and a west portal in the Straight Creek drainage area. The new highway will run through the properties being developed by Vail Associates, paralleling and abutting on the north the existing highway, which will remain as a frontage road.

The construction of Interstate 70 has commenced and is scheduled for completion in 1972. It may result in the purchase or condemnation by the Highway Department of a portion of the land owned by Vail Associates. It is impossible to estimate the amount of compensation which Vail Associates might be entitled to receive as a result of such purchase or condemnation.

Driving time from Vail to Denver is now approximately two and one-half hours. The construction of Interstate 70 will tend to decrease the time required to drive from Denver to Vail. The bulk of the automobile traffic from Denver to Glenwood Springs and Aspen must pass by Vail en route. Three regularly scheduled Continental Trailway buses pass Vail in each direction daily en route between Denver and the West Coast.

Winter driving conditions on Berthoud, Loveland and Vail Passes are sometimes hazardous, although such conditions have not prevented the development of other ski areas such as Winter Park, Arapahoe Basin, Breckenridge and Aspen, all of which are situated on the western slope of the Continental Divide.

Vail is 38 miles from the Bond Station of the Denver and Rio Grande Western Railroad on its Moffat Tunnel Route between Denver and Grand Junction and points west. It is a scheduled stop for all Burlington and Rio Grande trains between Chicago and Salt Lake City via Denver, including the Prospector and the California Zephyr. Trains running from Denver west arrive at Bond approximately one and one-half hours before they arrive in Glenwood Springs. The road from Bond to Vail is an all-weather improved road. Driving time is approximately one hour. Vail is 7 miles from the Denver and Rio Grande Western Railroad Station at Minturn on the Royal Gorge Route. Although the Royal Gorge Route is of secondary importance as a passenger route, the proximity of Vail to this station has significant advantages for freight purposes.

The Eagle Airport, a Federal Aviation Agency Flight Service Station, located between Eagle and Gypsum at an elevation of 6,496 feet, is 35 miles west of Vail on U. S. Highway No. 6 (Interstate 70). It has a weather reporting station, refueling service and a lighted runway 5,100 feet in length. It is capable of handling multi-engine planes.

Vail is bounded on the north and the south by the White River National Forest. The north side of the valley forms the south flank of the Gore Range. The summit at Vail is approximately 3 miles north of the north boundary of the Camp Hale Military Reservation, the training area for the 10th Mountain Division (Ski Troops) during World War II.

Terrain

The area covered by the Forest Service Permit consists of a broad ridge separating, and part of, the drainage areas of Gore Creek, Mill Creek, Game Creek and Two Elk Creek. The elevation at the junction of Mill and Gore Creeks is 8,200 feet. The elevation at the summit is 11,250 feet. The slopes with a north orientation are covered with aspen, spruce and lodge pole pine from the valley floor to an elevation of approximately 10,000 feet. The north slopes above 10,000 feet and the south slopes are grass covered and relatively free of trees. The intersection of the main ridge with the two subsidiary ridges running north and south form four bowls with northeast, southeast, southwest and northwest exposures, respectively. The ski lift facilities service all bowls except the northeast bowl which is scheduled for later development.

The fee land owned by Vail Associates is located on both sides of U. S. Highway No. 6 (Interstate 70). Gore Creek, a tributary of the Eagle River, parallels the highway throughout the length of the properties from east to west.

Properties

The real estate acquired by Vail Associates consists of two tracts of approximately 500 acres each, known as the Hanson Ranch and the Katsos Ranch. The bulk of the acreage on each ranch is open meadowland with aspen and spruce trees along the north and south boundaries. Approximately 100 acres of the Hanson Ranch is irrigated hay meadow. Both ranches have been used exclusively for sheep and cattle operations. A large proportion of each ranch is suitable for resort residence and commercial development. With the Hanson and Katsos Ranches are water rights for approximately 29 cubic feet of water per second of time from Pitkin, Booth, Mill, Spraddle, Middle and Sandstone Creeks. In addition, The Vail Corporation has caused to be filed a map and statement claiming 12.4 cubic feet of water per second of time from certain springs on the south side of the valley. These springs have sufficient capacity to serve the resort with potable water. In the opinion of management, water for both irrigation and drinking purposes is available in sufficient quantities to supply all foreseeable needs.

The Forest Service has granted to Vail Associates a thirty year Term Special Use Permit (Term Permit) authorizing it to develop a summer and winter recreational area at Vail. It is a condition of the Term Permit that the permittee pay to the Forest Service the following fees:

$ 500 for the fiscal year 1962 (11-1-61 to 10-31-62)

500 for the fiscal year 1963 (11-1-62 to 10-31-63)

1,000 for the fiscal year 1964 (11-1-63 to 10-31-64) and for subsequent years.

In addition, commencing November 1, 1963, and annually thereafter for each of the fiscal years of 1964 through 1968, inclusive, the permittee will be required to pay to the Forest Service one and one-half per cent of the net sales, as defined in the Term Permit, derived by the permittee from all sources of business conducted on the land covered by the permit. The amount of the percentage fee will be subject to readjustment at the beginning of each five-year period during the term of the Term Permit.

Ski Lift Facilities

The real estate improvements owned by Vail consist of a gondola lift, two double-chair lifts, a beginners' lift, a midway area service building, a lower terminal building, parking, a bridge, and approximately 200 acres of trails.

The gondola lift has 63 four passenger cabins which transport passengers from the lower terminal to a point at the base of the northwest bowl. It has a carrying capacity of approximately 500 persons per hour. The vertical rise is approximately 1,935 feet. The slope length is approximately 9,580 feet. Trip time is approximately 14.5 minutes. In the opinion of management, the gondola lift has several advantages over other types of uphill transportation:

1. Comfort, because passengers are protected from the elements.
2. Appeal to the beginning skiers, because they can ski the relatively easy northwest bowl and return to the base by comfortable lift transportation.
3. Appeal to the summer and non-skiing winter visitors, because they can ride to midway and back with comfort and a feeling of security.
4. An extended season, because the gondola lift will give direct and easy access to the upper slopes early and late in the season when conditions at the bottom do not permit good skiing.

This gondola is visible from the highway and, in the opinion of management, should attract summer tourist business.

The northwest bowl is serviced by a double chair lift with 136 chairs rising approximately 1,150 feet from midway to the summit. The slope length is approximately 4,540 feet. It has a carrying capacity of approximately 900 persons per hour.

To service the open slopes of the southeast and southwest bowls and the intervening ridge, a double chair lift with 164 chairs runs from the summit to a point below the junction of the two creeks draining these bowls. Here the vertical rise is approximately 2,000 feet and slope length is approximately 5,700 feet. The carrying capacity of this lift is approximately 870 persons per hour.

In the valley there is a beginners' lift near the lower terminal of the gondola lift.

Lodging Facilities

Vail Associates operates a hotel known as The Lodge at Vail in a building leased from Lodge Associates, Ltd., a Colorado Limited Partnership, some of whose partners are also partners of Vail Associates. The building is located on land owned by and leased from Vail Associates for a term of 49 years commencing July 1, 1962. The ground lease from Vail Associates, Ltd., to Lodge Associates, Ltd., provides for an annual rental of 7% of the appraised value of the leased premises, not including the value of the building and other improvements placed thereon by Lessee. The appraised value is to be redetermined at the end of the fourth, ninth, nineteenth, twenty-ninth and thirty-ninth year of the lease term. Because the lease of the hotel facilities by Vail Associates provides that it will assume all obligations due on account of ground rental, the amounts due to and payable by Vail for ground rent under these leases offset each other.

The hotel building is adjacent to the lift facilities and contains 66 double rooms, dining room, bar, card room, rathskeller, cafeteria and kitchen facilities designed to furnish not only its own food serving areas but, in addition, a cafeteria owned by Vail Associates at Mid-Vail. It is built of prestressed concrete, double-T construction at a cost of $958,000 including architects' fees, loan costs, interest during construction and insurance.

Lodge Associates was organized for the purpose of constructing the hotel building under lease to Vail Associates. It has engaged in no other activities.

The hotel building is leased to Vail Associates under a lease for a term of 25 years which provides that Vail Associates will pay to Lodge Associates annually as rental the total of:

1. 10% of the total cost of construction of the hotel building; plus

2. 3% of the amount by which the gross revenues received from room, restaurant and beverage sales exceeds $600,000, or 10% of the amount by which the gross revenues received from room, restaurant and beverage sales exceed the total cost of the building, whichever sum is larger.

Rental is payable in monthly installments due on the first day of each month.

In addition Vail Associates has agreed to pay as the same becomes due all amounts which Lodge Associates may be obligated to pay as ground rental, all real estate taxes and insurance. Vail Associates has assumed the burden of non-capital repairs and of maintenance during the lease term.

Vail Associates has been given an option to purchase the hotel building at an option price equal to the total cost of construction of the hotel building at any time during the lease term, if the gross operating profits of the hotel as defined in Uniform System of Accounts for Hotels, 1952 Edition, are not equal to the aggregate of the following:

1. Rental due to Lodge Associates;
2. Taxes and insurance;
3. Rental, or taxes, insurance, amortization and interest on furniture and furnishings.

The cost of equipping, furnishing and decorating the hotel building and two cafeterias, borne by Vail Associates, totalled $284,921, which cost has been financed through equipment leases and chattel mortgages.

The rate of room occupancy of The Lodge at Vail from the time it opened on December 20, 1962 until it closed on April 20, 1963 was:

Period	Rate of Occupancy
December 20 - 31	52.1%
January 1 - 31	34.0%
February 1 - 28	71.0%
March 1 - 30	91.0%
April 1 - 20	69.0%

The Lodge at Vail was closed from April 20, 1963 through July 1, 1963 and has been operated on a minimum staff basis during the months of July and August, 1963, because construction in the area was incompatible with resort operations. Its rates of occupancy during this period have been as follows:

Period	Rate of Occupancy
July 1 - 31	22.6%
August 1	40.7%

For the seven months ended June 30, 1963, lodge operating expenses have exceeded lodge operating revenues by $76,635.00.

In addition, there have been constructed at Vail on lands purchased or leased from Vail Associates a 52 room motel, known as the Vail Village Inn, with dining room, bar and service station facilities, a sports shop and office building, a small inn with dining room facilities and apartments, a beauty and gift shop, a drug store, a liquor and delicatessen store, a series of row or common-wall houses, and 26 private residences.

It is estimated that there are now at Vail overnight accommodations, including private residences, for more than 500 persons. In addition, there are under construction 25 private residences, 35 private apartments, a 26-unit ski lodge, a building for employees and an office building. It is estimated that these facilities will provide accommodations for an additional 400 persons.

Vail Water and Sanitation District, a special improvement district under the laws of Colorado, has been duly organized to construct, own and operate water and sewerage facilities in Vail Village, First Filing. The water and sewerage system has been constructed and the cost met through the sale of bonds to Boettcher and Company, 828 17th Street, Denver, Colorado. The water for such system has been provided from sources owned by Vail Associates.

Winter Resort Potential

Vail's potential as a winter resort is based upon (a) the size and character of its mountain, (b) its location, and (c) the suitability of the private land for resort development. The terrain at Vail qualifies it as a major ski area. There are currently in operation only two other ski areas in the United States with an unbroken vertical rise in excess of 3,000 feet presently serviced by ski lifts. These are at Aspen, Colorado, and Sun Valley, Idaho. Vail is the third: The summit is below timberline. The elevations are roughly comparable to the elevations at Aspen, Colorado, the base being about 200 feet higher and the summit being 48 feet higher. The terrain at Vail offers a variety of skiing. There is an abundance of open gentle slope for the beginning and intermediate skier and of steep wooded slope and open bowl terrain for the expert. There is ample opportunity for ski touring. The grassy upper slopes are conducive to early skiing. Exposures are excellent for spring skiing lasting through May in normal years. The open terrain has minimized clearing costs.

Snow conditions at Vail have been observed since the winter of 1954-55. The following tables reflect the results of these observations by Earl V. Eaton from 1954-55 through 1956-57 and of Peter W. Seibert and Earl V. Eaton from 1957-58 through 1960-61:

Date		Base 8,200 feet	Summit 11,200 feet
1954-55	Nov. 17	10 inches	21 inches
	Dec. 12	19 inches	36 inches
	Jan. 20	25 inches	49 inches
	Feb. 18	32 inches	60 inches
1955-56	Nov. 1	24 inches	
	Nov. 21	26 inches	42 inches
	Dec. 19	32 inches	57 inches
	Feb. 7	35 inches	68 inches
	Apr. 3	41 inches	81 inches
1956-57	Dec. 10	14 inches	29 inches
	Dec. 28	20 inches	41 inches
	Jan. 17	28 inches	59 inches
	Mar. 1	43 inches	80 inches
	May 12	* 24 inches	** 60 inches
1957-58	Nov. 15	12 inches	25 inches
	Dec. 13	23 inches	45 inches
	Mar. 20	35 inches	72 inches
1958-59	Dec. 18	16 inches	34 inches
	Mar. 15	40 inches	76 inches
	Apr. 2	23 inches	84 inches
1959-60	Oct. 17	6 inches	32 inches
	Jan. 20	30 inches	60 inches
	Feb. 28	30 inches	74 inches
	Mar. 5	34 inches	90 inches
	Mar. 24	25 inches	78 inches
	Apr. 3	16 inches	90 inches
	May 3	*** 36 inches	65 inches
	May 29	*** 28 inches	45 inches
1960-61	Nov. 28	10 inches	28 inches
	Dec. 19	12 inches	30 inches
	Dec. 27	18 inches	41 inches
	Jan. 7	16 inches	36 inches
	Feb. 11	20 inches	38 inches
	Feb. 19	22 inches	50 inches
	Mar. 9	29 inches	66 inches
	Apr. 15	15 inches	80 inches

* Measured at 9,200 feet on south slopes.

** Measured at 11,200 feet on south slopes.

*** Measured at 10,100 feet on north slopes.

No regular snow depth measurements were made by Messrs. Seibert and Eaton during the construction season of 1962 although conditions were believed to be comparable to the preceding year. On March 1, 1962, snow depths at the base and summit measured three and nine feet respectively.

Virtually no snow fell during the fall of 1962 until December 20, 1962. Although the snowfall in the fall and early winter of 1962 has been the lightest in recorded history, it did not interfere with the conduct of the Olympic Ski Training Camp at Vail from December 23 through January 4, 1963. Skiing conditions were poor until late January, 1963. From early February through March, 1963, they were generally good. Winter operations closed on April 21, 1963. The following represent snow depth measurements of packed base taken by the Ski Patrol in trail areas during the 1963 season:

Date	Summit	Mid-Vail	Base
January 8	6 inches	3 inches	No Measurement
February 1	33 inches	37 inches	10 inches
March 1	52 inches	58 inches	18 inches
April 1	42 inches	46 inches	2 inches
April 19	35 inches	41 inches	Closed

The following figures represent snow depths measured by the U. S. Department of Agriculture, Soil Conservation Service. They compare the average snow depth at approximately the same elevation on Vail, Independence, Berthoud and Loveland Passes from 1952 through 1961. The point of measurement on Independence Pass is approximately 10 miles east of the town of Aspen.

	February 1	April 1
Vail Pass (Measured at 10,000 feet, station #6K15, 4 miles west of Vail Pass along U. S. Highway 6)	44.0 inches	55.2 inches
Independence Pass (Measured at 10,200 feet, station #6K4, 2,000 feet west of West Portal Independence Pass Tunnel)	38.2 inches	55.4 inches
Berthoud Falls (Measured at 10,500 feet, station #5K13, 2 miles east of Berthoud Pass near U. S. Highway 40)	34.4 inches	45.0 inches
Loveland Pass (Measured at 10,600 feet, station #5K5, between U. S. Highway 6 and south fork of Clear Creek)	36.0 inches	50.6 inches

Wind conditions in the area have been observed for the past seven years, summer and winter. Prevailing winds from the northwest appear to be deflected upwards and over the area by the ridges on the northwest flank.

Vail is accessible for both out-of-state vacation skiers and for Colorado residents. The following table shows the length of time it takes to reach Vail from the various cities in the United States by auto, train and air. In each total elapsed time there has been included the time necessary for transportation by bus from Bond to Vail in the case of train travel and from Denver to Vail in the case of air travel. The elapsed time for auto transportation does not include time out for meals or overnight stops. No attempt has been made to estimate travel time to Vail by private plane via Eagle because of the differing performance characteristics of small aircraft.

City	Auto	Train	Air (jet where available)
Denver	2 hrs. 30 min.	4 hrs. 43 min.	— —
Chicago	22 hrs. 30 min.	22 hrs. 23 min.	5 hrs. 15 min.
New York	53 hrs.	39 hrs. 23 min.	6 hrs. 5 min.
Dallas	18 hrs. 30 min.	19 hrs. 10 min.	4 hrs. 42 min.
St. Louis	20 hrs. 30 min.	25 hrs. 43 min.	7 hrs. 10 min.
Kansas City	14 hrs. 30 min.	17 hrs. 3 min.	4 hrs. 25 min.
Minneapolis-St. Paul	19 hrs. 30 min.	26 hrs. 53 min.	4 hrs. 30 min.
Milwaukee	23 hrs. 20 min.	25 hrs. 35 min.	7 hrs. 50 min.
Los Angeles	21 hrs. 30 min.	24 hrs. 20 min.	5 hrs. 5 min.
San Francisco	23 hrs. 30 min.	30 hrs. 35 min.	5 hrs. 20 min.
Salt Lake City	8 hrs.	10 hrs. 20 min.	4 hrs. 10 min.

Vail's primary source of out-of-state patrons are the midwestern and southwestern parts of the United States. For skiers from those areas Vail is more accessible than Aspen or Sun Valley. Vail is now sufficiently close to Denver to attract one-day skiers. The construction of Interstate 70 will decrease the time now required to drive from Denver to Vail.

Summer Resort Potential

The real estate owned by Vail Associates is suitable in character and adequate in size to permit the construction of a fully integrated resort with all facilities necessary for summer and winter recreation. Gore Creek, The Eagle River and mountain lakes provide fishing opportunities. Vail will be approximately 31 miles from Dillon Reservoir. The Sawatch Range to the west and south and the Gore Range to the north can be reached easily for summer pack trips. The potential for spring, summer and fall activities is significant because investors in lodging facilities can reasonably anticipate a higher annual rate of occupancy than can be expected at areas devoted exclusively to winter recreation.

Vail Associates proposes to construct a swimming pool and tennis courts during the spring of 1964, if funds generated from operations are available for such purposes. There is no assurance that such funds will be available. Riding horses and equipment were available at Vail on a rental basis during the summer of 1963.

The lifts have operated during the summer of 1963 on a daily basis for sight-seeing purposes. While not operating as a resort hotel because of construction in the area, The Lodge has been open on a limited basis since July 1, 1963, providing accommodations to construction personnel and to transient guests. The revenues from lodge and lift operations during July and August have exceeded variable lodge and lift operating expenses, such as payroll, heat, light and power expenses, but have not been sufficient to cover fixed lodge and lift operating expenses, such as insurance, taxes, interest and depreciation.

As a summer resort, Vail's facilities will be in competition with other resort facilities in Colorado, such as the Broadmoor Hotel and the Garden of the Gods Club at Colorado Springs, Estes Park, and Aspen.

Economic Potential

In the opinion of management Vail's economic potential is based upon four separate sources of revenue. They are: (a) vacation skiers, (b) transient one-day skiers, (c) summer tourists, and (d) revenues from the ownership of real estate. In the opinion of management their combination should result in greater economic stability and profit potential than may be expected at ski areas dependent upon fewer sources of revenue.

The Ski Industry

The modern American ski industry dates from the early 1930's. Its growth was relatively slow until the 1950's. Although Mount Mansfield at Stowe, Vermont and Sun Valley, Idaho, were developed prior to World War II, most areas now in operation were built after 1946. Attendance at Colorado ski areas in recent years according to the Forest Service has been as follows:

Year	Arapahoe Basin	Loveland	Berthoud Pass	Winter Park	Cooper Hill
1953	22,496	7,925	34,045	43,741	12,800
1954	31,504	6,650	26,000	48,330	16,000
1955	26,209	4,850	22,500	69,571	18,350
1956	35,765	10,215	24,935	87,280	14,031
1957	33,292	30,453	31,788	70,145	12,072
1958	34,000	67,382	19,727	73,009	11,386
1959	44,000	70,485	12,533	93,976	10,874
1960	48,388	92,787	13,326	106,711	9,670
1961	60,515	105,300	12,567	86,065	10,748
1962	70,466	107,760	11,915	118,260	10,365
1963	54,116	64,693	7,483	83,960	9,280

Year	Aspen	Aspen Highlands	Buttermilk	Vail	Total of These Areas
1953	38,500				159,507
1954	62,700				191,184
1955	62,000				203,480
1956	85,800				258,026
1957	83,000				260,750
1958	104,300				309,804
1959	93,100	29,900	16,400		371,268
1960	117,960	29,920	14,990		433,752
1961	107,120	22,660	20,280		425,255
1962	142,140	27,551	23,441		511,898
1963	120,536	33,956	29,752	54,984	458,760

The absence of snow until shortly before Christmas, 1962, and the relatively light snowfall through the month of January, 1963, resulted in lower attendance at most ski areas during the 1962-63 season than during the preceding year.

Competition

Sun Valley, Idaho; Alta, Utah; Squaw Valley and Mammoth Mountain, California; and Aspen, Colorado, have facilities which will compete directly with Vail for vacation skiers. Each has an established reputation and clientele and is in direct competition with Vail. In addition to Aspen, there are in Colorado nine ski areas which compete with Vail for skiers from the Denver area. These are Winter Park, Berthoud Pass, Loveland Basin, Arapahoe Basin, Breckenridge, Steamboat Springs, Ski-Broadmoor, Crested Butte and Eldora.

CAPITALIZATION

Each class of securities of Vail Associates, the securities outstanding as of June 30, 1963, and the securities to be outstanding if all securities being registered are sold, are shown in the following table:

	Authorized or to be Authorized		Outstanding as of June 30, 1963		Outstanding if all Securities Being Registered are Sold		
	% Interest in Capital	Dollar Amount	% Interest in Capital	Dollar Amount	% Interest in Capital	Dollar Amount	
General Partnership Interests	19.57%	(1)	25.44%	$246,229	19.57%	$306,878	(1)
Original Limited Partnership Interests	18.89		24.56	237,823	18.89	296,215	
Additional Limited Partnership Interests	61.54		50.00	484,053	61.54	965,012	
Debt Securities: (2)							
5.65% Mortgage loan, Bank and S.B.A. (3)	—	$458,032	—	458,032	—	341,032	
Equipment lease and chattel mortgage notes (3)	—	244,403	—	244,403	—	244,403	
6% Mortgage Note (3)	—	45,500	—	45,500	—	45,500	
6% Notes to partners due April 30, 1964	—	500,000	—	500,000	—	—	
6% Subordinated Notes due November 1, 1973 (4)	—	600,000	—	—	—	600,000	
7% Notes (3)	—	56,258	—	56,258	—	56,258	

(1) The capital account of each class of partner expressed in terms of dollars is determined by applying to the total net assets of the partnership the percentage representing the interest of each class of partner in the capital of the partnership. The net assets of the partnership on November 1, 1963 (the approximate date of admission of new partners purchasing units offered hereunder) are not presently determinable. Amounts presented are based on net assets at June 30, 1963, of $968,105 plus $600,000 additional capital represented by units offered hereunder.

(2) Vail Associates' lease obligation to Lodge Associates is described in footnote 4 on page 42 and under the heading BUSINESS-Lodging Facilities at pages 12-14.

(3) Maturities, effective interest rates and further details are summarized in Note (2) on page 40.

(4) The aggregate amount of debt to which the Notes are to be originally subordinated is $1,304,193.

Principal Holders of Securities

The names of each person who owns of record, or is known by Vail Associates to own, more than ten percent of the general partners' interest of Vail Associates at June 30, 1963, are as follows:

Name and Address	Title of Class	Type of Ownership	Amount Owned	Percent of Class
The Vail Corporation	General Partners' Interests	Record and Beneficially	$195,801	79.52%
Peter W. Seibert	General Partners' Interests	Record and Beneficially	50,428	20.48

The general partners of Vail Associates as a group beneficially own, directly and indirectly, the following interests in Vail Associates at June 30, 1963:

Title of Class	Amount Beneficially Owned	Percent of Class
General Partners' Interests	$246,229	100%
Original Limited Partners' Interest	1,441	.606%

DESCRIPTION OF SECURITIES

Additional Limited Partnership Interests

$600,000 of the securities being offered are Additional Limited Partnership Interests in Vail Associates, Ltd. The rights of the General and of the Limited Partners of Vail Associates are as provided in the Uniform Limited Partnership Law of the State of Colorado and the Partnership Agreement. The capital contributions of the partners are as set forth under the heading HISTORY—Vail Associates.

The term of the partnership will commence as of November 1, 1963, and will continue until December 31, 1991, unless earlier dissolved, which will take place upon the happening of any of the following events:

(1) Upon expiration of its term;

(2) Upon the retirement, death, bankruptcy, dissolution or adjudication of insanity or incompetency of a General Partner;

(3) At the election of Limited Partners who together own more than 66⅔% of the capital of the partnership.

The aggregate interests of each class of partner in the capital of the partnership are as set forth in the preceding section. The interest of each partner in the capital of the partnership is equal to that proportion of the interest of the class to which he belongs which his contribution to capital bears to the total capital contributions of all members of the class to which he belongs. His interest in capital will be increased by his share of profits, income, gains and credits, except the so-called credits made available under Section 38 and related provisions of the Internal Revenue Code of 1954 concerning investment in certain depreciable property (hereinafter referred to as "Section 38 Credits") and additional capital contributions and decreased by his share of losses, expenses, deductions, Section 38 Credits, and withdrawals. Partners purchasing units hereunder will not receive the income tax benefit from the amortization of deferred development and administrative costs (amounting to $244,389 as of June 30, 1963) previously deducted for tax purposes by existing partners.

Profits, income, gains and credits will be allocated among the partners in the following manner:

38.46% among the General and the Original Limited Partners in the following proportions:

	Percentage
The Vail Corporation	40.7562%
Peter W. Seibert	10.4192%
Fredric A. Benedict	1.4886%
Keith L. Brown	0.4886%
Carver-Dodge Oil Company	1.4886%
George P. Caulkins, Jr.	3.7214%
Chenery Corporation	1.4886%
Alvin L. Cohen	0.5954%
John F. Conway, Jr.	3.7214%
Saul N. Davidson	0.5954%
The Permian Corporation	1.4886%
Charles E. Dimit	1.4886%
Earl V. Eaton	4.4654%
F. and E., Inc.	1.4886%
J. Robert Fowler	3.7214%
Gerald T. Hart	1.4886%
R. M. Hauserman	1.4886%
Harley G. Higbie, Jr.	1.4886%
Vail Enterprises, Inc.	1.4886%
William McBride Love	1.4886%
John F. McAllister	0.7440%
William H. McCluskey	1.4886%
John D. Murchison	1.4886%
William B. Rubey	1.4886%
William F. Stevens	0.7440%
Vernon Taylor, Jr.	1.4886%
John B. Tweedy	3.7214%
Ione Uihlein	1.4886%
William K. Whiteford, Jr.	1.4886%
William C. Winter	1.0000%

and

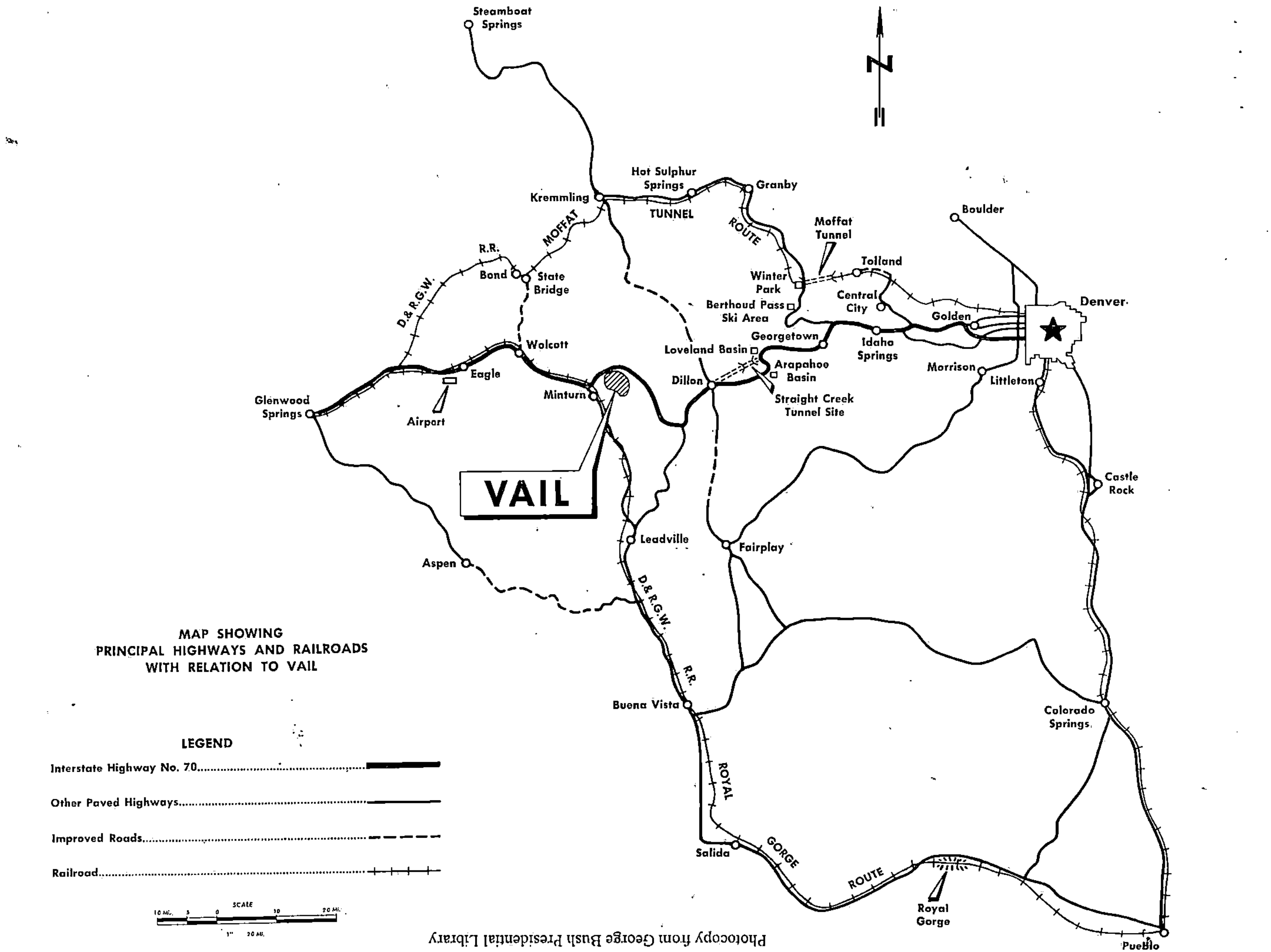
61.54% among the Additional Limited Partners in the proportion that each additional Limited Partner's contribution bears to $1,600,000, which is the total cash contributed by all Additional Limited Partners.

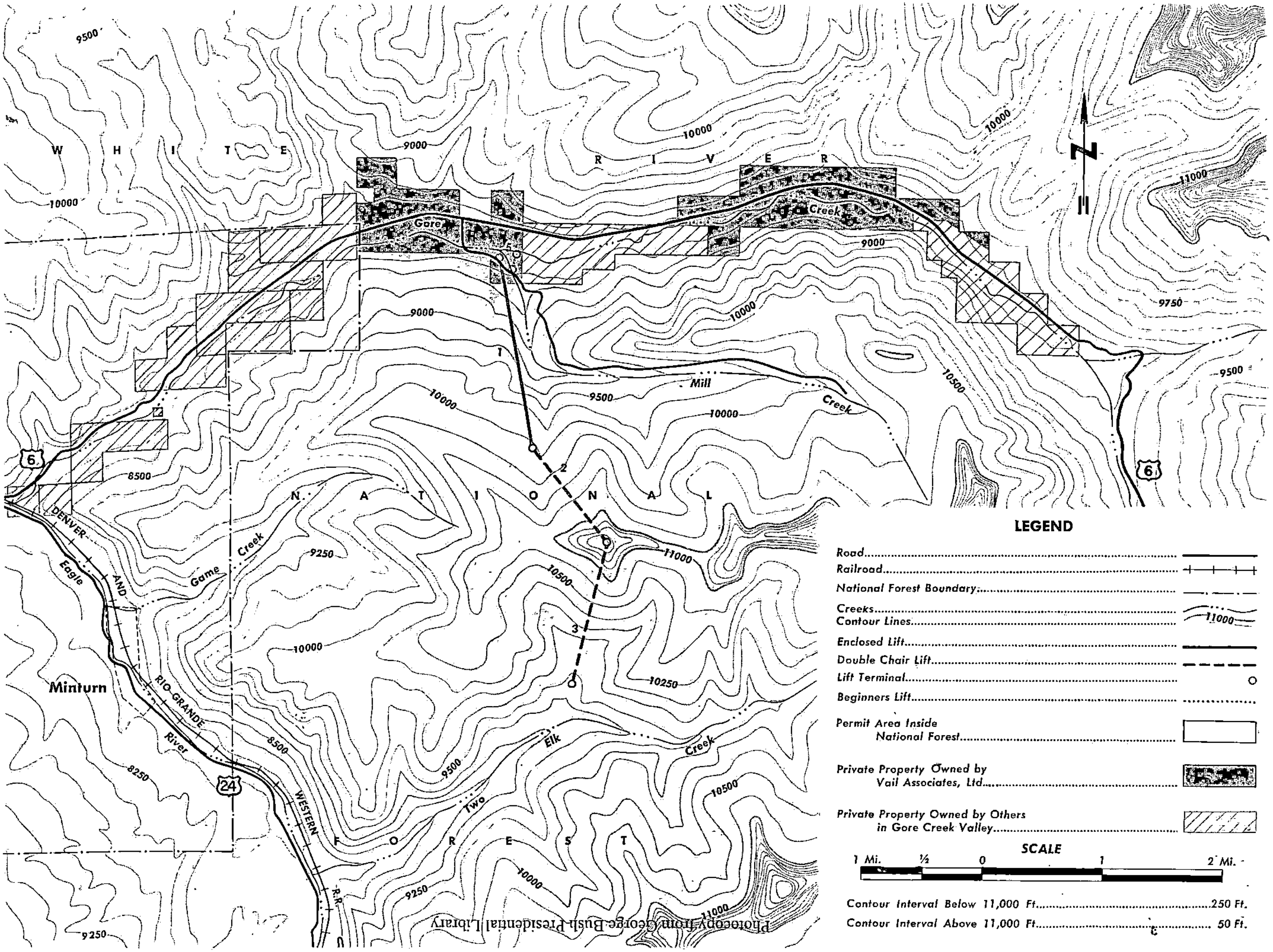
Losses, expenses, and deductions will be allocated among the partners in the same manner as profits are allocated among them.

A Limited Partner will have no liability for the losses or obligations of the partnership except to the extent of his interest in the capital of the partnership and to the extent of his unpaid capital contribution, if any. Colorado law forbids any payment to a Limited Partner of a share of profits or compensation by way of income, even though stipulated, if the assets of the partnership remaining after such payment are insufficient to meet all partnership liabilities except those to Limited Partners on account of their contributions and to General Partners. Any payment in violation of this law would be deemed a fraud on the creditors of the partnership. Also under Colorado law, if a Limited Partner has rightfully received the return in whole or in part of the capital of his contribution, he is nevertheless liable to the partnership for any sum, not in excess of such return with interest, necessary to discharge the partnership's liabilities to all creditors who extended credit or whose claims arose before such return.

Except to the extent that funds of the partnership are to be used for its business or are needed for anticipated capital requirements, they shall be distributed to the partners in proportion to their capital accounts. Also under the Partnership Agreement, it is provided that upon the dissolution and termination of the partnership the proceeds of its liquidation shall be applied to the payment of the debts and liabilities of the partnership to creditors other than partners and to the setting up of reserves for contingent or unforeseen liabilities or obligations to such creditors before any distribution of capital is made to any partner.

On the death, bankruptcy, retirement or adjudication of insanity or incompetency of any General Partner, the surviving General Partner will have the right, but not the obligation, to continue the business of the partnership as a new limited partnership. In such event, if any Limited Partner does not elect to become a Limited Partner in the new partnership, the surviving General Partner, on behalf of the partnership, will have the right, but not the obligation, to purchase the partnership


Steamboat Springs
Kremmling
Hot Sulphur Springs
Granby
TUNNEL
ROUTE
MOFFAT
Moffat Tunnel
Boulder
R.R.
Bond
State Bridge
D.&R.G.W.
Winter Park
Tolland
Berthoud Pass Ski Area
Central City
Denver
Golden
Georgetown
Idaho Springs
Loveland Basin
Arapahoe Basin
Wolcott
Eagle
Minturn
Dillon
Straight Creek Tunnel Site
Morrison
Littleton
Glenwood Springs
Airport
VAIL
Castle Rock
Leadville
Fairplay
Aspen
D.&R.G.W.
R.R.
MAP SHOWING
PRINCIPAL HIGHWAYS AND RAILROADS
WITH RELATION TO VAIL
Buena Vista
Colorado Springs
ROYAL
LEGEND
Interstate Highway No. 70
Other Paved Highways
Improved Roads
Railroad
Salida
GORGE
ROUTE
Royal Gorge
SCALE
Pueblo


WHITE RIVER NATIONAL FOREST
Gore Creek
Mill Creek
Game Creek
Elk Creek
Two Elk Creek
Eagle River
DENVER AND RIO GRANDE WESTERN R.R.
Minturn
6
24
1
2
3
5
9500
10000
9000
8500
9250
10500
11000
10250
9750
8250
LEGEND
Road
Railroad
National Forest Boundary
Creeks
Contour Lines
Enclosed Lift
Double Chair Lift
Lift Terminal
Beginners Lift
Permit Area Inside National Forest
Private Property Owned by Vail Associates, Ltd.
Private Property Owned by Others in Gore Creek Valley
SCALE
1 Mi.
½
0
1
2 Mi.
Contour Interval Below 11,000 Ft. 250 Ft.
Contour Interval Above 11,000 Ft. 50 Ft.

interest of the Limited Partner or to designate a person who shall purchase the same. The price at which such interest will be purchased, which is determined by a formula, may be more or less than the original cost of the partnership interest or the amount which might be realized upon a sale on the open market. No assignee, legatee or distributee of a Limited Partner's interest will have the right to become a Substituted Limited Partner without the consent of the General Partners. If a Limited Partner dies, his representatives will have the same rights as the Limited Partner but cannot become Substituted Limited Partners without the written consent of the General Partners. In the event that a person who is eligible to become a Substituted Limited Partner does not elect so to do within a specified period, the General Partners will have the right to purchase the interest of the Limited Partner or to designate a person who may purchase the same.

Each of the partners of Vail Associates, Ltd., whether general, original or limited, will receive annually a certified financial statement. It is management's intent to advise each partner of his distributive share of profit, income, gains, and credits, and of losses, expenses, and deductions, within three months of the end of the fiscal year of the partnership which is October 31.

6% Subordinated Notes

The Notes are to be issued under an Indenture to be dated as of June 1, 1963 between Vail Associates, Ltd., and The Colorado National Bank of Denver, Colorado, as Trustee, a copy of which is filed as an exhibit to the Registration Statement. The following statements are brief summaries of certain provisions contained in the Indenture and do not purport to be complete. They are subject in all respects to the provisions of the Indenture including the definition of certain terms used herein without definition.

The Notes, which constitute direct obligations of Vail Associates, are not secured. They will mature on November 1, 1973, and will bear interest from November 1, 1963, payable semi-annually on November 1 and May 1 beginning May 1, 1964. The Notes will be fully registered and will be issued in denominations of $250 and multiples thereof. Both principal and interest will be payable at the principal office of the Trustee in Denver, Colorado.

Redemption

The Notes will be subject to redemption on at least 30 days' notice:

(a) By lot through the operation of the Sinking Fund on November 1, 1966 to 1973, inclusive, at 100% of the principal amount; or

(b) At any time at the option of Vail Associates in whole or in part by lot at the following prices expressed in percentages of principal during the 12 months ending November 1, together with in each case interest accrued to the date of redemption:

1964	102.5000%	1969	101.1112%
1965	102.2222%	1970	100.8334%
1966	101.9444%	1971	100.5556%
1967	101.6666%	1972	100.2778%
1968	101.3889%	1973	100.0000%

Sinking Fund

The Indenture provides that Vail Associates will pay to the Trustee on or before October 27 in each year commencing in 1966 an amount of cash sufficient to redeem on the succeeding November

1, at the principal amount thereof together with interest thereon to the date fixed for redemption, the following amounts:

Nov. 1, 1964	$ —0—	Nov. 1, 1969	$ 75,000
Nov. 1, 1965	$ —0—	Nov. 1, 1970	$ 75,000
Nov. 1, 1966	$ 25,000	Nov. 1, 1971	$100,000
Nov. 1, 1967	$ 50,000	Nov. 1, 1972	$100,000
Nov. 1, 1968	$ 50,000	Nov. 1, 1973	$125,000

In addition to the amount required to be redeemed in any one year through the operation of the sinking fund, Vail Associates may redeem without penalty an amount equal to the amount required to be redeemed. Vail Associates may credit against any cash Sinking Fund payment Notes theretofore acquired or redeemed by Vail Associates other than through the operation of the Sinking Fund. In the event that less than all of the Notes offered hereunder are sold the annual sinking fund requirements shall be proportionately reduced.

Subordination

The Notes are subordinate and subject to prior payment in full of all Senior Indebtedness as and to the extent provided in the Indenture. No principal or interest payments may be made on the Notes if there shall exist any default upon Senior Indebtedness and unless all payments then due upon Senior Indebtedness have been made or provided for. Upon any dissolution, winding up, liquidation, reorganization, bankruptcy, insolvency, receivership or other similar proceedings relative to Vail Associates or its property all Senior Indebtedness must be paid in full before the Notes shall be entitled to any payment whatever. The Indenture defines Senior Indebtedness to mean all indebtedness of Vail Associates, other than the Notes issued under the Indenture, including indebtedness to general creditors of Vail Associates whether outstanding on the date of the Indenture or thereafter created or incurred and all removals, extensions and refundings of any such indebtedness, unless the terms of the instrument creating or evidencing the indebtedness provide that it is not superior in right to the payment of the Notes. The Indenture contains no limit as to the maximum principal amount of Senior Indebtedness which may at any time be outstanding.

Restrictions

The Indenture provides that Vail Associates will keep all of its property and equipment in good repair. The Indenture also provides that upon Vail Associates' consolidation or merger, or the sale or transfer of all or substantially all of its property or assets, the obligations of Vail Associates under the Indenture will be expressly assumed by its successor. Vail Associates will not make any distribution to any of its partners on account of his or her interest in the partnership or purchase, redeem or acquire any partnership interest of Vail Associates if upon giving effect thereto the aggregate amount expended for such purposes since December 15, 1962 would exceed the net income of Vail Associates earned subsequent to such date.

Modification of Indenture

Modifications and alterations of the Indenture or supplements thereto may be made with the consent of Vail Associates by the holders of at least 66⅔% in principal amount of the Notes at the time outstanding, provided that no such change will be made which will (1) permit the extension of the time of payment of the principal at maturity of, or the interest or premium on, any Note, or any reduction in such principal or premium or the rate of interest, without the consent of the holder thereof, or (2) reduce the percentage of the Notes required for the approval or consent to effectuate any such alteration or modification.

Events of Default

The Indenture provides that any one or more of the following are events of default: (a) Default for 30 days in payment of interest on any note; (b) Default in the payment of principal or premium of any note; (c) Default for 30 days in the payment of any Sinking Fund obligation; (d) Default for 90 days after notice in the performance of any other covenant in the Indenture; and (e) Certain events of bankruptcy, insolvency or reorganization. If a default shall happen and be continuing, the Trustee may, and upon written request of the holders of at least 25% in principal amount of the notes then outstanding shall, declare the principal of all of the notes then outstanding and the interest accrued thereon to be due and payable immediately, and upon such declaration, the same shall become immediately due and payable. Such declaration may be annulled and past defaults waived by the holders of not less than a majority in aggregate principal amount of the Notes then outstanding, upon the conditions provided in the Note.

The Indenture requires Vail Associates to furnish the Trustee periodically a certificate as to compliance with the terms of the Indenture.

Trustee

Subject to the duty of the Trustee during default to exercise such of the rights and powers invested in it by the Indenture with the same degree of care and skill as a prudent man would exercise or use under the circumstances in the conduct of his own affairs, the Trustees shall perform such duties and only such duties as specifically set forth in the Indenture. A majority of the holders of the Notes at the time outstanding shall have a right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee but the Trustee shall be under no obligation to exercise any such trust or power at the direction of the holders of the Notes unless such holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred thereby.

FREE SKIING PRIVILEGES

Under the provisions of the Partnership Agreement certain free skiing and lift privileges are extended to partners of Vail Associates. Peter W. Seibert, the Original Limited Partners and each Additional Limited Partner, subscribing to a $10,000 Unit, is permitted free skiing and lift privileges for each such partner, his or her spouse and minor children, or, if he or she does not designate his or her spouse and minor children, then for four natural persons, one of whom may be the partner. Each such child's privilege expires when he becomes twenty-one.

A partner who is not a natural person can designate only natural persons.

OPTIONS TO ACQUIRE REAL ESTATE

Each partner who invests or has invested an aggregate of $10,000 in securities of the partnership acquires an option to purchase one residential lot in Vail Village, First Filing, or in such subsequent subdivisions as may be platted by Vail Associates and made expressly subject to acquisition by option, of approximately one-half acre in size at the following prices:

General and Original Limited Partners	$100.00
Additional Limited Partners, Existing Partners	250.00
Partners purchasing Units offered hereunder	500.00

Such options expire on December 31, 1967. A residence must be completed prior to December 31 of the year following the year in which the option is exercised on each lot, except in the case of existing partners who are subject to such a building commitment only if they acquire a lot in Vail Village, First Filing. A person who subscribes to less than a $10,000 Unit acquires a fractional option which may be combined with other fractional options for the purpose of acquiring a lot. No undivided fractional interest in a lot may be acquired through the exercise of a fractional option. Existing partners have exercised options with respect to approximately 68 lots and are constructing or have committed to construct approximately 50 residences thereon by December 31, 1963.

MANAGEMENT

The management of Vail Associates is vested in its General Partners, Peter W. Seibert and The Vail Corporation.

Peter W. Seibert has been president and a director of The Vail Corporation from its organization in December, 1959, to the present. He was the manager and a director of the Loveland Basin Ski Tow Company from 1955 to 1957. He was assistant manager at Aspen Highlands in 1958-59.

Robert W. Parker has been Assistant General Manager of Vail Associates since March 1, 1962. From October, 1956 until March 1, 1962, Mr. Parker was Editor of Skiing Magazine.

Richard H. Bohr was employed as Assistant General Manager—Finance and Administration on June 1, 1963. Mr. Bohr's principal occupation for the preceding five years was Vice President, Administration, and Treasurer, Cleveland Institute of Electronics, Cleveland, Ohio.

The officers and directors of The Vail Corporation and their principal occupations during the past five years are as follows:

Name	Position or Office	Principal Occupation During Past 5 Years
Keith L. Brown	Secretary	Vice President, Caulkins Oil Company, Denver, Colorado
George P. Caulkins, Jr.	Vice President Director	President, Caulkins Oil Company, Denver, Colorado
J. Robert Fowler	Vice President Director	Lawyer, Denver, Colorado
Gerald T. Hart	Director	Real Estate Management, Denver, Colorado
R. M. Hauserman	Director	formerly Vice President, Sales, E. F. Hauserman Company, Cleveland, Ohio
Harley G. Higbie, Jr.	Director	Vice President, Caulkins Oil Company, Denver, Colorado
Fitzhugh Scott	Director	Architect, Milwaukee, Wisconsin
Peter W. Seibert	President Director	General Manager, Vail Associates; President, The Vail Corporation; formerly Assistant Manager, Aspen Highlands
John B. Tweedy	Vice President Treasurer Director	Lawyer, Denver, Colorado; formerly Vice President, Assistant to Chairman, Southern Natural Gas Company, New York, N. Y.

Under the terms of the Bank Loan commitment The First National Bank of Denver, has the right to representation on the Board of The Vail Corporation.

REMUNERATION AND INTEREST OF MANAGEMENT AND OTHERS IN CERTAIN TRANSACTIONS

The aggregate annual remuneration of all directors and officers of Vail Associates as a group is $32,000. None of the officers of registrant received $30,000 in compensation during the past year.

Mr. Seibert currently receives a salary of $12,000 per year. In addition, he is entitled to receive incentive compensation equal to 2½% of the net operating income of the partnership as defined in the Partnership Agreement in excess of $100,000 but in no event shall such incentive compensation exceed $13,000 per year. He has received compensation from The Vail Corporation for services rendered from March 31, 1959, through December 31, 1961, totaling $22,600. He has been paid $18,000 by Vail Associates, Ltd., from January 1, 1962, through June 30, 1963.

Vail Associates has agreed to pay The Vail Corporation a management fee of $1,500 per year, commencing on June 1, 1961, and to reimburse it for expenses incurred by it in the management and operation of the properties of Vail Associates. The total amount of fees paid and expenses reimbursed to The Vail Corporation through June 30, 1963, is $1,500.

John B. Tweedy and J. Robert Fowler received legal fees from The Vail Corporation and Vail Associates, Ltd., from March 1, 1961, through June 30, 1963, totaling $32,789.22.

Caulkins Securities Corporation, of which Keith L. Brown, George P. Caulkins, Jr., and Harley G. Higbie, Jr. are officers, directors and the only stockholders, received $50,000 as a gross commission for its services in the sale of $1,000,000 of Additional Limited Partnership Interests of Vail Associates, out of which it bore all of the expenses connected with such sale. In addition, Caulkins Oil Company, of which George P. Caulkins, Jr. is an officer, director and sole stockholder, has provided Vail Associates with certain management and accounting services and office space and equipment during the construction phase of Vail's operations for a fixed monthly fee of $1,000 per month. These services, space and equipment were made available until office facilities at Vail were ready for occupancy. Caulkins Oil Company has charged Vail Associates for the time devoted by Keith L. Brown and other employees to Vail business. As of June 30, 1963, Vail Associates had incurred costs totaling $16,270 for the use of such space and equipment and for such services. Vail Associates has agreed to pay Caulkins Securities Corporation a commission for its services as underwriter. See heading UNDERWRITING on page 30.

Vail Associates has leased to R. M. Hauserman for a term of 49 years a tract of land containing approximately one-half acre for the purpose of erecting a building to contain a sports and ski shop, an office for Vail Associates and apartments estimated to cost $100,000. The real estate lease provides for a nominal rental for the first three years of operation and thereafter for an annual net rental calculated at 7% of the appraised value of the leased land, exclusive of the improvements. Reappraisal is to take place at 10 year intervals. Appraisal is to be by agreement of the parties, or, in the absence of such agreement, by arbitration.

On September 1, 1962, Vail Associates leased to Fitzhugh Scott, Jr., for a term of 99 years a tract known as Lot 1, Block 6, Vail Village, First Filing, for a nominal net rental of $25.00 per year upon which Mr. Scott erected a two apartment building which was used in part as an office by Vail Associates until permanent offices were completed.

Peter W. Seibert and each of the Original Limited Partners have received options to acquire one residential site on real estate owned by Vail Associates with the rights and privileges and subject to the obligations and restrictions described under the heading OPTIONS TO ACQUIRE REAL ESTATE on page 26.

From March 1, 1961 through June 30, 1963, Vail Associates has paid Fredric A. Benedict $24,758.76 for architectural services rendered in connection with the construction of the lower and Mid-Vail terminal buildings.

John F. McAllister, an Original Limited Partner, is the controlling stockholder of The Fleming Lumber and Mercantile Company, a Colorado corporation, which owns 10.75 acres of land contiguous to a portion of the Hanson Ranch. The value of such tract may be enhanced by the operations of Vail Associates. In connection with its construction program, Vail Associates has leased from The Fleming Lumber and Mercantile Company certain heavy duty earth-moving equipment and has contracted for the use of certain operating personnel and as of June 30, 1963, has paid to The Fleming Lumber and Mercantile Company $48,791.85 therefor.

Harley G. Higbie, Jr., and R. M. Hauserman are General Partners of Lodge Associates. Mr. Higbie's wife, Lorraine N. Higbie, George P. Caulkins, Jr., Cortlandt S. Dietler, John D. Murchison, Fitzhugh Scott, William F. Stevens, and Vernon Taylor, Jr., and The Vail Corporation are limited partners of Lodge Associates. The lease obligation of Vail Associates to Lodge Associates is set forth under the heading Lodging Facilities on pages 12-14 of the Prospectus and in footnote No. 4 to the Financial Statements.

The interests of Peter W. Seibert and each of the Original Limited Partners in the capital of Vail Associates and the cash investment in the partnerrship represented thereby, assuming the sale of all Units offered hereunder, are as follows:

	Total Investment in Vail Associates and its Predecessors		Investment in Vail Associates through Vail Corporation		Investment in Vail Associates other than through Vail Corporation	
	Cash Investment	Percent Ownership in Vail Associates	Cash Investment	Percent Ownership in Vail Associates	Cash Investment	Percent Ownership in Vail Associates
Peter W. Seibert	$ 35,568.19	6.7307	$ 7,976.79(2)	2.7230	$ 27,591.40	4.0077
Fredric A. Benedict	5,359.25(1)	.9615	1,000.00(1)	.3890	4,359.25	.5725
Keith L. Brown	6,430.84	.5770	5,000.00	.3890	1,430.84	.1880
Carver-Dodge Oil Company	9,359.25	.9615	5,000.00	.3890	4,359.25	.5725
George P. Caulkins, Jr.	12,702.93	2.4037	2,848.85(2)	.9725	9,854.08	1.4312
Chenery Corporation	9,359.25	.9615	5,000.00	.3890	4,359.25	.5725
Alvin L. Cohen	3,743.70	.3846	2,000.00	.1556	1,743.70	.2290
John F. Conway, Jr.	12,702.93	2.4037	2,848.85(2)	.9725	9,854.08	1.4312
Saul N. Davidson	3,743.70	.3846	2,000.00	.1556	1,743.70	.2290
Charles E. Dimit	9,359.25	.9615	5,000.00	.3890	4,359.25	.5725
Earl V. Eaton	15,243.51	2.8845	3,418.63(2)	1.1670	11,824.88	1.7175
F. and E., Inc.	9,359.25	.9615	5,000.00	.3890	4,359.25	.5725
J. Robert Fowler	12,702.93	2.4037	2,848.85(2)	.9725	9,854.08	1.4312
Gerald T. Hart	9,359.25	.9615	5,000.00	.3890	4,359.25	.5725
R. M. Hauserman	9,359.25	.9615	5,000.00	.3890	4,359.25	.5725
Harley G. Higbie, Jr.	9,359.25	.9615	5,000.00	.3890	4,359.25	.5725
Vail Enterprises, Inc.	9,359.25	.9615	5,000.00	.3890	4,359.25	.5725
William McBride Love	9,359.25	.9615	5,000.00	.3890	4,359.25	.5725
John F. McAllister	4,679.63	.4807	2,500.00	.1945	2,179.63	.2862
William H. McCluskey	9,359.25	.9615	5,000.00	.3890	4,359.25	.5725
John D. Murchison	9,359.25	.9615	5,000.00	.3890	4,359.25	.5725
The Permian Corporation	9,359.25	.9615	5,000.00	.3890	4,359.25	.5725
William B. Rubey	9,359.25	.9615	5,000.00	.3890	4,359.25	.5725
William F. Stevens	4,679.63	.4807	2,500.00	.1945	2,179.63	.2862
Vernon Taylor, Jr.	9,359.25	.9615	5,000.00	.3890	4,359.25	.5725
John B. Tweedy	12,702.93	2.4037	2,848.85(2)	.9725	9,854.08	1.4312
Ione Uihlein	9,359.25	.9615	5,000.00	.3890	4,359.25	.5725
The Vail Corporation	1,871.85	.1923	1,000.00	.0778	871.85	.1145
William K. Whiteford, Jr.	9,359.25	.9615	5,000.00	.3890	4,359.25	.5725
William C. Winter	2,928.41	.3846			2,928.41	.3846
	$284,808.43	38.4600	$118,790.82	15.5600	$166,017.61	22.9000

Notes: (1) Fredric A. Benedict, one of the Original Limited Partners and promoters of Vail Associates, has performed certain architectural services for The Vail Corporation, for which he received credit totaling $4,000.00 on the purchase price of his stock of The Vail Corporation issued to him

(2) The stock of The Vail Corporation was acquired in exchange for assets with a cash cost to the investor of the amount indicated after his name. The total cost of the assets assigned was $22,790.00.

UNDERWRITING

Vail Associates has entered into an Underwriting Agreement with Caulkins Securities Corporation, a Colorado corporation, (Underwriter), dated May 31, 1963. A copy of the Underwriting Agreement is on file with the Securities and Exchange Commission as an exhibit to the Registration Statement, and the following statements are qualified in their entirety by reference thereto.

Caulkins Securities Corporation is a Colorado corporation, of which Keith L. Brown, George B. Caulkins, Jr., and Harley G. Higbie, Jr., promoters and Original Limited Partners of Vail Associates, are stockholders, officers and directors. It was incorporated on June 13, 1961 for the express purpose of participating in the underwriting of an offering of $1,000,000 in Additional Limited Partnership Interests of Issuer made in 1961. Neither Caulkins Securities Corporation nor any of its employees, officers or directors has had any experience in the securities business, except in underwriting on a best efforts basis the offering of securities of Vail Associates described above. Under the terms of the Underwriting Agreement, Caulkins Securities Corporation has agreed to use its best efforts to sell the securities offered hereunder. For such services, Caulkins Securities Corporation will be paid a commission of five percent (5%) of the gross proceeds of the sale of such securities and will bear the costs incurred in connection with such sales. Vail Associates will bear all costs in connection with the registration of the securities offered hereunder with the Securities and Exchange Commission and with other regulatory agencies. If all the securities being offered hereunder have not been sold at the end of nine months from the effective date of the Prospectus, Vail Associates may terminate the Underwriting Agreement by giving written notice to Caulkins Securities Corporation. Caulkins Securities Corporation shall be entitled to commissions on all sales made prior to termination.

TAX STATUS OF PARTNERSHIP

Vail Associates has consulted the law firm of Haskell, Helmick, Carpenter & Evans, Denver Club Building, Denver, Colorado, regarding the status of the partnership for Federal income tax purposes. That firm has advised that in its opinion Vail Associates will be treated as a partnership for Federal income tax purposes.

The significance of according to Vail Associates treatment as a partnership rather than as a corporation for Federal income tax purposes is that it will not be a tax paying entity. Although it will be required to file a partnership return for Federal income tax purposes, it will not be required to pay any tax as a result of such income. Instead the income or loss and other items of credit, gain, expenses or deductions will be allocated to the partners in the manner set forth in the Partnership Agreement. This will result in apportioning to each partner his pro rata share of partnership profit or loss.

If all profits are retained in the business to finance expansion, the partners will be required to report their pro rata share of such profits as taxable income without any offsetting cash payment to them from the partnership.

LEGAL MATTERS

The legality of the 6% Subordinated Notes and the Limited Partnership Interests to be offered and other matters relating to the applicability of the Securities Act of 1933, as amended, and various state securities laws in connection with this offering, have been passed upon by Messrs. John B. Tweedy and J. Robert Fowler, both attorneys at law, with offices at 1700 Broadway, Denver 2, Colorado.

EXPERTS

The financial statements and notes thereto, insofar as they relate to the period reported on by Arthur Andersen & Co., included herein have been examined by Arthur Andersen & Co., as set forth in their opinion appearing herein, and the same have been made a part of the Registration Statement and this Prospectus in reliance upon the authority of that firm as experts in giving such opinion.

AUDITORS' OPINION

We have examined the balance sheet of VAIL ASSOCIATES, LTD. (a limited partnership) as of March 31, 1963, and the related statements of operations (included on page 6 of this Prospectus) for the period December 15, 1962 (commencement of lodge and lift operations) through March 31, 1963, and partners' capital for the period from inception (December 20, 1961) through March 31, 1963. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statements of operations (referred to above) and partners' capital present fairly the financial position of Vail Associates, Ltd. as of March 31, 1963, and the results of operations and changes in partners' capital for the periods ended that date, in conformity with generally accepted accounting principles applied on a consistent basis.

Denver, Colorado
April 18, 1963.

ARTHUR ANDERSEN & CO.

VAIL ASSOCIATES, LTD.

(A Limited Partnership)

BALANCE SHEETS — JUNE 30, 1963 AND MARCH 31, 1963

ASSETS	June 30, 1963 (Not Audited)	March 31, 1963 (Audited)
CURRENT ASSETS:		
Cash	$ 44,327	$ 107,032
Accounts receivable, trade, less $1,000 reserve for doubtful accounts (Note 7)	87,617	129,510
Food and beverage inventories, at cost	6,493	14,219
Prepayments	26,455	33,617
Total current assets	$ 164,892	$ 284,378
INVESTMENTS AND ADVANCES, at cost:		
Advance to Lodge Associates, Ltd. (Note 4)	$ 64,700	$ 64,700
Limited partner interest in Vail Village Inn, Ltd.	22,222	22,222
	$ 86,922	$ 86,922
PROPERTY AND EQUIPMENT (Notes 2 and 3)		
(Schedules A and A-1), at cost:		
Land and land development (Note 5)	$ 210,381	$ 214,104
U. S. Forest Service Use Permit and related improvements	41,868	41,454
Ski lifts	939,644	939,294
Buildings and terminals	366,288	365,238
Furniture, fixtures and equipment	304,430	298,830
Trails and slopes	110,355	110,355
Vehicles	46,584	46,584
Construction-in-progress	12,423	—
Other property and equipment	11,222	11,155
	$2,043,195	$2,027,014
Reserves for investment credit allowable as a reduction in partners' income taxes and for depreciation and amortization	(178,658)	(147,386)
	$1,864,537	$1,879,628
OTHER ASSETS:		
Deferred costs (Note 3)—		
Development and administrative costs prior to lodge and lift operations (Schedule B and B-1)	$ 244,389	$ 256,313
Prepaid interest and other debt expense	22,213	26,276
Organization expense	17,033	17,896
Notes receivable, due after one year	6,500	6,500
	$ 290,135	$ 306,985
	$2,406,486	$2,557,913

The notes to financial statements are an integral part hereof.

VAIL ASSOCIATES, LTD.

(A Limited Partnership)

BALANCE SHEETS — JUNE 30, 1963 AND MARCH 31, 1963

LIABILITIES	June 30, 1963 (Not Audited)	March 31, 1963 (Audited)
CURRENT LIABILITIES:		
6% note payable to certain partners, unsecured	$ 500,000	$ 386,000
Amounts due within one year on long-term debt	213,340	163,488
Accounts payable	111,102	190,345
Accrued liabilities	23,086	53,840
Total current liabilities	$ 847,528	$ 793,673
LONG-TERM DEBT, net of amounts due within one year (Note 2):		
Bank mortgage loan with participation from the Small Business Administration	$ 306,245	$ 346,841
Equipment lease and chattel mortgage notes	203,722	214,764
Other notes payable	80,886	88,252
	$ 590,853	$ 649,857
COMMITMENTS (Note 4)		
PARTNERS' CAPITAL:		
General partners	$ 246,229	$ 273,227
Original limited partners	237,823	263,889
Additional limited partners	484,053	577,267
	$ 968,105	$1,114,383
	$2,406,486	$2,557,913

The notes to financial statements are an integral part hereof.

VAIL ASSOCIATES, LTD.

(A Limited Partnership)

SCHEDULE OF PROPERTY AND EQUIPMENT AND APPLICABLE RESERVES FOR DEPRECIATION AND AMORTIZATION FOR THE PERIODS INDICATED

	Property and Equipment—at Cost (Note 1)					
		Five Months Ended March 31, 1963				
	Balance March 31, 1963	Additions	Retirements or Sales	Transfers	December 20, 1961 through October 31, 1962 Additions	Inception of Predecessors to December 20, 1961 Additions
ADDITIONS:						
Land and land development	$ 214,104	$ 19,269	$(20,102)	$ 72,067	$ 8,101	$134,769
U. S. Forest Service Use Permit and related improvements	41,454	—	—	37,888	—	3,566
Ski lifts	939,294	156,137	—	—	739,006	44,151
Buildings and terminals	365,238	122,363	—	8,592	217,557	16,726
Furniture, fixtures and equipment	298,830	287,602	—	—	9,458	1,770
Trails and slopes	110,355	2,470	—	—	107,567	318
Roads and parking	—	31,509	—	(109,955)	77,704	742
Vehicles	46,584	1,577	—	—	34,700	10,307
Other property and equipment	11,155	6,879	—	(8,592)	5,230	7,638
	$2,027,014	$627,806	$(20,102)	$ —	$1,199,323	$219,987
BEGINNING BALANCE					219,987	—
ENDING BALANCE					$1,419,310	$219,987

VAIL ASSOCIATES, LTD.

(A Limited Partnership)

SCHEDULE OF PROPERTY AND EQUIPMENT AND APPLICABLE RESERVES FOR DEPRECIATION AND AMORTIZATION FOR THE PERIODS INDICATED

		Additions to Reserves for Investment Credit and for Depreciation and Amortization					
		Five Months Ended March 31, 1963			December 20, 1961 through October 31, 1962		Inception of Predecessors to December 20, 1961
	Balance March 31, 1963	Charged to Profit and Loss	Charged to Deferred Costs	Charged to Partners' Capital Accounts (1)	Charged to Unrecovered Costs	Charged to Partners' Capital Accounts (1)	Charged to Unrecovered Costs
ADDITIONS:							
Land and land development	$ —	$ —	$ —	$ —	$ —	$ —	$ —
U. S. Forest Service Use Permit and related improvements	454	454	—	—	—	—	—
Ski lifts	83,584	17,833	—	65,751	—	—	—
Buildings and terminals	8,712	5,776	71	—	1,944	—	921
Furniture, fixtures and equipment	31,335	6,801	253	21,849	1,255	712	465
Trails and slopes	1,073	1,073	—	—	—	—	—
Roads and parking	—	—	—	—	—	—	—
Vehicles	19,363	4,660	3,320	—	8,332	418	2,633
Other property and equipment	2,865	863	—	—	699	—	1,303
	$147,386	$37,460	$3,644	$87,600	$12,230	$1,130	$5,322
BEGINNING BALANCE					6,452	5,322	—
ENDING BALANCE					$18,682	$6,452	$5,322

(1) Amounts represent Federal income tax investment credit applicable to current period's additions of equipment.

VAIL ASSOCIATES, LTD.

(A Limited Partnership)

SCHEDULE OF PROPERTY AND EQUIPMENT AND APPLICABLE RESERVES FOR DEPRECIATION AND AMORTIZATION FOR THE THREE MONTHS ENDED JUNE 30, 1963

(Not audited)

	Property and Equipment—at Cost (Note 1)				Additions to Reserves for Investment Credit and for Depreciation and Amortization				
		3 Months Ended June 30, 1963				3 Months Ended June 30, 1963			
	Balance June 30, 1963	Additions	Retirements or Sales	Balance March 31, 1963	Balance June 30, 1963	Charged to Profit and Loss	Charged to Deferred Cost	Charged to Partners' Capital Accounts (1)	Balance March 31, 1963
ADDITIONS:									
Land and land development	$ 210,381	$ 931	$(4,654)	$ 214,104	$ —	$ —	$ —	$ —	$ —
U. S. Forest Service Use Permit and related improvements	41,868	414	—	41,454	633	179	—	—	454
Ski lifts	939,644	350	—	939,294	98,893	15,285	—	24	83,584
Buildings and terminals	366,288	1,050	—	365,238	12,895	4,010	173	—	8,712
Furniture, fixtures and equipment	304,430	5,600	—	298,830	38,140	6,757	(88)	136	31,335
Trails and slopes	110,355	—	—	110,355	2,204	1,131	—	—	1,073
Vehicles	46,584	—	—	46,584	22,112	4,077	(1,328)	—	19,363
Construction-in-progress	12,423	12,423	—	—	—	—	—	—	—
Other property and equipment	11,222	67	—	11,155	3,781	739	177	—	2,865
	$2,043,195	$20,835	$(4,654)	$2,027,014	$178,658	$32,178	$(1,066)	$160	$147,386

(1) Amounts represent Federal income tax investment credit applicable to current period's addition of equipment.

Schedule B

VAIL ASSOCIATES, LTD.

(A Limited Partnership)

SCHEDULE OF DEFERRED DEVELOPMENT AND ADMINISTRATIVE COSTS FOR THE PERIODS INDICATED (NOTE 1)

		Transactions		
	Balance March 31, 1963	November 1, 1962 Through December 15, 1962	December 20, 1961 Through October 31, 1962	Inception of Predecessors to December 20, 1961
ADDITIONS:				
General and administrative costs—				
Salaries	$ 75,354	$ 28,327	$ 30,834	$16,193
Advertising, travel and promotion	53,496	18,143	29,078	6,275
Legal and accounting services	49,834	19,911	19,483	10,440
Telephone and telegraph	8,366	—	6,554	1,812
Taxes and insurance	7,656	—	5,971	1,685
Office supplies and expenses	7,879	—	4,917	2,962
Rent and utilities	6,247	—	4,787	1,460
Consulting fees	10,219	—	2,098	8,121
Other	14,677	4,746	3,231	6,700
	$233,728	$ 71,127	$106,953	$55,648
Losses on camp operations	$ 17,611	$ 6,098	$ 11,513	$ —
Maintenance of facilities prior to operations—				
Trails and slopes	$ 6,650	$ 1,000	$ 5,650	$ —
Ski lifts and terminals	5,430	2,158	3,272	—
Other	2,280	55	2,225	—
	$ 14,360	$ 3,213	$ 11,147	$ —
Depreciation	$ 21,196	$ 3,644	$ 12,230	$ 5,322
Interest	$ 5,960	$ 1,342	$ 4,618	$ —
	$292,855	$ 85,424	$146,461	$60,970
LESS:				
Profit on sales of real estate	$ 5,738	$ (7,764)	$ 13,502	$ —
Interest on U. S. Treasury bills	6,381	—	6,381	—
Other income	8,858	5,200	3,658	—
	$ 20,977	$ (2,564)	$ 23,541	$ —
	$271,878	$ 87,988	$122,920	$60,970
AMORTIZATION	(15,565)	—	—	—
BEGINNING BALANCE	—	183,890	60,970	—
ENDING BALANCE	$256,313	$271,878	$183,890	$60,970

SCHEDULE B-1

VAIL ASSOCIATES, LTD.

(A Limited Partnership)

SCHEDULE OF DEFERRED DEVELOPMENT AND ADMINISTRATIVE COSTS FOR THE THREE MONTHS ENDED JUNE 30, 1963

(Not audited)

	Balance June 30, 1963	Transactions March 31, 1963 through June 30, 1963	Balance March 31, 1963
ADDITIONS:			
General and administrative costs—			
Salaries	$ 75,354	$ —	$ 75,354
Advertising, travel and promotion	53,496	—	53,496
Legal and accounting services	49,834	—	49,834
Telephone and telegraph	8,366	—	8,366
Taxes and insurance	7,656	—	7,656
Office supplies and expense	7,879	—	7,879
Rent and utilities	6,247	—	6,247
Consulting fees	10,219	—	10,219
Other	15,020	343	14,677
	$234,071	$ 343	$233,728
Losses on camp operations	$ 17,611	$ —	$ 17,611
Maintenance of facilities prior to operations—			
Trails and slopes	$ 6,650	$ —	$ 6,650
Ski lifts and terminals	5,430	—	5,430
Other	2,280	—	2,280
	$ 14,360	$ —	$ 14,360
Depreciation	$ 20,130	$ (1,066)	$ 21,196
Interest	$ 8,724	$ 2,764	$ 5,960
	$294,896	$ 2,041	$292,855
LESS:			
Profit on sales of real estate	$ 5,738	$ —	$ 5,738
Interest on U.S. Treasury bills	6,381	—	6,381
Other income	8,858	—	8,858
	$ 20,977	$ —	$ 20,977
	$273,919	$ 2,041	$271,878
AMORTIZATION	(29,530)	(13,965)	(15,565)
BEGINNING BALANCE	—	256,313	—
ENDING BALANCE	$244,389	$244,389	$256,313

VAIL ASSOCIATES, LTD.

(A Limited Partnership)

STATEMENT OF PARTNERS' CAPITAL (NOTE 6)

INCEPTION (DECEMBER 20, 1961) THROUGH JUNE 30, 1963

	Total	General Partners	Original Limited Partners	Additional Limited Partners
BEGINNING CAPITAL, cash, property and unrecovered costs paid in by the partners (Note 1)	$1,279,847	$142,357	$137,490	$1,000,000
ADJUSTMENT of capital accounts to percentages specified in partnership agreement	—	134,860	130,253	(265,113)
CHARGES TO CAPITAL:				
Underwriting fees	(50,000)	(10,830)	(10,460)	(28,710)
Registration expenses	(21,300)	(4,615)	(4,455)	(12,230)
CAPITAL BEFORE INVESTMENT CREDIT:				
Amount	$1,208,547	$261,772	$252,828	$ 693,947
Percent	100%	21.66%	20.92%	57.42%
INVESTMENT CREDIT allowable as a reduction in 1962 Federal income taxes	(1,130)	—	—	(1,130)
PARTNERS' CAPITAL, October 31, 1962	$1,207,417	$261,772	$252,828	$ 692,817
INVESTMENT CREDIT allowable as a reduction in 1963 Federal income taxes	(87,600)	—	—	(87,600)
NET (LOSS) for the period December 15, 1962 through March 31, 1963	(5,434)	11,455	11,061	(27,950)
PARTNERS' CAPITAL, March 31, 1963	$1,114,383	$273,227	$263,889	$ 577,267
INVESTMENT CREDIT allowable as a reduction in 1963 Federal income taxes (not audited)	(160)	—	—	(160)
NET (LOSS) for the three months ended June 30, 1963 (not audited)	(146,118)	(26,998)	(26,066)	(93,054)
PARTNERS' CAPITAL, June 30, 1963 (not audited)	$ 968,105	$246,229	$237,823	$ 484,053

The notes to financial statements are an integral part hereof.

VAIL ASSOCIATES, LTD.

(A Limited Partnership)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1963, AND MARCH 31, 1963

(1) ORGANIZATION OF THE PARTNERSHIP AND ACTIVITIES PRIOR TO COMMENCEMENT OF LIFT AND LODGE OPERATIONS

Effective December 20, 1961, Vail Associates, Ltd. was formed by the contributions to capital of cash, property and deferred costs paid in by the partners. The contributions of property and deferred costs by the general and original limited partners were recorded at original cash costs to such partners, except for $4,000 in architectural services rendered by an original limited partner recorded at the issue price (represented by the per share cash consideration paid for stock by other shareholders) of stock in The Vail Corporation (a general partner) issued in payment for such services.

Development and administrative costs incurred prior to the commencement of lift and lodge operations on December 15, 1962, have been deferred for amortization over the first 60 months of operations.

(2) LONG-TERM DEBT

Long-term debt at June 30, 1963, and March 31, 1963, is summarized as follows:

	June 30, 1963 (Not Audited)		March 31, 1963	
	Current	Long-Term	Current	Long-Term
a. Ten year bank mortgage loan due in 1972, with participation by the Small Business Administration; secured by all real estate and improvements (including property subsequently acquired), subject to prior claims summarized in item c. below; effective interest rate of 5.65%; payable in semiannual installments, totaling $60,000 per year for the first five years and $40,000 per year thereafter. The loan requires the application of 75% of the proceeds from real estate sales to its prepayment	$151,787	$306,245	$111,788	$346,841
b. Equipment lease and chattel mortgage notes on furniture, fixtures and equipment—				
1. Note payable due in 1968; monthly installments including interest of $2,496; effective interest rate 11%	$ 29,952	$107,328	$ 29,952	$114,816
2. Lease purchase obligations; monthly installments of $981 until January 1, 1964, and $2,718 thereafter; effective interest rate and carrying charges 14%	4,603	93,521	—	98,124
3. Installment note payable due in 1965; monthly installments including interest of $191; effective interest rate 11%	2,292	1,353	1,813	1,824
4. Installment note payable due in 1963; monthly installments including interest of $958; effective interest rate 11%	2,874	—	—	—
5. Installment note payable due in 1966; monthly installments including interest of $80; effective interest rate 11%	960	1,520	—	—
	$ 40,681	$203,722	$ 31,765	$214,764

	June 30, 1963 (Not Audited)		March 31, 1963	
	Current	Long-Term	Current	Long-Term
c. Other notes payable—				
1. 6% mortgage payable; secured by a first deed of trust on approximately 500 acres of undeveloped land; annual installments of $6,500	$ 6,500	$ 39,000	$ 6,500	$ 39,000
2. 7% note payable unsecured; semiannual installments of $6,250	12,500	31,250	12,500	37,500
3. 7% mortgage payable due in 1974; secured by a first deed of trust on the barracks building; monthly installments of $156	1,872	10,636	935	11,752
	$ 20,872	$ 80,886	$ 19,935	$ 88,252
	$213,340		$163,488	

The terms of the SBA participation bank loan require prior approval for annual fixed asset acquisitions in excess of $30,000.

Aggregate principal payments due on long-term debt are:

Four months ending October 31, 1963	$ 12,653
Year ending October 31, 1964	221,022
Year ending October 31, 1965	135,323
Year ending October 31, 1966	137,583
Year ending October 31, 1967	132,016
Year ending October 31, 1968	83,870

(3) CAPITALIZATION, DEPRECIATION AND AMORTIZATION POLICIES

Depreciation and amortization of property and equipment are provided on a straight line basis, except for certain vehicles and other equipment on an accelerated basis. Estimated lives are as follows:

U. S. Forest Service use permit	30 years
Ski lifts—	
Gondola	15 years
All other	10 years
Buildings and terminals (main)	20 years
Accessory buildings	10-29 years
Furniture, fixtures and equipment	3-10 years
Trails and slopes	30 years
Roads	30 years
Vehicles	3-5 years
Other property and equipment	2-5 years

Depreciation will be determined on an accelerated basis for tax purposes.

Amortization of deferred costs is provided as follows:

Deferred development and administrative costs	60 months
Prepaid interest and other debt expense	Terms of loans
Organization expense	60 months

Deferred development and administrative costs are deducted for tax purposes as incurred.

Maintenance and repairs are charged to expense as incurred. Renewals and betterments are capitalized. The cost of a unit of property retired will be removed from the property account, the depreciation previously provided will be removed from the reserve account and the resulting profit or loss will be treated as income or expense.

(4) LODGE ASSOCIATES, LTD.

Vail Associates, Ltd., expects to invest approximately $153,000 in Lodge Associates, Ltd., from whom the Partnership leases The Lodge at Vail. The unsecured $64,700 temporary cash advance to Lodge Associates, Ltd., would be repaid from the proceeds from such investment.

Under the terms of the 25 year lease with Lodge Associates, Ltd., the Partnership has provided furnishings and equipment for The Lodge and is to pay annual rental of 10% of the cost of The Lodge (approximating $8,000 monthly) plus various percentages of gross revenues from Lodge operations in excess of stipulated amounts.

Should revenues be insufficient to cover defined expenses and interest on working capital, Vail Associates, Ltd., may purchase The Lodge from Lodge Associates, Ltd., at cost.

(5) LAND AND LOT PURCHASE OPTIONS

Two ranch properties comprising 1,000 acres of land were acquired from the general and original limited partners at inception and were recorded at original cash cost. Pursuant to options granted to partners which expire on December 31, 1967, approximately 15 acres (in ½ acre lots) have been sold to partners and another 50 acres were subject to option as of June 30, 1963.

Option prices were:

General partner and original limited partners	$100 per lot
Additional limited partners	250 per lot

(6) PARTNERS' SHARING OF INCOME, EXPENSE AND CASH

Under the terms of the limited partnership agreement 50% of income, expenses and available cash is allocated to the additional limited partners and 50% is allocated to the general and original limited partners, except for the following which applied only until the aggregate capital accounts of the respective partner groups were equalized:

a. Expenses of a noncapital nature incurred prior to the commencement of lift operations were allocated entirely to the additional limited partners.

b. Depreciation and the investment tax credit were allocated entirely to the additional limited partners.

c. Available cash is distributed entirely to the additional limited partners, except for distribution to The Vail Corporation of sufficient cash to pay its Federal and state income taxes.

(7) SUPPLEMENTARY EXPENSE INFORMATION

Supplementary information with respect to certain expenses is summarized below:

	3 Months Ended June 30, 1963 and Charged to Operating Expenses (Not Audited)	5 Months Ended March 31, 1963			
		Incurred after 12/15/62 and Charged to			
		Land and Land Development	Operating Expenses	Incurred Prior to 12/15/62 and Charged to Deferred Costs	Total
Maintenance and repairs	$ 2,857	$ —	$30,822	$3,213	$34,035
Depreciation and amortization of property and equipment	32,178	—	37,460	3,644	41,104
Property taxes	3,720	—	3,725	—	3,725
Rent	22,500	—	26,250	—	26,250
Management and service contract fees	1,770	3,120	—	8,400	11,520

The amounts and dispositions of payroll taxes are not practicable to segregate from related payroll expenses.

A reserve for doubtful accounts was established at March 31, 1963, with a charge to expense of $1,000. There has been no other activity in this reserve account.

(8) SALE OF SUBORDINATED NOTES AND ADDITIONAL LIMITED PARTNER INTERESTS

Under the terms of this Prospectus and Registration Statement, the Partnership proposes to sell $600,000 in 6% subordinated notes due November 1, 1973, and $600,000 in additional limited partner interests. The proceeds from this offering are to be used for repayment of current debt to partners, investment in Lodge Associates, Ltd., acquisition of land, capital improvements and working capital.

Sinking fund requirements on the 6% subordinated notes for the five years subsequent to October 31, 1963, will be as follows:

November 1	
1964	None
1965	None
1966	$25,000
1967	$50,000
1968	$50,000

Vail associates, ltd., vail, colorado

January 20, 1964.

To each Limited Partner:

If you have not had an opportunity to visit Vail since the start of the winter season, I would like to try to bring you up to date with the current operations.

A number of new additions have been made and business is generally well ahead of last year at this time. In the new Plaza Building near the lower terminal of the Gondola, you will find two new shops, the Vail branch of Aspen's well known Tom Thumb shop and Books 'n Things, a shop that handles some very beautiful greeting cards, candies and an excellent selection of books. La Cave, the unique and exciting new nightspot, is open for lunch, "thé dansant" and in the evening for drinks, dinner and dancing.

The new Vail offices are located in the same building next to Vail Blanche. The Sports Desk (where you may get your partners' passes and make arrangements for your ski lessons) as well as the Post Office, is in the same location as last year, while the regular ticket office has been moved to the circle next to the Gondola Shop. Arrangements may be made through the Sports Desk for rides on the sleigh that travels in and around the village. This same sleigh is available for night time parties and rides.

The Lodge is very pleased with their new Chef and hopes you will plan to have dinner in the dining room during your stay. The Cafeteria has been redecorated and is now a most attractive place for breakfast, lunch and dinner for the entire family.

The Ski School is off to a flying start this year and should be successful in helping a number of people to learn the new American Technique. Present gross is better than 50% of the total ski school income for last season. For the youngsters who have not had enough exercise on the mountain, there is a small lighted skating rink in the Plaza next to The Lodge and for the rest of us who are willing to call it a day, the sauna operates from 5 - 7 p.m. in The Lodge every day.

Dr. James Garrick, who is on leave of absence from the Mayo Clinic, is in charge of the Vail Clinic for this winter season. As was the case last year, they will be able to examine, X-ray and cast minor fractures and diagnose and take care of most injuries and illnesses. Patients requiring further care may be taken by ambulance to the new hospital in Glenwood Springs.

The business in The Lodge is substantially ahead of last year and the mountain operation is running 2-3 times ahead in volume and approximately four times ahead in dollar volume, due to a lift rate increase this season. While business has slowed down somewhat in January, we have still been able to keep a reasonable occupancy rate, thanks to the efforts of the Marketing Department who scheduled events for the first two weekends of this month. The first and most successful was the ABC Television coverage of the North American Professional Championships on January 11 and 12. This event was taped and will be shown on "Wide World of Sports" on Saturday afternoon January 25, 1964 (check your local paper for the exact time).

The opening part of the program will include scenes of the village, some of Vail's beautiful homes, and panoramas of Vail Valley. Saturday's race - a Dual Slalom - will show two racers side by side as they manoeuver through the tricky slalom gates. Sunday's race - the Controlled Downhill, should include some spectacular scenes in mid-air over the Giant Steps as the racers occasionally leave the ground during the downhill. The finish line for both races was at the base of Adios, near the Gondola Terminal.

One of the features that will make this show stand out among other televised sports events: an exciting sound pickup, which captured such sounds as the racer's breathing, his comments at the start, the flutter of skis on the packed powder sections of the course, and the harsh scrape of ski edges on the steep, icy final schuss.

This is the second professional ski event to be nationally televised (the first this year). The ABC-TV staff who did the show and have previewed the tapes, predict that this will be one of the most exciting ever produced and should receive high ratings in the television industry.

This past weekend, the 1st annual Vets Homecoming Race was held on the village slopes, thanks to the efforts of our Denver partner Ross Davis, and Bob Parker. There were about 50 contestants from all parts of the state and from indications, this could turn out to be a lively annual event.

The Lodge is pretty well booked for the balance of the season with the exception of the following dates: the weeks starting January 26 and February 2 and on the dates March 9, 10 and 11 we have 10 rooms available, 15 rooms available on March 16 and 17 and one suite open from the 16 - 26 March. March 29 to closing on April 12, reservations are light.

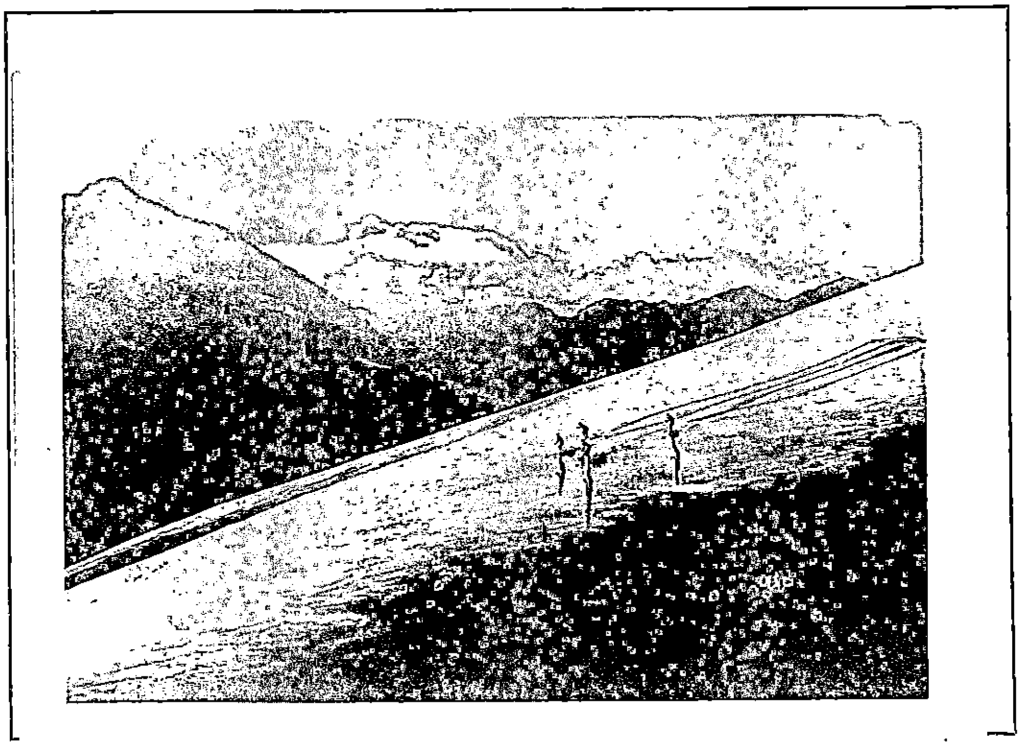
The Vail Village Inn indicates that they have approximately the same openings and Rod Slifer tells us that while the houses he rents are booked in March, he has a number of vacancies in February.

Present skiing conditions are very good and with normal snowfall, we should have an excellent season. We hope that many of you will be able to find time to come and ski with us.

Sincerely,

Peter W. Seibert
General Manager

PWS:dm



file

Bringing you
many happy wishes
of the
New Year

File

VAIL ASSOCIATES, LTD.

BRENTWOOD
SAVINGS AND LOAN ASSOCIATION
ESTABLISHED 1924

June 9, 1964

Mr. Kennard P. Perry
Bishop-Perry & Co.
1751 California Street
Denver, Colorado 80202

Dear Mr. Perry:

<u>Lot 32, Block 7, Vail Village, First Filing</u>

The above lot is filed in my name. It appears our group will be unable to exercise its option this year and, therefore, requests that this lot be released.

Very truly yours,

cc: Mr. George W. Bush
Mr. John E. Caulkins
Mr. John Dorgan

EXECUTIVE OFFICES: 12001 SAN VICENTE BLVD. · LOS ANGELES, CALIFORNIA 90049 · PHONES: 476-2201 · 879-0970

June 9, 1964

Mr. David C. Grimes
c/o Brentwood Savings and Loan Association
12001 San Vicente Boulevard
Los Angeles 49, California

Dear Dave:

As you pointed out in your letter of April 29, our Vail combine seems to have spread in as many directions as it is possible to spread.

George Caulkins seems to be advising us to release our option on lot No. 32 unless we know for sure that we will be undertaking construction this year. Frankly, at this stage George's suggestion looks like a good one to me, unless we have a concrete program to develop our lot this year. Whereas I would be willing to go along with the majority's desire on development of lot No. 32 or any other suitable lot, I do not feel I should urge that we plunge ahead since I still have not seen Vail nor do I know precisely how the Dorgans might be able to use whatever facilities we might jointly finance and construct at Vail. In other words Dave, I do not wish to hold you back, but, on the other hand, I do not wish to prod you into action either.

I'm very impressed with the fact that you are now El Presidente! If you are ever in New York seeking Eastern deposits or cheap Eastern money, I hope you will give me a ring. Similarly, I hope some day to give you a call in Los Angeles.

With best wishes.

Sincerely,

Jack

JJD:cw
cc: Mr. George W. Bush
Mr. George P. Caulkins, Jr.

Wonderful news about the beating you gave Cox! On to Yarborough!
J-

LA CAVE CHRONICLE

Elfrida's Mumblings:

The most interesting and exciting event of the last few weeks was the breakdown of the #2 chairlift. This caused many skiers to be stranded for an hour or so sitting on the chair. These lucky people not only had an unsurpassed view of the Gore Range, but also a completely free ride in a basket down a rope. Their happy smiling blue faces told the story of their enjoyable experience, when they finally reached terra firma. "I've always wanted to be suspended 150 ft. on a rope!" exclaimed Ada Snooks, a housewife from Sioux City, Iowa. Many visitors expressed similar feelings, including one from Austria, whose telling comment was "..**?!**!"

However, all the fun was not over for the fortunate visitors to Vail. The next day they were able to enjoy the healthy walk from Mid Vail to the top of the mountain, carrying their own skis, admiring the members of the ski patrol in their bright red jackets speeding past them in their snow cats.

Residents in the Vail Snails Condominium noted with interest that the building had moved another 6 inches towards Gore Creek. If this amazing rate of progress continues, the building should be partly submerged by June, thus allowing the residents to enjoy fishing and swimming from their apartment windows.

While on the subject of water, Mr. Art Belgium and his gallant crew of water diviners have had to admit failure to find water and have abandoned their excavation hole 3 ft. from the Gore Creek..... Their next job is to check on the gas and water pipes, which were found to be standing 5 ft. above the recently lowered Row House road.

A recent visitor to Vail, Mr. Cecil Powder of Fort Smith, Arkansas, had a unique experience in the back bowls ... he was caught in an avalanche! He was promptly named "Skier of the Week" and presented with a souvenir album of photographs taken on the spot by Don Cashew, to remind him of the happy occasion.

Mid Vail has been in the news recently... a tantalizing odour has been greeting skiers as they lunch outdoors or schuss down the mountain. At first it was thought to come from the Mid Vail gourmet kitchens, but later investigation by Earl Harrow and his men tracked the source to an underground tank.....

That well-known man-about-town, William Whitefish, has big plans for an ice bar at Mid Vail. Together with his friend, playboy of the Western slopes, Kurt Krumpholder, he has started an operation serving stew and Swedish crepes suzette. This has caused great consternation amongst the Big Brothers, but jovial Pete Seeburg told William: "You can continue this operation provided you do no trade and make no money. If you start to attract people and make money, we will be forced to take over. And the best of Chinese luck to you, William!!"

A most amusing impromptu party was given by the Hughfitz Stocks at 5 a.m. the other morning in their beautiful new home. Guests were asked to "Come as you are and bring your own fire extinguisher". Everyone responded with great enthusiasm, including Ked Tindel, who squirted his fire extinguisher in Maurice Shep's face. Maurice gave him a friendly rap in the mouth (a trick learned at the Deli), and smilingly told him that the fire was in the next room. Everyone agreed it would be shame to risk harming the new fire engine by bringing it out of the shed, which turned out to be locked up tight. All concerned agreed the party was a great success, and plans were hatched to have a similar one in Dub Bogglesby's Number 13, as soon as it caught fire or the pipes burst yet again.

Manny Killer was feted at a very original bachelor party just before his wedding. Hosting the party was suave Michael Spillane, who had arranged for a most attractive young lady to come up from Denver to entertain his guests, and from all accounts, this was the party of the year. Manny tells me that he has a few interesting negatives taken at the party, that he is sure some of the guests would like to buy from him.

* * *

VILLAGE VIGNETTES

Vol. I, No. 3 March 12, 1964

A HINT OF THINGS TO COME

A measure of Vail's acceptance in the ski world is the constant stream of important ski industry people who stop at Vail. Those who were recently here include Hal Morse, Adv. Mgr. of SKI magazine; Bob Schneider, from SKI FARING magazine; Red Weiss, from the B. H. Weiss ski glove manufacturing company; John, Verone and Wendy Woodward, Sales Manager of A&T; and veteran ski reps Barney McLain and Goody Goodman.

Warren Miller and Dotty are the first skiers on the gondola each morning in the quest for more and better pictures for next year's movie. With the return of John Jay in March, all of the major ski photographers will have been here this year, including Dick Barrymore, Jim Farnsworth, and Hans Gmoser.

Ski writers visiting this year include Mike Erickson of THE LOS ANGELES TIMES, genial Alex Katz of the CHICAGO SUN TIMES, who liked it so well during his brief January visit that he is returning in March with Mrs. Katz. Another is Jim Tomazin of the CHICAGO AMERICAN, who also plans to return for a second visit in March.

Other March visitors include a large group from White Stag, doing a series of publicity, advertising, and catalog photos as well as filming TV commercials with the help of Warren Miller. McGregor sportswear has also been taking a series of advertising photos featuring Vail, with the assistance of Merrill Hastings, publisher of SKIING magazine.

(Cont'd, 1st column, Page 2)

BRIGHT AND SHINY FACES

New faces are always a welcome addition to the community at Vail. Included among the newest are:

WARREN PULIS and his family. Warren will offer a number of design services not usually available in a small community. In addition to designing brochures, folders, letterheads, and direct mail pieces, he will prepare posters and exhibits. Another service will be the production of advertisements and their placement in newspapers and magazines.

Warren has been in Colorado about 20 years, receiving a Bachelor of Fine Arts in Advertising Design from the Univ. of Denver. Much of his experience has been obtained while with the Univ. of Wyoming and Washington State as a Staff Artist and as a Visual Communications Specialist.

BARNEY BREWER is the new food and beverage manager at the Vail Village Inn. Well known at Breckenridge, where he owned the Barney Bar & Hotelery, he has already proved himself at the Inn. Among his future plans is the possibility he will start a new business at Vail.

JOE STAUFER, the food and beverage manager at The Lodge, rejoins us after spending the fall months at Palm Springs.

(Cont'd. 2nd column, Pg.2)

A HINT OF THINGS TO C ME (Cont'd)

HOLIDAY magazine's Slim Aarons is preparing a story for next fall devoted to the gay apres=ski life at Vail. HARPER'S BAZAAR is also working on an article, and LIFE is sending one of their top photographers next week.

SPORTS ILLUSTRATED writers will arrive next week, also. The trade magazine, HOSPITALITY, has already prepared a major article and cover photo featuring Vail for next fall.

Bill Stratton, who wrote the TV commercial for Kellogg's featuring "Tony the Tiger" at Vail, is returning soon, having recovered from a broken leg in December. He tells us the commercial will be shown sometime this month, and all next year.

On hand this week are representatives from Barwick Mills rug manufacturers, who are going to do one of their famous on-location ads featuring pretty girls, a Barwick Rug, and Vail.

CENTRAL RESERVATIONS SERVICE

A major step forward has been taken in the goal of providing accomodations to as many people as possible at Vail. Guests may now check at one location -- the receptionist desk at Vail Associates -- to obtain information about lodging. This may be done by telephone, Minturn 7301, or in person. The receptionist has up-to-date information on cancellations and vacancies at all Vail establishments, as well as private homes and apartments available.

NEW POST OFFICE HOURS

During the month of March, the Vail sorting station will be open Monday through Friday from 9 a.m. to 2 p.m. The day's mail is usually sorted by noon. Outgoing mail leaves Vail at 9 a.m. each day except Sunday. This extension was made possible by Vail businessmen, with the understanding a branch post office will be established in April.

BRIGHT A SHINY FACES (Cont'd)

Joe has previously managed the Mid-Vail Cafeteria, The Lodge dining room, etc., and already has shown he can put this background to good use. Joe's wife, Ann, is assisting at the Ski School desk.

GET ACQUAINTED PARTY

Another addition to the busy social schedule of Vail skiers is the Monday evening cocktail party, starting at 6 p.m. Sponsored by The Lodge for Lodge and other invited guests, it is also attended by members of Vail Associates and the Ski School. In addition to the good opportunity for guests to meet one another, they are also able to become acquainted with various facilities and services at Vail.

SKI SCHOOL HIGHLIGHTS

Among the outstanding instructors responsible for the high reputation of the Vail Ski School are:

Manfred Schober, who comes to Vail from Mt. Alyeska (near Anchorage) and from a small town near Garmisch. This is Manfred's second year at Vail. During his summers he has made a number of major mountain assaults, including the West Nozak Mtn. in Afghanistan last year, and the climb of Mt. McKinley on skis two summers ago. This summer he may teach mountain climbing techniques to students of the Outward Bound School near Marble, Colorado.

Kurt Giger, from Biel, Switz., joined the staff this season, with considerable experience from teaching in Europe. He started skiing when only six years old, and raced until he suffered a bad fall at the age of 20. This summer he will be returning to Berne to teach tennis -- in three different languages.

Vail has truly spread the White Carpet for avid skiers from all parts of the country, and the reaction is evidenced by beaming faces on all sides. And judging from the number of professional photographers and glamorous models popping up all over, we can certainly look forward to seeing lots of exciting stories about Vail in the future.

If you happened to notice a tall,good looking girl buzzing around recently with all sorts of professional looking cameras and wondered just what she was up to,you will be interested to know it was Betty Baldwin, freelance photographer from Denver, who was at Vail to take pictures of the homes of Mr. and Mrs. William Warren, Mr. and Mrs. Clayton Dorn, and Mr. and Mrs. Henry Wood. She was also commissioned by Fitzhugh Scott to photograph the Christiania, the River Chalet, and the Parrish house.

Diane McManus, attractive secretary to Bob Parker, is floating around with stars in her eyes, and for good reason. She just received a long distance call from Olympic skier-husband, Rip, who arrived in the East on March 6 from Europe. After the Olympics, he raced for the Army in Switzerland, and on the 20th of this month he will race with the Olympic team at Winter Park. Rip will be in Vail on the 16th, so we shall be looking forward to seeing some top notch skiing!

From all indications, skiers from practically every state in the Union are enjoying our fabulous skiing. Occupying the McKnight house are Mr. and Mrs. Richard Vaughan of Wayzata, Minnesota, and Mrs. Vaughan's sister, Mrs. Carteret Laurence of Seattle. Mr. and Mrs. John Bemis of Kalamazoo, Michigan were recently guests at the Christiania, as were Mr. and Mrs. Spencer Moseley, Mr. and Mrs. John O'Laughlin, Jr., Bruce Pope and Derek Tennant, all of Barrington, Illinois. Mr. and Mrs. Angus Peyton of Charleston, W. Va. are staying at Vail Village Inn, and in their party are Mr. and Mrs. Andrew Payne, Mr. and Mrs. Howard Johnson, and Mr. and Mrs. Robert Keane, all from Martinburg, W. Va. Angus was very enthusiastic in his praise of Vail; he said he has skied at Aspen, Zermatt, and in the East, and that, in his opinion, Vail will someday be one of the outstanding ski resorts in the world. (Of course,<u>we</u> think it has already reached that status.) From Washington, D. C. came Ed and Charlotte Wheeler, to join his brother and sister-in-law from Denver, Dick and Betty Wheeler. The Wheeler brothers are sons of the late U.S. Senator Burt Wheeler of Montana, and each has done his bit to keep the family name prominently before the public -- Ed in the field of law, Dick in radio.

Among the Houstonians who have been here recently were Bob and Tomy Martin and the Gene Murphrees, both couples occupying their apartments in the Town House.

Weekend guests of the Walter Tiepels are Mr. and Mrs.Robert Uihlein of Milwaukee. Schlitz beer should be popular at Vail this weekend -- Mr. Uihlein is president of the company.

One of the gayest parties recently was the large cocktail supper party hosted by the Dick Dobsons and held in the Red Lion Den. Weezie was very glamorous in a sleeveless black velvet one-piece stretch suit, and Maude Duke, wife of new Vail

(Cont'd next page)

EDRENA'S AMBLINGS (Cont'd)

director, Ben, was exotic in a shocking pink costume which she acquired on their recent trip to the Far East. Glamorous ankle length skirts shared honors with stretch apres ski pants -- blond Gerry Cohen was lovely in black stretch pants and a very feminine white organdy, lace trimmed blouse from Mexico. At a party given recently for Dr. and Mrs. Arthur Andrews (Sandy) Holbrook, debonair Arthur Underwood of Denver, in conversation with Sandy, mentioned that he is a cousin of Ken Perry. "So am I", replied Sandy, at which point they looked at each other in amazement as it dawned on them that they were related. Sandy, inciden-tally, is a "relative of sorts" of Fitzhugh Scott's. His delightful wife, May, is a well known landscape architect in Milwaukee.

Vail Village Inn guests this past week included a distinguished group from Mammoth Mountain. Don Redmon, Mammoth's manager, was here with Mr. and Mrs. Richard Tjomsland, Mr. and Mrs. James Holland, and Mr. and Mrs. Robert Pringle. Bob is one of the ski instructors at Mammoth and Mrs. Pringle owns the Mountain Shop there. Aspen, too, was represented by Pat and Ginny Henry, genial proprietors of the Prospector Lodge, Kay and Roy Reid, and Jackie and Bob Green.

On any ski slope, one always finds doctors--lawyers---merchants--chiefs --and right now we have at Vail a member of the intelligentsia, John Fey, President of the University of Vermont at Burlington. Good skiing to you, Mr. Fey --- and to all you other nice people who have come from far and near to enjoy the delights of Vail.

CUCKOO CLOCK

One of our readers reports the availability of a large cuckoo clock, which would make a handsome addition to a house or lodge in Vail. The clock is spring wound, in excellent condition, with beautiful carving and an animated cuckoo.

The clock is on display at Van Every Jeweler, 1409 Krameria Street, in Denver. Telephone 355-9025.

CLIPPING SERVICE

Through the various types of publicity material sent to newspapers throughout the United States, Vail receives wide coverage of such events as national races, celebrities visiting Vail, and many hometown personages whose photos are sent to the local society editor.

Because of the expense of a regular clipping service, it is hoped that partners and friends of Vail will pass along as many clippings as possible to Vail Associates.

NEW TRAIL MAPS

Colorful silk screen trail maps are now available of Vail's north or south slopes from Vail Associates.

Mounted on 3/4 inch plastic-treated plywood, the 4 foot by 4 foot panels can be installed indoors or out. They are the best possible guides to the mountain.

vail associates, ltd, vail, colorado

December 17, 1963.

To each Limited Partner

On Saturday December 14, Vail opened the lifts for the second season of operation. Present plans call for daily operation until Sunday April 12, 1964.

Thanks to the Ute Indians who held their first annual "Snow Dance" at Mid Vail last weekend, we now have fair to good skiing on the upper slopes from the top to bottom via Rams Horn, Git Along and Bear Tree.

The Ski School has completed their annual clinic, devoted to the adoption and practice of the new American Technique. The change has been enthusiastically received and the Ski School looks just great as they go zooming by.

We have been fortunate enough, thanks to the efforts of Dr. Al Uihlein, to be able to retain Dr. James Garrick of the Mayo Clinic for this winter, so that we will be able to treat everything from "sniffles" to mountain accidents. Mr. Hankamer, a Houston partner of Vail Associates and General Partner of the Vail Village Inn, has agreed to rent an apartment to the doctor for this winter season, and thereby answering another difficult housing problem.

During your stay at Vail this winter, you will not only see new buildings and improvements, but we hope you will enjoy the small ice skating rink next to The Lodge, the sleigh rides and taxi service, the new "boite de nuit" (La Cave) and the weekly ski school parties at Mid-Vail.

Best wishes for a Merry Christmas and a Happy New Year.

Sincerely,

Peter W. Seibert

Peter W. Seibert
General Manager

P.S. May we remind you to please send in the photos for your pass cards. These cards, with photo, will be mandatory this season, so that we may effect a tighter control over the issuance of lift tickets.

GENERAL PARTNERS: THE VAIL CORPORATION AND PETER W. SEIBERT - TELEPHONE: MINTURN 7301

J. J. DORGAN
P. O. Box 2197
HOUSTON 1, TEXAS

4 September 1963

Mr. David Grimes
Vice President
Republic National Bank
Dallas, Texas

Dear Dave:

Sorry to be so long in replying to your encouraging report on Vail; it made a strong impression on us. We are basically interested in the arrangement you described, particularly if we could do the type of financing mentioned in your letter. George Bush and I had a very brief conversation shortly before I left Houston to move to New York. Both of us would like a little more information, if any is available, regarding the commercial possibilities. For example, what rental incomes might we expect? How much of the year could the house be rented? And what is the risk that rental income would not cover expenses, such as taxes, maintenance, and utilities.

Without ever having seen Vail it appears that the lot on which we have an option is a good one. We are certainly grateful for your report and efforts on our behalf.

Best wishes,

Sincerely,

Original Signed
J. J. DORGAN

JJD:nm
cc: Mr. George H. W. Bush

Vail, ski country u·s·a - vail, colorado

August 28, 1963

To Each Limited Partner:

In spite of a rather cold and rainy August, the tourist trade on the Gondola has increased along with the limited, but nevertheless excellent Lodge operation. We can safely say that the lessons that we have learned, if properly applied next season, should result in substantial improvement next summer.

A few snow flakes have fallen on the top of the mountain during the last week and from all indications, there appears to be a definite break in the drouth that has plagued this part of the country for the last year. Reports from the various lodging facilities indicate that only a few isolated rooms are available for the Christmas season and that reservations are coming in very well for the balance of the season.

For those of you who would like to hunt in the area surrounding Vail and do not wish to camp out, The Lodge, The Vail Village Inn and The Night Latch will be open during this fall and can recommend some first rate "One day" hunting trips. As you will notice in the enclosed Guide to Colorado Hunting, Vail is well within the area where two deer may be taken between October 17 and November 7 and that one antlered elk may be taken during the same period. Unfortunately, Vail is not set up with a regular pack and guide service for this fall, so can only recommend the rather limited trips this fall. Please let us know if you would like to visit Vail during the coming big game season.

Many questions have been raised during the last year regarding the construction of a golf course. It would be helpful to us if we could get the answers to the following questions.

1. Do you consider a golf course to be a necessary part of your family vacation plans?

2. In your experience (gentlemen) do you find a golf course absolutely necessary when planning conventions or group meetings?

3. Would you be interested in helping to kick off a membership drive that might be instrumental in getting the construction of a golf course underway? Your help might be in the form of a life membership with no dues for five years.

Your answers to these questions as well as any suggestions, pro or con, that you might have regarding golf at Vail would be very helpful at this time.

Sincerely,

Pete Seibert

Peter W. Seibert
General Manager

PWS/gt

REPUBLIC NATIONAL BANK

OF DALLAS

CAPITAL AND SURPLUS $114,000,000

DALLAS 22, TEXAS

DAVID C. GRIMES
VICE PRESIDENT

August 12, 1963

Mr. George H. W. Bush
Zapata Off-Shore Company
1701 Houston Club Building
Houston, Texas

Mr. Jack Caulkins
33 Willow Lane
Grosse Pointe Farms 36, Mich.

Mr. John Dorgan
Continental Oil Company
Continental Oil Building
Houston, Texas

Re: Vail Associates, Ltd.

Dear Poppy, Jack and Jack:

Sue and I and the kids spent a couple of days at Vail in July and wish to bring you up to date on developments there. I am enclosing a plat of the village to help you get some perspective.

The village has come along beautifully. I am sure you are aware of the construction of the lodge, inn, and various commercial buildings, and there must be at least a couple of dozen private homes already built with something like that number under construction or planned for completion by next year. We were terrifically taken by the place--it is absolutely beautiful in terms of scenery, offers what we consider a delightful summer spot with the usual opportunities for recreation, and is quite obviously a superb skiing area. Financially, I get the impression from casual conversations with George Caulkins and Keith Brown that the development of the village has exceeded their expectations, and you know, of course, of the additional issue which has been filed with the S. E. C. For your reference, this is the third filing on lots and involves the area to the west on the accompanying plat which will be subdivided for homes.

To the east of the plat is property which will be subdivided for sale at $10,000 to $12,000 per lot, these to run along the fringe of the projected golf course. The Gore Range is to the east, and this is the spectacular view, which explains why the lots on the eastern end of the plat and particularly those around the circle near the bottom were filed on first. These have a little elevation over the village, which is just to the west, roughly in the right-hand third of the plat. The prospectus covering the new issue goes into this description and supplements the descriptive material you have received in the past.

Virtually all of the lots south of Gore Creek through the second filing have been taken by limited partners. During our visit there, however, lot No. 32, as outlined in red on your plat, was released, and it appeared after inspection by us, as your "unelected representatives", that this was not only a desirable lot from the point of view of scenery but was also the only one left within easy walking distance (some five city blocks) from the center of the village. It extends from the Forest Road down to the Beaver Dam Road, and you will notice all lots west of it are split in half. This gives us the advantage of entry from either road, as well as a large lot, and it has sufficient elevation to get a view of some of the Gore Range (subject to Suzy stealing out at night and chopping down a few pine trees). It is also right above Gore Creek, which is a swell fishing stream.

Before anyone has a seizure, let me explain that we now control this lot, but we have no commitment as far as building is concerned, according to my understanding. We can relinquish it without penalty. There are no other lots to the east closer to the village with the possible exception of one, which is down on a low level, really somewhat below the main village, and right on the main road. This did not appear desirable to us.

As far as we can tell, the theory of building at Vail combines personal occupation with rental to others when not occupied by the owners. A number of houses have been designed with the commercial purpose in mind, and some believe proximity to the village enhances this aspect. We believe however, that this lot affords a pretty good cross-section of advantages, and it was about the only thing left without considering going farther west under the third filing. We hope some of you will have the chance to go out to see this, because, obviously, everyone's agreement is desirable.

Building costs at Vail run $15 per square foot or less (a lot depending upon the season of the year when construction is done). Winter is much more expensive. Several homes there have been designed for two-family occupancy, and, in a general way, this appears feasible to us inasmuch as it seems doubtful if all of our four families would or could appear on the scene at the same time.

Most homes involve master bedrooms for the parents and double bunk rooms for the children. Here again, this appears to fit commercial considerations as well as personal. All construction is subject to approval by a building committee whose general philosophy of architecture is one combining a touch of the mountain rustic with modern. They are shying away from too much gingerbread Swiss as well as from ultra modern monstrosities. It seems to me that with our several liability, perhaps 1/5th to 1/6th equity, and a reasonably practical building plan, our group could put up next year a very good two-family building suitable for rental in the range of $25,000 to $30,000. There will be some cheaper homes. Probably most are more expensive. Vernon Taylor, Jr., is building quite a place--I am told it will run $200,000.

The point of this letter is to whet your appetite and to let you know our initial impressions. We are extremely enthusiastic about this. The place is a knockout, a splendid spot in either summer or winter for a family. Let me know your reactions.

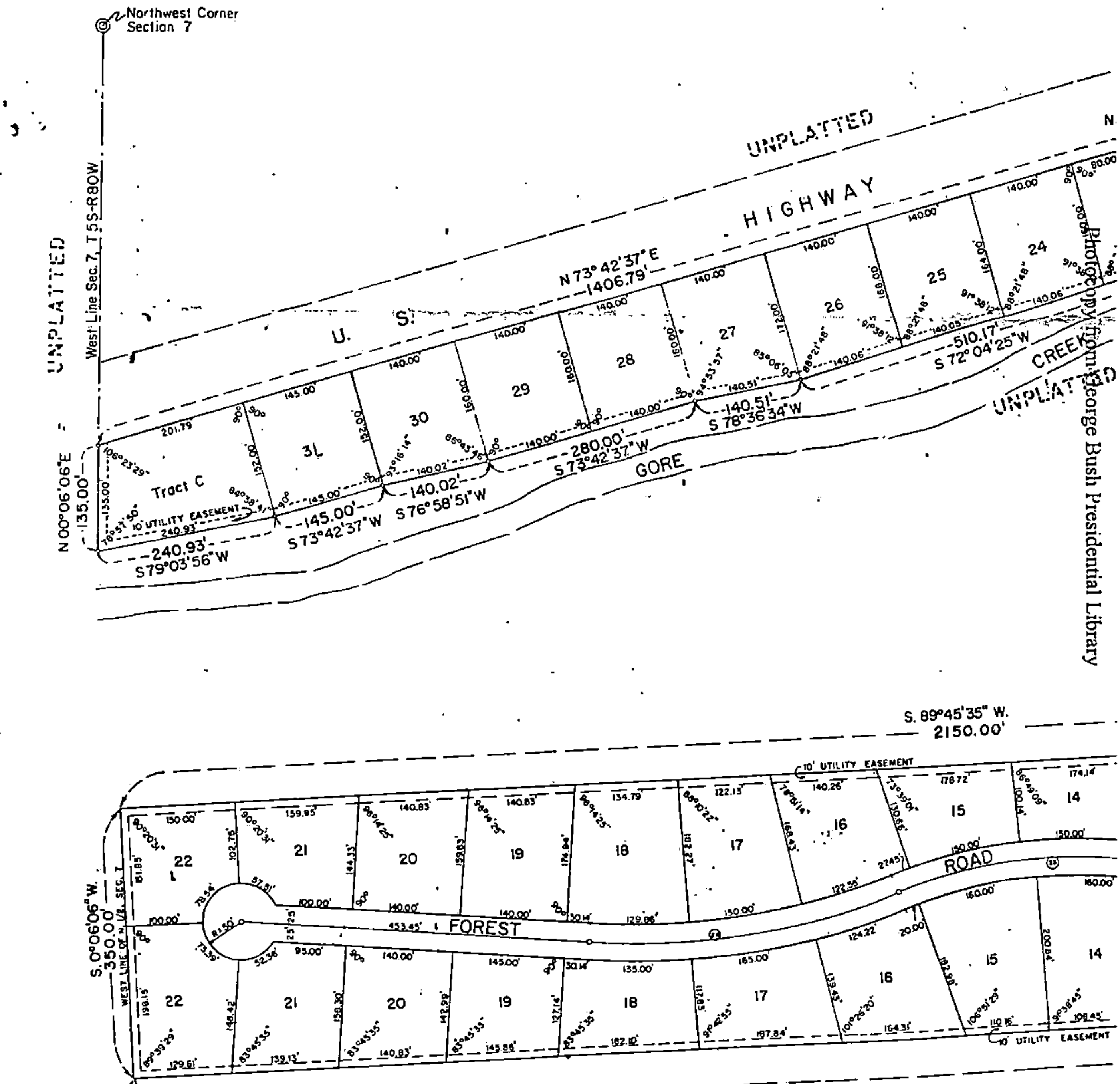
Best regards,

Dave

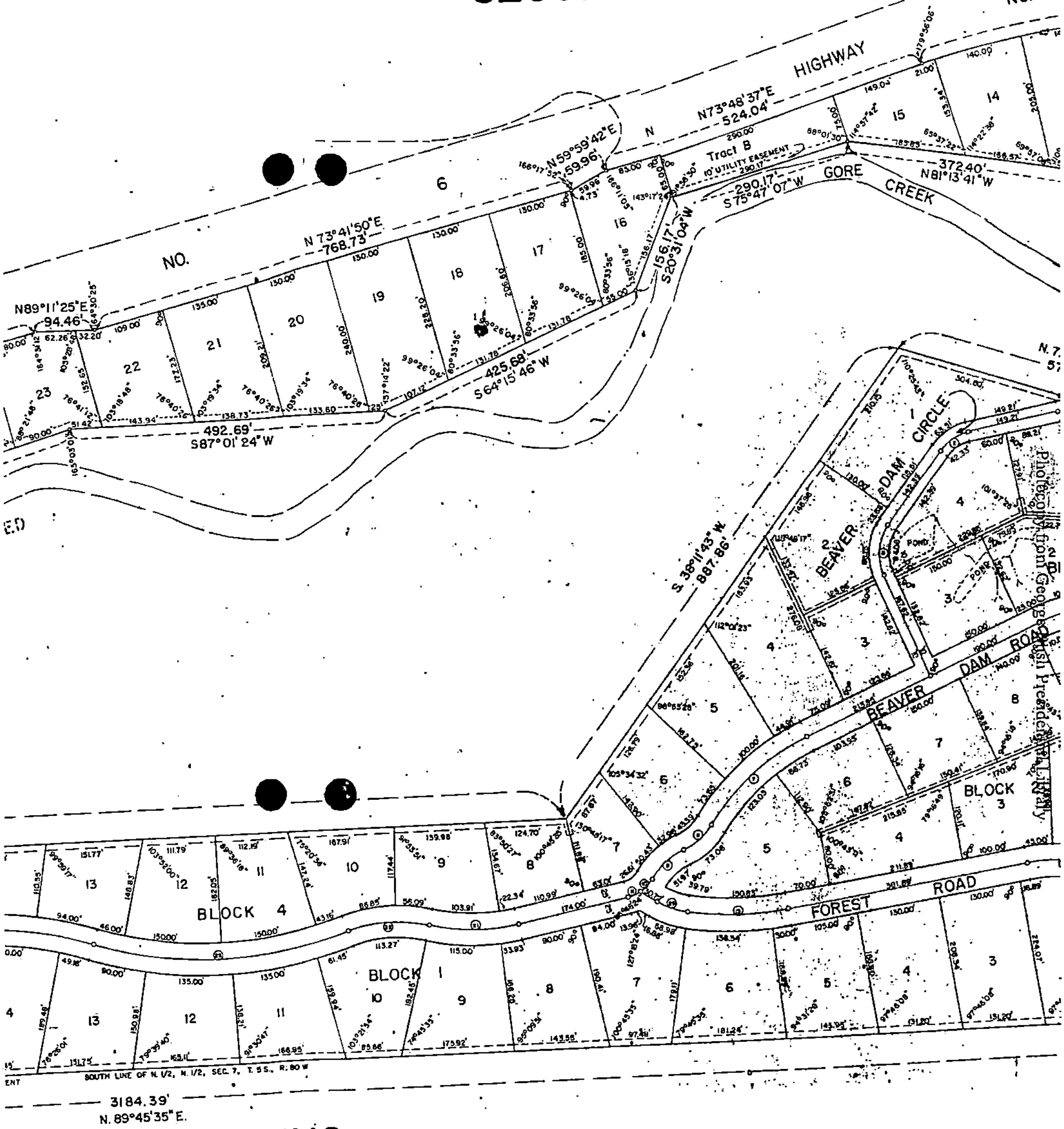
DCG/ms

encls.

Best to Bar!

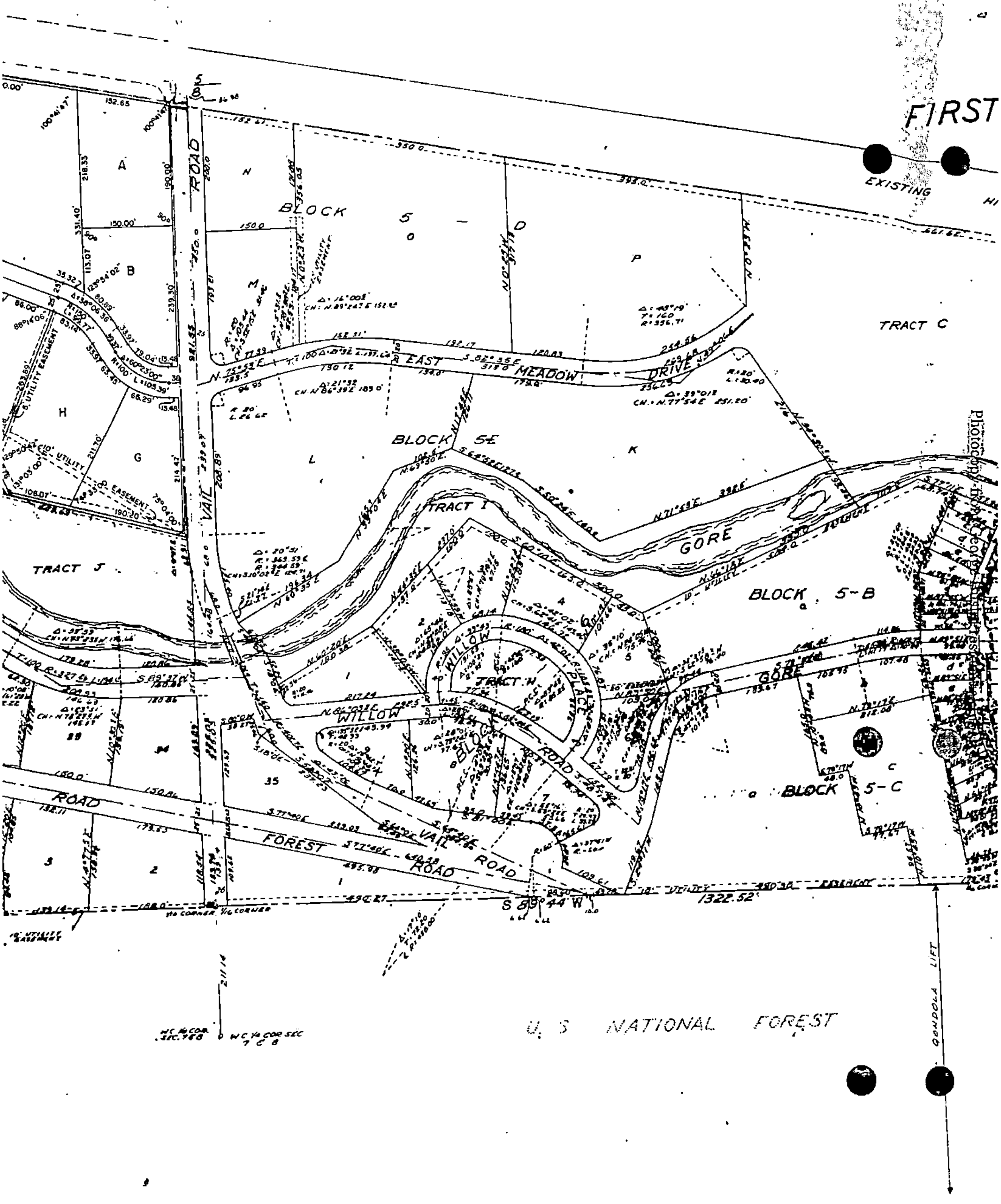

Northwest Corner Section 7
West Line Sec. 7, T5S-R80W
UNPLATTED
U. S. HIGHWAY
N 73°42'37" E
1406.79'
N
CREEK
UNPLATTED
GORE
Tract C
10' UTILITY EASEMENT
N 00°06'06"E
135.00'
240.93'
S79°03'56"W
145.00'
S73°42'37"W
140.02'
S76°58'51"W
280.00'
S73°42'37"W
140.51'
S 78°36'34"W
510.17'
S 72°04'25"W
S. 89°45'35" W.
2150.00'
10' UTILITY EASEMENT
FOREST
ROAD
S.0°06'06"W.
350.00'
WEST LINE OF N. 1/2, SEC. 7
SOUTHWEST CORNER OF N. 1/2, N 1/2, SEC. 7, T. 5 S., R. 80 W.

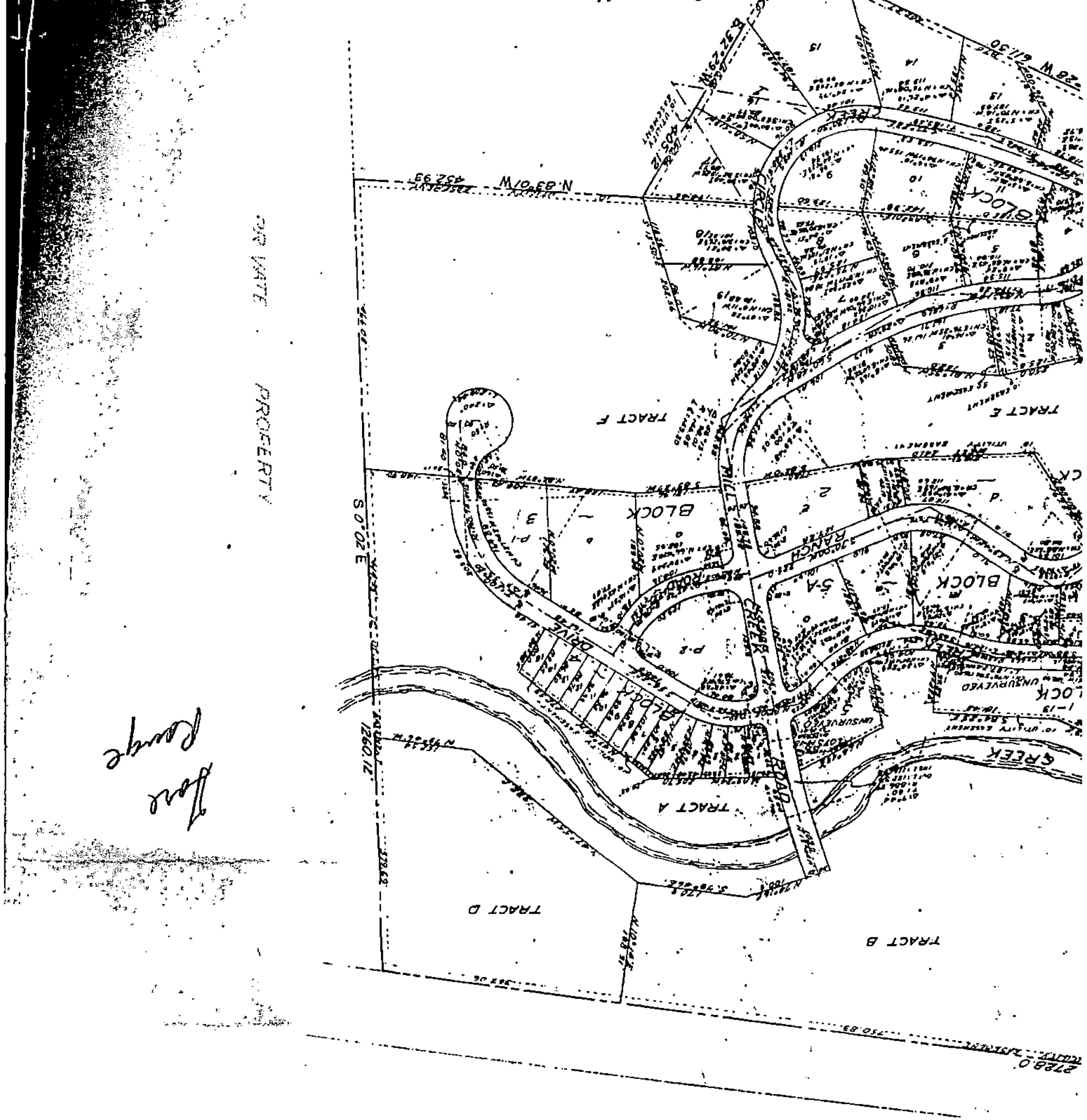
SECOND FILING



THIRD FILING


SCALE 1" = 200'
UNPLATTED
UNPLATTED
U.S. HIGHWAY NO. 6
S79°41'13"E 1055.87'
S79°41'13"E 59.84'
S85°24'31"E 100.29'
1852.73'
858.98'
Tract A
WEST MEADOW DRIVE
10' UTILITY EASEMENT
N 68°30'00"W 175.00'
N59°00'00"W 165.00'
N53°00'00"W 175.00'
N67°00'00"W 100.00'
S79°00'00"W 290.00'
N78°W 100.00'
N55°W 75.00'
N 72°14'00" W 575.00'
GORE CREEK
N 89° 02' E 571.69
BEAVER DAM ROAD
FOREST ROAD
BLOCK 3
BLOCK 7
ROCKLEDGE
TRACT A
S. 89° 41' W. 1640.93'
15' ROAD EASEMENT
SOUTHWEST CORNER OF VAIL VILLAGE FIRST FILING
U. S. NATIONAL FOREST


FIRST
EXISTING
BLOCK 5-D
TRACT C
EAST MEADOW DRIVE
BLOCK 5E
TRACT I
TRACT J
GORE
BLOCK 5-B
WILLOW PLACE
TRACT H
WILLOW ROAD
VAIL ROAD
FOREST ROAD
GORE
BLOCK 5-C
S 89°44' W
1322.52'
U. S. NATIONAL FOREST
GONDOLA LIFT


PRIVATE PROPERTY
S 0°02' E
1260.12
N 89°01'W 452.93
TRACT F
TRACT E
TRACT A
TRACT D
TRACT B
BLOCK
BLOCK
BLOCK
UNSURVEYED
CREEK
RANCH
5-A
P-1
P-2
2788.0

Vail associates, ltd., vail, colorado

June 12th, 1963

Dear Mr. Bush

In spite of the sub-normal snow conditions that existed during the early part of last winter and the resulting poor business during the months of December and January, the General Partners of Vail Associates Ltd. have been quite pleased with the first season's operation. The area was very well received by the skiing public and, during the latter part of the winter, the facilities demonstrated real earning power. Preliminary figures from the Forest Service for the period ending March 31, 1963 indicated that Vail logged 48,617 man-ski-days, the fourth largest attendance in the state, exceeded only by Aspen, Winter Park and Loveland. During the last half of February and most of March the hotel operated at near capacity.

1. Ski Lift Operations. Revenues from ski lift operations for the first winter ($178,824) exceeded operating expenses ($96,486) by $82,338. Unfavorable weather conditions resulted in a late season and poor skiing until February 1. The results of operations during February and March were gratifying. All equipment worked satisfactorily and the personnel efficiently. We are satisfied from our experience during the first winter season of operation that Vail's facilities offer better skiing than any other in the state.

2. Hotel Operations. The operations of The Lodge at Vail were not satisfactory in our opinion. Although they continued to show improvement during the season and ended with a profit of almost $10,000 for the month of March, operating expenses for the over-all period exceeded revenues by $36,025. Except in January occupancy rates were satisfactory but operating ratios showed room for improvement. We believe that significant improvements can be made in this area. In line with this I am enclosing a basic guide that will be followed by the new hotel management. We have been looking for someone to replace Mr. Faller, the Manager of The Lodge last season, since April and after a good deal of investigation and many interviews with well recommended people, we have virtually decided to employ two men (Manager and Assistant Manager) who have had many years of experience at Yosemite National Park.

3. Ski School. Ski School revenues equaled expenses. Better promotion and a modification of the school's technique should improve this department.

4. Real Estate. Demand for real estate at Vail has far exceeded our expectations. With virtually no promotional effort, revenues from real estate exceeded expenses by $105,777.

During the past year Mr. Keith Brown, Secretary of the Vail Corporation, has been extremely helpful in handling many land use problems as well as the general questions of prospective buyers of real estate. We are very fortunate that Keith had the time to devote to this area, but now that the Vail operation has become more settled and we have the personnel available to handle the various departments, we will be able to consolidate the management here at Vail.

Rod Slifer will be in charge of real estate sales, as well as acting as building inspector for the architectural control board. Rod reports that thirty to thirty-five houses and two groups of row houses will be built this summer on lands platted by Vail. Other houses will be built on lots that have been sold in two sub-divisions located in Gore Creek Valley east and west of Vail.

Commercial buildings to be built in Vail Village include a row of shops and apartments being built by Dick Hauserman ---- this building will help to create Bridge Street as the main shopping street and also enclose the east side of the plaza or court yard. A new lodge has been started by Ted and Ann Kindel of Grand Rapids. The Kindels have moved to Vail and will operate "The Christiania Lodge" (approximately 25 units) this coming winter. This construction, plus a clinic and possibly some staff housing, will just about complete the building picture for this season.

The village area has been landscaped -- the tree planting and lawn seeding are beginning to make a great improvement in the general appearance of the area.

Plans are being worked out for the lease of 320 acres of high country ranch land about eight miles north of Vail village. This property controls Piney Lake and enough surrounding land to allow Vail to operate a first rate riding, fishing and hunting camp surrounded and protected by National Forest lands.

5. General and Administrative and Advertising and Promotional. Expenses in this category were high, as might be expected during the first year of operation. Expenditures in the Public Relations area have been highly productive but can be reduced in future years. We had more than usual difficulty in establishing an effective accounting department. Fortunately, our overall program has slowed to the point where we can now reorganize this problem area and be

in a position to get a fresh start this summer. On May 21st, Mr. Richard Bohr, formerly a Vice President and Treasurer with The Cleveland Institute of Electronics, joined the Vail staff. Mr. Bohr will be acting in the same capacity with Vail Associates and will be in a position to help Vail with many of its immediate accounting problems as well as its long range financial planning.

6. Summer Program, 1963. Many large, well located highway signs will be in place by June 20th. The Gondola will start operating for summer passengers on June 22nd and will run until Labor Day weekend. Thereafter, the lifts will operate weekends only throughout the fall foliage season.

The Lodge is open on a limited basis (rooms only) and will remain open as business warrants through the summer season. The Vail Village Inn, open the year around, offers lodging, restaurant, bar, dancing and heated swimming pool. Also, open this summer is the dormitory-style Night Latch Lodge, as well as a number of private homes available for rental.

In the village, a drug store, delicatessen and liquor store as well as a sport and gift shop and the Red Lion restaurant provide further facilities for summer visitors.

Recreational activities include swimming, horseback riding, pack and jeep trips, and river trips in the Colorado River canyon country. Nearby Gore Creek and the Eagle River, as well as high mountain lakes, offer some of Colorado's finest trout fishing. Planned for this fall are hunting trips into relatively untouched deer and elk country in the rugged Gore Range.

Should you plan to visit Vail this summer to inspect your house construction, or to just relax and enjoy the mountains, please let us know when you plan to arrive and what your accommodation needs will be.

7. Expansion Program. The expansion plans that had been deemed desirable and economically sound for this summer's construction program have been postponed until next season, as the necessary funds that were to be derived from the sale of the new offering would have not been available in time to allow placing the orders for equipment. This gives us the opportunity to effect certain policy changes and generally tighten up the overall management picture so that we may go into our next year well set to make the anticipated expansion. A copy of the prospectus describing the new offering of additional limited partnership interests will be sent to each partner as soon as they are off the press.

Please do not hesitate to get in touch with us if you have any questions regarding Vail.

Sincerely,

Peter Seibert, General Mgr.

VAIL ASSOCIATES, LTD.

GENERAL PARTNERS:
THE VAIL CORPORATION
PETER W. SEIBERT

SUITE 516-1700 BROADWAY
DENVER 2, COLORADO
244-8667

February 9, 1963

TO EACH ORIGINAL AND
ADDITIONAL LIMITED
PARTNER OF VAIL
ASSOCIATES, LTD.

Dear Partner:

Enclosed please find two copies of the First Amended Partnership Agreement of Vail Associates, Ltd., which reflects the changes necessary to admit Additional Limited Partners who will contribute $300,000 of additional capital and to allocate to the Additional Limited Partners the credits made available under SEC. 38 and related provisions of the Internal Revenue Code of 1954, concerning investment in certain depreciable property.

The Securities and Exchange Commission has requested that the First Amended Partnership Agreement be executed by all existing partners prior to the time the Offering Circular describing the proposed offering will become final. For this reason time is of the essence. Please be good enough to execute and return promptly in the enclosed stamped envelope one copy of the Agreement, retaining the other copy for your files.

Very truly yours,

Peter W. Seibert

bp

Withdrawal/Redaction Sheet
(George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
01. Legal Agreement	Legal agreement containing financial information related to investment (20 pp.)	n.d.	C	

COLLECTION

George Bush Personal Papers
Zapata Oil File
Personal Alphabetical Files

FILE LOCATION

Vail Associates, Ltd. [1961-1964] [2 of 2]

OA/ID Number

Date Closed 10/20/99

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]
P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-3 Release would violate a Federal statute [(a)(3) of the PRA]
P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]
F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Vail associates, ltd., vail, colorado

February 6, 1963

NEWSLETTER:

After six weeks of operation we are very pleased to report that many of the problem areas that existed during the early days have been smoothed out and we are now able to spend time with basic organizational policies that should always come under careful scrutiny once the initial shakedown is complete. The most important question appears to be the value of the American plan style of hotel operation as opposed to the more flexible European plan. Chances are good that both plans will be offered for the balance of this season. Next spring this first seasons operation will be considered and a definite pattern established for the future.

The Gondola lift has operated daily since December 10th with a minimum of down time and it appears that maintenance of the equipment will be in line with our estimates. During a recent storm the Gondola cars were not adversely affected by the winds and we were able to run at capacity throughout the bad weather. The chair lifts have had minor electrical and control problems and some difficulty with the telephone line during a period of stormy weather but these problems have been worked out and both the Riblet double chair lifts are now operating at their rated capacity.

The Vail Ski School is one facet that needs encouragement and help to get it launched and to make it well known. Morrie Shepard and an excellent staff are eager to show off the mountain and to help our guests ski it in style but, should trouble arise, Dr. Jacobson of the newly formed Vail Clinic and a very strong and reliable Ski Patrol crew are ready to take care of accidents.

Larry Burdick, owner of the Red Lion Inn, has informed us that the Inn will be open for business this next weekend. The Red Lion, a most attractive addition to Vail Village, will offer drinks and meals in their upstairs room and beer for the younger set in their cellar. The Vail Village Inn, the Lodge, Vail Blanche, the Gondola Shop, the Rucksack (drugstore) and delicatessen and liquor store are all well stocked and in operation.

Plans and proposals for additional lodging, shops and restaurants are numerous and for the most part well conceived. Next summer the construction of new homes and commercial ventures should easily equal what was accomplished during this past building season and, we hope, exceed it in the area of medium priced accommodations.

Recent snows have put the entire mountain in excellent condition and we are finally getting glowing reports from numbers of enthusiastic skiers who promise to circulate the word that Vail is one of the greatest places they have ever skied. These testimonials, improved snow conditions and a reservation board that looks good for the balance of the season makes us all very confident that we can successfully complete what started out to be an unusually poor ski season.

We hope that all our partners will have time to visit Vail this winter and enjoy the accommodations and slopes that their backing and patience have made possible. Should you not already have reservations but plan to be at Vail this season I would suggest that you contact us as soon as your plans are firm. In the meantime we will keep you informed as to snow, weather, events, etc.

Best regards,

Peter W. Seibert

General Manager

P.S. The Feb. 9th Saturday Evening Post has an excellent photo of Vail plus some kind words.

PWS/irb

VAIL ASSOCIATES, LTD.

GENERAL PARTNERS:
THE VAIL CORPORATION
PETER W. SEIBERT

SUITE 516-1700 BROADWAY
DENVER 2, COLORADO
244-8667

December 3, 1962

Dear Partner:

As a partner in Vail Associates, Ltd., you are entitled to designate certain persons who are to enjoy free lift privileges. This letter describes the manner by which such designations are to be made and the rules governing the enjoyment of these privileges.

Each ADDITIONAL LIMITED PARTNER who has purchased a $10,000 partnership interest has the choice of designating either:

(1) the partner and his or her spouse, and each minor child of such partner, born to or adopted, legally or otherwise, by the partner and the designated spouse. The free lift privileges of the designating partner and his spouse are effective during the lifetime of the holder. The privileges of a minor child expire when such child becomes 21; or

(2) four natural persons, one of whom may be the designating partner but none of whom need be related to the designating partner. The rights of a designee in this class shall be effective for the lifetime of the designee. A corporation may not be designated as a holder of a free lift privilege, although as a partner it may designate such holders.

A partner who owns less than a $10,000 interest in Vail Associates, Ltd., is entitled to designate one person of the class described in Paragraph (2) for each $2,500 invested.

The right to designate a holder of free lift privileges may be exercised at any time prior to December 31, 1967, except that a partner may designate his or her qualified minor child at any time. Designations once made are irrevocable.

The right to designate a holder of free lift privileges may be assigned to the extent that such right has not already been exercised by the assignor.

The free lift privileges once vested are not transferable and expire with the death or age 21, as the case may be, of the beneficiary. Vail Associates, Ltd., reserves the right to revoke the free lift privileges of any holder if he or she transfers or attempts to transfer in any way its benefits to a non-designated person.

We are enclosing herewith a form letter addressed to Vail Associates, Ltd., for the purpose of identifying the persons you wish to designate as holders of free lift privileges. Please fill out and return this letter at your earliest convenience to our Vail address.

A list of holders of free lift privileges will be maintained at the Vail ticket office. Each holder will be required to identify himself and sign a guest roster to obtain daily lift tickets.

If you have any questions about this matter please do not hesitate to contact Peter W Seibert, General Partner, Vail Associates, Ltd., Vail, Colorado.

Very truly yours,

VAIL ASSOCIATES, LTD.

Peter W. Seibert,
A General Partner

bp
Enclosure

Vail Associates, Ltd.
Vail, Colorado

Gentlemen:

I desire to designate the following persons as holders of free lift privileges:

Name of Designee	Residence Address	Relationship to Partner	Birth Date of Minor	Sex

Please be kind enough to issue identification cards for the foregoing persons to enable them to obtain free lift tickets.

Very truly yours,

____

Date: _______________

VAIL ASSOCIATES, LTD.

GENERAL PARTNERS:
THE VAIL CORPORATION
PETER W. SEIBERT

SUITE 516-1700 BROADWAY
DENVER 2, COLORADO
244-8667

October 24, 1962

MAILED IN FORM NOV 2 1962 Did not subscribe additional funds!

TO ALL LIMITED PARTNERS
OF VAIL ASSOCIATES, LTD.,
AND THEIR ASSIGNS

Dear Partner:

Vail Associates, Ltd. (Vail) proposes to increase its capitalization through the sale of $300,000 Additional Limited Partnership Interests in units of $10,000 each (Units). Under the terms of the Partnership Agreement of Vail Associates, Ltd. (Partnership Agreement) and Colorado law, this increase requires the consent of each of the partners.

The purpose of the increase is to provide additional capital for the following purposes:

Construction costs of lower and midway terminal facilities in excess of amounts available in original budget	$ 48,000.00
Additional advertising expense	10,000.00
Additional snow vehicles	10,000.00
Additional ski patrol equipment including two-way radio	4,000.00
Additional work on roads, parking and village square	11,000.00
Maintenance shop and barracks for employees	8,000.00

Investment in limited partnership interests in Lodge Associates, Ltd.	45,000.00*
Investment in subordinated debt securities of Lodge Associates, Ltd.	70,000.00*
Down payment on lease of furnishings and equipment for The Lodge, Cafeteria and Midway	21,000.00
Pre-operating costs of The Lodge, including salaries	15,000.00
Working capital for The Lodge	40,000.00
Cost of selling the new units	8,000.00
Contingencies	10,000.00
TOTAL	$300,000.00

*The aggregate investment in securities of Lodge Associates, Ltd. by Vail Associates, Ltd. will be $115,000, of which approximately $65,000 from these funds will be expended in the construction of a cafeteria to be located adjacent to the lower lift building and connected with and served by the hotel kitchen. The balance of these funds approximating $50,000 will be used to meet costs incurred in the construction of the building in excess of the original fixed bid.

These new facilities and working capital are deemed necessary, in the opinion of Management, to meet the increased demand for service now anticipated at Vail. This increased demand has resulted in part from the construction of real estate improvements at Vail by its partners and others. It is estimated that overnight accommodations for between 450 and 500 persons will have been constructed at Vail by December 1, 1962. This volume of housing had not been anticipated until the third year of operation.

In the opinion of Management it would be imprudent to defer the expenditures described above.

Of the funds described in the Prospectus dated August 17, 1961, $160,000 was budgeted for working capital. The proceeds from the above described offering will add $40,000 to these funds enabling Vail Associates, Ltd. to commence operations with $200,000 in cash for working capital purposes.

Although no provision is made therefor in the Partnership Agreement and although Management has received indications that it can sell all of the new Units to be offered to persons who are not now partners of Vail, it believes that each existing partner should be given the opportunity to subscribe to the new securities.

The price at which the new Units will be sold and the rights and liabilities of the new Additional Limited Partners will be substantially the same as those contained in the offering made by the Prospectus dated August 17, 1961, filed with the Securities and Exchange Commission, except that the proportionate ownership of capital of each partner will be reduced because of the increase in number of partners. Management feels that the increase in assets resulting from the addition of the proceeds of the proposed offering will offset the dimunition in the proportionate interests of existing partners.

The effect of the new issue upon the capital ratios of the partners is summarized in the following table:

	Value of Contributions	Resultant Capital Ratios
General and Original Limited Partners	$ 741,500	36.32%
Additional Limited Partners	1,000,000	48.98%
Further Additional Limited Partners	300,000	14.70%
	$2,041,500	100.00%

A statement of partners' capital from the inception of the partnership through October 31, 1962, and pro-forma entries showing the sale of the new Units is attached as Exhibit A. After the reductions in the capital accounts of the Additional Limited Partners which will result from the special allocation of depreciation and certain other expenses, each Additional Limited Partnership interest costing $10,000 will represent a .4348 percent interest in the partnership.

A Notification Form 1-A under Regulation A has been filed with the Regional Office of the Securities and Exchange Commission in Denver, Colorado. A copy of the Offering Circular filed as an exhibit to the Notification will be forwarded to you as soon as the filing is in full compliance with the requirements of the S.E.C.

Please be kind enough to execute the enclosed form of Consent to Amendment to Partnership

Agreement (Consent) and return it in the enclosed stamped envelope. Also please advise us on the enclosed form if you wish to subscribe to the new issue and the amount you wish to subscribe.

If you have any questions please call or write promptly. We urge that you send your Consent immediately to enable us to complete this financing with dispatch.

Yours very truly,

VAIL ASSOCIATES, LTD.

By Peter W. Seibert

Peter W. Seibert,
A General Partner

bp

Enclosures

VAIL ASSOCIATES, LTD.

STATEMENT OF PARTNERS' CAPITAL

INCEPTION THROUGH OCTOBER 31, 1962

AND PRO FORMA ENTRIES ON NOVEMBER 1, 1962

	Total	General Partners	Original Limited Partners	Additional Limited Partners	New Limited Partners
BEGINNING CAPITAL, contributed to the partnership	$1,279,848	$142,357	$137,491	$1,000,000	
ADJUSTMENT, to adjust capital accounts to percentages specified in partnership agreement	-	134,860	130,253	(265,113)	
CHARGES TO CAPITAL:					
Underwriting fees	(50,000)	(10,830)	(10,460)	(28,710)	
Registration expenses	(21,300)	(4,615)	(4,456)	(12,229)	
ENDING CAPITAL, October 31, 1962:					
Amount	$1,208,548	$261,772	$252,828	$ 693,948	
Percent	100%	21.66%	20.92%	57.42%	
PRO FORMA ENTRIES, reflecting admission of 30 new limited partners on November 1:					
Amount contributed to capital	300,000				$300,000
Registration expenses	(8,000)				(8,000)
Adjustment of accounts to agreed capital ratios		15,529	14,870	41,020	(71,419)
CAPITAL AT NOVEMBER 1, 1962:					
Amount	$1,500,548	$277,301	$267,698	$ 734,968	$220,581
Percent	100%	18.48%	17.84%	48.98%	14.70%

VAIL ASSOCIATES, LTD.

GENERAL PARTNERS:
THE VAIL CORPORATION
PETER W. SEIBERT

SUITE 516-1700 BROADWAY
DENVER 2, COLORADO
244-8667

Vail Progress Report, August 30, 1962

With the Labor Day Weekend already upon us, we are entering into the last half ofour construction program. The first three months of work have been substantially aided by dry, warm weather, so that we are now certain that the ski facilities will be in operation by the latter part of November.

Here is the box score on mountain operations at this time:

BELL GONDOLA LIFT: All towers erected and aligned, structural steel work started in the upper terminal building, lower terminal structural steel erection to start on September 20th, and the cable stringing scheduled to start on October 1st along with the final machines, electrical and telephone installations. Testing will take place in early November.

NUMBER 2 LIFT: (Double chair from midway to summit) Complete except for cable splicing and chair hanging.

NUMBER 3 LIFT: (Double chair from summit to Two Elk Creek) Foundations are complete. Schedule calls for tower erection and cable stringing to be completed by September 15th.

BEGINNERS LIFT: Ready to operate.

TRAIL & SLOPE CLEARING: 95% complete.

SKI PATROL WORK: All phone lines installed, shelters built and in place, and work started on signs, tobaggans and training of patrol personnel.

As you learned from the recent Planning & Architectural Control Committee report, the building activity in the valley is ahead of even the most optimistic projections. At this time we feel that all key buildings will be completed for the Christmas season.

Somehow, the committee's report failed to mention the Vail Village Inn, the most important single contribution to be made by a group of investors other than VAIL ASSOCIATES or LODGE ASSOCIATES, during this vital first season. The Vail Village Inn is designed as a luxury motor hotel, and is located on the highway at the main entrance to Vail. The Inn will have 52 units, full dining and bar facilities, a rathskeller, and swimming pool. A Conoco gas station will be part of the overall complex.

Needless to say, we are extremely fortunate to have our Houston partners plan, finance and construct such a valuable addition to the overall Vail complex. The enclosed photo tells better than any words of mine what a fine facility Vail Village Inn will be.

Sincerely,

Peter W. Seibert

Peter W. Seibert
General Manager

Jlo
Encl: Photograph

George Bush Presidential Library
Transfer Sheet

COLLECTION:
George Bush Personal Papers
Zapata Oil File

ACCESSION NUMBER: 1993.0005

☐ Transferred During Accessioning
☑ Transferred During Processing

FOIA/SYSTEMATIC PROCESSING CASE NUMBER (if app.): 2000-0022-S

The following material was transferred to:

☐ **Audiovisual Collection** ☐ **Book Collection** ☐ **Museum Collection** ☐ **Other**

Other (Specify):

DESCRIPTION:

Photograph of model homes

When transferring material to the museum collection, complete the following.

Donor:

Donor Org.:

Address:

Telephone:

Book Location:
Row: **Section:** **Shelf:** **Position:**

Map Case Location:

Series: Zapata Oil File, Personal Alphabetical Files

Box Number:

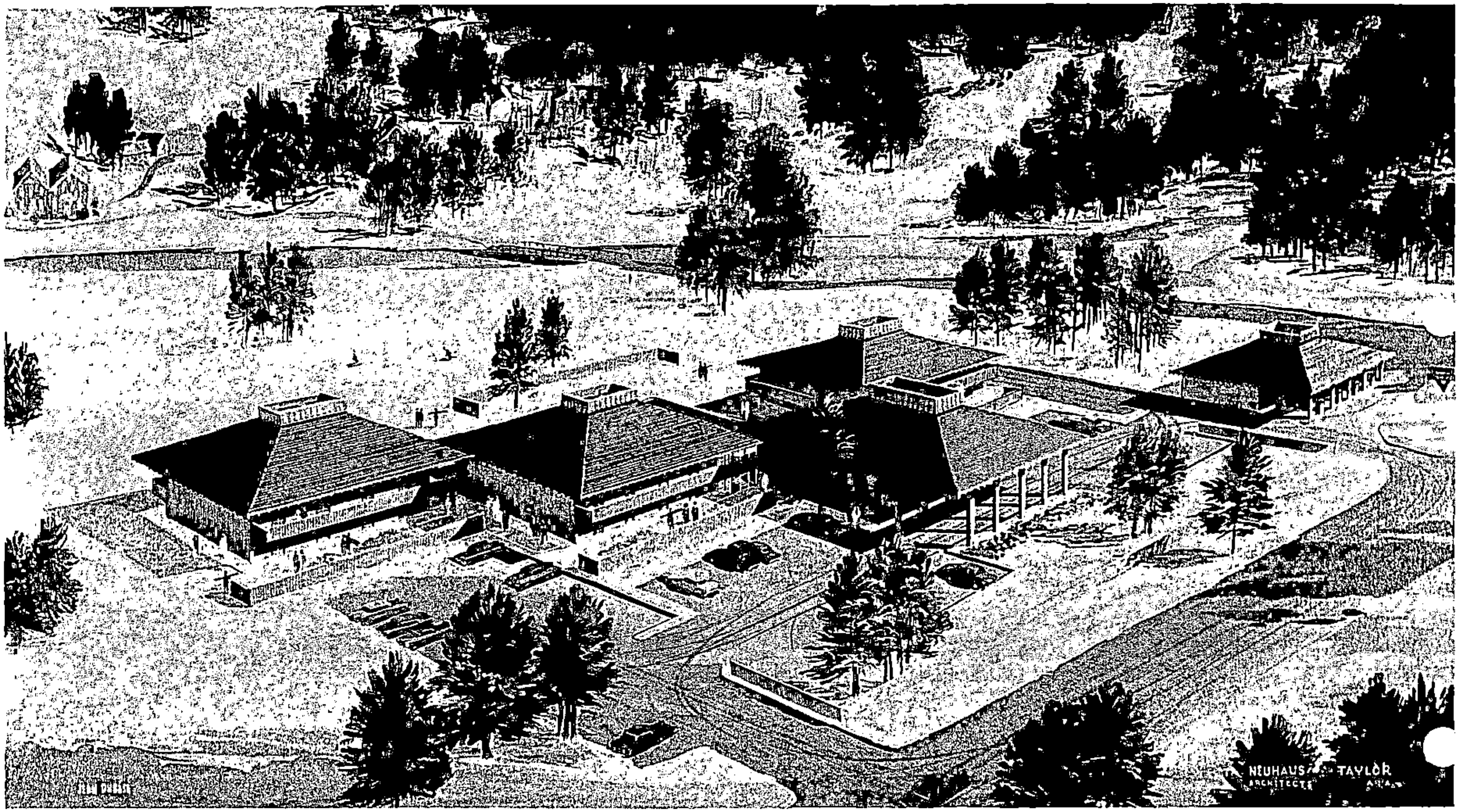
Folder Title: Vail Associates, Ltd. [1961-1964]

OA/ID Number:

Transferred by: John Laster **Date of Transfer:** 10/20/99

Received by: Mary Finch **Date Received:** 10/20/99

Go to Database Navigator | Go to Accession Register | Go to Withdrawal Sheet | Print Record


NEUHAUS TAYLOR
ARCHITECTS

VAIL ASSOCIATES, LTD.

GENERAL PARTNERS:
THE VAIL CORPORATION
PETER W. SEIBERT

SUITE 516-1700 BROADWAY
DENVER 2, COLORADO
244-8667

July 17, 1962

TO EACH LIMITED PARTNER OF VAIL ASSOCIATES, LTD.

Yesterday, July 16, residential sites were awarded in accordance with the designations previously made by the partners and in many cases in accordance with a drawing necessary to resolve a conflict of designations. For your information the following sites were awarded to the partners listed below:

<u>First Filing</u>

<u>Block 1</u>

Lot 4	Van Dyke II
Lot 5	M. Nichols
Lot 6	Caulkins
Lot 8	Warren
Lot 9	Olson
Lot 18	Goltra
Lot 19	Coleman

<u>Block 6</u>

Lot 2	Bishop-Perry

<u>Block 7</u>

Lot 1	Long
Lot 3	Rumbough
Lot 13	Hytex
Lot 35	Morris-Knight
Lot 37	Blair

<u>Second Filing</u>

Lot 5	Benedict
Lot 10	Baldauf

Third Filing

Lot 1	Scott
Lot 2	Chenery
Lot 4	Kimbark
Lot 5	Winter
Lot 8	Domenico
Lot 10	M. Smith
Lot 11	Chenery
Lot 12	Forest
Lot 51	Gagnon
Lot 54	McCluskey
Lot 55	Mosley

In addition to the above lots, the lots listed in our letter of July 6, 1962, have been awarded except for Lot 4, Block 7 which was listed in error as being awarded to M. Nichols. This lot along with all other lots not awarded are now available for designation by partners or purchase by others on a first request basis.

We again refer you to our letter of March 15, 1962, which sets out the terms under which all residential sites at Vail are being acquired. We have had some problems in completing the survey which in turn has delayed the filing of the official plat in Eagle County. We expect that this will be completed, however, prior to August 1. In addition we have completed the Protective Covenants and the Rules and Regulations of the Planning and Architectural Control Committee. We intend to furnish each partner with copies of these instruments very soon. After the plat and Protective Covenants have been filed in Eagle County, we intend to furnish each partner with a formal option instrument and those partners who have exercised such option will receive a deed to their residential site upon payment of the required fee.

If you have any questions, please do not hesitate to contact the undersigned.

Yours very truly,

Planning and Architectural Control Committee

By Keith L. Brown

Keith L. Brown
1130 First National Bank Building
Denver 2, Colorado

VAIL ASSOCIATES, LTD.

GENERAL PARTNERS:
THE VAIL CORPORATION
PETER W. SEIBERT

SUITE 516-1700 BROADWAY
DENVER 2, COLORADO
244-8667

July 6, 1962

TO: EACH LIMITED PARTNER OF VAIL ASSOCIATES, LTD.

Reference is made to our letter of March 15, 1962, which enclosed a copy of the Master Plan of Vail Village, and which outlined the procedures relative to exercising an option to acquire a residential site in Vail Village.

You will recall that those partners who desired to build this year were awarded their lots on April 15th, and that those partners who did not wish to build this year had until July 1st in which to designate their desired lots. It has now been decided to extend the July 1st date to July 15th, at which time lots will be awarded in accordance with the terms and conditions contained in our letter of March 15, 1962.

If you desire to designate a residential site, and have not already done so, we urge that you immediately return the enclosed letter, indicating your first and second choice. For your information in making this designation, you are advised that the following lots have previously been awarded to people who are building this year:

Block 1

Lot 1	Lazarus
Lot 3	Lewis
Lot 7	Anderson
Lot 10	Teipel
Lot 11	Scott
Lot 13	Mallinckrodt
Lot 14	Wendland
Lot 15	Higbie
Lot 16	Brown
Lot 17	Meyer

Block 6

Lot 1	Scott
Lot 3	Rich
Lot 4	Smith
Lot 5	Stevens
Lot 6	Vail

Block 3

Lots 1 and 2	Conway
Lots 3,4,5,6	Cohen-Davidson
Lots 7,8,9	Love-Fowler-Walsh
Lots 10,11	Sowell
Lots 12,13	Murchison

Block 7

Lot 2	Murchison
Lot 4	M. Nichols
Lot 7	Taylor
Lot 8A	Seibert
Lot 9A	Sampson
Lot 10	McKnight
Lot 16	Parish
Lot 19	Shepard
Lot 20	Dodge
Lot 21	Parker
Lot 34	Talmadge
Lot 36	Mallinckrodt
Lot 38	Langmaid
Lot 40	Tweedy
Lot 41	Hankamer

We also want to advise that, in order to improve our procedures for handling all matters relating to real estate at Vail Village, we have established a Planning and Architectural Committee. Keith L. Brown, as a member of this committee, has agreed to handle all inquiries and proposals relating to both residential and commercial real estate, and we request that you direct all such matters to him at the following address:

Keith L. Brown
Planning and Architectural Committee
1130 First National Bank Building
Denver 2, Colorado

Immediately after the July 15th date, all partners will be advised of the lots that have been awarded. Thereafter, all lots will be awarded or sold on a first request basis.

Yours very truly,

Bob Parker

Robert Parker
Ass't General Manager

jn
Enclosure

LETTER OF DESIGNATION

Mr. Keith L. Brown
1130 First National Bank Building
Denver 2, Colorado

Dear Mr. Brown

In response to the letter of July 6, 1962, I hereby indicate my intention to exercise the option to be granted to me to acquire Lot ___, Block ___, Vail Village ________ Filing, as the same is shown on the Master Plan.

In the event that this lot is not available, I wish to acquire Lot ___, Block ___, Vail Village ________ Filing.

I (intend __) (do not intend __) to build a residence on the lot acquired by me on or before December 1, 1963.

I understand you will forward to me an Option Agreement further evidencing my rights, together with an official plat and the related protective covenants, setting forth use and improvement restrictions, when the latter have been approved by and filed with Eagle County.

Very truly yours,

____
(Signature)

BIh- 34

5 March

George Bush Presidential Library
Transfer Sheet

COLLECTION:
George Bush Personal Papers
Zapata Oil File

ACCESSION NUMBER: 1993.0005

☐ Transferred During Accessioning
☑ Transferred During Processing

FOIA/SYSTEMATIC PROCESSING CASE NUMBER (if app.): 2000-0022-S

The following material was transferred to:

☑ **Audiovisual Collection** ☐ **Book Collection** ☐ **Museum Collection** ☐ **Other**

Other (Specify):

DESCRIPTION:
Photograph of model

When transferring material to the museum collection, complete the following.

Donor:

Donor Org.:

Address:

Telephone:

Book Location:
Row: **Section:** **Shelf:** **Position:**

Map Case Location:

Series: Zapata Oil File, Personal Alphabetical Files

Box Number:

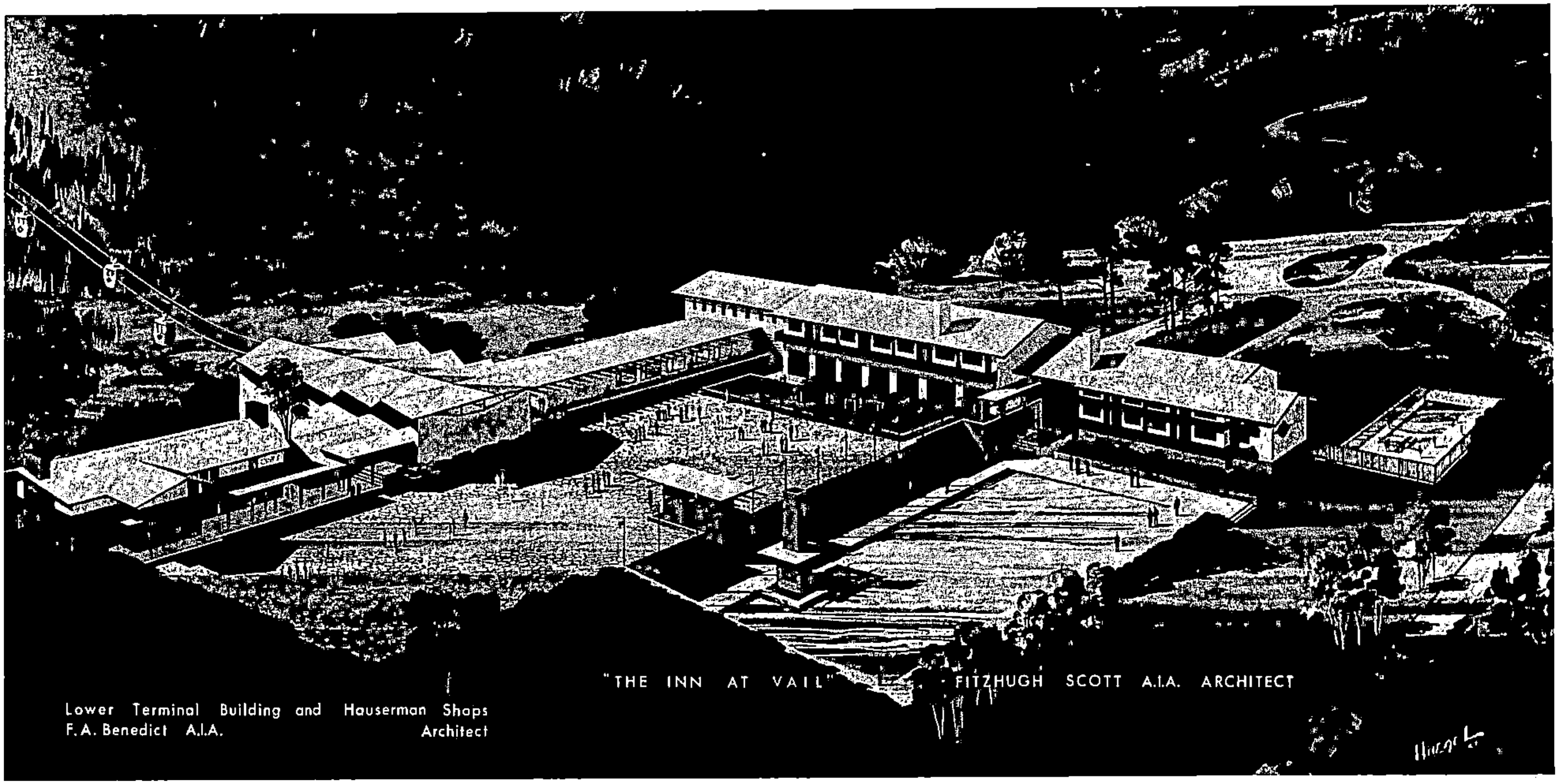
Folder Title: Vail Associates, Ltd. [1961-1964] [2 of 2]

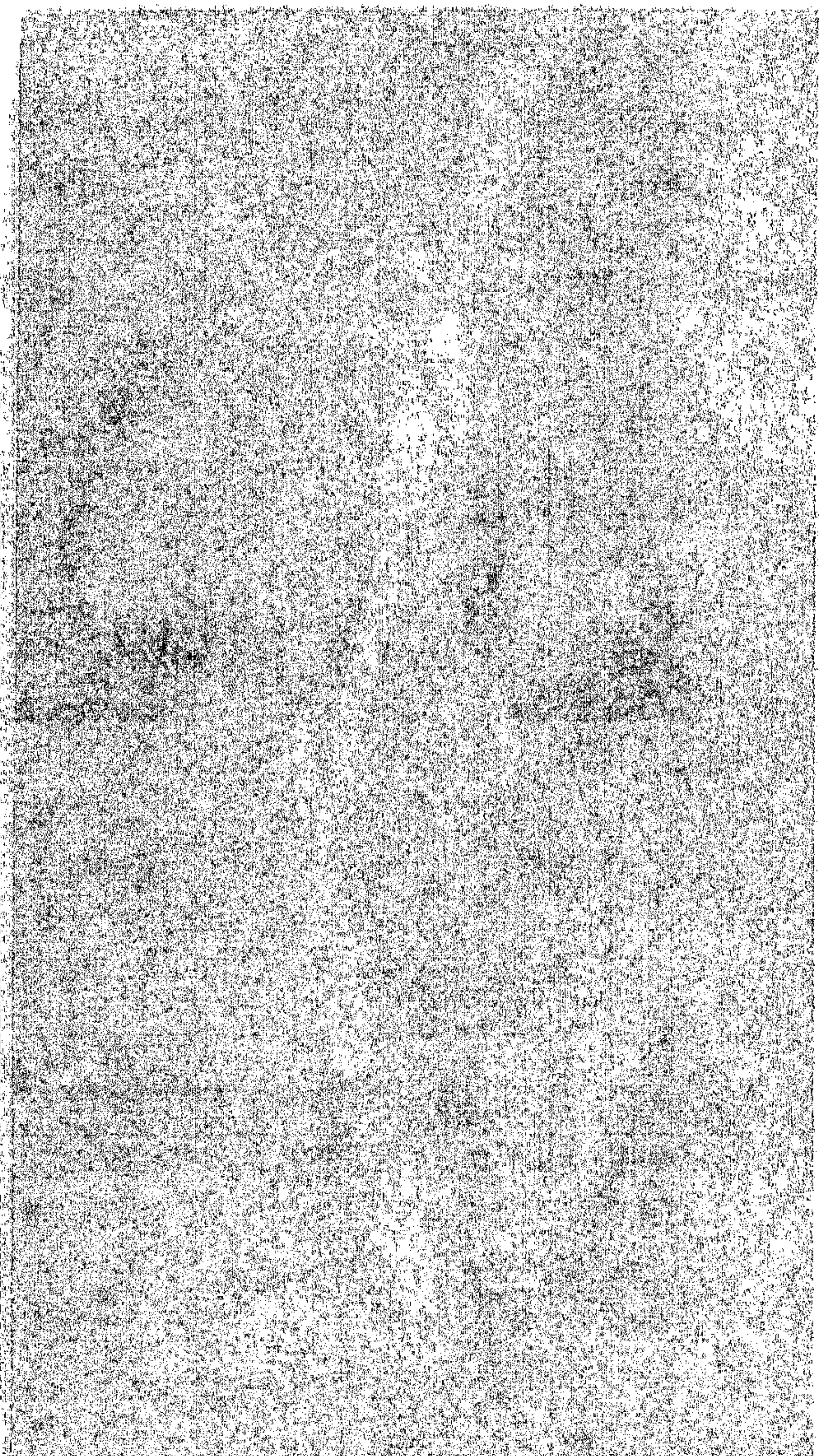
OA/ID Number:

Transferred by: John Laster **Date of Transfer:** 10/20/99

Received by: Mary Finch **Date Received:** 10/20/99

Go to Database Navigator | Go to Accession Register | Go to Withdrawal Sheet | Print Record


"THE INN AT VAIL" FITZHUGH SCOTT A.I.A. ARCHITECT
Lower Terminal Building and Hauserman Shops
F.A. Benedict A.I.A. Architect



Withdrawal/Redaction Sheet
(George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
02. Letter	From Vivian Flynn to Harley Highie RE: Financial information (1 pp.)	5/14/62	C	

COLLECTION

George Bush Personal Papers
Zapata Oil File
Personal Alphabetical Files

FILE LOCATION

Vail Associates, Ltd. [1961-1964] [2 of 2]

OA/ID Number

Date Closed 10/20/99

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]
P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-3 Release would violate a Federal statute [(a)(3) of the PRA]
P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

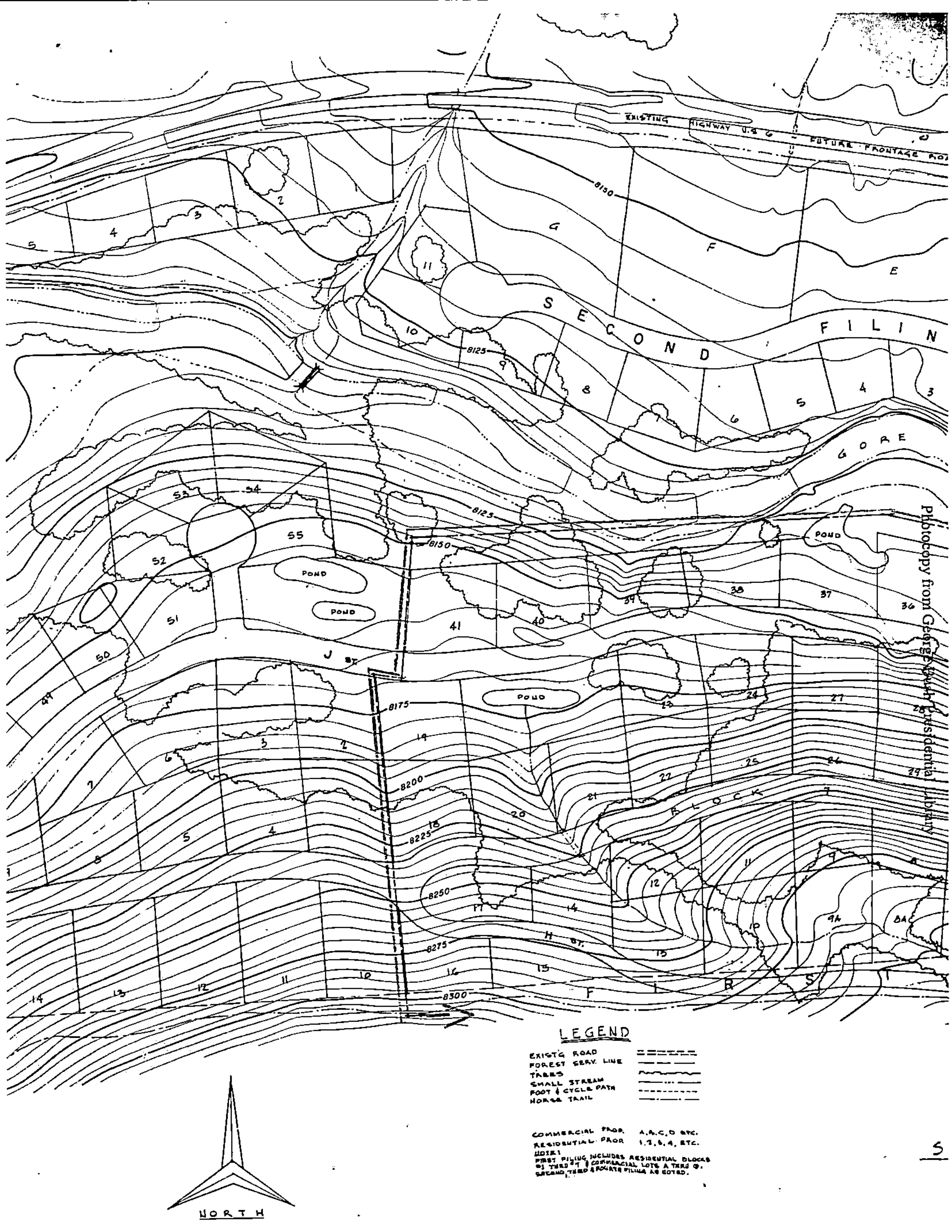
C. Closed in accordance with restrictions contained in donor's deed of gift.

Freedom of Information Act - [5 U.S.C. 552(b)]

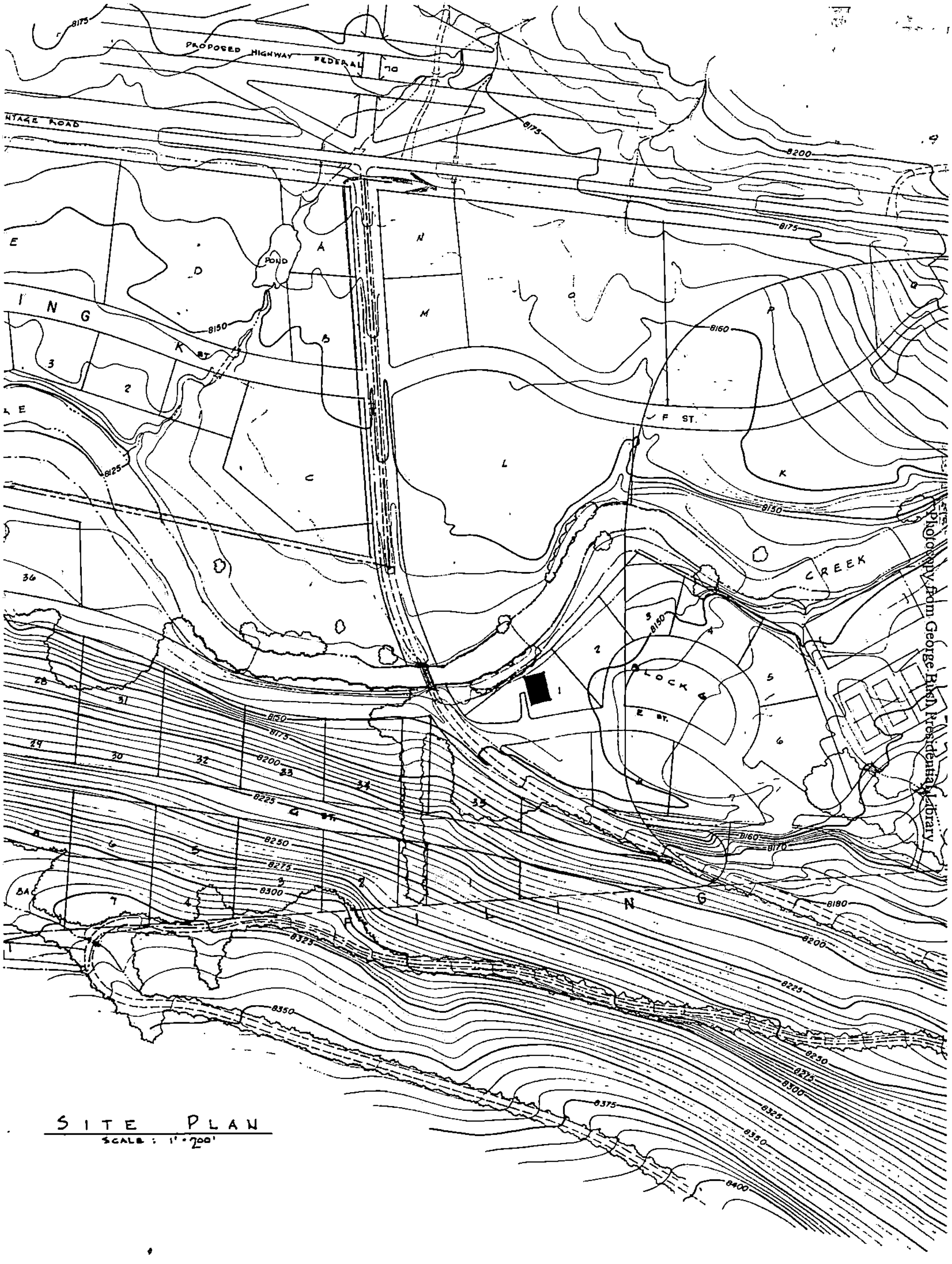
F-1 National security classified information [(b)(1) of the FOIA]
F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]


8150
8125
8125
8100
8100
8100
8075
8075
8100
8125
8150
8175
8200
8225
8250
8275
16
17
18
19
20
21
32
33
34
35
36
37
31
30
29
28
27
26
25

8150
8125
8100
8075
8175
8200
8225
F I L I N G
O U R T H
T H I R D
F I L I N G

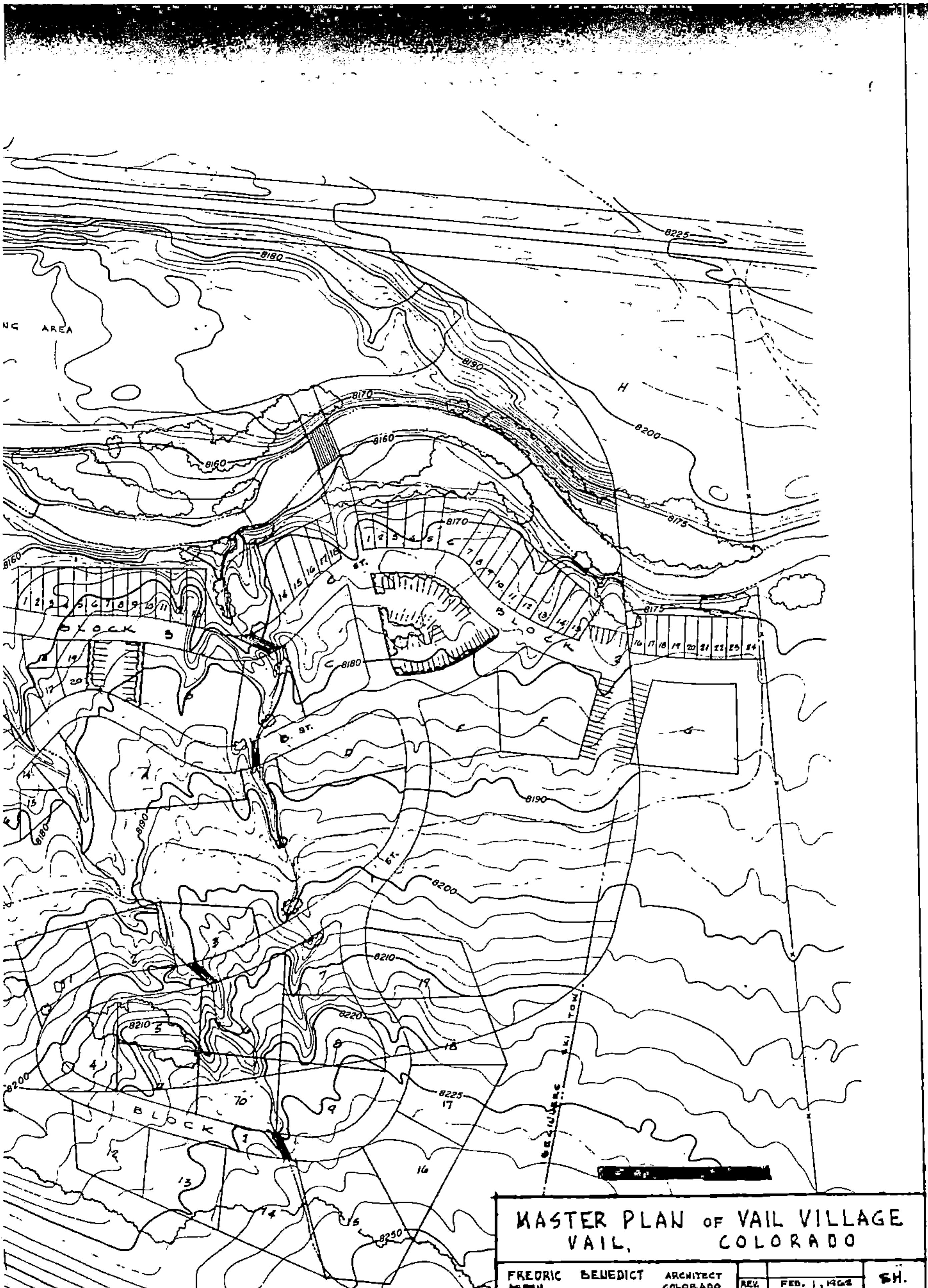

EXISTING HIGHWAY U.S. 6
FUTURE FRONTAGE ROA
SECOND FILIN
GORE
J ST.
H ST.
BLOCK
FIRST
POND
POND
POND
POND
8125
8150
8175
8200
8225
8250
8275
8300
LEGEND
EXIST'G ROAD
FOREST SERV. LINE
TREES
SMALL STREAM
FOOT & CYCLE PATH
HORSE TRAIL
COMMERCIAL PROP. A, B, C, D ETC.
RESIDENTIAL PROP 1, 2, 3, 4, ETC.
NOTE:
FIRST FILING INCLUDES RESIDENTIAL BLOCKS #1 THRU #7 & COMMERCIAL LOTS A THRU G.
SECOND, THIRD & FOURTH FILING AS NOTED.
NORTH

5



SITE PLAN
SCALE: 1" = 200'


PARKING AREA
BLOCK 5
BLOCK 3
BLOCK 2
BLOCK 1
B ST.
8200
8190
8180
8170
8160
8150
8225
8210
8220
8250
SKI TOW
MASTER PLAN OF VA
VAIL, CO
FREDRIC BENEDICT ARCHITECT
ASPEN COLORADO
FITZHUGH SCOTT ARCHITECT



BLOCK 5
BLOCK
BLOCK
ST.
8180
8190
8200
8210
8220
8225
8250
[redacted]
MASTER PLAN OF VAIL VILLAGE
VAIL, COLORADO
FREDRIC BENEDICT ARCHITECT ASPEN COLORADO
PITZHUGH SCOTT ARCHITECT MILWAUKEE WISCONSIN
REV. FEB. 1, 1962
DATE NOV. 21, 1961
JOB 59-28
SH. P-1

VAIL ASSOCIATES, LTD.

GENERAL PARTNERS:
THE VAIL CORPORATION
PETER W. SEIBERT

SUITE 516-1700 BROADWAY
DENVER 2, COLORADO
244-8667

April 18, 1962

To each Limited Partner of Vail Associates, Ltd.

In accordance with our letter to each of you dated March 15, 1962, a meeting was held on April 17, 1962, in the offices of Arthur Andersen & Co., our auditors at Denver, Colorado, to record the designation of residence sites made by those of us who had indicated a commitment to build and complete a residence in Vail Village First Filing before December 1, 1962. Mr. Graydon Hubbard of that firm conducted the drawing as to such of these sites where we reported multiple designations.

<u>AWARDS CONDITIONED ON BUILDING AND COMPLETING PRIOR TO DECEMBER 1, 1962</u>

The following-named partners who have designated sites with a statement of intent to commit to build and complete before December 1, 1962, have been conditionally awarded the sites described after their names:

<u>In Block 1 of First Filing</u>:

Fred Lazarus, III	Lot 1
Jerome A. Lewis	Lot 3
Henry T. McKnight	Lot 4
Walter Teipel, Jr.	Lot 10
Preston S. Parish	Lot 12
Elizabeth E. Mallinckrodt	Lot 13
John P. and Louise W. Wendland	Lot 14
Harley G. Higbie, Jr.	Lot 15
Keith L. Brown	Lot 16
Charles A. and Suzanne S. Meyer	Lot 17
Samuel McC. Yonce, et al	Lot 19

In Block 2 of First Filing:

J. Robert Fowler	Lot 5

In Block 3 of First Filing:

John F. Conway, Jr.	Lots 1 and 2
James R. Sowell	Lots 10 and 11
John D. Murchison	Lots 12 and 13
William McBride Love	Lots 14 and 16
Edward J. Walsh, Jr.	Lots 15 and 17
J. Robert Fowler	Lot 18

In Block 6 of First Filing:

Charles Morgan Smith	Lot 4
William F. Stevens	Lot 6

In Block 7 of First Filing:

John D. Murchison	Lot 2
Vernon Taylor, Sr.	Lot 4
Vernon Taylor, Jr.	Lot 7
Peter W. Seibert	Lot 8A
Carver-Dodge Oil Company	Lot 20
The H-T Company	Lot 34
Elizabeth E. Mallinckrodt	Lot 36
George M. Blair	Lot 37
Joseph Langmaid	Lot 38
John B. Tweedy	Lot 40
Raymond E. Hankamer	Lot 41

Also, in accordance with our letter of March 15, 1962, we have, as of April 17, 1962, agreed to sell or lease at commercial prices a site to Morrie Shepard, our Ski School Director, and a site to Robert W. Parker, our Assistant General Manager. Subject to their performance of their respective obligations to build and complete prior to December 1, 1962, each has been awarded the site described after his name:

In Block 7 of First Filing:

Morrie Shepard	Lot 19
Robert W. Parker	Lot 21

PARTNERS COMMITTING TO BUILD AND COMPLETE
BEFORE DECEMBER 1, 1962, BUT ELIMINATED IN DRAWING

The following-named partners, who have designated sites with a statement of intent to commit to build and complete before December 1, 1962, were eliminated in the drawing:

Richard D. Bass	Gene Murphree, et al
Fredric A. Benedict	Harold Y. Sampson
Robert F. Lammerts	William Van V. Warren, Jr.

So the above-named partners may have another opportunity to make a selection with a similar statement of intent to build, we forward to each of them herewith two copies of a letter of designation.

We hereby establish May 10, 1962, as the day when such further designations will be noted and, in the event of any conflict, a further drawing will be held.

PARTNERS COMMITTING TO BUILD AND COMPLETE
BEFORE DECEMBER 1, 1963, IN FIRST FILING

Although partners who wish to build and complete in the First Filing by December 1, 1963, have until July 1, 1962, to file their designations, certain of such partners have already filed designations which have not yet been pre-empted. For your information such designations are set forth below, with choices indicated where such choices remain available:

Harry W. Knight and Edwin L. Morris	1st Choice:	Block 7, Lot 35
	2nd Choice:	Block 1, Lot 18
Robert D. Stuart, et al		Block 6, Lot 2
Ann Hankins Long		Block 7, Lot 1
R. M. Hauserman		Block 7, Lot 39

Very truly yours,

Peter W. Seibert

Peter W. Seibert

JRF:mj

CAULKINS SECURITIES CORPORATION

1190 FIRST NATIONAL BANK BUILDING

DENVER 2, COLORADO

MAIN 3-8791

April 10, 1962

Mr. George H. W. Bush
1701 Houston Club Building
Houston, Texas

Re: Vail Associates, Ltd.

Dear Mr. Bush:

Pete Seibert has referred your letter of March 28 to me for an answer. There are several other groups combining fractional interests to obtain their building site. As far as Vail is concerned there is nothing you need do to combine your interests. The legal question may be something else. I know of one group which is forming a partnership to acquire the lot and build their house. I should think that you would not attempt to face such technicalities until you have decided upon your site and make plans to build.

The requirement to build depends upon the location of the lot. Referring to the Site Plan you received recently, the area to the east of the red line carries a commitment to build this year or next. Those who commit to build this year have first choice, but they must make their choice by April 15. Those who commit to build next year have the next choice, which will be decided by July 1, 1962. You could still make a choice after July 1 to build next year, but you would have to choose from what was left. You may also choose a site west of the red line on which there is no building commitment. Or you may hold your option and make no choice for the time being, although the option does expire in 1967.

I suggest that there is no urgency in your making a choice and that you try to get out here this summer to check the area.

I hope I have helped clear up some of the detail of an admittedly complicated situation. Please let me know if you have further questions.

Sincerely,

Harley G. Higbie Jr.

Harley G. Higbie, Jr.

HGH, Jr.:ams

cc: David Grimes
Jack Dorgan
John Caulkins

VAIL ASSOCIATES, LTD.

GENERAL PARTNERS:
THE VAIL CORPORATION
PETER W. SEIBERT

SUITE 516-1700 BROADWAY
DENVER 2, COLORADO
244-8667

March 30, 1962

To each Limited Partner of Vail Associates, Ltd.

At the special meeting of the board of directors, held in Denver on February 26th, Fitzhugh Scott, A.I.A., architect for the hotel, was authorized to go ahead with the complete working drawings for a 60-unit hotel, that could be expanded to a full 100 units at a later date. In the meantime we have reached a preliminary agreement with a Milwaukee construction firm, who have indicated a willingness to finance the hotel and lease it back to Vail Associates. A firm agreement on the hotel, therefore, should be negotiated in the very near future.

A group of investors have indicated that they will build a motel of approximately 50 units, and a gasoline station, on Lots N, M, and O, adjacent to the highway. We expect to complete negotiations with this group in time for them to start the construction on the motel early this summer.

Several other Limited Partners have indicated an interest in building additional shops and apartments and we are taking steps to assist them in finalizing these projects. Should you have any personal interest in a project of this sort in Vail Village, please let me know what your interest might be.

Letters of Designation for lots in Vail Village are coming in very promptly and from all indications it would appear that approximately 14 to 16 houses will be constructed there this summer. To those of you who have not already made your designation and still plan to build this summer, may we remind you that April 15th is the deadline for getting your Letter of Designation into the Vail office - that is, those people who definitely want to build this summer.

A number of people who have purchased partial Units are interested in acquiring a lot and, to do so, they would like to purchase a portion of some other partner's option. If you have a partial option which you would like to sell please let me know and we will exert our best efforts to help you.

Thanks to the efforts of Bob Parker, our public relations director, and to commencement of construction on the site, Vail is now a MUST in the minds of a number of potential investors, and we have had many requests for Units which we have been unable to fill - unfortunately, there are no Units of Vail Associates left to sell!

As you will note from the enclosed news clippings, Morrie Shepard of Aspen has been appointed as Director of the Vail Ski School. This decision was made after careful review of other potential ski school directors at the last meeting of the board of directors.

While we are impatiently awaiting the departure of "too much snow", slope and road construction is progressing at the Vail area and structural steel for the Riblet double chair-lifts is already on the site.

We have been very pleased to have had the opportunity to show Vail to many of our investors and their friends, as well as other potential business interests, but we now feel that our heavy construction period is almost upon us and we will, therefore, soon have to restrict such tours of the mountain. In the meantime we will always be happy to show the valley area to those of you who have not already seen it, or who might have further questions in regard to lot designations.

Our next directors meeting, to be held in Denver on April 2nd, should give us the opportunity to finalize certain projects that need the full attention of the Board and will free us to put additional time and effort into our heavy construction program.

Sincerely,

Peter W. Seibert

PWS/jt

Encls: (4) News clippings

Aspen SS Official To Head Vail Pass Ski School

Colorado's newest major ski development, the nascent Vail Pass area, will start its first ski school season out right by hiring as its director Aspenite Morrie Shepard, now assistant director of the Aspen Ski School.

The announcement that Shepard, on the staff of the Aspen Ski School since 1948, would head the ski school at Vail Pass next season was made this week by Vail General Manager Pete Seibert.

Himself a former Aspen instructor and racer, Seibert has been working on the development of the Vail area for the past few years. It is located on the West side of Vail Pass, about 100 miles from Aspen.

Shepard and Seibert grew up together in Sharon, Mass., and after World War 2 came west together in 1947 to settle in Aspen. Both were among the first instructors hired by Friedl Pfeifer, Aspen Ski School founder.

Shepard met his wife, the former Gloria Nielsen, in Aspen in 1949 and the pair was married in 1952. They now have three children. Before her marriage Mrs. Shepard was a frequent Aspen visitor, where her parents owned and operated the Epicure.

According to Bob Parker, former editor of Skiing magazine, now assistant general manager at Vail, Shepard will begin work at Vail this coming summer. If possible Shepard will also begin construction on a house in Vail Village during the summer.

Construction will also begin this summer on three lifts for the new area, Parker stated. Scheduled for completion by next winter is a 9600-foot-long gondola aerial tram and two Riblet double chairlifts.

The Gondola, designed by Bell of Switzerland, will have a vertical rise of 1900 feet and start from the parking lot near the highway. A 4500-foot-long chairlift with a 1100 foot rise will link the top of the tram to the upper slopes of the mountain.

The second chairlift will run down the back side of the mountain. It will be 6500 feet long and have a drop of 1600 feet.

Also planned for this summer is the first hotel in the village complex. An estimated 250 beds will be added to the village for the first season, Parker said.

In addition to his duties with the Aspen Ski School, Shepard operated his own painting contractor business in Aspen. He is also a director of the SRMSA and chief examiner of its certification program.

Shepard to Head Ski School at Vail

MORRIS SHEPARD

Morris "Morrie" Shepard of Aspen has been named director of the ski school at Vail, the nation's largest ski area, now under construction on the west side of Vail Pass.

Announcement of the appointment was made Saturday by Peter W. Seibert, general manager of Vail Associates, Ltd.

Shepard, 36, will take over management of the school when the resort opens next December. A native of Sharon, Massachusetts, he is presently assistant director of the Aspen Ski School.

The new ski area will teach a refinement of modern Arlberg as its basic technique, Shepard said.

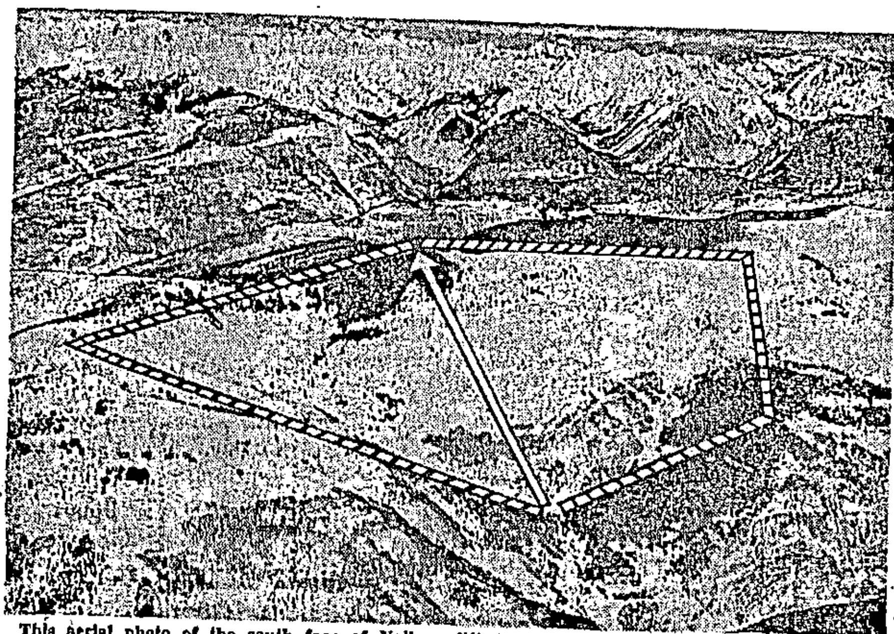
NEW BASIS

"It will be based on lift and rotation, to give pupils mastery of every kind of snow and terrain," he said. "We also will teach wedeln, or rhythmic short swings, to all advanced pupils.

"We have found that the so-called 'reverse shoulder' skiers are completely lost off the packed slopes," he added. "Our controlled rotation technique is good either on powder or packed slopes, and is also very efficient for handling moguls."

The Vail instructors' staff will include a number of expert U.S. and foreign skiers to teach advanced and racing classes, Seibert said.

Shepard is married to the former Gloria Nielsen of New York and Aspen. The couple has three children. He is a director of the Southern Rocky Mountain Ski Instructors Assn. and a member of the Professional Ski Instructors of America.



This aerial photo of the south face of Vail Mountain shows the vast open ski area of Vail and extreme east-west boundries of the area. The arrow going up the center of the photo shows the location of the 5700-foot double-chair lift to be built this summer. The bottom lift loading area is at the junction of the two bowls at the right and left of the lift line. The Gore range is in the background.

Roger Brown of Boulder, regional representative for the Head Ski Co., bursts into space in a flurry of dry powder snow near the summit of Vail Mountain, center of Vail, Colorado's newest and the nation's biggest ski resort.

—*Rocky Mountain News Photo.*

Vail Wilderness Becoming Ski Paradise

By SPENCE CONLEY
Rocky Mountain News Writer

The snow tractor crawled up the mountain road, belching blue clouds of exhaust fumes.

Driving the tractor was Peter Seibert, 38, champion skier, veteran of the famed 10th Mountain Division turned businessman.

Seibert

I was sitting directly behind him as we crept along the snow-covered forest trail. To my right were Bill Fletcher and his wife, Sue, of Denver. Fletcher is an advertising account executive for The Rocky Mountain News.

We were taking a tour of Vail, Colorado's newest and the nation's largest ski area. It's twice as large as Aspen; seven times larger than either Winter Park or Loveland Basin, and a whopping 25 times larger than the Berthoud Pass ski area.

$1.8 Million Job

Vail is presently undergoing a $1.8 million development which will reach full swing this summer.

Seibert worked the controls of the vehicle and we slowed.

"Over there. See those orange flags? Those mark the lift line," Seibert yelled.

Directly in front of us lay the 14,000-foot peaks of the Mosquito Range and the beautiful Mount of the Holy Cross.

In back of us was the jagged peak line of the Gore Range and the Gore-Eagle's Nest Wilderness Area.

The summit of Vail Mountain is two and a half miles south of U.S. Highway 6, about 15 miles west of 10,603-foot Vail Pass. The ski area is six miles east of Minturn and 110 miles from Denver.

"Stop looking and let's ski," Seibert called.

Moments later we were skiing through dry powder snow a foot deep.

"This way," Seibert said, "The others are over here."

The Fletchers and I glided through a stand of pine trees and stopped at the edge of a steep embankment. Standing out in the middle of a huge un-trailed snowfield was Bob Parker, Vail's information specialist.

"Get your camera ready," he urged, directing our attention to a huge snow-covered rock 25 feet above the snowfield on the rim of the embankment where we stood.

In a blur of motion, Roger Brown of Boulder, regional representative for the Head Ski Co., flashed over the top of the rock into space.

He landed abruptly in a heap, covered by the deep snow.

In 1954, while prospecting for uranium in the Morrison Sandstone of Vail Mountain, Earl Eaton suddenly found himself in the middle of a huge open park.

The park stretched as far as he could see, opening out into other open parks. He realized the area's great potential for skiing.

Eaton headed the Aspen Highlands Ski Patrol, engineered the construction of Ski Broadmoor in Colorado Springs. He has skied most of his life.

Snow Survey

He began a snow survey the following year.

Meanwhile, Seibert was involved in the development of Loveland Basin.

In 1957 Eaton and Seibert joined forces and made more snow surveys.

The outlook was exciting They found Vail Mountain had a 3000-foot vertical rise, equal to both Aspen and Sun Valley.

Eaton

Shepard

Today $1.8 million is available for development of the Vail area.

Two companys were formed; land was purchased to assure access to Vail Mountain. Some work already has been done.

Contracts have been awarded for the construction of:

- Vail Village. A settlement on Gore Creek which will house a lift terminal, wine and photo shops, hotels and apartments.
- A gondola-type lift to take skiers, four at a time, nearly two miles up Vail Mountain to Midway.
- A midway terminal with a restaurant, rest rooms and sun deck.
- A 4600-foot double-chair lift from Midway to Vail Mountain Summit.
- A 5700-foot double chair lift up the back of Vail Mountain.

The lifts will serve more than seven square miles of ski area.

Bob Parker took the Fletchers and me on an afternoon-long tour of Vail.

"We are going to give the skier room to ski in the best snow in the country. Trains stop nearby, and we'll provide transportation."

Morris (Morrie) Shepard, 36, widely known Aspen ski school executive, will head the new Vail Ski School.

Shepard has been at the Aspen several years and is a childhood chum of Seibert from Sharon, Mass.

Parker explained all the major development of Vail has come under the supervision of Vail Associates Ltd., the last company formed by Seibert and financial backers.

They will operate, develop and own Vail. Seibert, because of his ski background, was selected to manage the overall operation. Eaton was named construction superintendent.

We dropped through vast snow-meadows making serpentine trails. We skied past areas where workmen, armed with chain saws, trimmed away trees from the main trails, making them wider.

In all, 51,000 square feet of timber is being trimmed to widen trails.

"I don't mind telling you," Parker said, smiling, "I'm in love with this place."

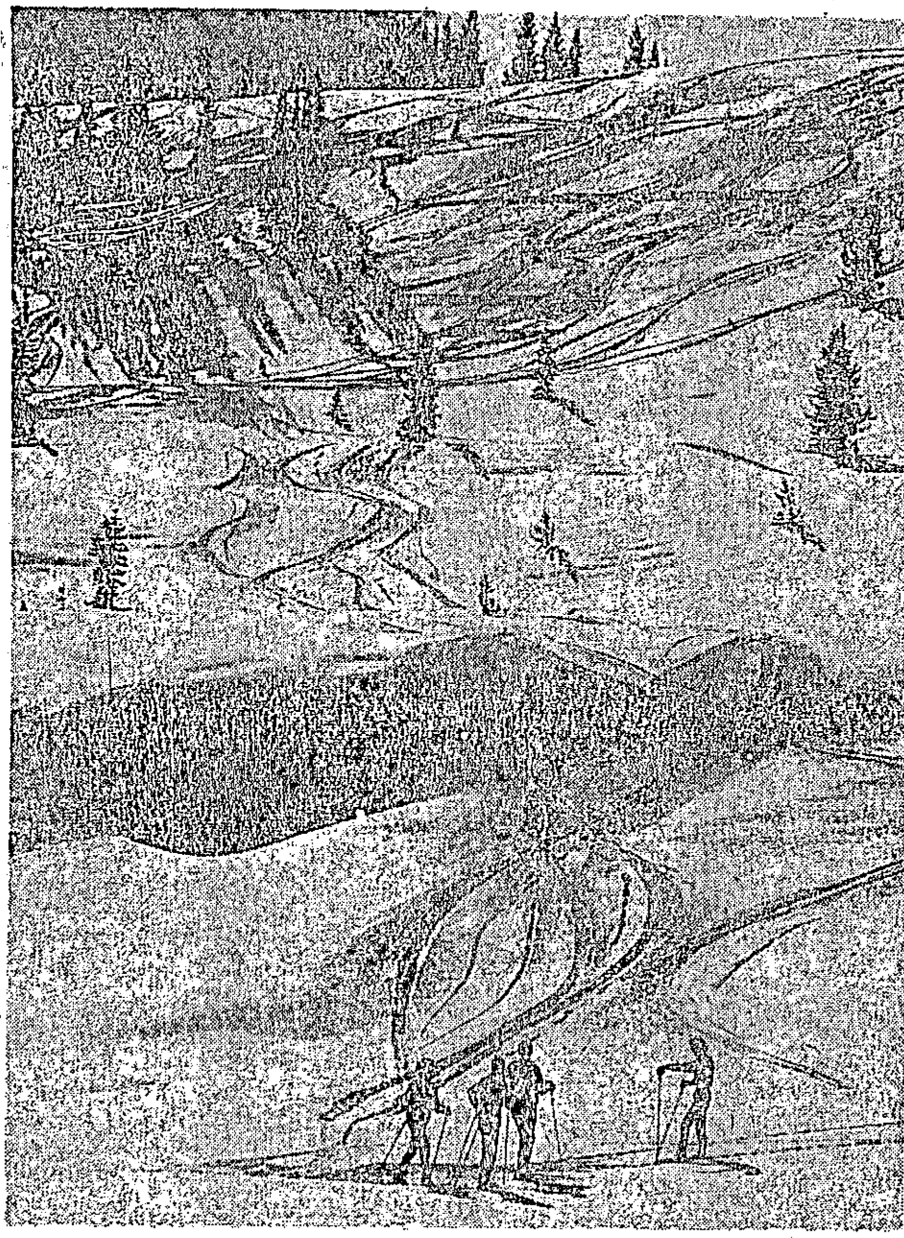


Photo Special to The Denver Post

SKIERS CUT SNOW PATTERNS AT VAIL AREA

Photo shows typical terrain at new ski area now under construction on the west side of Vail Pass. Gondola, two double chairlifts are to be ready by December, 1962.

Outdoor Empire

Vail Ski Area Big, Beautiful

By Cal Queal

VAIL SKI AREA, Colo.—At least half a hundred times I've passed here on U.S. Highway 6. When I wasn't hurrying, I'd look up at the mountainside to the south, but never considered it especially distinguished.

Earl Eaton, a native of the Eagle River Valley, started looking at it hard, back in 1954. In 1957 he was joined in his scrutiny by Peter Seibert, now of Englewood. They measured snow depths, walked the area on foot, studied its weather and wind, its bowls, ridges and valleys.

The result is that the nation's largest ski area is now under construction here. Last Thursday I finally got off the highway long enough to see why it all happened.

Our small party started from the base in two snow vehicles. An hour and a half and a few stops later we had risen 3,050 ft. through a sunlit winter landscape. We wound upward through broad stands of aspen, spruce and lodgepole pine, broke out into a huge bowl, climbed a long gentle hill to a ridge and followed it to the 11,250-foot summit.

On the south side was more of the same—much more. There were two more bowls, each a mile across, and ski country stretched out endlessly beyond them.

Best of all, everything was covered with the deep, quiet, light, incomparable Colorado snow. Seibert, Eaton, et al have themselves a skier's paradise.

The chain saws of the timber cutters are already shattering the area's stillness. By December of this year, there will be a 9,590-ft. four-passenger Gondola, two mile-long double chairlifts, a base area building and another at midway.

Its vertical drop alone makes Vail one of the elite among America's ski areas (with Aspen and Sun Valley), and its six to seven square miles of lift-served skiing terrain puts it in a class by itself. The variety of slopes, a remarkable lack of wind, dependable and excellent snow, and a scenic setting that's breathtaking, wrap up the package.

A minimum of timber clearing will put Vail in business. Much of the upper slope area is open, but with enough evergreens to make the vast whiteness esthetically pleasing. Nature is at her best when left alone, and fortunately the Vail bulldozers will disturb her only slightly.

The trees grow tall at Vail, even at the summit. Stiff prevailing winds come out of the Northwest but rise sharply on ridges of the northwest flank. Clouds sail swiftly over the area while even the summit remains quiet and still.

o

HERE are a few more Vail vital statistics: The area is 107 miles from Denver, about 14 miles west of the summit of Vail pass. The Base area is in the Valley of Gore Creek.

Principal runs will be about two miles long, with a top of four miles over certain routes. Capacity of the gondola lift to midway is 500 persons per hour. The double chair to the summit has a 900 per hour capacity, and the second double chair from the summit into the southwest and southeast bowls is 870 per hour.

A beginner's lift will be installed near the lower terminal of the Gondola. The area will open to skiers Dec. 1, 1962.

Pete Seibert, who is president of Vail Associates and the Vail Corporation, will be general manager of the resort when it opens. A Tenth Mountain Division veteran, a former F.I.S. skier and a man long associated with Colorado skiing, he is a natural for the post. Eaton has a reputation as a top-flight hill manager, ski instructor, and ski construction specialist.

Vail represents a personal triumph for both men. The money-raising, engineering and countless details involved in getting the project off the ground, took over four years. As Eaton puts it: "Most things that are worth while take time to accomplish."

It would be understating the case to say he and Seibert have spent their time well. Vail will add a new dimension to skiing in the U.S. It's big, it's beautiful, and it's in Colorado—naturally.

o

March 28, 1962

Mr. Peter W. Seibert
Suite 516
1700 Broadway
Denver 2, Colorado

Dear Mr. Seibert:

John Caulkins, Jack Dorgan, David Grimes and I each own 1/4 of a unit in the Vail Program. In your letter of March 15th you stated that we could combine fractional rights to purchase a site. I have talked to Mr. Dorgan but have not talked to the other two parties. We would like to have the details as to what we need to do to combine our fractional shares in order to purchase one lot between us. I also am not clear on if and when we would be required to build on this lot.

I am sending a copy of this letter to the others and perhaps you could do likewise in your reply to me.

Very truly yours,

George H. W. Bush

GHWB/vf

cc: David Grimes
Jack Dorgan
John Caulkins

LETTER of DESIGNATION

Mr. Peter W. Seibert
Suite 516 - 1700 Broadway
Denver 2, Colorado

Dear Mr. Seibert:

In response to your letter of March 15, 1962 I hereby indicate my intention to exercise the option to be granted to me to acquire Lot ___, Block ___, Vail Village ________ Filing, as the same is shown on the Master Plan accompanying your letter.

In the event that this lot is not available, I wish to acquire Lot ___, Block ___, Vail Village ________ Filing.

I (intend __) (do not intend __) to build a residence on the lot acquired by me on or before December 1, 1962.

I understand you will forward to me an Option Agreement further evidencing my rights, together with an official plat and the related protective covenants, setting forth use and improvement restrictions, when the latter have been approved by and filed with Eagle County.

Very truly yours,

____
(Signature)

VAIL ASSOCIATES, LTD.

GENERAL PARTNERS:
THE VAIL CORPORATION
PETER W. SEIBERT

SUITE 516-1700 BROADWAY
DENVER 2, COLORADO
244-8667

March 15, 1962

To each Limited Partner of Vail Associates, Ltd.

Enclosed herewith is a copy of the Master Plan of Vail Village for the initial development of approximately 220 acres of the 1,000 acres, more or less, which are owned by our Company. It is a map of the immediately useable part of the Hanson Ranch which lies south of U. S. Highway 6 at the base of our lift system. You will be able to locate this land with reference to our other lands if you will refer to the second map appearing between pages 21 and 24 of the Prospectus dated August 17, 1961.

You will recall from the Prospectus, from Exhibit "A" to the Limited Partnership Agreement, and from paragraph (f) of the Certificate of Limited Partnership that Peter W. Seibert and each Original Limited Partner have received a right to purchase, in the area of the Hanson Ranch planned for residential use, one residential building site at a price of $100 per site. These rights were required to be exercised on or before June 1, 1963, and any residence built on such site is required to conform to such subdivision plat and to such zoning, use and improvement restrictions as shall affect the land at the time of such building.

In order to encourage the construction of additional building facilities, it has been decided to grant to each Additional Limited Partner the right to acquire a residential site at a cost of $250. per site. The difference in cost between the option price to the Original Limited Partner and the price to the Additional Limited Partner is based upon:

(1) The Bank Loan requirement imposed subsequent to the granting of the original option that a prepayment at the rate of $125 per site be made upon the release of each site from the lien of the Deed of Trust; and

(2) A charge of $125 per site to cover the costs of preparing instruments, recording, surveys, and other incidental items.

Except for this difference the rights of the Original Limited Partner and the Additional Limited Partner will be identical.

Each purchaser of a full $10,000 Additional Limited Partnership Unit shall have the right to acquire a site in accordance with the terms stated in this letter. Additional Limited Partners who have subscribed to less than a full Unit shall have fractional rights to a site equivalent to the fractional part of the Unit to which they have subscribed. They may combine their fractional rights to a site with other fractional rights or they may sell their fractional rights.

In studying the enclosed Master Plan you should observe that it is contoured to two-foot intervals in the area around the lower terminal of the No. 1 Lift, and to five-foot intervals elsewhere. With this Master Plan as a guide an uncontoured subdivision plat is being prepared which will become "official" when submitted to and approved by the County Commissioners of Eagle County and filed in its records. The official plat, which may show minor adjustments in the lot boundaries as compared with those shown on the Master Plan will be the plat to which reference will be made in all contracts with and warranty deeds to purchasers of sites. Please note that the area to the right--or east--of the red line is Vail Village First Filing. To the left--or west--of the red line are Vail Village Second Filing, Third Filing and Fourth Filing.

With the exception of Lots 1 through 20, Block 4, Vail Village First Filing, and Lot 2, Block 6, Vail Village First Filing upon which a residence has been constructed, all numbered lots on the Master Plan are presently available residential sites. Lots 1 through 20, Block 4, Vail Village First Filing, and all lettered sites are commercial sites. Lots 1 through 24, Block 2, and Lots 1 through 18, Block 3, both in Vail Village First Filing, are known as town-house lots. Any two adjoining town-house lots are to be considered as one residential site.

Each partner will be granted an option as soon as the plat has been adopted by Eagle County, which will provide for the acquisition of a residential site under the following terms:

1. The option must be exercised on or before December 31, 1967.

2. If the option is exercised as to a residential site in Vail Village First Filing, the owner will be required to complete a residence on such site on or before December 1st of the year following the year in which the option is exercised.

3. If the option is exercised as to other lands, now or hereafter subdivided for residential purposes, there shall be no requirement as to time of building.

4. Each owner shall be required to purchase at a cost not to exceed $500 per site his pro-rata share of the cost of water and sewage facilities, probably in the form of municipal bonds.

5. Each owner shall be required to purchase at a cost not to exceed $500 per residential site his pro-rata share of the cost of certain summer recreational facilities, planned to include a golf course, tennis court, and a swimming pool. These too will probably be in the form of municipal bonds.

6. No residence may be constructed until the site is serviced by public water and sewage facilities. These facilities will be available in 1962 in Vail Village First Filing and will be extended to other areas as the demand shall warrant.

7. All sites will be subject to building and use restrictions common to protected residential developments, including the submission of plans and specifications to an architectural control committee for approval.

8. No sites will be reserved for option holders. Each site is subject to prior sale or lease by Vail Associates, Ltd. at commercial prices commencing April 15, 1962, in the first filing, and after July 1, 1962 in the other filings.

In order to facilitate the orderly selection of sites and the early preparation of building plans, we request that you designate the site which you wish to acquire at this time. Since there may be a conflict in designations, we request you designate your second choice. Those who commit to build and complete by December 1, 1962, and make their selection on or before April 15, 1962, shall become entitled to that site unless there is a conflict. In the event of a conflict the site will be awarded by drawing.

In this connection the following named partners have already committed to build and complete by December 1, 1962, on the sites in the First Filing described next after their names:

Keith L. Brown	Lot 16, Block 1
Harley G. Higbie, Jr.	Lot 15, Block 1
Joseph Langmaid	Lot 38, Block 7
Fred Lazarus, III	Lot 1, Block 1
John D. Murchison	Lot 2, Block 7
Jerome Rich	Lot 3, Block 6
Peter W. Seibert	Lot 8A, Block 7
Charles Morgan Smith	Lot 4, Block 6

John B. Tweedy	Lot 40, Block 7
Robert D. Stuart, Jr., and partners	Lot 2, Block 6
Vernon Taylor, Jr.	Lot 9A, Block 7

If there is no conflict with the above selections such sites will be awarded on April 15, 1962.

Those partners who do not commit to build during 1962 will be awarded their selected site on July 1, 1962, provided such site has not previously been selected by a partner who has committed to build during 1962 or has been sold prior to the receipt of such designation, and provided there is no conflict. In the event of conflict the site will be awarded by drawing.

In considering the selection of a residential site, please remember that additional acreage will be made available for sub-division after the tract shown on the Master Plan has been reasonably developed. In the opinion of many partners, portions of the land owned by Vail Associates, Ltd. which have not yet been sub-divided are equally or more attractive for residential purposes, though more distant from the lift. It is also possible that Vail Associates, Ltd. will be able to acquire additional acreage to the east which will be equally desirable for development.

You should keep in mind that different lots are to be priced at different levels to the public. At the outset, these prices will vary from approximately $3,500 to $8,000 per site, with the higher prices tending to apply to the sites nearest the lift.

If you wish to designate a site at this time, please be kind enough to return the enclosed "Letter of Designation" indicating your first and second choice.

If you have any questions, please do not hesitate to contact the undersigned.

Yours very truly,

Peter W. Seibert

Peter W. Seibert

PWS/jt

Encls: (2)

TWEEDY AND FOWLER
ATTORNEYS AND COUNSELLORS AT LAW
SEVENTEEN HUNDRED BROADWAY
DENVER 2, COLORADO

J. ROBERT FOWLER
JOHN B. TWEEDY

TELEPHONE
AMHERST 6-3731

March 7, 1962

To Each Limited Partner of Vail Associates, Ltd.

For Vail Associates, Ltd., we forward herewith the following documents:

1. Three copies of the Certificate of Limited Partnership of Vail Associates, Ltd., each consisting of thirteen numbered pages and one unnumbered page as the last page. This last unnumbered page is set up for your signature in two places and the signature and seal of a notary public in one place.

2. Two copies of a Declaration and Power of Attorney.

For the reasons stated below, we ask that you take the three copies of the Certificate of Limited Partnership and the two copies of the Declaration and Power of Attorney before a notary public. Before such notary public you should sign the last unnumbered page of all three copies of the Certificate of Limited Partnership and both copies of the Declaration and Power of Attorney. Please note that the last unnumbered page of the Certificate of Limited Partnership must be signed twice by you and once by the notary public.

Please send by return mail in the enclosed stamped, self-addressed envelope:

Two copies of the Certificate of Limited Partnership and

One copy of the Declaration and Power of Attorney

Each of you has already signed a Limited Partnership Agreement of Vail Associates, Ltd. You are now asked to sign and swear to the truth of the facts stated in the Certificate of Limited Partnership. The Agreement of Limited Partnership remains as the statement in full of the agreement between the parties. The Certificate of Limited Partnership states some--but not all--of the matters stated in the Agreement. The Certificate states only such matters as are required by law to be stated. It is the signing and swearing to of such a certificate by all of the partners, which truly states the matters required by law to be stated, and the filing for record of such certificate in the county or counties where the limited partnership does business that establish the limited liability of the limited partners.

In our opinion the Certificate of Limited Partnership as now forwarded to you is a sufficient and true statement of the matters required by law to be stated in such a certificate.

When each of you signs, swears to and returns <u>two</u> copies of this Certificate of Limited Partnership to Vail Associates, Ltd.--together with <u>one</u> copy of the Declaration and Power of Attorney, when the attorneys-in-fact have completed their action as authorized, when one counterpart so assembled has been filed for record in Eagle County, Colorado, and the other counterpart so assembled has been filed for record in Denver County, Colorado, it is our opinion that Vail Associates, Ltd. will be formed according to law as a limited partnership.

Should you have any questions about these enclosures, please let us know.

Very truly yours,

J. Robert Fowler

J. Robert Fowler

JRF:mj

Withdrawal/Redaction Sheet
(George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
03. Legal Agreement	Legal agreement containing financial information related to investment (14 pp.)	n.d.	C	

COLLECTION

George Bush Personal Papers
Zapata Oil File
Personal Alphabetical Files

FILE LOCATION

Vail Associates, Ltd. [1961-1964] [2 of 2]

OA/ID Number

Date Closed 10/20/99

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]
P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-3 Release would violate a Federal statute [(a)(3) of the PRA]
P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]
F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DECLARATION

and

POWER OF ATTORNEY

The undersigned declares that he has, as a limited partner, this day signed, acknowledged and sworn to three identical counterparts of the Certificate of Limited Partnership of Vail Associates, Ltd., which counterparts showed the signature, acknowledgment and affidavit of The Vail Corporation and Peter W. Seibert as the general partners.

The undersigned intends to mail two of these counterparts to J. Robert Fowler and John B. Tweedy, at 1700 Broadway, Denver 2, Colorado, and hereby appoints such J. Robert Fowler and John B. Tweedy, or either one of them, as his agents and attorneys-in-fact, authorizing and directing them, or either of them, to perform the following ministerial acts with respect to such two counterparts and such identical counterparts as they shall receive from the other limited partners showing their respective signatures, acknowledgments and affidavits:

1. To detach from each of the counterparts received from the undersigned the page bearing his signature, acknowledgment and affidavit;

2. To attach one such page to each of two identical counterparts of such Certificate of Limited Partnership of Vail Associates, Ltd., as will show the signatures, acknowledgments and affidavits of The Vail Corporation and Peter W. Seibert, as the general partners, and each of the other limited partners; and

3. To file for record one such identical counterpart so assembled in the County of Eagle, Colorado, and to file for record the other such counterpart so assembled in the County of Denver, Colorado.

IN WITNESS WHEREOF, the undersigned has signed this instrument on the date below appearing in his acknowledgment.

George HW Bush

STATE OF TEXAS)
) ss.
COUNTY OF HARRIS)

The foregoing instrument was acknowledged before me this 12th day of March, 1962, by George H.W. Bush.

WITNESS my hand and official seal.

My commission expires:

6-21-63

Vivian C Flynn
Notary Public

VAIL ASSOCIATES, LTD.

GENERAL PARTNERS:
THE VAIL CORPORATION
PETER W. SEIBERT

SUITE 516-1700 BROADWAY
DENVER 2, COLORADO
TABOR 5-2947

February 20, 1962

George H. W. Bush, Esq.
1701 Houston Club Building
Houston, Texas

Dear Mr. Bush:

On February 1st work commenced on the main construction road up the mountain. At the same time we started the clearing of lower slopes and trails. Progress to date has been excellent, thanks to our Operations Manager, Earl Eaton, who had very carefully laid out all the roads and trails to Forest Service specifications last fall and, also, due to the fact that we were able to use John McAllister's men and machines with all their cumulative experience gathered from many years of timbering work at the area. (John, as you may know, is one of our Original Limited Partners and operates a saw mill in the valley.)

During the winter months construction work in the mountain is generally marginal, but as long as the weather is favorable and the expense in line with summer costs we will continue to gain the time that is so vital to the scheduled completion of this present phase of the Vail Project.

At this time it appears that we have worked out a feasible plan to assure the basic number of beds in one main lodge at the lower terminal of the gondola lift. This program, as well as an alternative solution (that would decrease the number of beds in the main lodge, while not limiting its functions as the central meeting place, and rely for additional units on a motel that would be built across the stream from the main lodge and oriented more directly to highway traffic) will be discussed at a special meeting of the Board of Directors to be held in Denver, on Monday, February 26th. We will reach a decision at that time as to a definite plan for the Village Inn.

Look for more on this in next month's newsletter. Meanwhile, enclosed is a copy of an article on Vail, published in last Sunday's edition of The New York Times which will, I'm sure, be of interest.

Sincerely,

Peter W. Seibert

Encls: (1)

THE NEW YORK TIMES, SUNDAY, FEBRUARY 18,

NEW ROCKIES SKI CENTER TO BE 'BIGGEST' IN U.S.

By SUSAN MARSH

DENVER, Colo. — Utterly unpublicized until the last days of last year, the biggest ski area in this nation is now under construction about a hundred miles west of here, and it expects to open next December. It is to be called "Vail," and it is on the Vail Pass, beside U. S. 6 and the proposed route of Interstate 70 in the White River National Forest.

Vail's permit from the United States Forest Service gives it control over an area between two and three miles wide and extending six miles into the mountains. It is less than four miles from Camp Hale, the site which the United States Army selected as having the best snow conditions in the country and where it trained its mountain troops.

The new area's plans for ski trails have been approved by the Forest Service, which will have charge of safety measures and avalanche control. The first stage of the ascent, from the Vail base at 8,200 feet to a midway point two miles away and 1,935 feet higher, will be served by sixty-three enclosed gondola cars, each carrying four persons. This main ski lift, 9,500 feet in length, is being installed by the Bell Engineering Company of Lucerne, Switzerland, and is geared to accommodate 500 people an hour on the 14½-minute ascent.

Two Chairlifts

Where the gondola lift ends, two successive double chairlifts will carry on, a mile each, also to terminals, at which points skiers can fan out. These lifts are being built by the Riblet Tramway Company of Spokane, Wash.

At the top of the big gondola lift, a terminal restaurant, to supply year-around service, is going up. It has been designed by Fredric Benedict, architect of the Aspen Inn and the Aspen Highlands Restaurant. In fact, the entire Vail enterprise is being planned for all-year use, with ice skating, swimming, tennis, golf and horseback riding, as well as skiing. The gondola lift will become a scenic skyway in the summertime.

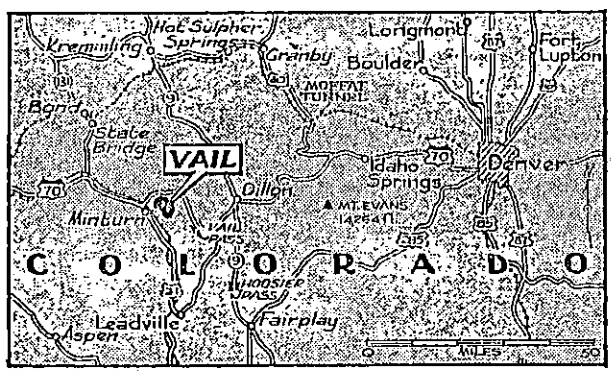
Plans for Vail have been under way quietly since 1957. Late last December, Peter Seibert, an experienced Colorado ski-area operator and a veteran of the Army's Tenth Mountain Division in Italy in World War II, announced details of the project as president and one of the general partners of the Vail Corporation. Capital of $1,800,000, with more funds available for further development, had been raised. Partnership shares of a total of $1,000,000 had been sold by the Caulkins Securities Corporation.

Promoters Listed

Among the original promoters and investors, all Coloradans, are Mr. Seibert, George P. Caulkins Jr., John F. Conway Jr., Earl Eaton, J. Robert Fowler, Vernon Taylor Jr. and John B. Tweedy. Much of the capital was raised through the interest of the Texas oil man, John D. Murchison of Dallas, who also has Denver interests. He is represented on the Vail Corporation board of directors by Gerald T. Hart, a Denver real estate man. Other early investors were C. T. Chenery of New York, Richard M. Hauserman of Cleveland and Fitzhugh Scott of Milwaukee.

Fred Lindholm

BREAKING TRAIL—Skiers dash down snowy slope in Vail, and, at right, a map of Colorado mountain area.



The Vail entrepreneurs are in negotiation with nationally known hotel and motel chains, with the view to setting up a hotel to accommodate 150 guests. When these arrangements are completed, sums amounting to $500,000 for the purpose are expected to be made available through a Denver bank and the Federal Small Business Administration.

Disabled Veteran

In local circles, Mr. Seibert's energetic activity in launching the Vail enterprise seems entirely in keeping with his record. When serving with the Tenth Mountain Division in Italy during World War II, he was wounded and presently discharged from the Army as 100 per cent disabled. To inspired medical attention, plus Mr. Seibert's own determination, is attributed the fact that he was able, in eighteen months, to belie the prediction that he would never walk again. In fact, by the end of that year and a half, Mr. Seibert was not only walking but had won the Roch Cup for skiing at Aspen and a place on the American team of the F. I. S. (Fédération Internationale de Ski).

When Colorado's Loveland Basin ski area was constructed, Mr. Seibert was manager and director of the company that installed the tows. With him at Vail as operations manager is Mr. Eaton, who was construction superintendent for the Broadmoor ski installation, outside Denver, and also construction foreman and head of the ski patrol at Aspen Highlands.

One way to look at Vail is by actual exploration of the site. The total picture is impressive.

The time I chose to visit the place was perhaps unpropitious. The same storm that dumped four inches of snow in Dallas had closed some Denver suburban schools. Instead of remaining open on Monday night, stores and even the public library closed in the early afternoon. Concerts and various meetings were canceled for Tuesday. Loveland Pass over the Continental Divide was clogged with immobilized traffic for thirty-six hours. Extreme cold was predicted.

Cold Reality Needed

But Vail's glowing promotional brochures and movies needed cold reality as an antidote. Besides, any place that looked alluring when the temperature was 50 degrees below its normal figure would be worth seeing. There are no official records for Vail, but most of the skiing will be at approximately the level of the nearest big town, Leadville. There the January average daily high is 30.5 degrees.

A few hours before we left Denver, the temperature there was 24 below zero. Going up Loveland Pass, we noticed the Seven Sisters, places which produce snowslides. Each was neatly sheared by a machine that chews out a path, leaving a vertical bank and shooting the snow off to the side. Highway maintenance on Loveland Pass since it was modernized is traditionally excellent. The pass is seldom blocked for more than two hours at a time, and then, often, because a driver without snow tires or chains has lost his momentum. In the last five years, it has only once been blocked as long as eight hours. But advocates of the tunnel now being engineered under Loveland think this January's storm proved its necessity.

We waited in a long line while a Diesel trailer was pulled out of a snowbank on the western side of the pass. On the return trip, we counted five cars and three trucks abandoned on or near the road over the pass.

Buses Serve Vail

We could have taken one of the regularly scheduled Trailways buses right to Vail. There are three in each direction every day, running between Denver and the West Coast, over Loveland Pass. All Rio Grande trains through the Moffat Tunnel stop thirty-eight miles from Vail, at Bond. Trains through the Royal Gorge from Colorado Springs stop at Minturn, seven miles away. Both train trips should be on every tourist's list. They are the best way to see high mountains.

The Eagle airport serves both Aspen and Vail, but is closer to Vail. When Vail starts operations, there will be chartered buses from the Denver airport.

Three of the Vail group, Mr. Seibert, Mr. Eaton and Mr. Tweedy, took me on a five-hour tour of the area by snow vehicle. We could not see where the roads had been laid out; but we saw the first nearly completed building, a house for one of the investing "limited partners." Investors automatically have the option of buying residential land cheap.

We went over the site of the sport shop, which will adjoin the base of the gondola lift. Near by, on the pedestrian mall, a photography shop and restaurant and wine shop, with apartments above, will be erected.

No Wind

We followed an old lumbering road up the steep hill south of the valley. Aspen grew there, then lodgepole pine and spruce. There was no wind; there seldom is at Vail, according to Mr. Eaton, who has always lived near by and who discovered the area.

Twice, three of us walked to lighten the load of the car. Once Mr. Seibert suspected the possibility of an avalanche, so we went through at respectful distances. Nothing happened except that we sank in about eight inches further than the snow vehicle's tracks, and worked up considerable heat from walking in too many layers of warm clothes.

I was shown plenty of places where an expert skier can find a fast course. Much of the area is sparsely wooded, and will not needs trails, but where trails are necessary, we saw blazed trees and some places already cleared. The eight-foot snow-depth markers were buried to within a foot or a foot and a half of their tops.

The summit is a skier's dream. There are high mountains in every direction, but none so close as to be oppressive. Much-photographed Mount of the Holy Cross and the 14,000-foot peaks of the Mosquito and Sawatch Ranges are in one direction. Turning toward the northeast, one sees the sharp spires of the Gore-Eagle Nest Primitive Area, where summer visitors can go on pack trips from the hotel.

Protected by Peaks

Usually a summit with such a superb view as one finds at Vail is well above timberline, in windy, stormy, cloud-producing territory. But Vail's summit is only 11,250 feet, and is protected by the higher peaks.

The cabin at the top was nearly buried; my thermometer never got above 12 below zero. Yet the cloudless blue sky let the sun blaze so strongly that I often noticed that my cheek turned toward the sun felt warm.

It was such fun to explore the summit on snowshoes that I hated to stow them and climb back into the car. The open areas on all sides of the summit are huge—four Alpine bowls for skiers. Two of them can be served by the chairlift down one ridge. Eventually, there will be lifts in other directions.

Our day ended as a skier's will, with ridges in a shadowy valley framing the golden glow where the sun still rests—in this case, on the Gore Range.

THE DENVER POST

FINAL EDITION

The Voice of the Rocky Mountain Empire

Vol. 70, No. 148 Denver, Colo.—Climate Capital of the World—Thursday, December 28, 1961 10 Cents, 52 Pages

GOOD NEWS TODAY

Mammoth Ski Area Planned

By CAL QUEAL
Denver Post Staff Writer

The nation's largest ski area will be built on the west side of Vail Pass, The Denver Post learned Thursday.

File

Construction on the estimated $1.8 million area, one of the largest in the world, will begin soon and will be ready for use next winter. Major facilities will include a 9,500-foot-long Bell gondola lift with 63 four-passenger cabins, two mile-long double chair-lifts and a 1,000-foot beginner's lift.

The approximately seven square miles of skiing terrain at the area will make it the largest in the United States.

The developer is Vail Associates Ltd. of Denver, a limited partnership. General partners are The Vail Corp. and Peter W. Seibert, a former Aspen ski instructor and former manager of Loveland Basin. Seibert will be general manager of the area.

Two large bowls will comprise the major portion of the skiing terrain. Other facilities expected to be ready for operation by next winter include a 150-bed resort hotel and other alpine structures to house shops and service establishments.

Directors of the Vail Corp. are George P. Caulkins Jr., president of Caulkins Oil Co.; J. Robert Fowler and John B. Tweedy, Denver lawyers; Fitzhugh Scott, Milwaukee architect; Gerald Hart, Denver real estate man, and Richard M. Hauserman, Cleveland industrialist.

The area will be located 14 miles west of the summit of Vail Pass, and south of U.S. 6.

The Vail area will offer more than 3,000 vertical feet of skiing in a single descent. Individual runs will vary in length from three miles to one and one-half miles.

It was indicated the area would be ready for opening in December, 1962.

THE DENVER POST Friday, Dec. 29, 1961

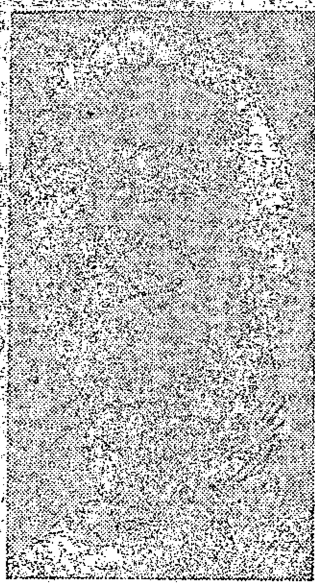
The Ski Beat

Huge New Ski Area in Works

By Cal Queal

COLORADO skiing took another giant jump forward Thursday with the news the state is getting still another ski area—this one the largest in the U.S. Details on the big project were first revealed in Thursday's Denver Post.

The Vail area, to be built on the west side of Vail Pass, sounds like a honey. It will have a large gondola lift, a pair of mile-long chair lifts, a 3,000-foot descent, wide open bowls, an alpine village—the works.



PETE SEIBERT

It's significant that the prime mover behind Vail is both a skier and a man who knows skiing. Pete Seibert, a well-known figure in Colorado skiing, is an expert's expert. A former FIS skier and a veteran of the famed Tenth Mountain Division, he has been associated exclusively with skiing for a long time.

With him calling the shots, we can expect Vail to be a good thing.

Vail represents a personal triumph for Seibert, who has been putting the thing together since 1957. Before that, Earl Eaton had first sensed the area's potential. Listening to Seibert, we can't help but be enthusiastic about its future.

"Vail will offer runs of four miles in length on vast, open and wind-free slopes that lie entirely below timberline," Seibert said. "The combination of alpine terrain and sub-alpine weather conditions will be unique in this country."

Seibert and Eaton considered virtually every potential area in Colorado, northern New Mexico and Wyoming before making their decision. None compared to the huge snow bowls nestled against the mountains on the west side of Vail.

The gondola lift is being built by Bell Engineering, Ltd., of Lucerne, Switzerland. It will whisk skiers in enclosed comfort from the base terminal almost two miles up the mountainside in 14 minutes. The upper terminal will have an alpine restaurant designed by Fritz Benedict of Aspen, another man who does things right.

The terminal restaurant will be a fine show place for non-skiing skiers, or the jumping off place to more snow riches for the skiing skiers. They can go down or up again on a mile-long Riblet double chair. At the top of that, they can either start the long journey down or take still another run down the south slopes, served by still another double chair lift.

Sounds grand, doesn't it? Our congratulations to Pete Seibert and all the people connected with Vail. The only discordant note in the whole picture is that all this is still a year away. For us, at least, it's going to be a long wait.

Vail Unveiled

Few ski developments in [illegible]nt years have been more thoroughly shrouded in mystery than the one long-rumored to be under way near Vail Pass, 107 miles west of Denver, Colo.

This mysterious project, known to initiates simply as Vail, was rumored to be bigger than Kitzbuhel, more alpine than St. Anton, more challenging than Chamonix. The truth is now out, and if statistics can be depended upon, the truth is almost as good as the rumors.

The management of Vail Associates, Ltd., has just announced completion of financing for the $1,800,000 ski complex to be known officially as Vail. Scheduled for opening in December of 1962, the project will provide U.S. skiers with the first new major western ski resort since Aspen and Squaw Valley got their start in the late 1940's.

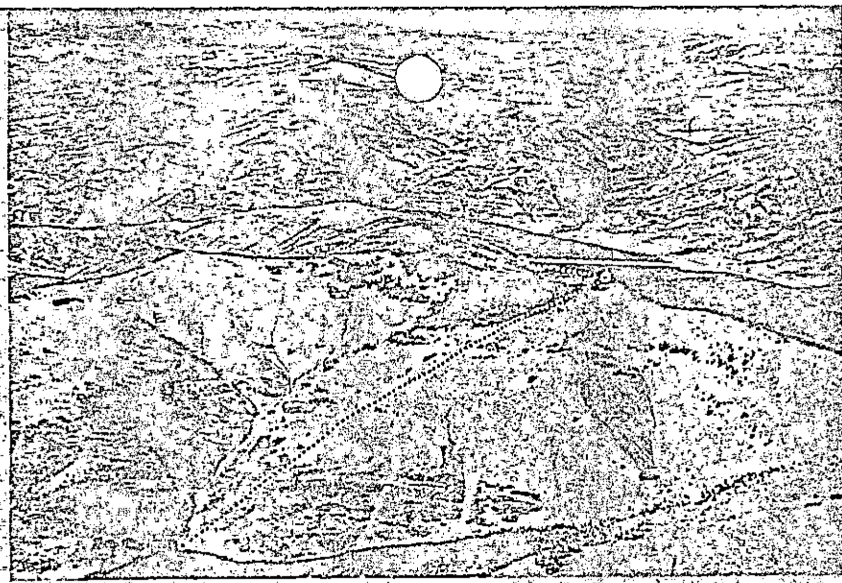
Heading the giant new enterprise is former FIS team star Pete Seibert, known to many skiers as a top instructor at Aspen and first manager of Loveland Basin. Seibert pioneered Vail in 1957 with its discoverer, ski lift expert Earl Eaton.

Scheduled for readiness next winter are a 9,500 foot-long Bell gondola lift with 63 four-passenger cabins, two mile-long double chairlifts and a 1000-foot beginner's lift, which together will service approximately seven square miles of ski terrain.

Also to be ready next winter is an $800,000, 150-bed resort hotel, and the core of an alpine village including ski and photo shops, restaurant, bierstube, apartments and private residences.

The modern skier's hotel is being designed by Fitzhugh Scott of Milwaukee, one of a three-man architectural board planning the entire resort. Completing the board are Fritz Benedict, noted Aspen architect and Richard Hauserman, Cleveland industrialist.

Vail is located just off U.S. Highway 6-Interstate 70, 14 miles west of Vail Pass summit. The alpine village will be situated in the heart of scenic Vail Valley, in full view of the rugged Gore Range.



Alpine slopes of Colorado's new Vail resort, seen from air. Solid line denotes gondola, broken lines chairlifts. Highway 6 in valley.

The area's ski slopes will be divided between the wooded north face of Vail Mountain, and three sparsely timbered alpine bowls facing northwest, southeast and southwest. According to the developers, Vail's upper slopes will comprise the largest expanse of lift-served open-slope ski terrain anywhere in North America.

With the lower gondola terminal at 8,175 feet and the summit at 11,250 feet, the area will provide more than 3,000 vertical feet of skiing in one descent. Runs will vary in length from three miles on the north side to 1½ miles in the south side bowls.

A unique feature of the resort will be its mountain restaurant-gondola terminal, located in the northwest bowl. Designed by Benedict, the restaurant will provide a balcony view of the Gore Range and the ski slopes of the bowl itself.

With only one building season in which to complete their project, Vail's ambitious developers have a tremendous task ahead of them if they are to open December, 1962. But Seibert is confident the job can be done.

"We've spent three years planning and engineering this project," Seibert said. "Now that we are fully financed, we can finish the job on schedule. This resort is going to be so great we owe it to American skiers to be ready by next Christmas."

MULTI-MILLION DOLLAR VENTURE

New Vail Pass Ski Area to Be a Major Resort

By WILLARD HASELBUSH
Denver Post Business Editor

A year-round resort of multi-million dollar caliber will be built around the nation's biggest ski area, set for a Dec. 1, 1962, opening on the west side of Vail Pass and 107 miles west of Denver, it was disclosed Saturday.

Plans for the $1.8 million ski facility—one of the largest in the world—were announced a week ago.

The Denver Post learned Saturday the full $5 million scope of the new business venture, and the names of key men among its partners.

These include John D. Murchison, Texas oil millionaire whose family built Denver's First National Bank, the Denver Club Building and the Harvest House in Boulder.

Other partners are William and James B. Kurtz, officials of Denver-based Anderson Independent Lumber Co., which has 63 outlets in five states and annual sales of $11 million.

REPRESENTATIVE HERE

Also Gerald T. Hart, Denver Realtor, who represents the Murchison interests in Colorado and manages both Murchison-built skyscrapers here, and Cortland S. Dietler, vice president of Western Crude Marketers, Inc.

Other partners include Richard M. Hauserman, Cleveland industrialist who heads the Sun Valley Ski Club, Fitzhugh Scott, Milwaukee architect, and Frederic A. Benedict, Aspen architect who has designed the Vail resort's Alpine-type upper terminal and restaurant.

The developer is Vail Associates, Ltd., a Colorado limited partnership, which owns 1,000 acres of former ranch land on which it has mapped plans for immediate development of a complex of hotels, lodges, shops and private dwellings to cost a minimum of $5 million.

A spokesman for the group estimated Saturday at least $3.5 million will be invested in the facility within two years.

The group also controls 4.5 miles of prime trout fishing streams and holds a permit from the U.S. Department of Agriculture and U.S. Forest Service to develop as a ski area and summer sightseeing attraction a section of the Colorado Rockies offering ski runs four miles in length and a vertical drop of over 3,000 feet on vast, open slopes that lie below timberline.

INTERSTATE ROUTE

The new Vail resort will be on U.S. 6, now designated as the route for four-lane Interstate Highway 70. Plans for the Interstate 70 project include a tunnel under the Continental Divide near Loveland Pass with an east portal at the Loveland Basin ski area and a west portal near the Vail Pass properties. A nine-hole golf course is being designed for early construction.

Peter W. Seibert, 36, of Englewood, Colo., a veteran of the 10th Mountain Division and of the United States F.I.S. Ski Team, is president of the Vail Corp., which began plans for the year-around resort project three years ago. The management of Vail Associates is vested in its general partners, Seibert, and the Vail Corp.

Seibert disclosed Saturday the sale of a total of $1.1 million in original and additional limited partnership interests in Vail Associates, Ltd.

The issue, believed to be largest of its kind ever sold, was placed by Caulkins Securities Corp., Denver.

In addition, Vail Associates has obtained a commitment from the First National Bank of Denver for a loan of $500,000, including a participation of $350,000 by the Small Business Administration, to start construction of lodging and hotel facilities.

Other pioneers in the project include George P. Caulkins Jr., Denver oil man, vice president, and Denver attorneys J. Robert Fowler and John B. Tweedy, now vice president and secretary-treasurer.

Hart, Hauserman and Scott are directors.

Scheduled for readiness by Dec. 1 are a 9,500-foot four-passenger gondola cableway, being built by Bell Engineering, Ltd., Lucerne, Switzerland; two Riblet double-chair lifts, each approximately a mile in length, and a 1,000-foot beginners' lift.

The Bell gondola will be the first four-passenger enclosed gondola lift installed by a U.S. ski area. Its 63 cars will carry passengers almost two miles in 14 minutes.

From the upper terminal of the gondola lift, skiers may ski to the valley or take a double-chair lift to the summit.

The restaurant-terminal, common in alpine Europe, will command a view of the Gore Range and the upper ski slopes.

The gondola and north side chair lift, coupled with a south side chair lift, will serve six square miles of ski terrain.

Said Seibert: "We believe in Colorado's terrain, snow and weather, and we are convinced that the growing Colorado ski industry can develop resorts equal to the finest in the world.

"As has been proved in both Europe and the United States, a properly planned, solidly financed resort of this kind can be immensely beneficial to the state's economy."

David S. Nordwall, regional forester in Denver, announced Saturday that Vail Associates Ltd. will proceed with construction this month.

The lifts and ski terrain are within the White River National Forest, with headquarters in Glenwood Springs. Forest Supervisor Ed Mason will be in overall charge for the Forest Service, aided by Paul Hauk, staff assistant, and Ranger Karl Keller of Minturn.

VAIL ASSOCIATES, LTD.

GENERAL PARTNERS:
THE VAIL CORPORATION
PETER W. SEIBERT

SUITE 516-1700 BROADWAY
DENVER 2, COLORADO
TABOR 5-2047

January 22, 1962

George H. W. Bush, Esq.
1701 Houston Club Building
Houston, Texas

Dear Mr. Bush:

As the result of the concentrated efforts of Caulkins Securities Corporation, and the assistance of the Original Limited Partners, the escrow arrangement for the sale of the registered units of Vail Associates, Ltd. was completed on December 20, 1961.

The necessary changes in our construction schedule and budgeting have been made and we now feel certain that the job which was originally planned for two summers can be completed, with the facilities in operation, by December 1, 1962.

A report on the construction schedule and budget; hotel plans and financing; construction of additional apartments, shops and ski lodges; the lease and sale of available lots, and such other matters as the hiring of a ski school director, etc., will be discussed and, if possible, settled at the Directors' meeting which is scheduled to convene in Denver on Friday, January 26th.

You may expect a more complete progress report by the 20th of February. In the interim period, however, you can look forward to receiving copies of the recent news items on the Vail Project, published by The Denver Post; Rocky Mountain News; New York Times; and in the January and February issues of SKIING Magazine.

Best wishes for the New Year.

Sincerely,

Peter W. Seibert

PWS/jt

November 30, 1961

Mr. George P. Caulkins, Jr.
Caulkins Securities Corporation
1130 First National Bank Building
Denver 2, Colorado

Dear George:

From the attached you can see that I have become a large landholder in a Colorado ski resort.

Happy holidays and best regards.

Very truly yours,

George H. W. Bush

GHWB/vf
Enc.

Withdrawal/Redaction Sheet
(George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
04. Letter	From George Caulkins to George Bush RE: Financial information (1 pp.)	12/6/61	C	

COLLECTION

George Bush Personal Papers
Zapata Oil File
Personal Alphabetical Files

FILE LOCATION

Vail Associates, Ltd. [1961-1964] [2 of 2]

OA/ID Number

Date Closed 10/20/99

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]
P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-3 Release would violate a Federal statute [(a)(3) of the PRA]
P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]
F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Withdrawal/Redaction Sheet
(George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
05. Letter	From George Caulkins to distribution list RE: Financial information (2 pp.)	11/21/61	C	

COLLECTION

George Bush Personal Papers
Zapata Oil File
Personal Alphabetical Files

FILE LOCATION

Vail Associates, Ltd. [1961-1964] [2 of 2]

OA/ID Number

Date Closed 10/20/99

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]
P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-3 Release would violate a Federal statute [(a)(3) of the PRA]
P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]
F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Withdrawal/Redaction Sheet
(George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
06. Letter	From George Bush to Vail Associates RE: Financial information (3 pp.)	11/30/61	C	

COLLECTION

George Bush Personal Papers
Zapata Oil File
Personal Alphabetical Files

FILE LOCATION

Vail Associates, Ltd. [1961-1964] [2 of 2]

OA/ID Number

Date Closed 10/20/99

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]
P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-3 Release would violate a Federal statute [(a)(3) of the PRA]
P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]
F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Withdrawal/Redaction Sheet
(George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
07. Legal Agreement	Legal agreement containing financial information related to investment (26 pp.)	n.d.	C	

COLLECTION

George Bush Personal Papers
Zapata Oil File
Personal Alphabetical Files

FILE LOCATION

Vail Associates, Ltd. [1961-1964] [2 of 2]

OA/ID Number

Date Closed 10/20/99

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]
P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-3 Release would violate a Federal statute [(a)(3) of the PRA]
P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]
F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]