

March 11, 2016

Dear CLP Mount Sunapee, LLC, The Sunapee Difference, and Sunapee Land Holdings, LLC,

The plans for expanding the ski trail network, construction of new lifts, construction or renovation of lodges or other facilities, additional water withdrawals from Lake Sunapee to expand snow-making, upgrading or modifying infrastructure, including power, water and sewage disposal systems and such other improvements or modifications that are appropriate for the recreational use of the Leased Premises as required in the lease, as set forth in the Mount Sunapee 2016-2020 Revised Five Year Master Development Plan (RMDP 2016-2020) and the Environmental Management Plan (EMP), both dated December 1, 2015, are approved for the projects in the RMDP, subject to the conditions below, except for the mountain coaster which is neither approved nor denied at this time.

The conditions set forth below are part of the RMDP Approval Letter between the parties and shall be considered as a further revision and resubmission of the RMDP to DRED. Notwithstanding any corresponding language or conditions set forth in the RMDP, if there is any discrepancy or confusion between the language in the RMDP and this Approval Letter, the language in this RMDP Approval Letter shall govern and control.

For the purposes of this RMDP Approval Letter, the Department of Resource and Economic Development (DRED), the CLP Mount Sunapee, LLC (CLP), The Sunapee Difference, LLC (TSD), and Sunapee Land Holdings, LLC (SLH), are the parties.

1. The parties acknowledge and agree that the approvals granted in this RMDP Approval Letter, as those approvals relate to the West Bowl Expansion Land and the West Bowl Expansion Improvements<sup>1</sup>, are conditioned on the Governor and Executive Council's approval of a Lease Amendment that is being considered contemporaneously with this RMDP.

2. DRED, TSD, and SLH acknowledge and agree that residential and commercial development, except what is specifically authorized under the existing Goshen zoning ordinances, on the Private Land abutting the West Bowl Expansion Land shall require a zoning variance or change in the Town of Goshen's zoning ordinances.

3. TSD and SLH agree that in the event the West Bowl Expansion Improvements are not accessible to the public via any accessible public road, or from Brook Road, no direct access or use of from the Private Land, other than construction, operating or maintenance activities, to the West Bowl Expansion Improvements shall be permitted.

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<sup>1</sup> The use of certain terms in this RMDP Approval Letter shall correspond to the definitions and use of those terms in the proposed Lease Amendment which is being considered by the Governor and Executive Council contemporaneously with this RMDP Approval.

4. TSD and SLH agree that if TSD decides to operate the West Bowl Expansion Improvements without providing vehicular access and parking for the general public via any accessible public road, or from Brook Road, all access to the West Bowl Expansion Improvements shall be through the existing Mount Sunapee ski area in a manner similar to the Sun Bowl and access and use of the West Bowl Expansion Improvements from abutting the Private Land shall not be permitted, except for construction, operating, or maintenance activities.

5. The parties agree that in the proposal to the State of New Hampshire and DRED's RFP in 1998, TSD was clear about its intention to expand the Mount Sunapee State Park ski area and described expansion possibilities in its proposal. More specifically, TSD described adding a major chairlift that would serve upper elevation skiing with an additional and significant new ski trail complex, that expansion area having been referred to as the East Bowl Expansion Area. The western side of Mount Sunapee, called the West Bowl Expansion Land, is the only area on Mount Sunapee on which an expansion of the ski area boundary is planned.

6. The parties agree that there will not be any request to expand the leasehold boundary into the area known as the East Bowl of Mount Sunapee State Park.

7. TSD and SLH agree that the West Bowl Improvements shall not be operated as a private ski area outside of the terms and conditions of the Lease.

8. TSD and SLH agree that all West Bowl Expansion Improvements that will serve the day use skiers and/or other day use recreational users, which improvements may include, but not be limited to, retail shops, food and beverage concessions, equipment rentals, daycare facilities, ticket sales, ski and/or other schools, and other recreational operations infrastructure shall be located within the West Bowl Expansion Land. It is understood that should any of the improvements be built on the Private Land by SLH, its affiliates and/or its assigns and those improvements are competitive with services provided by the ski area, that all revenue generated from these Improvements while any of the facilities at Mount Sunapee State Park ski area are open to the public during the winter ski season will be subject to the three (3%) percent lease payments as long as TSD operates the ski area.

9. SLH agrees that in the event it transfers the Private Land to an affiliated entity, then the obligations SLH has agreed to here and in the Lease Amendment shall apply to the affiliated entity in the same manner.

10. DRED's approval, through the Master Development Plan and other provisions of the Lease, specifically Section 7, is required and shall occur for all West Bowl Expansion Improvements within the Leased Premises and on the West Bowl Expansion Land.

11. All necessary documents, including, but not limited to, easements, rights-of-way, operating agreements, and maintenance agreements, shall be negotiated and entered into in good faith by DRED, TSD, and SLH and any and all necessary documents to implement these rights

and agreements shall be negotiated and executed without undue delay. SLH shall execute all necessary perpetual easements, rights-of-way, and/or other agreements, which may include, but are not limited to, rights to use, maintain, improve, repair, replace, rebuild, transfer, operate and manage the ski and other recreational area operations' infrastructure, including, without limitation, snowmaking, water lines, sewerage treatment facilities, power lines, and parking areas that may be built on the Private Land. In its deed to the State, TSD shall carve out and reserve, for TSD, its successors and assigns, perpetual necessary easements for parking areas built on the West Bowl Expansion Land and for utilities necessary for the development of the Private Land.

12. TSD, SLH, and DRED agree that the cost of operation, maintenance, repair, improvement, rebuilding, management, and/or replacement of the ski and/or other recreational area infrastructure that is also shared with any development on the Private Land shall be shared on a prorated basis based on usage rates. Such responsibility to share the prorated costs shall be included in title transfer documents for developments on the Private Land and reserved in the transfer documents for the West Bowl Expansion Land, including all easements on the Private Land and the West Bowl Expansion Land.

13. If TSD proceeds with its efforts to secure local, state and federal permits for the West Bowl Expansion Improvements, it shall update the Environmental Management Plan (EMP), and applicable reports, studies, and documents as the information becomes publicly available.

14. DRED shall require and TSD agrees that ski slopes shall be set back at least 50 feet inside the West Bowl Expansion Land boundary. In addition, TSD shall be prohibited from developing, maintaining, or operating any trails or paths from the ski slopes on the West Bowl Expansion Land to adjacent private land to provide access for owners and/or visitors in private residences and facilities unless those trails or paths are also accessible for use by the general public and are included in an annual operating plan. The primary access from the adjacent residences and facilities to the ski slopes shall be through access points shared with the general public. Such owners and visitors shall not be granted any rights to use the recreational facilities on public land that are not also enjoyed by the general public.

15. DRED and TSD agree to enter into a Cooperative Maintenance Agreement with the Sunapee-Ragged-Kearsage Greenway Coalition to recognize the existing four season hiking trails with the Mount Sunapee Resort and to work together to protect and maintain the designated trails to provide stewardship and safe public recreational opportunities. TSD agrees to provide annual spring maintenance on the Summit Hiking Trail.

16. DRED, CLP, and TSD acknowledge that Mount Sunapee State Park has been developed by the State using federal Land and Water Conservation Funds (LWCF) for public outdoor recreation. The portion of Mount Sunapee State Park currently referred to as the Leased Premises shall operate in accordance with the LWCF grant and associated restrictions on the use of the property.

17. In the event that the West Bowl Expansion Improvements are not completed or that TSD has not constructed an operating chairlift and one or more trails accessed by the lift on the West Bowl Expansion Land by June 30, 2028, then neither TSD nor CLP shall be considered in breach of the Lease, but any and all associated approvals granted in the 2016-2020 RMDP, and future MDPs, related to the West Bowl Expansion Improvements shall be withdrawn and not be effective after June 30, 2028.

18. As long as TSD has DRED approval to construct the West Bowl Improvements, the conditions contained in this RMDP Approval Letter, and future MDP approval letters as they relate to the West Bowl Improvements, shall remain in full force and effect.

19. If any of the conditions in this RMDP Approval Letter are not complied with by TSD and/or SLH, such lack of compliance shall be considered to be a breach of this RMDP Approval Letter and must be corrected. In the event of noncompliance the State shall give TSD and/or SLH a written notice specifying the condition not complied with and requiring it to be remedied within thirty (30) days from the date of the notice. If the noncompliance is not timely remedied, the State may pursue any of its remedies at law or in equity.

20. In the event the West Bowl Expansion Land has not been transferred to the State by June 30, 2028, then TSD shall be prohibited from operating the chairlift and/or trails leading from the Leased Premises to the West Bowl Expansion Land.

21. Notwithstanding any breach by TSD and/or SLH, CLP shall not be considered to be in breach of the Lease as amended as long as it is otherwise performing.

22. In addition to the required approvals by DRED, and approval by Governor and Executive Council of the Lease Amendment, the West Bowl Expansion Improvements will require various land use and environmental approvals/permits from federal, state and local government authorities. TSD and SLH agree to comply with all applicable laws and regulations and shall acquire all necessary approvals/permits prior to constructing the West Bowl Improvements.

23. Notwithstanding anything in the Lease to the contrary, in the event the Sublease Agreement with TSD terminates or expires, prior to the transfer of the West Bowl Expansion Land and Improvements, the contemporaneously executed Lease Amendment shall be null and void in all respects with the exception of paragraph 3, extending the term of the Lease, which paragraph shall remain in full force and effect. Subject to Section 22 of the Lease, the State hereby affirms and acknowledges CLP's right to assign or otherwise transfer any interest or delegate obligations under the Lease.

Executed and agreed to by all parties.

STATE OF NEW HAMPSHIRE  
DEPARTMENT OF RESOURCES AND  
ECONOMIC DEVELOPMENT

Dated: March 11, 2016

By: Jeffrey J. Rose  
Name: Jeffrey J. Rose

Title: Commissioner


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CLP is executing this RMDP Approval Letter with respect to Paragraphs 1, 5, 6, 16, 17, 21, and 23.

CLP:

CLP MOUNT SUNAPEE, LLC

Dated:

By:   
Name: Stephen K. Rice  
Title: Sr. Vice President

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For the purpose of acknowledging and agreeing to certain obligations of TSD set forth herein.

TSD:

THE SUNAPEE DIFFERENCE, LLC

Dated:

By:



Name: Timothy T. Mueller

Title: Manager

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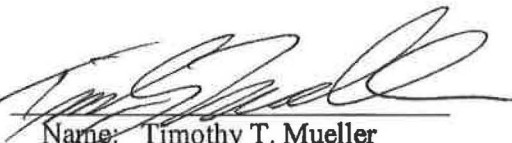
For the purpose of acknowledging and agreeing to certain obligations of SLH set forth herein.

SLH:

SUNAPEE LAND HOLDINGS, LLC

Dated:

By:



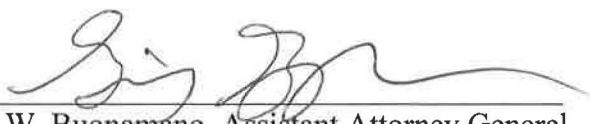
Name: Timothy T. Mueller

Title: Manager

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Form, substance and execution approved this 11<sup>th</sup> day of March, 2016.

By:   
Brian W. Buonamano, Assistant Attorney General  
Anne M. Edwards, Associate Attorney General