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**PROPOSAL FOR THE
OPERATION OF THE
MOUNT SUNAPEE
SKI AREA**

Submitted to:
The State of New Hampshire Joint Legislative Committee &
The Department of Resources & Economic Development

Submitted by:
Okemo Mountain Resort, Inc.
77 Okemo Ridge Road
Ludlow, Vermont 05149





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April 1, 1998



March 26, 1998

State of New Hampshire
Joint Legislative Committee

Dear Committee Members:

It is with great respect that I submit Okemo Mountain, Incorporated's proposal to lease and operate the Mount Sunapee ski area located within the Mount Sunapee State Park. As you will see from our proposal, we not only have the financial and human resources necessary to developing Mount Sunapee into a premier regional winter and summer area, we are also extremely excited by the opportunity. Under proper management and capital structure, Mount Sunapee can fulfill its vast potential.

My wife, Diane and I along with all of our staff understand the responsibilities that come with managing and leasing a publicly owned facility. It demands a special relationship between us, state government and local communities in which we will be active participants. Understanding each other's needs and concerns will go a long way toward making the state, regional and local communities a more prosperous and better place to live and raise a family.

We look forward to the opportunities and challenges and hope you decide that we are right partners for the people of New Hampshire. I look forward to hearing from you in the near future.

Sincerely,

OKEMO MOUNTAIN, INC.

A handwritten signature in black ink, appearing to read "Timothy Mueller", written in a cursive style.

Timothy Mueller
President

TM/kmw

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4.1 Introduction



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4.1 Introduction

A. Mission Statement and Values

B. Approach - The Okemo Philosophy

A. MISSION STATEMENT & VALUES

The Mount Sunapee Mission Statement is our fundamental reason for being. It is our compass, providing direction and purpose. "The Mount Sunapee Difference" is an attitude and a commitment shared and practiced by all employees. It is what the guest experiences.

Mission Statement

The mission of Mount Sunapee is to create unforgettable memories for the citizens of New Hampshire and the guests to our state as the best possible mountain recreational experience during all four seasons of the year.

Mount Sunapee's values are essential and enduring-yardsticks by which we measure how close we come to fulfilling our vision. Values are not specific operational practices, but are beliefs that we will not compromise as we create "The Mount Sunapee Difference".

Values

1. Guest Service - **Our guest is the most important part of our business.** As "Peak Performers", we strive to go above and beyond our guests' expectations. Without the guests, there would be no Mount Sunapee.
2. Product - **Mount Sunapee works hard to provide a quality product for our guests.** We stress the importance of exceptional snow surfaces and equipment on the mountain; services and programs supporting the ski and snowboard experience; well planned, well maintained and clean facilities and equipment for guests and employees; systems that are user friendly and as efficient as possible. Providing a high quality product assures that guests will view Mount Sunapee as a safe, professionally run resort. A high quality product lets employees know Mount Sunapee cares and improves the work experience.
3. Profitability - **Achieving profitability assures the future of Mount Sunapee.** Profit is achieved through revenue, efficient budgeting and accountability. Without continued profits, Mount Sunapee would not survive and a healthy business economy would not exist in the Sunapee region. Profits provide the base for continued capital expansion, employee wages, benefits and increased regional employment.
4. Community Service - **Mount Sunapee is dedicated to improving the quality of life in our local communities.** Employees are encouraged to contribute time and energy through volunteerism; Mount Sunapee donates time, materials, and money for many educational and charitable endeavors. By being a good neighbor, Mount Sunapee models good community service skills for other businesses, organizations, and individuals to follow.
5. Environment - **Mount Sunapee is dedicated to maintaining the environment.** We strive to enhance our physical environment by being good stewards of the land and the natural resources which belong to the people of the State of New Hampshire. This is done through wildlife preservation and enhancement, and protection of water and air quality. Through environmental protection and enhancement, people are educated as to the importance of minimizing the impacts on our planet.
6. Teamwork - **Our team members are Mount Sunapee's greatest asset.** We strive to promote a team approach which allows all team members to utilize their talents; promotes mutual respect for each other and each other's job; is conducive to individual growth and

satisfaction, both at work and home; and provides an enjoyable experience while still effectively getting the job done. Working as a team, we are more efficient and can better exceed our guests' expectations.

7. **Safety - Mount Sunapee works toward providing an accident free and healthy workplace for its employees.** Employees are expected to keep safety foremost in their minds as they perform their job responsibilities. Appropriate safety equipment must be used at all times and proper procedures must be followed. A caring attitude modeled by Mount Sunapee is likely to be transferred by employees to the guests.

B. APPROACH - THE OKEMO PHILOSOPHY

The following is our submittal in response to the R.F.P. for the lease and operation of Mount Sunapee. We have compiled our information in the order as requested in the R.F.P. document. The main sections of our proposal are as follows:

Section 4.1	Introduction
Section 4.2	Financial Standing & Resources
Section 4.3	Ski Area Operator's Experience
Section 4.4	Operations & Development Proposals
Section 4.5	Public Recreational Benefit
Section 4.6	Payment to State

We also wish to bring to your attention the information contained in our Appendices. Please pay particular attention to Appendix A., Letter of Conditions and Lease Agreement; Appendix B., Letters of Recommendation; Appendix C., News Articles; and Appendix I., Okemo Press Kit. In addition Appendix D. through Appendix H. contain various department manuals which will assist us in the operation of Mount Sunapee.

The following pages will introduce you to Okemo Mountain Resort. You will learn who we are, and what we do. We are among the top four ski and snowboard resorts in the Northeast last year registering 540,000 ski/snowboard visits. Okemo is independently owned and operated by Tim and Diane Mueller of Chester, Vermont who are actively involved in the day to day operation. The advantage of having our owners directly involved in our operation is that we can make quick decisions regarding issues which directly affect the guest experience instead of having to wait for a board or committee to modify an existing policy. Although Okemo Mountain is large in terms of skier visits, we are small enough to provide a top quality experience and to maintain the attention to detail that is so important among today's consumers. In addition it is important to note that Okemo is first and foremost a ski/snowboard company and not a real estate company. We have been involved in the development of two condominium projects on the mountain; however, this has never been our primary focus. It has always been our philosophy to emphasize the snow product as our number one priority. We will allow nothing to stand in the way of providing the best possible snow surface through our aggressive approach to snowmaking and grooming.

Okemo Mountain is very strong financially, and we continue to invest a major portion of our profit each year back into our operation in the form of significant capital improvements. This is an operating philosophy which we will also follow at Mount Sunapee. In addition, as we make these capital improvements and increase visitation at Mount Sunapee, there will be an increase in the winter season economic activity of an estimated \$14 million annually in the Mount Sunapee region. These are the additional monies which will be spent off the mountain for the purchase of goods and services by the new visitors to the area.

This document includes information on certain key staff members who will be involved in the operation at Mount Sunapee. Each one of the 12 individuals mentioned in our proposal has in excess of 10 years experience in the ski resort business. We have a great deal of depth and expertise in our organization. This point coupled with the fact that Okemo Mountain is less than a one hour drive from Mount Sunapee will easily allow key people from our organization to be directly involved in the operation at Mount Sunapee.

Our proposal describes the history of Okemo Mountain, which includes information regarding our relationship with the community and the State of Vermont as well as information regarding our public and private cooperation and environmental awareness. In addition, we go into detail describing our operation to include our different departments and their functions.

Next we go into our operations and development plans for Mount Sunapee, which contain in-depth forethought and detail. Our plans encompass both winter and summer months including the infusion of \$10 million dollars to improve and upgrade the facilities at Mount Sunapee over the next 6 to 7 years.

Our document goes on to discuss the public recreational benefit of having Okemo Mountain, Inc. operate Mount Sunapee. We are confident that we will be able to improve the recreational opportunity at Mount Sunapee on a year round basis.

Lastly, in the main body of our submittal, we discuss the payments to the State of New Hampshire. In this section we talk briefly about the economic activity which will occur in the Sunapee region as a result of the increase in winter and summer visitors to the area as well as the increased employment opportunities which we anticipate.

In order to learn more about our organization, please refer to our letters of recommendation contained in Appendix B. These letters tell the story about our relationship with the State of Vermont and the community of Ludlow and our region. We are particularly proud of our community spirit and we will carry the same commitment to our involvement in the Mount Sunapee region. Community involvement is an important aspect of who we are and we value our participation in helping to build a strong community. You will also note in this document our desire to continue the local school programs as well as the operation of the New England Handicapped Sports Association. We are very familiar with school programs as over 1,000 children come to Okemo Mountain each week for a 10 week program from the central Vermont region to learn to ski and snowboard. We have spoken with representatives of the New England Handicapped Ski Association and will continue to encourage and support their programs.

It should also be pointed out that Okemo Mountain Resort is no stranger to leasing land from state government. At this point in time we lease 700 acres from the State of Vermont Department of Forests and Parks which comprises the entire top half of the ski resort including over half of the length of our ski lift footage, our Summit Lodge Cafeteria and Ski Shop as well as a significant portion of our trail network. We are also in the process of expanding our present leasehold with the State of Vermont by an additional 385 acres for the future development of new lifts and trails. In Appendix B, you will find two letters of recommendation from our landlord, the State of Vermont Department of Forests and Parks.

Lastly, we would like to mention that we see the leasing of Mount Sunapee by the State of New Hampshire to Okemo Mountain Resort as a win/win situation for the people of the State and the region. First of all Mount Sunapee will receive an infusion of capital dollars which will increase the quality of the recreational experience and help to provide a more diverse experience to a greater number of people as well as create more jobs and economic activity. Secondly it is our understanding that the lease monies which Okemo will pay to the State of New Hampshire will go directly into the State Park operating fund. These monies will help the other State Parks to renovate facilities, increase visitor programs, and maintain lower use and entry fees for the citizens and visitors to New Hampshire.

We hope you will find the following pages informative.

2

4.2 Financial Standing & Resources



2

4.2 Financial Standing & Resources

A. Financial Standing

B. Personnel Qualifications

A. FINANCIAL STANDING

The following presents our financial information requested in the R.F.P. Please note that we do not subscribe to Dunn and Bradstreet and do not regularly submit information to them. Therefore, their information is incomplete and very much out-of-date. We have only included it as it was required by the R.F.P.

We believe our audit, and current financial reports and bank analysis should provide the committee with enough information to come to the conclusion that Okemo Mountain, Inc. is a solid financial company.

OKEMO MOUNTAIN, INC.

AUDITORS' REPORT

PREPARED BY

DELOITTE & TOUCHE L.L.P.

CONFIDENTIAL

(RSA 91-A:5, IV)

B. PERSONNEL QUALIFICATIONS

As lessees of Mount Sunapee, we are dedicated to providing the best possible experience to our guests as well as the staff on the mountain. We will accomplish this obligation by providing experienced, dedicated and hard working individuals who have proven their abilities at Okemo. Some of the key personnel who will be involved in this endeavor are listed below.

Timothy Mueller - Owner

Tim was born in 1950 in Cincinnati, Ohio. He graduated from Cold Spring Harbor, NY High School in 1968 and from Franklin and Marshall College in 1972 where he majored in American Studies and achieved all American status in lacrosse.

Tim has been involved in the resort development and operations business since 1972, when he worked building roads, houses and other infrastructure for Powder Mill, a second home development. From 1975 through 1982, Tim worked for Diane's parents building and operating Point Pleasant, a resort in the Virgin Islands. In 1982, Tim and his wife, Diane, bought a controlling interest in Okemo Mountain, Inc. Together they have built Okemo into one of the premier ski resorts in the country.

Under Tim's direction, Okemo bought another resort in the Virgin Islands, Sapphire Beach Resort and Marina. This resort was built from the ground up into one of the 50 best tropical resorts in the world according to Conde Nast Magazine.

In summary, Tim has been in the resort business for over 25 years and his experience includes planning, permitting, financing, building, marketing and operating first class resorts in different geographic areas. He has many memberships and affiliations including The Vermont Business Roundtable, Vermont Chamber of Commerce, past president of the Vermont Ski Areas Association, present board member of the Vermont Ski Areas Association, Vermont Electric Consumers Coalition and the National Ski Areas Association.

Diane Mueller - Co-Owner

Diane Mueller's responsibilities include management, development, personnel issues and training, interior and exterior design, and marketing. She is involved in many projects and works at the mountain six to seven days a week. She collaborates with others on the management team developing long range plans, but also spends time working closely with employees. You can find Diane making sandwiches, selling tickets or running a cash register. This keeps her connected to both the employees and the guests. A sampling of the areas and projects are listed below:

- **EMPLOYEE PROGRAMS** - Editor of the employee newspaper, as well as involved in employee initiatives such as the Okemo Employee Fine Arts Council which hosts employee art shows.
- **SIGNAGE AND GRAPHICS** - Started the Signage and Graphics Department which currently handles all signage and many graphics needs on the mountain.
- **EMPLOYEE CHILD CARE** - Started an employee child care facility with the help of the assistant general manager and the day care director.

- GUEST SERVICE PROGRAM - Worked with the Director and General Manager to develop *The Okemo Difference* program which is the guest service program at Okemo.
- FUNDRAISING - Started the Okemo Ski Ball 15 years ago which benefitted Vermont Special Olympics for years and now supports the Okemo Community Challenge.
- MARKETING - Works with the marketing department, mostly on graphic applications of our annual marketing plans.
- OKEMO MOUNTAIN EMPLOYEE SCHOLARSHIP PROGRAM - Started a scholarship program for area students who work at Okemo and wish to further their education.
- OKEMO COMMUNITY CHALLENGE - She founded this challenge grant in 1995 to provide funding for charitable and educational projects in our local communities. This past year \$70,000 was raised, with funding going to three area high schools to support technology in the classrooms. The schools each received \$15,000 which they had to match with \$30,000, making the impact of this endeavor worth \$135,000.

COMMUNITY INVOLVEMENT

- GREEN MOUNTAIN UNION HIGH SCHOOL BOARD - 1989-present. She has served on the board since 1989 and has been board chair for seven of those eight years. She is currently serving in the third year of a three year term.
- WINDSOR SOUTHWEST SUPERVISORY UNION - 1990 - present. As chair of the Green Mountain Union High School Board she serves on the WSWSU executive committee which is responsible to the board of the Windsor Southwest Supervisory Union.
- REGIONAL TECHNICAL EDUCATION COUNCIL - 1992 - present. As a member of the Green Mountain Union High School Board, She serves on the Technical Center at Springfield advisory board.
- OKEMO MOUNTAIN SCHOOL - 1995 - present. This board oversees the Okemo Mountain School which is a private school which provides skiing and snowboarding training, as well as academics during the winter months at Okemo Mountain.
- VERMONT STANDARDS BOARD FOR PROFESSIONAL EDUCATORS - 1995 - present. She serves on this board as a representative for school board directors. The responsibilities of this board include teacher and school administrator licensure and re-licensure, as well as approval of post-secondary programs in Vermont that train educators for teaching and administering in schools.
- VERMONT COUNCIL ON RURAL DEVELOPMENT - Started serving on this board in 1997. The board is responsible for working with rural Vermont towns to assist with planning efforts and coordinate services provided by governmental agencies.
- WORKFORCE INVESTMENT BOARD - 1996 - present. This board provides coordination of employment opportunities and training by fostering partnerships between businesses, human service organizations and school in Windham and Windsor counties.

- She has also been involved in numerous projects at area schools, such as coaching, career days, junior prom assistance, Booster Club president at both the local elementary school and high school, etc. No one project is significant, but collectively they speak of her commitment to the education of our youth.
- LUDLOW AREA CHAMBER OF COMMERCE - 1996 - present. She serves on the executive board and chair the By-Laws and Policy Committee.
- LUDLOW 2000 - 1996 - present. This organization is the downtown revitalization organization in Ludlow that began in 1996. She is on the steering committee and co-chair of the economic development committee.
- FIRST VERMONT BANK - For the last two years she has served on the regional bank board for First Vermont Bank.

INTERESTS

Diane enjoys painting watercolors, jogging, gardening, my family, school board.

Don MacAskill - Vice President and General Manager

Don was born in St. Johnsbury, Vermont, and moved to Claremont, New Hampshire at the age of six. In Claremont, Don went through the school system graduating from Stevens High School in 1973. He went on to attend Wake Forest University in Winston-Salem, North Carolina, and later graduated from the University of New Hampshire Summa Cum Laude with a Bachelor of Science Degree in Recreation and Parks Administration.

While growing up in Claremont, Don learned to ski at the Claremont Country Club, Arrowhead Skiway, and Mount Sunapee. He began skiing at age six. While attending Stevens High School, Don was a four-year member of the High School Ski Team competing in slalom, giant slalom, cross country and jumping.

During his college years, Don worked as Assistant Manager of Ascutney State Park in Vermont and also completed an internship there in order to fulfill a U.N.H. core requirement. In addition, he did a college independent study on Mount Sunapee State Park which was a detailed history of Mount Sunapee through 1981. During that same summer, Don worked at Mount Sunapee doing everything from operating the summit gondola to grounds work and parking cars at the Mount Sunapee State Beach.

In 1981, having graduated from college, Don went to work at Okemo Mountain as Director of Lift Operations. He worked in that capacity until 1985 when he was promoted to Executive Assistant to the General Manager. In this position, he coordinated all aspects of resort planning and permitting.

After serving as Executive Assistant, Don was promoted to the position of General Manager at Okemo. In this position, he is responsible for overseeing and managing the entire day-to-day operations of the resort. During his tenure as General Manager, skier visits have grown at Okemo from 300,000 to 540,000 annually.

The following is a synopsis of Don's responsibilities:

- Oversees such departments as Mountain Operations, Skier Services, Facilities Maintenance, Marketing, Administration, Accounting, Human Resources, Lodging and Property Management, Purchasing, Visitor Services, Food and Beverage, and Retail Operations.

- Directs the hiring, training, and supervision of 90 year-round employees, and 1,150 seasonal employees within 35 different departments.
- Works with the Planning Division on resort master planning.
- Negotiates the purchase of all insurance including liability, property, worker's compensation, auto, and bus insurance. Also directs all aspects of risk management.
- Negotiates the purchase of major equipment and high volume supplies.
- Directs all customer service initiatives.
- Represents Okemo Mountain Resort on several boards and committees.

In addition to his responsibilities at Okemo Mountain, Don is a past president and current board member of the Okemo Mountain School, member of the board of directors for the Windsor County Court Diversion Program, a member of the Ludlow Rotary Club and co-chair of the International Service Committee of the Ludlow Rotary.

Having grown up in Claremont, Don held season passes at Mount Sunapee and skied there many times and has a familiarity and love for Mount Sunapee and the surrounding region.

Barbara Johnston - Controller

Barbara Johnston has been employed at Okemo Mountain Resort for the past 14 years. Born in Rutland, VT, Barbara graduated from Black River High School in Ludlow, VT and Rutland Business College. She worked for 12 years for Tucker Construction Corporation, a business specializing in heavy construction for federal and state projects in ME, NH and NY. An avid skier, Barbara came to Okemo Mountain Resort in 1984 and served as Accounting Manager and was promoted to Controller. She currently manages all computer and financial services and oversees an accounting staff of twelve. She is a licensed VT Real Estate Salesperson, a charter member of the VT chapter of NAWIC and is a member of the Executive Board of the United Church of Ludlow, VT.

Dan Petraska - Vice President of Real Estate Development

Dan came to Okemo Mountain with Tim and Diane Mueller in 1982. As Vice President of Real Estate and Development, he was instrumental in coordinating projects with the Vermont Department of Forests & Parks, the Weston Land Conservation Trust, and a number of environmental interest groups to expand Okemo's recreational facilities while maintaining respect for mutual needs and protecting natural resources. Dan is directly responsible for construction and capital improvements totaling over \$100 million since 1982. In the past, Dan has been involved with traffic control, facilities maintenance, construction and is intricately involved in key operational decisions. Dan currently sits on the Board of Directors for the Solitude condominium developments.

As a key member of Okemo's management team, Dan's expertise lies in planning and development. He has a keen perception of a resort's needs as well as for establishing visions for the future. Dan was born and raised in Chester, VT and is a lifetime member of the Rocky Mountain Elk Foundation for Preservation of Wildlife Habitat.

Dan is a avid hunter and fisherman and resides in Chester, VT with his wife and two daughters. He is a former girls softball coach and an active member in the Youth Exchange Student Host Program and is a 25 year blood donor.

Bruce Schmidt - Assistant General Manager

Bruce was raised in Ludlow Vermont and has lived in Ludlow all his life. Bruce was first introduced to skiing in the mid 60's at the age of 4.

In 1978, Bruce began working for Okemo Mountain in the Food Service Department. After graduation from high school in 1981, he continued to work for Okemo during college breaks. In August of 1982, two weeks after Tim & Diane Mueller purchased Okemo, Bruce began working full-time for Okemo in lieu of College. From 1982 until 1984, he worked in various departments such as Snowmaking, Grooming, Lift Operations, & Lift Maintenance.

In 1984, Bruce became a part-time employee and pursued an education at Lyndon State College in Lyndonville, Vermont while continuing to work during college breaks and summers for Okemo Mountain. In December of 1987, he graduated with a B.S. in Commercial Resort Management and an A.S. in Business Management. Upon leaving school, Bruce became the Night Operations Manager overseeing the night operation of snowmaking, grooming & snow removal. In 1989, he was promoted to the Snowmaking Manager and oversaw the Snowmaking Department which consisted of 25 men. In 1989, Bruce was promoted to the position of Director of Skier Services. This entailed the overseeing of the Ski School, SKIwce, Racing, Lift Operations, Day Care, Tickets, Risk Management, & Ski Patrol.

In 1997, Bruce was promoted to the position of Assistant General Manager. In this position he works on financial budgeting, risk management, employee and liability insurance as well as overseeing Skier Services. He is also President of the Board of the Okemo Mountain School and works with other non-profit organizations.

Michael Kraatz - Director of Planning & Permitting

Michael's academic background includes a B.A. in Business Management (1984) from Johnson State College, Johnson, VT. Michael received honors in the college's Business Management/Economics option in Recreational Facilities Management.

Michael began his career at Okemo Mountain Resort in 1985 as the Ski Rental and Repair Shop Manager. In 1987, he was promoted to Executive Assistant. In this position, his major responsibilities included assisting in the writing of permit applications for development projects and coordinating engineers and other consultants, writing applications for liability property and auto insurances and handled communication with insurance companies for property and auto insurance, and coordinating human resource recruitment.

In 1989 Michael was given the responsibility of overseeing several departments including Ticket Sales, Day Care, Rental Shop, Retail Shop, and all Food and Beverage operations. In 1996, he stepped out of operations and has since concentrated his energies on resort planning and permitting as Director of Planning and Permitting.

Michael currently serves on several committees including the Ludlow Transportation Advisory Committee, the Southern Windsor County Regional Transportation Advisory Committee, and is the treasurer on the board of directors for South Eastern Vermont Community Action Transportation.

Pam Cruickshank - Manager, Marketing Communications

Pam was first introduced to Okemo Mountain as a young skier in the early 1960's. She and her family spent a great deal of time skiing in the Ludlow area at Okemo Mountain and Magic Mountain. In the mid-1970's she worked as a lift operator while attending college at Keene State College where she earned a teaching degree in Physical Education in 1980. Pam joined Okemo Mountain as Manager of Customer & Information Services in 1986 and was promoted to Manager of Marketing Communications in 1991. As Manager of Marketing Communications, Pam oversees Public Relations and special functions and coordinates direct communication with members of the media

(regionally and nationally) and local community to position Okemo Mountain in the forefront and to reinforce the key appeals. She is instrumental in coordinating community outreach programs with local food drives and by working as a member of the Ludlow Area Chamber of Commerce. Pam oversees and coordinates the printing of the Okemo Magazine, a four-color full size magazine publication. She supervises operations of the Guest Services Office and supervises Mountain Ambassadors, a team of 40 volunteer skiers and snowboarders who serve as hospitality ambassadors, manages Okemo's direct mail campaign and mailing lists and assists with the coordination of four-season marketing projects and programs.

Crystal Stokarski - Director of Human Resources

In 1986, while attending college, Crystal began working at Okemo Mountain in the building maintenance and lift operations departments. Upon completion of an Associates Degree in Science, she began working full-time in the Administration Office. She currently continues her education towards a Bachelors Degree in Business Administration to complement her current position.

Six years ago, Crystal was promoted into the position of Human Resources Director where she currently works directly with employee benefits, workers compensation, recruiting, staff and management training as well as employee functions. She has been involved in non-profit organizations as Treasurer of the Okemo Mountain School and local school district. She also participates on local and regional school-to-work and community leadership committees.

Crystal's exposure to the ski industry began while she attended middle school and participated in the ski program at Okemo Mountain. She has always had an interest in outdoor recreation. As an active member of the Vermont Ski Areas Association Human Resources Committee, Crystal has the opportunity to network and understand trends within the ski industry. She also participates in business seminars to stay informed about employment related issues.

Scott Clarkson - Director of Marketing

Scott was raised in Easton, Connecticut and learned to ski in the mid-1960's in the Berkshires of Massachusetts. He has developed extensive experience during his 15-year career in ski resort marketing in New England.

Scott's academic background includes a B.S. in Recreation/Ski Area Management and A.S. in Business Administration (1982) from Lyndon State College in Lyndonville, Vermont. Scott also attended the University of New Hampshire's Whittemore School of Business, where he pursued a Masters in Business Administration (1983).

While in college, Scott completed an internship with Loon Mountain Recreation Corp, Lincoln, New Hampshire before becoming Marketing Manager at Stratton Mountain Resort, Stratton, Vermont in 1984. After a four years, he accepted a position as Vacation Sales Manager with Sugarbush Resort in Warren, Vermont where in 1992 he was promoted to Director of Marketing, overseeing four-season marketing, advertising and promotions. In 1995 Scott left Sugarbush for the opportunity to join the management team at Okemo Mountain as Director of Marketing.

Scott is an avid skier and snowboarder who actively serves on the marketing committee for the Vermont Ski Areas Association in Montpelier and is a member of the board of directors of the New England Ski Areas Council (NESAC) which oversees the dissemination of radio, internet and newswire snow reports under the Sno Country Worldwide banner. Scott is also an active member of the Mountains of Distinction, a consortium of eight ski resorts working cooperatively in promotional and purchasing endeavors.

Barry Tucker - Vice President of Mountain Operations

Barry is a life-long skier of Okemo Mountain starting at the age of seven, the first year Okemo was open. He participated in Okemo's junior racing program for many years.

After school, Barry joined his family-owned heavy construction company and worked there for 17 years. The last 11 years of that time, Barry worked as a project superintendent doing a variety of projects from bridge and road construction to sewer plant and railroad construction.

For eight years during the winter months, he worked as a ski instructor and racing coach at Okemo. In 1982, about six months before Tim and Diane Mueller bought Okemo, Barry joined the staff full-time as the Mountain Manager. For 12 years, Barry worked in this position directing all Mountain Operations as well as all summer capital improvement projects which included new lift construction as well as new trail and snowmaking construction. In 1994, Barry was promoted to the position of Vice President of Mountain Operations. In this position, Barry assumes the additional responsibilities of overseeing the Lift Maintenance, Vehicle Maintenance, Snowmaking, Grooming, and Purchasing Departments as well as the electricians while continuing his responsibilities of overseeing capital improvement projects.

Steve Flanders - Assistant Mountain Manager

Steve has lived in the Ludlow area all of his life and attended high school at Black River High School in Ludlow. Steve also attended an area vocational school and focused his studies on vehicle maintenance.

Steve began his working career in a family-owned construction business learning and running heavy equipment during the summer months. During the winter months, Steve accepted a grooming position with Okemo Mountain. Steve was offered a full-time permanent position in 1984 as a shift supervisor for the 2nd shift grooming operations. He was then promoted to the position of Night Operations Manager which included the responsibilities of overseeing grooming, snowmaking, and road maintenance as well as equipment maintenance.

In 1993, Steve was promoted to Assistant Mountain Manager. In addition to Steve's responsibilities of Night Operations Manager, Steve assumed the responsibilities of trail design and building, installation of snowmaking pipe and pump houses, road construction, site work and installation of sewer and water lines.

3

4.3 Ski Area Operator's Experience



3

4.3 Ski Area Operator's Experience

A. History of Okemo

1. Prior to 1982

2. 1982 to Present

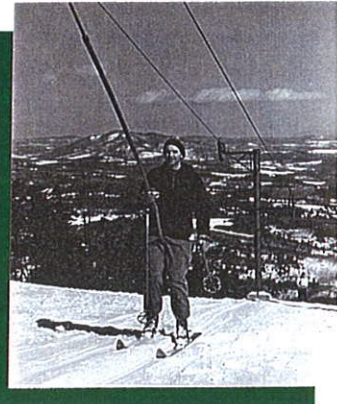
- i. Working with the Community and the State***
- ii. Private and Public Cooperation & Environmental Awareness and Awards***

B. Description of Okemo

C. Description of Departments

OKEMO

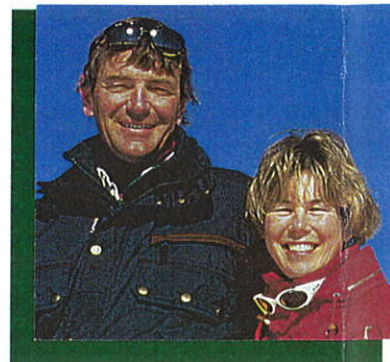
M O U N T A I N
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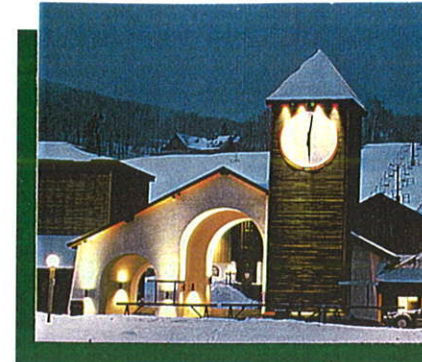
January 31, 1956
Okemo OPENS!
2 Lifts/2 Trails



1965
First Chair Lift
& State-of-the-Art
Snowmaking



1982
Tim & Diane Mueller
Purchase 



15 Years - \$88,000,000 →

1991-92
\$3,000,000 Expansion
Glades Peak Quad
Snowmaking; Lodge;
Rental Shop; Day Care

1988
Sachem Quad
Snowmaking Expansion
Ski School Expansion



1997-98
South Face
Detachable Quad

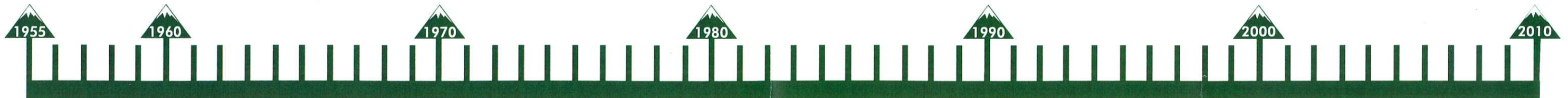
1995-96
Solitude Village
Detachable Quad



1999-2010
10 Year Master Plan
On Mountain Improvements
Jakson Gore; Mountain Expansion
New Base Area & Village;
Summer & Winter;
Okemo Valley Golf Club

1969
New Summit
Lift

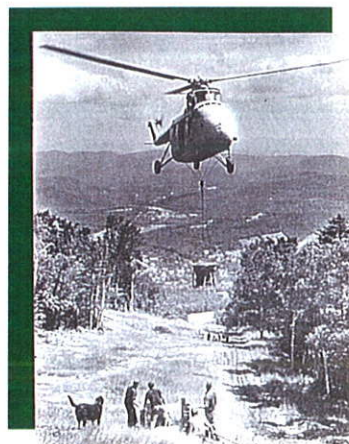
Recession
1973-74



1955
Okemo Founded



1959
5 Year Expansion Plan
4 Lifts



1968-69
Base Lodge
Constructed



1983
Northeast
Triple Chair

1986
Sugar House
Mid- Mountain
Lodge



1993
Summit
Lodge

1990-91
South Ridge Quad
Trail Expansion
Snowmaking Expansion



1996-97
Snowboard Park
"The Pull"



1994-95
\$4,500,000 Expansion
South Face Quad
Terrain Expansion
73 Million Gallon
Snowmaking Pond

A. HISTORY OF OKEMO

1. PRIOR TO 1982:

Introduction:

Okemo Mountain Resort first began operating in 1955. During the resort's 43 years of operation, it has undergone many changes. Okemo's greatest growth and success has occurred during the last 15 years under the ownership and management of Tim and Diane Mueller. In these 15 years, the Muellers have invested over \$88 million dollars in Okemo including:

- Installation of 15 lifts (including three detachable quad chairlifts, four fix-grip quads, and three triples).
- Construction of three day lodges, eight buildings for ski area support services, renovations and additions to the main base lodge.
- Addition and replacement of snowmaking to 475 acres of ski terrain.
- Construction of 58 new trails.
- Construction of an entirely new snowmaking system including four pump houses, air compressor facilities, and a 73 million gallon snowmaking pond.
- Construction of 140 condominiums.

In addition, Okemo has become recognized as an industry leader in snowmaking, grooming and customer service. Okemo has received numerous awards for snowmaking, grooming and customer service as well as environmental awards including:

- The State of Vermont Take Pride In America and Vermont Award.
- The Conservation Law Foundation Environmental Watchdog Award.
- The State of Vermont Exemplary Energy Management Award on Environmental Excellence.

To be successful, Okemo management also recognizes the need to be a good corporate neighbor and to that end, Okemo has given back to the community by supporting local and regional organizations.

History:

Okemo Mountain Resort was founded in 1955 by a small group of local businessmen who saw great alpine ski area potential right in their back yard. On January 30th of 1956, four inches of snow fell, and on January 31, 1956, Okemo Mountain opened with only two trails, two poma surface lifts known as the Red Poma and the Yellow Poma, and a small log cabin which served as the base lodge. During this first ski season, the staff included six to eight people who performed all tasks required to run the ski operation.

The first five year plan for expansion was developed in 1959. The execution of that plan in the early 1960s produced the F-10 Poma (still in operation), the Green Poma, the Blue Poma, and the Black Poma. The first chairlift (Sachem) was installed in 1965 along with Okemo's first snowmaking system (which, at the time, was state-of-the-art). The upper chairlift, the Northwest Summit chair, was installed in 1969 (replaced in 1991-1992), and in 1971, the South Ridge Chair was installed on the lower mountain (it has since been replaced with a quad chairlift).

With the help of a handful of home building ski enthusiasts, Okemo was the first ski area to develop trailside ski-in/out lodging, and pioneered the concept of "skiing to and from your doorstep". The various initial slopeside villages were first developed in 1961.

A. HISTORY OF OKEMO

2. 1982 TO PRESENT:

On August 2, 1982, Tim and Diane Mueller secured controlling interest in Okemo Mountain. At the time of their purchase, the resort's facilities were seriously outdated and Okemo faced bankruptcy. Okemo's biggest obstacle and major downfall was inconsistent management by a board that lacked a singular guarding force and the ability to raise the capital Okemo needed to survive.

Since the Mueller's arrival the entire base area has been reconstructed to include the 76-unit Okemo Mountain Lodge condominiums, the Sitting Bull Lounge, The Welcome Center, a new base area where administrative offices are housed, and expanded parking facilities. The subsequent base lodge expansion included the Okemo Ski Shop, rental and repair shops, day care facility, SKIwee Center and a mezzanine level in the cafeteria to provide additional seating. The addition of Kettle Brook and Winterplace condominiums were instrumental in providing ski-in/out access to Okemo's extensive trail network.

On the mountain, no less than 58 slopes and trails have been added since the Mueller's arrival. Amidst the existing trail network, many have been re-contoured, significantly increasing the amount of skiable terrain. The snowmaking system is truly state-of-the-art with more than 95% (475 acres) of terrain covered. There have been 15 major lifts (three high speed detachable quads, four high capacity quads, three triple chairs and three surface lifts) installed in 15 years, ostensibly replacing existing surface lifts. However, to keep pace, Okemo has even replaced some chairlifts twice. In 1986, construction was completed on the mid-mountain Sugar House Cafeteria with seating for 600. The Green Ridge Triple replaced the last upper mountain surface lift in that same summer. In 1987, the Solitude Peak Area, with its eight new trails, 100% snowmaking and 5,000' quad chairlift was opened. One year later, in 1988, three additional trails were cut on the mountain, and snowmaking production capacities were doubled by virtue of new air compression equipment and previously untapped water sources. The current SKIwee facilities, both indoor and out, were created out of what had been the maintenance garage and has since been expanded several times to accommodate an increasing demand.

In 1988, the Sachem Double Chair was replaced by a high capacity quad chairlift increasing Okemo's capacity to 15,000 skiers an hour. Snowmaking systems were augmented by 25,000' of new and replacement pipe for 30 new acres of skiing terrain. Additionally, the Ski School integrated a Beginner's Learn-to-Ski Information Center and a complimentary on-mountain "ski tip" teaching station into its program offerings.

1990-91 saw the replacement of the South Ridge Double chair with yet another quad chair, the creation of a new upper mountain trail connecting the summits of the Northstar/Green Ridge and Solitude Peak chairs, extension of snowmaking capabilities and increased terrain coverage (5 trails).

1991-92 was witness to a \$3,000,000 expansion which included a new quad chairlift in the Glades Peak Area, along with a major snowmaking installation. The Sitting Bull Lounge was expanded with seating for an additional 160 people. The rental shop, day care center and ski school information centers were also expanded serving as evidence of Okemo's continued commitment to family skiing.

In 1992-93, the 6,430' Northstar Express high speed detachable quad chairlift replaced the Northeast triple. At a speed of 1,100' per minute, it is the world's fastest model and makes the near mile-and-a-quarter ascent in under six minutes. This was Okemo's 10th new lift in 10 years. An increase in Okemo's snowmaking coverage and capacity was added bringing Okemo's snowmaking coverage to almost 95%, the highest percentage of any major New England ski resort.

On Thursday, November 4th, 1993, Okemo Mountain witnessed its earliest opening date ever. This season opened with the addition of a new 12,000 square foot Summit Lodge and Cafeteria. This new facility, with seating for 270 includes slopeside decks with panoramic views, cafeteria, tap room, rest rooms and a ski shop. Sited at the top of the Northstar Express, it provided accessibility for all ability levels. Snowmaking capabilities were extended to Double Diamond and Outrage, Okemo's gladed trails. Yet another renovation and expansion inside the Base Lodge added 2,000 square feet of space for seating and locker facilities. In addition, a new parking lot was constructed with the capacity for 635 additional cars.

Plans for Okemo's most ambitious and far reaching expansion and improvement program came in 1994-95 with a \$4,500,000 project. Okemo's new South Face Area was born. With a 5,000' quad chairlift and eight new trails, this section not only added to Okemo's already extensive skiing terrain, it contained areas with sections of terrain steeper than any existing terrain. The Solitude Peak quad chairlift was replaced with the Solitude Express high speed detachable quad chairlift bringing Okemo's uphill capacity to 21,400 skiers per hour, one of the highest efficiencies in New England. A 73 million gallon water storage pond was built as an additional reservoir for snowmaking. This gave Okemo the ability to make snow all winter long without going below predetermined water withdrawal limits and has been achieved in a manner that is environmentally sound and supported by leading Vermont environmental groups.

In 1995-96, construction began on the new Solitude Village Area, located at the base of the Solitude Express high speed detachable quad. It also included a new triple chairlift and two trails. A 30% boost in water pumping capacity enabled Okemo to make snow more efficiently and substantially increase the overall coverage rate.

The 1996-97 ski season saw substantial increases in skier visits (the greatest gain in the Northeast) and included some state-of-the-art additions that included: another major increase in snowmaking firepower and the addition of new HKD snowguns, 15 acres of gladed terrain at the South Face area, a new Pipe Dragon for grooming of Okemo's 420' long half pipe, the addition of a new rider's only surface lift called The Pull (the first of its kind in the East) and phase II of Solitude Village to include new condominiums, townhouses, and single family homes.

The 1997-98 season saw the replacement of the South Face quad chairlift with another new detachable quad chairlift and two new trails (one gladed), and two new trails in the Solitude area, a new Day Lodge also in the Solitude area which includes a restaurant with seating for 175, a deli counter, ski shop, restrooms, and an exercise facility for Solitude homeowners and guests that includes an indoor/outdoor swimming pool, locker rooms and exercise room; another 30% increase in snowmaking capacity, and 35 new condominium units.

Over the last 15 years, since the Mueller's purchase of Okemo Mountain Resort, they have invested over \$88,000,000 in Okemo to create a successful and award winning mountain resort.

Okemo's success is not based on new lifts, trails, lodging and snowmaking alone, it takes competent management skills and employees who are dedicated to provide outstanding customer service and products for our guests, as well as willingness to working with the local community, and local and state government officials.

I. Working With the Community and the State

Benefits to Local School Systems:

- Okemo Mountain Resort provides the opportunity for area school children from 14 school systems to come to Okemo once a week throughout the season for lessons, skiing and snowboarding. School systems include: Ludlow, Chester, Springfield, Mt. Holly, Cavendish, Proctorsville, Bellows Falls, Saxtons River and Westminster. This amounts to over 10,000 complimentary ski days and lessons annually.
- Okemo Mountain donates their Base Lodge facility to area high schools to hold their school proms at a minimal charge. Ludlow, Green Mountain Union and Woodstock are among the school systems who have taken advantage of this offer.
- Okemo Mountain donates their facilities and lodging to area schools for educational meetings.
- The Okemo Community Challenge supports charitable and educational endeavors by putting out challenge grants to area organizations through major fundraising efforts held annually. The present commitment is to bring technology to the classrooms. In 1996, Black River High School, Green Mountain Union High School and Springfield High School were the recipients of \$20,000 each. In 1997, these schools received \$15,000 each. Initiatives will continue for the secondary schools in 1998 and 1999 and will also include area elementary schools for the enhancement of their technology programs.

Value to Vermonters and Organizations:

- \$10,000 pledge to the Springfield Hospital toward their capital improvement program.
- Donation of numerous season passes, lift tickets and ski and stay packages to charitable groups to enhance their fundraising efforts.
- Season pass discounts to area students in grades 12 and under.
- Special Sunday half-day afternoon lift and ski rental equipment to Vermont and New Hampshire residents (a substantial discount in comparison to regular half-day pricing).
- Okemo offers free learn-to-ski snowboard packages to Vermont residents from December through March through a Vermont Ski Areas Association, Discover Skiing Program.
- \$10,000 for the building of the Cavendish Town Library which is located at the elementary school and is used by the community.
- Eight student scholarship awards in the amount of \$500 each are presented to student employees and dependants of Okemo employees annually to assist them to further their education. Four are selected from each category of staff and dependants.

- Tom Croney Memorial Award: This technical scholarship award was created in the memory of an Okemo employee who passed away in 1997 and is awarded to an employee pursuing a technical degree. The scholarship award is in the amount of \$1,000 which is payable in \$500 increments over two years and is based on academic achievement.
- Supporter of the CT Valley Scholars Program: Okemo donates \$1,000 cash and \$1,000 in lift tickets to benefit 56 scholars of the month from six area high schools.
- Support the local community through advertising and collateral print support to promote the area and support charitable and educational organizations.
- \$10,000 donation to the Ludlow Fire Department to assist them in the purchase of an aerial ladder truck.
- Support to various local fire departments and ambulance services to assist them in their fundraisers.
- Pledges to local community organizations: Chamber of Commerce and the Ludlow Rotary for fundraisers to assist in sponsorship of activities.
- Support of regional Chamber of Commerce offices by hosting special ski days in the winter. Proceeds benefit each Chamber office. Area Chambers who participate include: Ludlow Area Chamber of Commerce, Rutland Area Chamber of Commerce, Springfield Chamber of Commerce and Brattleboro Chamber of Commerce.
- Contributor to the VT Math Coalition assisting with summer internships which provide school professionals with business related experience in the field.
- Involved with the School to Work programs at the Springfield Technical Center and Black River High School to provide students with work-related experience that enhances their classroom experience.
- VerMonte Carlo Night which is a fundraiser to assist on-mountain, not-for-profit organizations which in turn provides scholarships to area students. Over \$50,000 was raised in 1996 and 1997 for Okemo Mountain Alpine Racing Association and Okemo Mountain School, an independent not-for-profit organization.
- A major contributor in the past to the Vermont Special Olympics by sponsoring an annual event to raise a major portion of the funding for the year, for over 10 years.
- A contributor to local food banks and community services two times a year with special ski and snowboard days. Toys & Turkeys and Good Neighbor Days give skiers and snowboarders a special lift price if they bring a donation of a new child's toy, new article of clothing or at least three non-perishable food items to the ticket windows. All proceeds benefit needy families and shelters in the Okemo region. Last year this amounted to a full tractor trailer load of food items which kept local food shelters shelves stocked until the end of winter.

- Donated uniforms to Our Place in Bellows Falls for needy families and donated uniforms and rental equipment to Kurn Hattin Homes for their school children.
- Donated \$4,000 to the Rutland Regional Development Authority to assist with the funding of a temporary train station in Rutland for the Amtrak passenger train.
- Donation of banners and printed materials for not-for-profit organizations such as the Vermont Council on the Humanities and The Foundation For Excellent Schools.
- Monetary donations for area recreational, athletic, charitable and educational organizations (\$750 annual donation to the Senior Center to assist them with their trips).
- Provide internships for college students to better prepare them for employment after college.
- Okemo Mountain hosts an annual "Village of Ludlow Appreciation Day" and invites municipal employees and their families to a complimentary day of skiing and snowboarding.

II. Private and Public Cooperation & Environmental Awareness and Awards

Private and Public Cooperation:

Forest Land Protection and Habitat Enhancement:

In 1990, Okemo Mountain Resort, the Vermont Department of Forests and Parks and the Weston Land Trust developed an agreement whereby Okemo would purchase 1,400 acres of privately owned land abutting the Okemo State Forest and would hold this land until such a time as the State was able to secure financing to purchase the land from Okemo. While the land was under the ownership of Okemo, the Weston Land Trust would manage it for conservation purposes. In 1996, the State took ownership of this land and Okemo donated another 600 acres under a separate agreement.

In 1997, the Vermont General Assembly passed a bill that allows Okemo Mountain Resort to expand its leasehold in the Okemo State Forest by 385 acres. In addition to the lease payments for this land, Okemo has agreed to give the Department of Forests and Parks \$360,000 for additional land acquisition to protect wildlife habitat.

Okemo has also developed and implemented a 10 year Wildlife Habitat Enhancement Program with the Vermont Department of Forests and Parks that began in 1987. The program is designed to develop a diverse area of vegetation along the South Mountain Road, a road that was built for logging. In 1991, Okemo received the "Take Pride in America and Vermont" award, honoring the resort for outstanding efforts to help protect natural and recreational resources.

Water Resource Protection:

In 1994, Okemo constructed a 73 million gallon water storage pond for snowmaking. By constructing the pond, Okemo is able to continue making snow when water flow in the Black River falls to a point that may harm fish and aquatic biota. As a result of Okemo's work to review alternatives for snowmaking water and willingness to pursue these alternatives, it was the first company to receive the "Conservation Law Foundations Environmental Watchdog" award in 1994.

Energy Use and Conservation:

Okemo Mountain in cooperation with the Ludlow Village Electric Light Department have developed an agreement called the Interruptible Service Snowmaking Contract. Based on its peak power requirement of 11 megawatts of electricity, Ludlow Village Electric must purchase electric capacity for a 12 month period at the peak demand requirement. This power capacity is not fully utilized during much of the year or even for much of the day during peak load periods. Okemo purchases the excess capacity for snowmaking during the "window of opportunity" which represents the gap between peak demand (11 megawatts) and "instantaneous demand" load (that which is being utilized at any given time). Using the electricity that Ludlow Village Electric has had to purchase to meet its peak demand to its fullest potential has the affect of reducing electric bills for all residents and businesses in Ludlow Village Electric service area.

In 1992, Vermont Governor Howard Dean presented the Exemplary Energy Management Award on Environmental Excellence to Okemo. This award acknowledged Okemo's energy conservation measures it had implemented, including the Interruptible Service Snowmaking Contract.

Traffic Management and Mitigation:

Since 1987, Okemo has worked with the Village of Ludlow Board of Trustees and the Ludlow Police Department on traffic management in the Village of Ludlow. The cooperative programs that have been developed include stationing traffic control personnel at key intersections through the village, setting up traffic cones and signs to create turning lanes as well as reconstructing a portion of the Okemo Access Road.

Village Shuttle Bus:

In addition, Okemo began running a four-bus Village Shuttle Bus System in 1988 during weekends and holiday weeks. Over the course of 40 days, during the 1996-97 ski season, the shuttles carried nearly 23,000 passengers representing mitigation of 7,667 vehicles. Okemo pays for this service in its entirety.

B. DESCRIPTION OF OKEMO

"Discover the Okemo Difference." It's not just a phrase, it's an invitation to experience what separates Okemo Mountain from all other resorts. Combine the East's most modern lift system (13 lifts), top-ranked snow conditions, incredible terrain (96 trails & glades), and legendary service, and the result is an extraordinary vacation experience unmatched in New England. Rated #2 in North America for Snowboarding (Snow Country Magazine, September 1997). Okemo features a gigantic snowboard park, 420' halfpipe and "riders-only" surface lift, all expertly crafted and maintained by a new front-mounted Pipe Dragon. Okemo Mountain is renowned for award-winning children's ski & snowboard programs. The Village of Ludlow at the base of the slopes features a delightful blend of restaurants, shops, services and lodging options. Best of all, Okemo Mountain Resort is conveniently located in South/Central Vermont with easy access from major highways.

Okemo Mountain Resort
77 Okemo Ridge Road
Ludlow, VT 05149

- General Information (802) 228-4041
- Lodging Reservations 1-800-78-OKEMO
- Snow Conditions (802) 228-5222
- Resort Fax (802) 228-4558
- Internet www.okemo.com
- E-mail okemo@ludl.tds.net

Mountain Statistics

Base elevation: 1,194'
Summit elevation: 3,344'
Vertical drop: 2,150'
Trails & glades: 96
Acres: 500
% of Snowmaking: 95% (475 acres)
Lifts: 13
 Surface - 3
 Triples - 3
 Quads - 7 (includes 3 highspeed detachables)
Two Halfpipes & Quarterpipes
Gigantic Snowboard Parks
Alpine Terrain Park

Cutting Edge Learning Center

Okemo's Cutting Edge Learning Center instructional programs feature a staff of 200+ professional ski and snowboard instructors that offer private, semi-private and group lessons with videotaping available. Children's ski programs include SKIWEE (ages 4 through 7), Young Mountain Explorers (ages 7 through 12) and Get Altitude (ages 13 through 18). Children's snowboard programs include MINIridders (ages 5 through 7), YOUNGridders (ages 7 through 12) and TEENridders (ages 13 through 18). *First Tracks*, introduction to skiing or snowboarding, offers an economical, lesson, lift ticket and rental equipment package, all for about the price of a one-day lift ticket. A wide variety of ski and snowboard instructional options are offered, including our renowned Women's Ski Sprce and Adult Snowboard Camps.

Day Care

Okemo Mountain's state approved Penguin Playground Day Care Center, offered for ages 6 weeks to 8 years of age, offers supervised indoor and outdoor activities as well as a \$15 *Introduction to Skiing* option for ages 3 and 4. The Penguin Playground Day Care Center also offers special evening hours with pizza, movies and arts and crafts on Saturday evenings so Mom and Dad can enjoy and evening out.

Here's What They're Saying...

It's official, according to Snow Country Magazine, SNOW COUNTRY readers have named Okemo Mountain Resort #1 in the East for Grooming and awarded top ratings for Snow Quality, Employee Service, Children's Programs, Snowboarding and Family Resorts (September '97). We also received a Gold Medal rating for Snow Quality from SKI Magazine (October '97).

Village of Ludlow

The Village of Ludlow is nestled in the valley at the foot of Okemo Mountain. No other New England resort has an actual town in such close proximity to its slopes. Ludlow offers an extensive choice of lodging, dining, entertainment and shopping options. It's the quintessential Vermont town with all the modern amenities you need. Ludlow was selected as one of *North America's most authentic ski towns* by Outside Magazine.

We're Easy To Get To

Because Okemo is located so close to Interstate highways (I-91, I-89), it's an easy drive to New England's best skiing and riding. We're just a short drive from several major eastern airports. Amtrak offers service to Rutland, VT, just 25 miles from Okemo.

C. DESCRIPTION OF DEPARTMENTS

The following is an overview of the different departments that will be working at Mount Sunapee:

Accounting:

The Mount Sunapee Accounting Department will direct corporate accounting functions, implement accounting methods, systems, procedures, policies and design reporting formats. There will be accounts payable, accounts receivable & payroll as well as cash reconciliations.

Administration:

The Administration Department at Mount Sunapee will have the following operations: Human Resources, Executive Secretary, Office Manager & Administrative Assistant. All season pass transactions will take place from this office.

Building Maintenance:

The Building Maintenance Department at Mount Sunapee will be responsible for maintenance, special functions, day-to-day operations of all utilities and other support items for all of the buildings on the Mountain. Building Maintenance will also be responsible for the snow removal in the base area and the parking lots.

Day Care:

The children's day care program at Mount Sunapee will be non-recurring care for our guests as well as employees. Our guests will be offered an introductory learn to ski program for their children.

Food & Beverage:

The Food & Beverage Department at Mount Sunapee will be responsible for the overall operation of the cafeterias and restaurants. This department will be responsible for ordering, monthly inventory, and overseeing each lodge. They will also be responsible for developing menus and set pricing. All food and beverage outlets will adhere to New Hampshire Health Department regulations and will be responsible for implementation of those regulations.

Grooming:

The Grooming Department at Mount Sunapee will be responsible for the winter maintenance of the ski trails. Different grooming attachments will be used for maintaining the snow and surface conditions.

Learning Center:

The Learning Center at Mount Sunapee will oversee the ski and snowboard lessons that will be given on the mountain. All types of lessons will be offered including group, private, and semi-private. There will also be speciality clinics available. The Learning Center will also be responsible for the children programs which will include the SKIwce program.

Lift Maintenance:

The Lift Maintenance Department at Mount Sunapee will oversee the daily maintenance of the ski lifts. This will involve doing safety checks in the morning as well as brake tests on a weekly basis. Visual inspections of each lift will be done each week, with each ski lift ridden each day.

by a lift mechanic. Lift Maintenance will also oversee the installation of any new lifts that will be installed.

Marketing:

The Marketing Department will develop and implement the marketing plan and positioning statements, develop and implement all marketing and pricing strategies, develop and oversee all advertising and print support. Marketing is also responsible for the overseeing of the Mountain Ambassador program.

Mountain Operations:

The Mount Sunapee Mountain Operations department will oversee the following departments: Snowmaking, Grooming, Lift Maintenance, Vehicle Maintenance, Purchasing and Capital Improvement Projects.

Racing Department:

The Mount Sunapee Racing Department will be responsible for the management of all the race programs. This department will schedule and organize sanctioned races as well as club races and junior race programs for children. Nastar racing and the coin operated race arena will also be overseen by this department.

Signage:

The Signage Department will be responsible for the creation and design of clear, concise, and attractive signs which will be utilized throughout the mountain for all trail markings and all departmental needs.

Ski Lift Ticket Sales:

The Ski Lift Ticket Department will be responsible for the sale of tickets, cash reconciliation and daily reports. The season pass sales will also be done from this department.

Ski Patrol:

The Ski Patrol at Mount Sunapee will be responsible for first aid on the mountain as well as in the facilities, marking of trails, opening and closing of trails, and assisting guests around the resort. The ski patrol will consist of both volunteer and paid patrollers.

Ski Rental & Repair:

The Ski Rental & Repair Department at Mount Sunapee will be responsible for the rental and repair of skis, snowboards, and snowblades. There will also be ski boots, snowboard boots and ski poles for rent. The repair department will repair skis, snowboards, and snowblades as well as sharpen and wax the same.

Ski shop:

The Mount Sunapee Ski Shop will be located as to sell clothing and equipment. This will include skis and snowboards as well as boots. Boot repair will be performed here. Sporting goods, accessories and souvenirs will also be available for purchase.

Snowmaking:

The Snowmaking Department will be responsible for all aspects of the snowmaking operations. This will include maintenance of equipment, coordinating service of compressors and pumps and coordinating the actual snowmaking operation. This department will also be responsible for the hydrant placement and gun location on the mountain.

4

4.4 Operations & Development Proposals



4

4.4 Operations & Development Proposals

A. Types of Recreational Activities Available to the Public

B. Ski Lift Operations

C. Snow Making & Grooming Operation

D. Ski Support Services

i. Ski School

ii. Rentals & Repairs

iii. First Aid / Public Safety

iv. Retail Ski Shop

v. Food & Beverage Services

vi. Entertainment

vii. Accounting

viii. Human Resources

ix. Parking & Shuttle Operations

x. Vehicle Maintenance

xi. Racing Programs

xii. Day Care

xiii. Ticket Sales

xiv. Guest Services

xv. Uniforms

xvi. Planning

E. Maintenance Procedures

i. Building Maintenance

ii. Vehicle Maintenance

iii. Lift Maintenance

iv. Trail Maintenance

F. Security Procedures

G. Emergency Operating Plan

i. Introduction

ii. Fires

iii. Lift Emergency Procedures

iv. Lost Guests

v. Mountain Power Outages

H. Special Use Permits & Leases

I. Marketing & Advertising

J. Environmental Management Program

i. Trail Construction

ii. Trail Maintenance

iii. Stormwater Discharge Device Maintenance

iv. Sewage Treatment Plant

K. Signage

L. Utilities and Roads

***M. Employment Opportunities for State
Employees Currently Working at Mount
Sunapee***

N. Proposed Capital Improvements

***i. Ski Lifts, Snowmaking, Lodges/Buildings,
Utilities and Roads***

ii. Summer Recreation

A. TYPES OF RECREATIONAL ACTIVITIES AVAILABLE TO THE PUBLIC

We will continue to provide high quality recreation activities at Mount Sunapee. Our strategy includes:

- Expanding, enhancing and maintaining high quality winter and summer public recreation.
- Continuing to offer recreational opportunities to existing groups currently using Mount Sunapee.
- Inventorying and evaluating local recreational opportunities and working with the community to expand recreation benefits on the mountain.
- Adding winter and summer recreation activities at Mount Sunapee that are accessible to the broad spectrum of users from the region and state.

Approach

It is our goal to expand, enhance and maintain high quality winter and summer public recreation opportunities at Mount Sunapee and to assure sustained recreation benefit to the region and the state. It is important that the recreation opportunities offered in the Mount Sunapee region are accessible to a broad spectrum of user groups. As part of our improvement plan and planning strategy we will inventory and assess the recreation activities and facilities at the mountain as well as activities and facilities that are currently provided in the immediate area to determine how they can be expanded or improved to meet public recreation needs. (Note: The 1989 Base Area Master Plan identified numerous deficiencies in the base facilities. This study will be reviewed and updated to assess the current condition of buildings and other recreation-related facilities at the mountain.) The inventory and assessment will be conducted on a local and regional basis to determine gaps that exist in the spectrum of public recreation opportunities currently being offered. These gaps or niches in the recreation market may be ones that can be filled by expanded activities at Mount Sunapee or can best be filled by other recreation providers or facilities in the area. We will explore ways of providing new or expanded recreation opportunities, which may include providing them at the mountain, identifying existing local enterprises that could expand to fill the gaps or forming alliances with local enterprises or groups to meet the recreation need. Some of the recreation opportunities may be filled in the short term by the immediate implementation of activity programs or facilities on and/or off the mountain to meet specific needs. Long term needs will be addressed as part of the five year master plan to be prepared by the year 2000. Particular efforts will be made to work closely with groups that are currently active at Mount Sunapee in winter and/or summer including the New England Handicapped Sports Association, racing programs, seniors' programs, school programs, the League of New Hampshire Craftsmen, trail groups, and others. It is important that recreation activity in the area be developed in such a way as to not diminish the recreational quality that make the Sunapee region a highly attractive and enjoyable vacation and living environment. Therefore, the planning process must include a mechanism for providing sustainable public recreation benefit to all ages, incomes, and abilities without eroding the intrinsic values of the region.

Winter Recreation Opportunities

In addition to skiing and snow boarding several opportunities may exist for expansion or addition of winter recreation activities. Because of existing infrastructure, equipment and facilities, most winter recreation activities in the area will probably occur at the mountain. Potential expansion activities include:

Expanded Skiing and Snow Boarding Terrain
Snow Boarding Park (Day & Night)

- Snow Tubing (Day & Night)
- Ice Skating (Day & Night)
- Outdoor Space for Winter Events
 - On-snow Equipment Retailer's Demos
 - Winter Carnivals
 - On-snow Family / Kids Activities & Games
 - Fireworks
 - Holiday Celebrations
- Cross-Country Skiing
- Snowshoeing
- Telemark Skiing
- Winter Adventure Outing / Camping

Summer Recreation Opportunities

Given the existing level of summer activity associated with the lake and the mountain, opportunities exist for expanding the range of summer recreation activities available to the public. Summer activities currently occurring at the mountain will continue to be provided with no charge to the public including hiking, picnicking and other passive use of the park lands. Expanded or added summer activities may include:

- Alpine Slide
- Water Slide / Water Park
- In-line Skating & Skateboard Park
- Devil Carts
- Mountain Biking
- Scenic Chairlift Rides
- Family-oriented Attractions & Games
- Kid's Day Camp
- Lake Sunapee Triathlon
- Road Races
- Concerts
- Fairs, Craft Shows, Car Shows
- Tournaments and Competitions
- Conferencing
- Corporate Picnics and Parties
- Weddings
- Family Gatherings
- Special Ethnic Events
- Nature and Wildlife Interpretation and Education
- Archery
- Food & Brewery Festivals

B. SKI LIFT OPERATIONS

The Ski Lifts at Sunapee Mountain will open mid November and close by mid April. The hours of operation will be 9:00 a.m. to 4:00 p.m. Monday through Friday and 8:00 a.m. to 4:00 p.m. on weekends and holidays. The lift operations staff will be trained in the Mount Sunapee Raving Fans program. This program will emphasize the need to provide exceptional guest service and always try to create the Sunapee Difference for our guests. When the Ski Lifts are operating, all State, Federal, and industry safety procedures will be adhered to. Each day, every operating lift will go through a pre-start up safety check list and Lift Maintenance will also check each lift daily. During the operating day, all lifts will be monitored by the lift operators and other personnel. Each ski lift at Mount Sunapee will be kept clean and looking good. The top and bottom terminals will be painted each season and the line towers will be put on a three to five year painting schedule. Part of the responsibility of each lift operator will be to police the area around his or her lift during the day to keep the area clean.

Lift Maintenance crews will inspect each lift daily and each lift will also ridden by a mechanic. Preventative maintenance is a key to reliable and safe lift operations and this will be stressed at Mount Sunapee. Weekly, there will be brake tests done and a visual inspection will also be done of the chairs themselves. Each summer, work will be done on the chair lift line. Mechanics will go to each tower and check the bearings in the sheaves and the sheave liner and they will be replaced if needed. The top and bottom terminals will also be inspected and work will be done on any of the components as needed.

C. SNOWMAKING AND GROOMING OPERATIONS

This section will describe three major philosophies and how they are all interdependent and how Mount Sunapee will take these philosophies and work them into the day-to-day operation to provide the best product possible in the industry. They are as follows:

- **Snowmaking philosophy**
- **HKD philosophy**
- **Grooming philosophy**

Snowmaking Philosophy:

At Mount Sunapee we will strive to provide the best guest experience possible, therefore, we must provide the best possible product in an extremely efficient manner to minimize local energy consumption impacts and also environmental impacts. At Okemo we have decreased the environmental impacts by building and installing a 73 million-gallon water storage pond as a reservoir for our snowmaking operation. Okemo continually strives to design snowmaking systems with a large water pumping capacity so that we are able to manufacture the bulk of our snow during brief periods of cold temperatures; below 20° F. This is better known as our "window of opportunity." The energy savings, thus the cost savings, of making snow during these optimum times versus above 20° F is astronomical. One of Mount Sunapee's primary objectives will be to have all of our snowmaking trails covered with a base of 2' to 3' of snow by the Christmas holidays. Since we will experience our largest crowds then, it is imperative that the most acreage possible is covered so that we may disperse skiers better throughout the resort to prevent crowding of trails.

Another objective will be to have a snowmaking system that is able to recuperate the skiable acreage area after a major thaw or meltdown, which may happen several times throughout a season. If the size of the system "fits" the size of the resort, greatest efficiency will be achieved by taking maximum advantage of the brief periods of colder temperatures when possible.

HKD Philosophy:

We feel will design the snowmaking system with increased pumping capacity. Through our experience, we can best meet our objectives by utilizing the HKD tower gun system. The guns manufacture snow during our "windows of opportunity", below 20° F. The HKD guns do not make snow efficiently above this temperature. When the temperatures rise, Mount Sunapee will resort to the conventional air water guns. Mount Sunapee will try not to use these guns any more than necessary due to their inefficiencies as compared to the HKDs. Therefore, we will strive to continually make snow around the clock at the most optimum time.

Grooming:

In addition to providing the quantity, Mount Sunapee will strive to provide the quality of the product. Mount Sunapee grooming crews will work during off-hours to provide a consistent snow surface on all of the trails. Mount Sunapee will employ unique grooming procedures which will compliment our snowmaking philosophies. This will entail tilling the snow and aerating it to a depth of 6" to 8" and then grooming the surface. Most mountains will just groom the surface which consists of a 2" to 3" base, leaving the underneath to become extremely hard. Mount Sunapee will strive to staff the fleet with professional, experienced machine operators to insure we achieve maximum production from our machines. We work at getting the job done by providing experienced operators who find satisfaction in their work. At Mount Sunapee we will implement an extensive preventative maintenance program for the grooming machines.

Conclusion:

All three of these philosophies are interrelated and dependant upon each other. However, the primary dependency for all of these operations is the personnel behind the scenes who implement these beliefs and practices. Personnel will be trained and knowledgeable so that they may perform their jobs to their fullest potential. Mount Sunapee will train personnel on a continual basis throughout the season, so that the employee can gain a better understanding of the operations, the guests' expectations, safety issues and other mountain concerns. We will begin training personnel through their initial general orientations which will touch base on what is expected of an employee and different concerns regarding guest services. All of the Mount Sunapee departments will hold weekly safety and guest service meetings, and paychecks will contain a flyer which not only covers what is happening around the mountain, but also will include information regarding safety, guest services, and personal health. Continuing this training all season will allow Mount Sunapee to achieve satisfied employees who wish to excel in their positions. They will also exhibit a genuine respect for their positions and the mountain as a whole.

Having the philosophies and the trained personnel, Okemo has been able to achieve many different awards relating to snowmaking and grooming such as:

- 1991 - Ranked #1 in the East in overall snow conditions and slope grooming by Snow Country Magazine.
- 1992 - Ranked #1 in VT for overall snow quality (snowmaking and snow quality) by SKI Magazine.
- 1992 - Honored by the State of Vermont with an Exemplary Energy Management Award for "Outstanding contributions to energy efficiency in Vermont".
- 1993 - Ranked #1 in VT for overall snow quality by SKI Magazine.
- 1993, 1994 - Rated #1 in New England for overall snow quality by Snow Country Magazine.
- 1994 - Tim Mueller was awarded the first ever "Environmental Watchdog Award" by the Conservation Law Foundation by achieving progressive, evolving, environmentally sustainable plans for growth and by working to reach a collaborative consensus with the Vermont environmental community.
- 1995 - Ranked #1 in VT for overall snow quality by Snow Country Magazine.
- 1996 - Rated as "Gold Medal" for snow conditions by Ski Magazine.
- 1995 - Rated #2 in the East for overall snow quality by Snow Country Magazine.
- 1997 - Ranked #1 in the East for grooming and were given the highest category ratings for snow quality by Snow Country Magazine.

We would expect to compete with and duplicate what we have done at Okemo.

D. SKI SUPPORT SERVICES

I. SKI & SNOWBOARD SCHOOL:

The Ski School Department at any resort is an important part of the guest experience. At Mount Sunapee, the Ski & Snowboard School will offer to our guests many different options of lessons. These lessons will include: introductory lessons for guest who have never been on skis or a snowboard, group lessons for guests who want to improve their skiing, specialty clinics on moguls, expert terrain, snoblades, halfpipe as well as racing gates. Group lessons and specialty clinics will be available at 9:45 a.m. to 11:30 a.m. and also 1:15 p.m. to 3:00 p.m. Private lessons will also be available for one-on-one instruction from an instructor. These will be available from one hour to eight hour increments beginning at 8:00 a.m.

The children's programs will be available at the same times as adults. There will be different programs available for children. The group lessons will be available for all ages for skiing and snowboarding. There will also be full day programs for children which will begin at 9:45 a.m. and end at 3:00 p.m. and will include lunch.

The SKIwec program at Mount Sunapee will be for children aged 4 through 7. This program will be for children of all ability levels. The hours of operation will be 8:00 a.m. to 4:00 p.m. and will include play time before lessons, ski or snowboard lessons beginning at 9:45 a.m. until 11:30 a.m. and then lunch. After lunch, there will be skiing beginning at 1:15 p.m. until 3:00 p.m. and then play time until parents arrive. There will be full-day and morning or afternoon half-day sessions available.

The Ski School Department will have a full complement of instructors for both skiing and snowboarding as well as a reservation area where the guests can buy their lessons and inquire about information on lessons as well as phone in their reservations for private lessons.

The Mount Sunapee Ski School will strive to provide the best possible guest services and the best possible skiing experience in the ski industry. Our ski school operation will offer many different types of programs to fit the needs of our guests. The ski school will also be an important aspect in the local school programs. We will offer clinics to local volunteers and also teach some school programs. A family will be able to come to Mount Sunapee and we will have a program to suit all the needs of every member

II. RENTALS AND REPAIRS

Over the last seven years, ski area equipment rental shops have evolved from a room in a base lodge where you can rent a pair of grey colored skis, grey colored boots and a pair of ski poles to spaces both in the base area and on the mountain where you can obtain the latest in "snow play" equipment in a variety of colors, style and models. Today it is necessary to not only rent a set of skis, but to rent entry level, mid level and high performance skis and ski boots, snowboards and snowboard boots, snowblades, snowshoes, and helmets.

Offering a variety of equipment is not the only thing that has changed. To meet the needs of guests requires having a variety of packages available too. These packages include the standard multi-day

rental, lift, lesson and equipment packages, and packages where you pay one price and can try all the equipment you want; skis, snowboard, snowblades, and snowshoes.

To allow guests to experience a wide variety of equipment and to increase sales, it is necessary to bring the equipment to them by having on-mountain demo centers. A demo center needs to be strategically placed to be highly visible and convenient for guests to get to.

Mount Sunapee's philosophy will be not to "herd" guests through the rental shop. We believe that it is necessary to get people through in a timely and efficient manner and to make sure we meet their needs at the same time. A guest's experience is compromised if he or she has to wait a long time to get equipment, be in an environment that is hot, crowded and smells of old used rental boots, and if he or she gets the wrong type of equipment, poorly fitted equipment, incorrectly adjusted equipment or poorly maintained equipment. We believe in guiding the guest through the rental process, from assisting him or her in filling out a rental form, selling the correct package and equipment to making sure the equipment fits properly, is properly adjusted, and well maintained. It is also necessary to accurately anticipate business volume on any given day to ensure that staffing levels are adequate to handle the number of guests.

A well stocked, well trained equipment repair shop is also an important support service at a ski area. When a guest comes to the repair shop, the staff needs to be able to analyze what his or her equipment problem is and have the tools and parts along with the knowledge to correct it. Our staff will be aware that the guest has paid for a lift ticket and every minute in the shop is one less minute on the slopes, therefore, quick turn around is important.

III. FIRST AID/PUBLIC SAFETY

The Mount Sunapee Ski Patrol will consist of both paid and volunteer employees. The ski patrol will be responsible for encouraging safe skiing on the trails, marking obstacles in the trails, checking skiing conditions, and being part of discussions on snowmaking and grooming. The Mount Sunapee Ski Patrol will be affiliated with the National Ski Patrol and will adhere to industry wide standards dealing in Winter Emergency Care.

The Ski Patrol will also be responsible for skier and snowboarder education. The Ski Patrol will talk with all local school programs before they come to the mountain each season and talk about what is safe skiing and how everyone should ski safely. They will also discuss the proper responsibility of skiers and boarders. In the event that a guest did not adhere to the Responsibility Code, he or she will be educated by the Ski Patrol and asked to review the Responsibility Code.

The Ski Patrol will have patrol buildings at different locations around the mountain so that they will be able to respond to incidents at any mountain location. There will also be a ski patrol room located at the base of the mountain.

On-Mountain Skiing or Snowboarding Accidents:

If a serious skiing accident occurs on the mountain, the following procedures will be followed:

- ◆ The person reporting the accident will state the location of the accident, what is known about the injury, what side the injured is on as you come down the trail, and any other information that might be known. If it is known that the person is in distress, i.e. heart attack, off the trail, or unconscious, this will also be stated so the proper equipment can be dispatched.

- ◆ The Ski Patrol dispatch will send a patroller down to the accident. Upon reviewing the scene, the patroller will relay back to the top hut what he or she has found and what is needed.
- ◆ In the event that the accident is in fact serious, a supervisor will be dispatched to the scene.
- ◆ A supervisor will make the determination about whether an ambulance should be dispatched immediately to be waiting at the patrol room.
- ◆ A supervisor will also relay an overview of the patient and the status to the Head Nurse who will be in contact with medical control and will discuss the need for air transport.
- ◆ All available on-mountain supervisory personnel on snowmobiles will be dispatched in the direction of the scene of the accident to help with scene control and also help with getting the patient to the base of the mountain.
- ◆ The Lead Ski Patroller will take the toboggan to the base of the mountain following normal operating procedures.
- ◆ The Senior Supervisor will determine with the Ambulance Coordinator if there is a need to send any mountain personnel with the ambulance. Once the patient is in the ambulance, the care is turned over to the ambulance crew.
- ◆ The Senior Supervisor or Assistant Supervisor will then return to the scene of the accident to secure the scene and to begin an accident investigation. He or she will also have other personnel start taking witness statements of known witnesses.

IV. RETAIL SKI SHOP

The retail ski shop provides an important revenue source to the ski area and an important service to the resort guest. Most ski area shops generate most of their revenues from accessory sales. Okemo believes in providing a generous amount of floor space to merchandise accessories to make it easy for a guest to find what they are looking for easily. We also believe in educating our staff on the items we sell with emphasis given to soft goods, hard goods, eye wear and gloves. An educated sales staff will provide higher sales and will assist the guest in making an intelligent decision when choosing a product. A well treated and satisfied guest provides us with repeat customers.

Location of the Mount Sunapee retail shop will be very important. The shop will be located in a high traffic area, and be easily accessible to take advantage of spontaneous purchases. An on-mountain shop location, such as at the summit lodge, is also important in generating accessory sales and for guests convenience. We also believe in having a sufficient number of cash registers to handle busy periods such as snowy or extremely cold weekends when there will be large volumes of guests purchasing hand wear, hats, gloves, etc.

V. FOOD AND BEVERAGE SERVICES

Okemo Mountain Resort owns and operates its own food services, and this would be the same at Mount Sunapee. By operating our own food service, staff training is consistent with the training we give to our other mountain staff in areas including customer service and safety, and is able to respond to guests' needs more swiftly. We believe that providing the guests with a variety of venues to eat in and a variety of menu choices is important to their experience.

Cafeterias will handle the bulk of the guests' food service needs. These facilities need to serve a variety of choices to meet a variety of taste, from hamburgers and french fries to fruits, salads and vegetarian dishes. We believe that the cafeteria should provide a variety of freshly made daily specials, both hot and cold, to keep the interest of our repeat customers. Merchandising food is just as important as merchandising goods in the ski shop. Cleanliness of the facility and a professionally appearing and trained staff is a necessity. Just as important to a sanitary food service area in the "back of the house", is a clean "front of the house". We believe it is necessary to have continual cleaning in the dining area with staff picking up trays and wiping down tables, picking up trash from the floor and emptying trash barrels.

Keeping food service lines moving is important to guest satisfaction. It is important to be prepared for busy periods with adequate food preparation ahead of time, by having adequate staff, and by having an adequate number of cash registers to keep sales moving.

To further diversify our menu selection and venues, we believe it is necessary to have restaurant/lounge facilities available. These type of venues provide a place where guests can relax a bit more than perhaps they can in a cafeteria style setting by providing table service, and a less congested environment. Although this venue should have a more relaxed atmosphere, it is still important to turn over tables three to four times during a busy two hour to two-and-a-half hour lunch period. The best way to accomplish turn over is to have a very efficient system of ordering, preparing, and pick up of food. We accomplish this through several means: limiting the number of tables served by one wait person (these are called stations), overlapping stations so that one wait person can assist others in stations that adjoin his/hers, develop a menu that does not require long preparation time, and by having adequate staff in the kitchen that is well prepared ahead of busy times. We also believe in suggestive selling - that is suggesting a person upgrades his/her drink choice for instance, or buying a large soda instead of a small, or purchase a desert with a flavored coffee. We train our wait staff to sell, not just wait. We make suggestions only though, we do not pressure the guests. We have found that this type of service increases sales and also is viewed by the guest as good customer service.

At Mount Sunapee we will have a bake shop counter or deli counter, where people can get a quick coffee and donut or sandwich and juice.

VI. ENTERTAINMENT

Entertainment in the lounge at the end of the ski day is an important element. By providing suitable entertainment, you accomplish three things: you give a guest a reason to stay in the lounge which generates additional revenue through food and beverage sales, you reduce the number of cars exiting the mountain at the peak period, and you round out the guest's stay by providing a memorable apres ski experience. We believe that a one to three piece band works best since space is limited, and we

are not trying to provide a night club experience. It is also important when selecting entertainment to be sensitive to the audience you have; in Sunapee's case, many families.

VII. ACCOUNTING

The Accounting Department is an essential component of the Okemo existence, as it will also be for Mount Sunapee. The Accounting Department will be responsible for all financial aspects of the business from payroll, accounts receivables, accounts payables and cash room functions.

The Accounting Team will work diligently and efficiently maintaining accurate and up-to-date financial status information and maintaining a positive cash flow. The team will be responsible for disbursement of this information to all the various departments on a regular basis so that the departments are informed as to their financial position as compared to their budgets. The departments will use these financial reports as a guide and a learning tool so that they can better predict their budgets for future seasons. Senior Management will also depend on the accurate and reliable financial reporting of the Accounting Department so that they can make informed decisions about re-investment of any profits or allocate spending for new positions or equipment.

The Accounting Department will also be responsible for the payroll and timekeeping systems which will include updating and maintaining confidential information on all employees and their current employment status and pay rates. The Accounting Department, namely the payroll subdivision, will also be used as a safety net by Human Resources and all of the other department heads, as they will also be accountable for making sure that all employees have completed and have on file all the necessary employment paperwork and that their starting wages are in line with the position's pre-determined wage range. If the employment paperwork and/or the wage is not on file or seem unconventional then the Accounting Department will notify the department and request an explanation or completion of paperwork.

The Accounting Department will be multifaceted and diverse in responsibilities. In addition to being responsible for all financial proceedings of the business, the Accounting Department will assume the responsibility for all management information systems. The Controller of the department will oversee implementation of new software and hardware being introduced to the company and will make sure that any upgrades or transitions run smoothly with minimal interruption or disturbance to the end users.

VIII. HUMAN RESOURCES

The Human Resources Department is an integral part of both the management as well as employee team. At Mount Sunapee, the Human Resources team will offer many support services to include policy review and implementation, training, benefit administration, workers compensation & safety programs, hiring and recruitment, employee activities, writing and updating of employee handbook as well as staff communications. Throughout these functions, guest service, safety and teamwork would be emphasized at all levels as well as a working environment where staff is challenged and encouraged to grow.

Human Resources will be the initial contact for all job applicants to assess their strengths. From an initial interview, the applicant will be directed to a department/position which will utilize his/her strengths. It will be our goal to build departments which will function as one team.

To maintain a team environment, Human Resources will facilitate training for management to ensure they have the working knowledge of employment/procedural issues. In addition, we will facilitate staff orientations to ensure that guest service, safety and teamwork are of the utmost importance at Mount Sunapee.

IX. PARKING & SHUTTLE OPERATIONS

Okemo has four major parking lots that can accommodate up to 2,900 cars. Two of these parking lots (1600 cars) are remote from the base area and require shuttles to transport skiers. Okemo's shuttle bus fleet consists of 14, 44-passenger, school buses which have been refurbished.

Our operating philosophy at Okemo and at Mount Sunapee is and will be as follows:

During busy periods, weekends and holiday weeks, we will have on-hand a sufficient enough staff to be able to park up to four lots at one time in an effort to reduce traffic back-up on the access road. Traffic controllers will be placed at intersections along the road to direct vehicles in to open lots and will also be present at the main skier drop-off point at the base area to direct traffic. Once in the travel lanes in the parking lots, vehicles will be directed to parking places. We believe it is necessary to guide vehicles to parking places in order to maximize parking. We are able to park up to 190 cars per acre, although we average about 165. We will also have attendants at the skier drop-off area to assist skiers with unloading their vehicles and to answer questions. These attendants will also be present to make sure that drivers do not leave their cars in the drop-off area. They must unload only and then take their car to a parking lot.

During mid-winter, mid-week periods, parking attendants will be present in parking lots to direct vehicles into parking spaces, however, during these periods, we park only one lot at a time.

With regard to buses, the Group Sales Department will notify the Parking Supervisor at the beginning of the ski season about advanced bookings for bus groups. Updated information will then be given a week and then one day in advance of the group's arrival. Advance notification to the Parking Department will allow them to reserve the appropriate number of bus parking spaces on any given day.

After the peak arrival period in the morning, parking attendants will cruise parking lots and let the traffic controllers know how many spaces are available in which lot so that they may direct vehicles to the appropriate lot. Attendants will also keep a watch out for any unusual activity in lots such as breaking and entering.

Parking attendants and traffic controllers are the first employees that guests come into contact with. Therefore, these employees must be in uniform and well groomed. Just as important to their grooming, is their knowledge of current mountain conditions such as number of trails and lifts open, snow surface conditions, and temperature. In addition, they will be familiar with the overall mountain and services layout in order to give directions and know of any special events taking place. We believe that by having well informed, well groomed and outgoing employees in these staff positions, that the guest's day will be started off in the right direction. Our parking attendants will also brush cars off on snow days and assist guests with lockouts and other situations which may arise.

Shuttle bus operations will include a sufficient number of buses and good coordination between the buses and parking attendants. The number of shuttle buses required is based on the number of vehicles that can be parked in remote lots, and the distance between the lot and the skier drop-off point. At Okemo, the number of cars that can be parked in remote lots is 1600 and the distance from the drop-off point to these lots is one half mile; Okemo has 14 shuttle buses.

We believe that it is essential to always have a bus ready to load in the parking lots in the morning, and ready to load at the drop-off point after the morning peak. Radio communications between the buses and the parking lots makes sure that buses are in the right place at the right time.

Buses will be overhauled every summer to insure that breakdowns during the season do not occur. During the season, the bus supervisor will run a check on each bus weekly, and the bus drivers clean the buses each day they are in use. Bus drivers are required by law to have their CDLs. We also believe that it is necessary to have well groomed drivers in uniform and these drivers, like the parking attendants, must know current mountain conditions, mountain layout, and what special events are taking place.

Mount Sunapee will have hosts on the buses. These staff members will inform guests of current mountain conditions, special events that are scheduled for the day, and answer guest questions during the ride from the parking lots to the drop-off point.

X. VEHICLE MAINTENANCE

The Vehicle Maintenance Department at Mount Sunapee will be responsible for all of the maintenance on the vehicles and equipment used at the resort. These vehicles and equipment would include: pickup trucks, vans, tractors, snow grooming vehicles, summer use tracked vehicles, snowmobiles, all terrain vehicles, chain saws, air compressors, welding equipment and other miscellaneous items. This department will be part of Mountain Operations. The garage is where the mechanics would work on the equipment and vehicles. The vehicles will have a set maintenance schedule depending on manufactures' requirements. During the winter season, the grooming equipment will be inspected each day after each shift. This will include a complete steam bath to rid the equipment of snow and ice.

Also maintained in the vehicle maintenance garage at Mount Sunapee will be the snowmobiles used for snowmaking, lift maintenance, lift operations and ski patrol. All terrain vehicles used during the summer as well as chainsaws and brush saws will also be maintained from this garage.

During the winter months, the daily maintenance of the groomers & snowmobiles as well as-needed maintenance on the pickup trucks will be done. Also worked on during the winter will be the summer equipment in order for it to be ready for use at the end of the season. During the Summer, work will be performed on the winter equipment. Mount Sunapee will strive to do all maintenance work in-house.

XI. RACING PROGRAMS

The Alpine Racing program at Mount Sunapee will offer a schedule of amateur and professional races and coordinate ski club races for alpine skiing, freestyle skiing and freestyle & alpine snowboarding. The race team programs will include the Junior Hopfuls skiing & snowboarding

(ages 7 through 12), the Junior Development Team (ages 7 through 12), and the category I-IV program for more experienced racers (ages 8 through 18). The training provided at Mount Sunapee will be accented by traveling to competitions at other resorts throughout New England and also Canada. The Race Department will also work with the local high school alpine and snowboard race teams by providing coaching to the team members.

The Alpine skiing and snowboarding race program will be an important part of the Mount Sunapee team. Many of the programs that are available have guests from in-state and from out-of-state. The children will be able to join the program at seven years of age and continue to the age of 18. Private race lessons will also be available for guests. These can be private lessons on either skis or snowboards and can consist of gates for all types of disciplines.

The Race Department will also oversee the Nastar race program. This program is a handicapped race program that allows guests to race against the clock and compare their handicapped time against that of the pace setter.

XII. DAY CARE

Mount Sunapee's state approved day care center will be open for children six weeks to eight years of age and there will be supervised indoor and outdoor activities. An "Introduction to Skiing" program will be available for children three & four years old. All-day, day care sessions run from 8:30 a.m. to 4:30 p.m. midweek and 8:00 a.m. to 4:30 p.m. on weekends and holidays. Morning half-day sessions run from 8:30 a.m. to 12:00 p.m. midweek and 8:00 a.m. to 12:00 p.m. on weekends and holidays. Afternoon half-day sessions are 12:30 p.m. to 4:30 p.m. on all days. Lunch and snacks are included in the full day sessions only.

The philosophy of the guest day care program is for our guests to feel comfortable in leaving their children with us while they enjoy a day of skiing. It is important for our guests to see that we have a clean, safe, caring and comfortable environment. This is accomplished by the day care center being a very bright open area with employees who are trained in how to keep children happy and challenged.

XIII. TICKET SALES

The Ticket Sales Department for Mount Sunapee will be located at the main ticket windows, at the Learning Center desk, and at Guest Services. Mount Sunapee offers both single and multi-day lift tickets for guests. Children who are 6 years old or younger ski for free. Lift tickets are sold beginning at 8:30 a.m. midweek and 7:30 a.m. on weekends. Half day tickets are sold beginning at 12:30 p.m. During busier times, lift tickets are sold the evening before at the ticket windows.

Season passes will also be sold for use during the ski season at Mount Sunapee. In addition to the age categories for regular day tickets, the following categories are available. Senior (ages 65 through 69) & Super Senior (ages 70 and older). Midweek seasons passes are also available for adults, seniors, and super seniors.

The ticket sales department handles all of the transactions involving daily and multi day pass ticket sales.

XIV. GUEST SERVICES

Although guest services will be the responsibility of every Mount Sunapee employee, there will also be a "Guest Services" Department. If a guest has a question or a problem which cannot be handled, Guest Services will try to resolve the situation or send them in the right direction to get the problem resolved. Guest Services will also handle complimentary tickets, gift certificates, package adjustments, ski condition reporting, ski shop programs, in-house research surveys, general information and posting of daily snow reports.

The philosophy of the Mount Sunapee Guest Services Department will be to assist the guest in any way possible. This will be accomplished by listening to our guests and understanding their concerns and problems. Employees will be empowered to deal with guests' problems and will have guidelines as to what they can do to create a happy guest.

Guests Services will also be responsible for group sales tickets. Groups are an important aspect of any ski area's business and they will be at Mount Sunapee. Special rates will be available for groups of over 20 guests.

XV. UNIFORMS

All Mount Sunapee employees will be assigned a uniform and name tag to be worn when working at the resort. The uniforms will range from winter jackets, fleece jackets, sweaters, or shirts. Department heads as well as the employees will be responsible for having a uniform on when working. The uniforms will be assigned for the ski season and may consist of a hat if the job entails being outside for their job. Each classification of employment may also have certain clothing items that must be worn when working. Uniforms are not to be worn when the employee is not working.

Uniforms will be an important part of the image of Mount Sunapee. All of our employees will need to be easily recognized by our guests. The uniform needs to convey a positive professional image. Name tags are also important and are considered an integral part of all uniforms issued.

XVI. PLANNING

Over the past 15 years under Okemo's current ownership, the resort has developed three long range plans. A long range plan is viewed as a flexible document that will adjust to changes in the market, as well as changes in technology and environmental conditions. Even though the plan will change, it will serve as a road map for growth over time.

A long range plan is a best estimate of what development will need to occur over a five to ten year period to accommodate anticipated increased demand for existing recreational activities and also what new recreational activities the resort believes are appropriate to develop. Once the various developmental elements are determined, the impacts associated with these elements can be analyzed. Because of the broad nature of long range planning, only the macro issues associated with the anticipated development can be analyzed. These issues can include air pollution from vehicles, water conservation, impacts to floodways, streams, wetlands, transportation, educational services, municipal services, aesthetics, impacts to wildlife and wildlife habitat, impact of growth, impacts to agricultural and forestry soils, energy conservation and public utilities and to public investments such

as roads and public lands. Okemo's two most recent long range plans, one developed in 1990 and one developed in 1997, have dealt with all of these issues.

The long range plans which will be developed by Okemo at Mount Sunapee will be of great value to the resort and the local and regional communities in anticipating the growth of Mount Sunapee.

E. MAINTENANCE PROCEDURES

I. BUILDING MAINTENANCE:

The Building Maintenance Department of Mount Sunapee will be responsible for physical plant structures including out buildings such as lift buildings and snowmaking pumping stations. The staff of Building Maintenance will conduct walk thru inspections of the buildings during the ski season. They will also be responsible for the cleaning of these buildings each evening. Part of the maintenance program will be to inspect the fire suppression systems including sprinkler systems and fire extinguishers. This department will also be responsible for the grounds around the buildings.

During the summer months, the Building Maintenance Department will make needed renovations to buildings, build additions to buildings and paint as needed. There will also be certified electricians and plumbers to work on these facilities. Also during the off-season, the grounds will be maintained by the Building Maintenance Department. This will include spring clean-up, mowing and trimming of grass, raking of leaves and fall clean-up.

During the winter months, the Building Maintenance Department will make a daily walk-through of public buildings. Departmental areas will need to notify Building Maintenance of a problem and a need for maintenance. Building Maintenance will also be responsible for the snow removal in the base area and the plowing of the parking lots used by our guests.

II. VEHICLE MAINTENANCE:

The Mount Sunapee Vehicle Maintenance Department would be responsible for all the vehicles at Mount Sunapee. This will include all cars and pickups, off road vehicles, and grooming machines. The maintenance procedures will consist of weekly inspections of all cars and trucks and as needed basic maintenance according to a determined schedule. As needed inspections of off road vehicles will also be performed, but each vehicle will have a pre-season and post-season maintenance check. Grooming equipment will receive a daily inspection of the vehicle and maintenance will be performed on the machines according to manufactures recommendations. All major engine and other component work will be done in the Vehicle Maintenance Shop.

III. LIFT MAINTENANCE:

The lift Maintenance Department will be responsible for the maintenance on all the surface and chair lifts on the mountain. During the off-season, all the lifts will have routine and scheduled maintenance performed on them. This will include changing of hydraulic and gear box oils, sheave and bullwheel liner replacement, general maintenance on auxiliary engines, and chair and cable inspections. There will be line work done during the Summer to replace any sheaves as needed and also to grease the bearings on the line towers. During the Winter, Lift Maintenance will perform daily inspections of the lifts by visual and also riding the lifts. Weekly brake and other tests will be performed as required by the manufacturer.

IV. TRAIL MAINTENANCE:

Trail Maintenance at Mount Sunapee will consist of inspecting the trails during the Summer and mowing each trail before each Winter. At the end of the Spring mud season, each trail will be inspected for any run off damage and water bars will be repaired and if needed, the area will be cleaned up and seed and mulch applied. During the Summer, brush will be cut back as needed on trails to the tree line of each trail. This will be done on an as needed basis. The trail network will also be inspected to see if there will be a need for a liming program to accent growth of grass and cut down on weed grass. Towards the end of the Summer, each trail will be mowed either by tractor with a cutter bar attachment or by hand. This will be done to accent growth each year and also to allow for the snow to compact better.

F. SECURITY PROCEDURES

Security is taken very seriously by the Okemo Mountain operations. These same basic beliefs will be standardized at Sunapee as well. The basic beliefs include the following:

- Assure safety of the guests
- Prevent theft of equipment and other miscellaneous items
- Prevent vandalism or burglary of the business operations
- Deter these criminal acts by prosecuting to the fullest extent when possible

Assure the safety of the guests:

The utmost and foremost responsibility of the business is to assure the safety and well-being of the guests so that they may enjoy themselves in a safe, secure and comfortable environment free from any threatening situations such as physical harm, theft of personal property or any other form of endangerment.

Prevent theft of equipment and other miscellaneous items:

Another primary responsibility of the business is to prevent or minimize the theft of equipment and other miscellaneous personal items. Although the business may not be able to entirely eliminate such acts, by making the presence of the mountain security known, the business will likely minimize the occurrence of these types of criminal acts.

Prevent vandalism or burglary of the business operations:

It has been Okemo's experience that during off-hour times, as well as during business hours, the notable presence of the mountain security is essential in preventing these types of crimes. Okemo has also installed alarm/detector systems within the various ski shops and accounting department. Mt. Sunapee will require an initial assessment to determine what areas will dictate the need for special measures such as security cameras, silent alarms as well as non-silent alarms, door security hardware, etc.

Deter criminal acts by prosecution:

It has also been Okemo's experience that to decrease the occurrence of the aforementioned criminal acts, it is imperative that criminals who are apprehended while committing such acts be prosecuted to the fullest extent possible.

In short, Okemo would instill its beliefs and practices at Mt. Sunapee. There will be uniformed security personnel and vehicles patrolling the grounds during the day as well as early evening hours. During holidays and busy weekends security would be maintained 24 hours a day.

During daytime hours, security personnel will primarily focus on the base areas to deter potential thieves from pursuing any theft of equipment or other items. During evening hours, security personnel will focus on checking the buildings throughout the grounds to be positive their security is in good standing.

G. EMERGENCY OPERATING PLAN

I. INTRODUCTION:

The Emergency Management Plan for Mount Sunapee will consist of plans for dealing with events that are handled by the ski resort. It is important to understand that in the event that an outside agency is involved, i.e. State Police, Fire Department, Fish & Game Department, there will be a unified effort with the Mountain Manager, or his or her designee, in dealing with the situation. Mount Sunapee employees will work closely with all departments to handle any situation.

While this plan is meant to remain flexible and applicable to all major emergencies, the following procedures should always be followed:

- ◆ Local Fire & Safety Departments will be notified about any unusual situations at the ski resort. There will be many times when this call will be just to make them aware of a situation and not a call for help.
- ◆ The following Mount Sunapee Management team members will be contacted: President, General Manager, Mountain Manager, Assistant Mountain Manager, Marketing Director, Building Maintenance Manager. This will be done no matter the time of day.
- ◆ The incident command post will be located in the main office area unless otherwise designated.
- ◆ Only designated members of the management team will be allowed to speak with the media.

II. FIRES:

In the event that a fire breaks out on Mount Sunapee property, the following procedures will be followed:

- ◆ If an employee spots a fire, help should be called immediately. If the employee has a radio, it should be broadcasted over the radio, if not, then a phone call should be made to the main Operator at "0". **DO NOT ATTEMPT TO FIGHT THE FIRE WITHOUT CALLING FOR HELP FIRST.**
- ◆ The switchboard will call the Fire Department. If an employee is not sure whether the Fire Department has been called, they should call again. More is better than none.
- ◆ If there is a fire extinguisher near by, this should be used to fight the fire. Be sure to always give yourself an escape route. **DON'T BE A HERO.**
- ◆ If the fire cannot be put out quickly, be sure to get everyone else out of the building.
- ◆ If possible, water from the snowmaking system will be made available to the Fire Department.
- ◆ When the Fire Department arrives, they will be in control of the situation.

- ◆ Be sure everyone is accounted for.

III. LIFT EMERGENCY PROCEDURES:

In the event that your lift ceases to function and you cannot restart the lift immediately the following procedures should be followed:

Lift Failure Emergency Dial Dispatch Operator

1. Communications at our facility are very important to the operation of the ski area. Many of the situations that you will face require quick action and notification of the right people. Become familiar with your communication facilities.
2. We expect the telephones to be used for business purposes only. Each lift building is equipped with an inter-mountain phone. Phones are installed in the buildings for purposes of inter-mountain or inter-lift communications only. These phones are to be used for the purposes of contacting individuals for business only and are not for personal use.
3. When calling another party by phone identify yourself, state your exact location and present the reason for your call. This format eliminates time and effort. This provides the caller with immediate information that he has reached the correct number.
4. When calling in a lift emergency, use the designated emergency phone extension. This number is not used for anything else other than lift emergencies. It should never be busy unless there are other lifts down. When using the emergency extension, you are only going to have two different types of emergencies. One is a mechanical problem that needs assistance. The other is a medical emergency where patrol is needed. Below are examples of each kind:

A CODE GREY means that the lift has a mechanical problem, and the lift cannot be run. When calling a CODE GREY, say "CODE GREY, bottom or top of whichever lift you are on."

A CODE RED means that there is a different type of problem. Usually the problem is an injured guest who is on the load or unload ramp and cannot be moved, or there is a need for a ladder for a guest who has gone around the Bull Wheel. When calling a CODE RED, say "CODE RED, bottom or top of whichever lift you are on."

When either of these codes are broadcasted on the radio a supervisor along with other personnel will show up at the lift. All operators must remember to fill out the Lift Restart sheet during a CODE RED.

You need not say anything else to the operator on the phone. **DO NOT USE THE PHONE AFTER YOU HAVE CALLED IN AN EMERGENCY. LIFT MAINTENANCE, LIFT OPERATIONS, OR SKI PATROL WILL PROBABLY CALL YOU BACK. THE PHONES ARE TO BE KEPT CLEAR.**

IV. LOST GUESTS:

With the number of guests who use the Mount Sunapee facilities during the winter and summer months, there will be times when a guest does become lost. If this does happen, the following procedures should be followed:

During Ski Season

- ◆ The employee who receives the report of the missing guests should do a quick check of the area and then notify a supervisor. Many times if the situation is in the base area, the guest can be found quickly.
- ◆ A supervisor should be notified of the situation. Be sure that an employee stays with the guest while the search is going on so when the guest is found, we will know where to meet up with his/her party.
- ◆ If the quick search does not turn up the guest, a code Yellow should be broadcasted over the radio systems. The following information should be relayed:
 - Exact location last seen
 - Sex, approximate age, height, weight
 - Type of clothing wearing
 - Name
- ◆ Be sure to ask the person reporting the missing guest about where the guest might be going. Was there a meeting place? Has this happened before? What are they likely to do once they realize they are lost?
- ◆ Once this is done, a more intense search should be done of the area.
- ◆ If the search involves the ski trails, then employees with snowmobiles should be assigned certain trails and areas.
- ◆ If a search does not turn up the guest after a period of time, the local police should be notified and advised of the situation.

During Summer Season:

Because the summer season has more variables involving getting lost, the same procedures should be used, but employees are cautioned about doing any deep woods search without a radio or phone communications back to the resort. Supervisors must make decisions involving location, time of day, condition of individual, knowledge of area, before deciding when to call in local authorities.

V. MOUNTAIN POWER OUTAGES

In the event of a Power Outage on the Mountain the following procedures should be followed:

- ◆ When the power goes out, and comes back on quickly, the Lift Maintenance Supervisor and his designee should begin calling each lift to tell them that if they can get a reset on the lift,

then they should restart the lift. This should also be told to the dispatch personnel, as they may field calls at the switchboard.

If the power does not come back on immediately, then the following procedure should be followed:

- ◆ The General Manager should call the power company to see if they can tell where the problem is and if it is a long term outage.
- ◆ Each lift will begin calling dispatch. Dispatch should be told to tell the operators to remain at their lift and a supervisor or lift mechanic will be along soon. Tell the guests that the lift will begin moving soon.
- ◆ The Ski Patrol supervisor will dispatch ski patrollers to the top of each lift who will then immediately begin to ski down under the chair lift line and tell the guests that there has been a power outage and that the lift will be restarted under auxiliary power supply.
- ◆ The General Manager or his or her designee will decide as to whether apology cards will be issued. In the event that it is decided that apology cards will be issued, it is the job of the Assistant Mountain Manager to be sure that this has taken place. IF CARDS ARE HANDED OUT, IT IS IMPORTANT THAT ALL GUESTS WHO ARE ON THE LIFTS RECEIVE ONE.
- ◆ The Mountain Manager or his or her designee will be sure that appropriate personnel are assigned to the following lifts to begin auxiliary evacuation:
 - ✓Summit Lift ✓Sun Bowl Lift
 - ✓North Peak Lift ✓Duckling Lift
 - ✓Province Lift ✓Spruce Lift
- ◆ Upon arrival at the lift, the person running the auxiliary will begin communication with the operators at the top and bottom and begin the auxiliary evacuation. DO NOT WAIT FOR FURTHER WORD TO BEGIN THE EVACUATION. GET THE LIFT STARTED.
- ◆ Once the evacuation has begun, the General Manager should contact the Food & Beverage Manager to brief them on the situation if this has not already been done. The Food & Beverage Manager should then contact the supervisory personnel in the Lodges so that the guests can be informed of a time frame of the problem being resolved or other information.
- ◆ When the auxiliary evacuation of each lift has been completed, the Auxiliary Operator should contact the Lift Maintenance Supervisor by radio to tell them that all the guest are off the lift.
- ◆ All the skiing guests should be notified if the problem is temporary or more long term and directed to the base of the mountain if the problem is long term.

H. ABILITY TO HONOR SPECIAL USE PERMITS AND LEASES

Based upon the information contained in the R.F.P. documents it appears that the only long term lease at Mount Sunapee which exists is the lease between the State of New Hampshire and the New England Handicapped Sports Association (N.E.H.S.A.). It is our intention to honor this lease and to work with N.E.H.S.A. to see that their program is continued.

At this time it will not be our intention to renew the agreement with T.C.I. with respect to the food and beverage operation at Mount Sunapee. We plan to operate the food and beverage operation as a part of our organization.

It will be our intention to continue to rent the facilities at Mount Sunapee to such groups as the New Hampshire League of Craftsmen as well as other groups in order to conduct special events such as fairs, exhibits, and athletic competitions provided the rental of the facilities is economically viable for our organization.

I. MARKETING AND ADVERTISING

Mt. Sunapee 1998-1999 Marketing Outline

Mount Sunapee

Located off I-89, just 35 miles (45-minutes) North of the I-93 interchange in Concord, Mt. Sunapee is convenient to the southern half of the state of New Hampshire and to Central and Southeastern Massachusetts, Boston Metro and Rhode Island. Mt. Sunapee can draw from more than 1/2 million people (25% of the State's population) within a one hour drive.

Competition

Mt. Sunapee is the 6th largest ski area in New Hampshire in terms of vertical drop. Coming from points south, Sunapee has the greatest vertical drop south of the White Mountains. This can be a strong positive and should be a focus.

1. Cannon (2,146 ft.)
2. Loon (2,100 ft.)
3. Wildcat (2,100 ft.)
4. Waterville (2,020 ft.)
5. Attitash (1,750 ft.)
6. Sunapee (1,510 ft.)

Immediate Local Competition (Day market):

- Temple Mountain, Peterborough
- Ragged Mountain, Danbury
- Pats Peak, Henniker
- Gunstock, Guilford

Pricing

New Hampshire skiing has traditionally been priced less than Vermont, even for a similar experience. While maintaining affordable family skiing and snowboarding, any increases in lift ticket pricing will need to be deliberate and backed by visible, appreciable capital improvements that enhance the ski experience.

Positioning Objective:

To re-position Mt. Sunapee initially as New England's best family-oriented day-trip ski area by providing the highest quality ski and snowboard experience, the thrill of the region's largest mountain covered with the highest quality, most dependable snow surface possible, and served by a modern and efficient high-capacity lift system, all within a prevailing atmosphere of outstanding guest service and personal attention to the needs of the guests.

Current positionings are:

- "Where Families Come Together"
- "We Bring Out The Kid in Everyone"
- "Most Vertical South of the White Mountains"

Awareness

Mt. Sunapee does not seem to have adequate share of top-of-mind awareness among Boston-based skiers and riders. With its vertical drop and proximity to the market, meaningful impressions need to

be made to place Mt. Sunapee back into the select set of day ski areas to frequent. Mt. Sunapee is known as a comfortable place to ski. It is non-threatening to families with the terrain layout and central base area. Mt. Sunapee already has a strong "feel-good" image amongst its clientele which can be capitalized on.

Due to lack of funding to commit to early season snowmaking, pre-December skiing and riding has not been offered or promoted at Mt. Sunapee. Pre-Thanksgiving is the time of year when pent up demand among frequent skiers and riders works to the ski area's advantage. A strong start to the season is an automatic opportunity to gain market share and momentum that can carry throughout the season. Ski reporting services such as NESAC and AMI begin reporting in mid-November, helping to reach the committed skier. Absence from these early-season reports is conspicuous. As a result of not being aggressive early-season, there is a lack of awareness for Mt. Sunapee early in the season. Advertising dollars and a promotions plan would need to be committed earlier to support this effort.

Advertising - Situation Analysis

The Marketing Promotions budget provided in the RFP has been reduced to less than it was in 1993. The total budget has increased but the portion allocated to summer marketing and promotion has increased at the expense of winter. With gradual rising costs of media, this means Mt. Sunapee has actually done progressively less winter marketing in recent years.

Advertising - Recommendations

At this point, the best marketing would be improvements to the infrastructure to include lift upgrades and snowmaking, and a visible commitment to guest service. This will spurn positive word-of-mouth which is the single best form of advertising. From a media standpoint, Mt. Sunapee is underspending in today's competitive arena. Radio, newspaper and television in Boston, Worcester and Southern New Hampshire need to be a primary area of focus from November through March. A solid media plan supports a central theme that is carried over into all forms of media. This integration generates impressions efficiently and effectively.

Media - Magazine

Magazines are a strong medium to reach a destination or vacation-oriented skier. Since the focus initially for Mt. Sunapee should be on the day-trip or regional market (within a two or two-and-a-half hour drive radius), only magazines specific to this region should be considered. New Hampshire Profiles Magazine, Boston Magazine, New England regional ski and snowboard publications, etc.

Media - Newspaper

Newspaper is a media form which has a unique ability to be both tactical and targeted geographically. Newspaper ads can be designed as a shell, blending together image, package price, snowfall or a timely occurrence such as a special event to interest the reader and generate a positive response through an 800# call to action. Mt. Sunapee should be a fixture on the Boston Globe Thursday Ski Page in the Sports Section for the season to make continual impressions. The Manchester Union-Leader, Concord Monitor and the Nashua Telegraph among others should be considered to promote special events, opening day, etc. Maintain a position and an image consistently. With the sweeping popularity of the Internet among skiers and snowboarders, newspaper ads should feature www.mtsunapee.com in addition to the phone number.

Media - Radio

Radio remains the most effective form of media to reach skiers and snowboarders. It is flexible, targeted, tactical, and image building. Radio has the ability to "zero-in" on a specific demographic. Using creative imagery that contains space for a tag can be very effective in reaching the day-skier, since not as much planning and coordination is involved in a day trip of less than two hours. Skiers and snowboarders index high as radio listeners, and the medium is effective in reaching listeners in their cars during commuter drive times. With radio, the message can be altered to reach different target audiences at specific times during the season or to reach a specific age group.

Typically Mt. Sunapee would be selling an image that would lead to a day trip or an economical mini-vacation, therefore the target audience would skew younger (ages 18 to 35). This audience typically listens to modern rock, album oriented rock, alternarock and Top 40 contemporary hits stations. The audience consisting of ages 35 to 49 (family decision makers) typically listens to classic rock, soft rock and adult contemporary stations. Sunapee's senior skier audience can be reached effectively through the use of NH public radio programming sponsorships.

In major markets like Boston a buy of six or more stations is needed to reach the core demo with enough frequency to deliver the message. Southern New Hampshire from Portsmouth through Concord should also be supported in radio. A strong, effective radio buy is a calculated mix of stations that both complement and supplement one another creating a unique synergy that effectively reaches the desired target audiences.

Media - Television

Skiing and snowboarding are sports that convey their inherent excitement best in a moving visual medium. Television is the most visual. Television has always been considered an ineffective form of advertising for ski resorts because of the ability to reach a very wide audience, (high degree of "waste" by reaching audiences that are not prospects for conversion) rather than a specific, or targeted market segment. Until recently, the relatively high cost of both air time and spot production has been a limiting factor for ski resorts.

Much of this has changed dramatically in recent years through technological breakthroughs which have reduced the cost and increased the ability to target an audience. The proliferation of DSS programming and the cable "explosion" spurred on by new satellite technology, we can now reach targeted audience with more accuracy (and less waste) than ever before. Increased band-width has opened up more channels. Targeting programming is now more accurate than ever before. At the same time, audience measurement research has vastly improved which makes buying the demo more certain. Media buys can now be targeted with pinpoint accuracy. The potential for Mt. Sunapee to develop inexpensive but very effective television creative is there. Southern New Hampshire would be the logical choice for television.

Media-Internet

The internet is growing so rapidly, particularly among the younger families, as a source of information that it simply must be a priority. The web has become an effective means to develop personal relation-based marketing campaigns through targeted e-mail push systems. A well designed and informative web page is important to reach the high-tech rt.. 128 and So. New Hampshire core market. More resources need to be devoted to build and maintain an effective web-site. It is recommended that Sunapee become a part of Resort Sports Network and posting a Resort Cam photo of the day.

Community Relations

Much of what is done at Okemo can be carried over to Newport/Sunapee. We realize that being a resource to the community is vital to both our long and short term success. Many of the mountain's facilities are underutilized during non-ski hours which can be made available to various civic groups for meetings.

Community Relations - Strategies

- Utilize a newsletter (monthly, bi-monthly) to key community people, business leaders, second homeowners and season pass holders/frequent skiers to provide facts to help tell our story among opinion leaders and those loyal to the mountain
- Become involved with the Lake Sunapee Area Business Association and other key business groups within the community
- Utilize all means of communicating our message
 - Employees "Around The Mountain" (newsletter contained within each paycheck)
 - Local "Sunapee Times" newsletter
 - Local newspapers
- Messages to communicate
 - The ski product and guest service are our top priorities at Mount Sunapee
 - Explain "the successful ski business" story in as many public forums as possible
 - Explain clearly what we plan to do and why this is good for Sunapee (and region)

Nighttime Operations

Mt. Sunapee has a perfect base layout for a night skiing and a half pipe with operation of one base lodge close to the action. The night skier market would likely be Concord with a population of 37,000 within a 45 minute drive or possibly Manchester.

Events

The relatively flat, wide-open grounds between the two base lodges provides an excellent venue for outdoor events on a year-round basis. Sunapee would be a good location for the on-snow retailers equipment demonstration held each January. (See Sales Outline)

Summertime Operations

With the lake being the prominent draw during the summer months, Mt. Sunapee Ski Area would be well positioned to build and operate family oriented attractions to add to the appeal of the area. A water park, a concert series, a pitch & putt golf facility and similar activities would fit in well with the area. Events and shows such as crafts shows (ongoing), art shows, car shows and a concert series would complement these attractions and provide a more diverse appeal to the region. (See Sales Outline)

Mt. Sunapee 1998-1999 Sales Outline

Group Sales (Winter)

Sunapee's proximity would be good for tour-operator groups in the Greater Boston area. Boston lacks any sort of organized ski council of clubs, but, affinity groups, associations and organization-based social clubs could day-trip to the ski area. Also, many health clubs in the Boston area could be

lured to run social trips for member retention purposes. Mt. Sunapee would be a convenient day trip within a drive radius of two hours.

Day & Multi Day

- Wholesale Business (Domestic Operators)
- International Business (International Operators / SKI USA) to coincide w/ Okemo
- Corporate Groups (New Hampshire, Boston, North Shore, Rhode Island)
- Family Groups
- Religious Groups (Hanukkah prior to and during Christmas week)
- Alumni Groups
- Generic Groups (call in)
- School Groups (local) weekends, strong potential w/ night skiing & riding

Wholesalers (Tour Operators)

- Contract w/ wholesalers - develop bed base w/ Best Western at the foot of the Hill
- Bring Sunapee into the Liberty Travel/ Go-Go Tours Loop
- Work with New Hampshire and Boston based shops to generate wholesale volume
- Work TA market through shows, mailings and individual presentations
- Develop FIT business internationally (Ski around experience)

Corporate Groups

Create and offer a corporate card program offering group rates on an individual affinity basis to target large employers in So. New Hampshire, Boston, Providence

- Develop Sunapee "VIP Corporate Card"
 - \$10.00 off opening to 1/10/99
 - \$5.00 off 1/11/98 to 3/9/99
 - \$10.00 off 3/10/99 to closing
- Card is not valid holiday periods
- Card can only be used by corporate carrying person
- Card will provide offers from assorted corporate sponsors all bearing their names, (sponsors will offset the price of producing the card)
- Corporate Ski/Ride League (evenings)
- Corporate Learn to Ski & Ride Programs

College Programs (Reciprocal with Okemo)

- Sunapee "VIP College Card" - ½ price midweek, \$10.00 off holidays & weekends
- College Season Passes
 - Rep network
 - radio campaign
 - sponsor programs

Family / Religious / Foreign Groups

- Target Families during specific time periods
 - Jewish families prior to Christmas
 - Canadians during mid-March break
 - Family groups to be encouraged through special Value Season Rates
 - Concierges at Boston & Providence hotels

Alumni Groups

- Coordinate functions w/ Prep Schools and Colleges Alumni Departments

→ package components; skiing, lodging, dinner & cocktails

Ticket Programs

Multi-day Ticket Program

Our plan will be to encourage multi-day sales with possible reciprocity with Okemo Mountain.

Midweek Lodging Program

The initial focus of the ski area operation will be on infrastructure improvements and upgrades. During the first few years, the emphasis will be on building single-day business. To help area lodging with overnight business and to build incremental lift ticket sales, it would be healthy to package short one or two night stays with a two day or more lift ticket to create a mini-vacation such as:

- Midweek local lodging and ticketing program based on 48-hour advance reservation packaging
- Lodging properties contribute to midweek marketing effort to stimulate business to region

Volume Ticket Program

Based on minimum advance ticket buy of 1,000 tickets prior to November 1 - geared towards the corporate and ski club market

Bulk Ticket Program

Based on minimum ticket buy of 100 tickets prior to November 1 - geared towards the corporate and ski club market

Ski Club Ticket Program

Individual members of participating ski clubs will receive \$5.00 off the price of a regular lift ticket accompanied by proper credentials.

Markets

- Southern New Hampshire
- Massachusetts
- Rhode Island
- Northeastern Connecticut
- Canada w/ Okemo to enhance destination attraction
- The U.K. w/ Okemo & Ski 93

** Destination markets can be packaged with Okemo.

Shows / Travel

- Major market consumer ski shows in above mentioned destinations
- Travel agent shows with presentations with major agencies - Ski '98 travel shows
- Ski Club, Council and Corporate presentations
- Shop presentations and involvement
- Ski Group '98 shows

Ski Council & Club Events

- Bid and secure major functions for group weekend events
- Club and Council awareness days

- Offering of Volume and Club programs.

Race Camps

- Early season and evening
 - corporate
 - schools
 - clubs
 - recreational

“Learn-To” Programs

- 10 Learn-to-Ski and/or Snowboard (complimentary) with a minimum remaining group of 30 paid guests
 - set up program w/ councils, clubs & wholesalers

Sales Collateral

- Group Vacation Planner to include listings from area lodgings
- Flyers - depicting special promotions
- Coupons - alliance with our partners and other promotional programs

Community Programs & Opportunities

- Ongoing programs w/ local Chambers
- Association w/ regional events
- Community support and awareness programs with local businesses

Summer Sales, Promotional Programs & Thoughts

Events

- Juried Craft Shows
- Juried Art Show
- Summer Concert Series (Traditional, Jazz, Country, Folk, Bluegrass, Alternative)
- Car Show
- Weddings
- Corporate Picnics & Parties
- 10K Road Race
- Lake Sunapee Triathlon
- NORBA Mountain Bike Event
- Brewers' Festival
- Sponsor related events and programs

On-Going

- Mountain Biking
- Day Camp
- Alpine Slide
- Miniature Golf
- Driving Range
- Batting Cages

1998/99 Mt. Sunapee Public Relations Brief

Overview

Mt Sunapee is the gem of Southern New Hampshire and is known for its friendly atmosphere, intermediate cruising terrain, user friendly infrastructure and family appeals. Mt. Sunapee is well known to ski & travel writers in the New Hampshire region, but a virtual unknown to horizontal media outlets, lifestyle publications and the media/travel industry. A proactive approach is needed to increase Sunapee's exposure and to develop long lasting relationships within a broad range of the ski and travel industry and target non-traditional and alternative publications regionally and nationally.

Public Relations

We intend to focus and position Mt. Sunapee within the media/travel industry through a concentrated public relations and publicity campaign. A proactive approach is needed to increase Sunapee's exposure, solicit key media outlets, target new contacts, disseminate press releases and develop/maintain relationships within a broad range of the ski & travel industry and local community. We will cultivate and maintain relationships with consumers and local business affiliates.

Ongoing

- Create a pre-season Press Kit providing a complete background on all amenities and key appeals and include all pertinent information necessary for media outlets planning ski-related stories with the inclusion of photography and logos.
- Distribute press releases to key ski, snowboard, travel and lifestyles publications as well as key media outlets and community businesses and to serve as a news bureau to package and distribute targeted information.
- Insure prominent treatment in key pre/post season features.
- Solicit and facilitate journalists for press trips/visitation on an ongoing basis.
- Pitch to lifestyles network affiliates for on-location production and on-air or print included promotions.
- Focus on ski/snowboard travel roundups in trade and consumer print.
- Create and develop a communications system to outreach area businesses, community leaders, frequent skiers, season pass holders with frequent updates through a mountain newsletter disseminated throughout the region.
- Submit ski & snowboard ideas and editorial on a weekly basis to daily and weekly news publications to insure prominent positioning.

Press Trips & Special Events

- Create a series of one-day media days for writers and their families early season to introduce consumer and trade print to Mt. Sunapee.
- Develop overnight media visitation to target specific metropolitan journalists to showcase Mt. Sunapee and the local region.

- Pitch to lifestyles network affiliates for on-location production and on-air promotions.
- Research the possibility to host an ESWA (Eastern Ski Writers Association) winter meeting showcasing Mt. Sunapee and the local community.
- Develop special early/late season food drive ski days to benefit local food shelters and needy families in the Sunapee region.
- Work with local businesses to create and co-produce value-added on-mountain theme events such as Sugar-on-Snow Celebrations, Demo Days, an Annual Senior Challenge Race (Waterville is successful with Silver Streaks), On-mountain fundraising events with bump contests & ski races, Adaptive series.
- Develop environmental children's programs (such as Okemo's Snow Tracks program) that incorporates lessons and on-snow learning.

Target Outlets

- Ski/Snowboard magazines
- Family and parenting magazines
- News magazines
- Major metro dailies
- Consumer/trade travel magazines
- Upscale suburban newspaper chains
- Wire services
- Mature audience
- Teen publications
- Health & fitness
- Ethnic magazines
- Feature & news syndicates

Continuing Focus

We will position Tim and Diane Mueller in the forefront and reinforce Mt. Sunapee and Okemo's key appeals and similarities - independently owned & operated, award winning children's programs, state-of-the-art technology (lifts, facilities, snowmaking) and highest level of guest service in the industry, quality product with unsurpassed snowmaking and grooming, family friendly, community outreach and school programs.

J. ENVIRONMENTAL MANAGEMENT PROGRAM

Okemo has a long history and good track record of development in a mountain environment. Starting with the development of conceptual plans, we consider natural features such as wetlands, streams, and necessary wildlife habitat. We try to avoid these areas or at least provide sufficient buffers to protect them. When we have construction projects involving earthwork, we utilize the Vermont Handbook for Soil Erosion and Sediment Control on construction sites. We will follow the same practices at Mount Sunapee.

I. Trail Construction

When constructing trails, it is our practice to have no more than four acres of earth open at one time, to seed and mulch all acres prior to weekends, and to cease earthwork during rain events. Prior to earthwork, we will install diversion ditches to divert water away from construction areas with hay bale check dams in the ditches, and silt fencing is used when appropriate. We will work closely with the State of New Hampshire prior to and during trail construction.

II. Trail Maintenance

During summer months, we will have an ongoing maintenance program. This program will include replacement of culverts, reshaping of water bars, trimming of trees and the mowing of trails.

III. Stormwater Discharge Device Maintenance

We will institute a biannual stormwater discharge device maintenance program. Twice per year, stormwater conveyance and treatment devices including stormwater ponds, grass and stone lined swales, culverts, catch basins and vegetated buffer strips will be inspected and maintained. Maintenance will occur more often if necessary.

IV. Sewage Treatment Plant

Operating and maintaining this facility at a high level is vitally important for the environment and the continued sound operation of Mount Sunapee. We will manage this plant to meet or exceed New Hampshire standards continually.

K. SIGNAGE

Okemo's philosophy regarding signage is the belief that the importance of quality, attractive, up-to-date signage is directly reflected in the quality and safety of the guest's experience at our facility. Informative, simple and consistent signs and information can keep traffic moving in an efficient manner inside as well as outside on the slopes, in parking lots, and at lifts. Clear and concise signage is expected by our guests and it is Okemo's reputation for delivering just that. These same beliefs and practices will be instituted at Mount Sunapee as well.

The Okemo Signage & Graphics Department includes the design and creation of nearly all of the mountainwide printing needs which encompasses menus, retail POP signage, forms, special events advertising, sandwich boards, golf course signs, parking, interior and exterior directional signage, vehicular, lift towers, snowgun markings, and many more. The department is also responsible for the layout and design of various ads for magazines, newspapers, brochures, season passes, certificates, and awards. We also maintain a close working relationship with area printing organizations to assist us with some of our needs such as mass production. At Mount Sunapee, we will operate a similar Signage and Graphic Department on a smaller scale in order to fulfill the needs of the winter and summer operations.

L. UTILITIES AND ROADS

Roads

Okemo currently maintains over three miles of gravel and paved roads. Approximately half of this mileage is town roads which Okemo plows and sands because of a need to maintain these roads in the winter at a higher level of service than what the town is able to provide. In addition to wintertime sanding and plowing, Okemo also grades gravel roads and periodically re-gravels. Okemo personnel have been and continue to be involved in the construction of roads and is required to build these roads to town specifications. These practices will transfer well to the maintenance of parking lots of Mount Sunapee.

Water Treatment Facilities

Okemo personnel is currently responsible for the operation and maintenance of two water treatment plants that service two residential developments. This team is licensed by the State of Vermont to operate these public water supply systems. Therefore, we will be able to maintain the water system at Mount Sunapee.

Electric & Telephone Systems

Okemo works with the Ludlow Electric Light Department during the installation of electric lines by excavating trenches, laying in bedding for conduit and laying the conduit itself. Okemo staff is also responsible for the maintenance of its' in-house phone system.

The skills and knowledge that the Okemo staff have developed over the last fifteen years in the construction, maintenance and operation of these utilities will be carried over to the operation of Mount Sunapee.

M.
EMPLOYMENT OPPORTUNITIES FOR STATE EMPLOYEES
PRESENTLY WORKING AT SKI AREAS

Okemo Mountain Resort has the expectation of retaining the existing year round State employees at Mount Sunapee. This is assuming they wish to work for our company as well as the fact that each individual is qualified to do the job for which they will be employed. Each employee will receive credit for time served associated with Okemo Mountain Resort's benefit package. Mount Sunapee's employees will receive the same or similar benefits as the employees at Okemo Mountain.

N.
PROPOSAL FOR CAPITAL IMPROVEMENTS

**I. SKI LIFTS, SNOW MAKING CAPABILITIES,
SKI LODGES AND/OR OTHER BUILDINGS,
UTILITIES AND SERVICE ROADS**

It is anticipated that we will invest approximately \$10,000,000 in capital improvements over the next six to seven years at Mount Sunapee. The improvements will be part of an all-inclusive recreation enhancement program aimed at expanding and creating both winter and summer recreation opportunities at the mountain. Improvements will be made and proposed in a three-part approach.

1. Immediate improvements

- Replacement of the Summit Triple Chairlift with a detachable quad chair
- Replacement of the Sun Bowl Double Chairlift with a fixed grip triple or quad chairlift
- Renovation / expansion of the North Peak Lodge

2. Future planning and improvements to be made in existing areas of lifts, trails, and base area facilities

3. Future planning and improvements to be made in peripheral areas surrounding the current lifts, trails, and base area facilities

A general improvement master plan and planning approach is graphically depicted on the map labeled, *Concept Improvement Plan and Planning Strategy*, included at the end of this section.

Approach

Plans were prepared in 1985 by Erikson Associates and in 1989 and 1991 by The Cavendish Partnership which outlined recommended improvements for the area. The Erikson recommendations were primarily directed at on-mountain lift, trail and snow making upgrades, many of which were implemented. The Base Area Master Plan prepared by The Cavendish Partnership in 1989 and 1991 focused on base area improvements including lodge facilities, utilities, parking, and vehicular and skier circulation. Key components of the master plan included:

- A new base lodge sited in the vicinity of the North Peak Lodge. It was intended that this facility would serve the primary day lodge and skier services needs of the area.
- Renovation of the existing lodge to accommodate the racing program, ski patrol, first aid, employees, special groups and storage.
- Expansion of the parking areas.
- Expansion / upgrade of the sewer infrastructure and disposal facilities.

The improvements proposed in the master plan were prepared in response to critical needs of the area as assessed by The Cavendish Partnership and as described by various user groups, state employees, management, and others. Workshops were held with the various groups and individuals and extensive input was gathered suggesting specific improvements as well as the overall aesthetic flavor for how those improvements should be implemented. Plans, elevations, and perspectives were prepared that graphically described the improvements and cost estimates were provided for each component of the master plan. (Excerpts of the graphic components of those plans are included on the following pages.)

We will revisit the plans prepared by Erikson Associates and the Base Area Master Plan prepared by The Cavendish Partnership to assess which improvements have been implemented and update the plans to reflect current needs and recreation trends. The plan for improvements will include immediate improvements as described in the following narrative followed by the preparation of a five year master plan for longer range improvements. The plan will be prepared by the year 2000 as required in the lease agreement. Because of our experience with leasing state lands for recreational purposes, we understand the public sensitivity that accompanies any proposal for improvements associated with public lands. Okemo's planning philosophy has always been one of working with our neighbors in preparing plans that respond not only to our business goals, but also to the broader issues of environmental suitability and the needs of the community.

1. Immediate Improvements

It is important that improvements be made during the first season of operation that enhance skiing and snowboarding at Mount Sunapee, and that demonstrate our commitment to the overall improvement of the recreational experience at the mountain. It is our goal to make three primary improvements before the first season of operation as timing allows.

The first improvement will be the replacement of the Summit Triple Chairlift with a detachable quad. The Summit Chair is the longest and most important lift on the mountain, transporting skiers and snowboarders out of the base area directly to the top of the mountain and distributing them to the majority of terrain. It is critical that this lift have an uphill capacity capable of transporting skiers and snowboarders out of the base area quickly and efficiently. A new high speed lift will reduce congestion in the base area and distribute skiers and snowboarders more efficiently, not to mention the positive aspects of a quicker ride to the top. A detachable lift will cut the ride time to the summit in half.

Concurrently, the Sun Bowl Double Chairlift will be replaced with either a fixed grip triple or quad chairlift. Being the second longest and one of the oldest lifts on the mountain, the existing double chair is in need of replacing with a higher capacity, faster chair. The Sun Bowl Chair will be replaced with either the existing Summit Chair when it is removed or by a new quad. In either case a new lift will improve skier and snowboarder movement and distribution in the Sun Bowl area.

Depending upon timing and permit requirements, we will begin renovations or expansion of the North Peak Lodge. As identified in the Base Area Master Plan (*The Cavendish Partnership, 1989 and 1991*) the base area is in serious need of additional square footage to accommodate current users and to become more balanced with the capacity of the mountain. We will focus on renovating and/or expanding lodge space in the vicinity of the North Peak Lodge. We will explore options for the renovations or expansion, which may take various forms depending upon timing of the lease signing, design and permit requirements. Options include permanent expansion of the existing lodge, temporary expansion of the lodge or even temporary detached lodge facilities. We believe that the site of the North Peak Lodge is the logical location for expanded lodge facilities given its proximity to the Summit chair and the Province beginner area. It is centrally located and provides the best location for skier circulation.

Another item which should be addressed the first year are the size of both the day care and the children's ski school facilities. Mount Sunapee is a family mountain, and in order to accommodate all members of the family, these two areas will be expanded.

2. Future planning and improvements to be made in the existing areas of lifts, trails and base area facilities

We will initiate an aggressive planning process to assess and chart the course for future improvements to be made within the confines of the existing lift and trail network and base area. We will review all studies and proposals that have been made to date and update them based upon current mountain and base area conditions. Using this information we will formulate a five year master plan that lays out the improvements for the areas within the immediate area of lifts, trails and base facilities. The plan will include, but not be limited to the following investigations and recommendations. These are options that will be considered and proposed after thorough analysis and investigation of current site and market conditions.

POTENTIAL MOUNTAIN & BASE IMPROVEMENTS (in the existing areas of lifts, trails and base area facilities)

LIFTS

- A Sun Bowl Double (to be replaced the first year of operation)
- B Spruce Triple (replace)
- C Duckling Double (replace)
- D North Peak Triple (upgrade)
- E Summit Triple (to be replaced the first year of operation)
- F Beginner Pony Express Tow (replace)
- G Province Double (replace)
- New Chairlift in the North Ridge area

TRAILS

- Widening and regrading certain trails
- Improving connections
- New trails in the North Ridge / Cataract area

SNOW MAKING

- Expanded Coverage
- Longer Season Capabilities
- Add additional air and water capacity

LODGE(S) and STRUCTURES

- New Lodge Construction/North Peak Lodge Expansion (to be done the first year of operation)
- Main Base Renovation
- Summit Building Renovation / Expansion
- New indoor base area recreation / activity space
- First Aid
- Snowmaking relocation
- Maintenance
- Day Care & SKIwee Expansion (to be done the first year of operation)

ROADS & PARKING

- Reduce Lot #1
- Expand Lots #2 & #3
- New Drop Off Area(s)
- Shuttle Route(s)

INFRASTRUCTURE

Sewer

- Lagoon Expansion
- Lagoon Aeration, Routing & Deepening
- Spray Field Expansion
- Low Flow Fixtures
- Use of Gray Water
- Treatment Plant Construction

Water

- Well Development

EXPANDED WINTER ACTIVITIES

- Holiday Events and Carnivals
- Tubing
- Snowboard Park
- Ice Skating
- Night skiing, boarding, tubing and skating

3. Future planning and improvements to be made in peripheral areas surrounding the current lifts, trails, and base area facilities

As the planning for improvements of the existing lifts, trails and base facilities proceeds, we will explore opportunities for expanding summer and winter recreation activities outside the existing area of lifts, trails and base facilities. We understand that thorough environmental and land capability analyses will need to be conducted prior to proposing expanded recreation improvements, and we anticipate working closely with the state in determining the scope of such expansion and delineating key resource protection areas. The improvement proposals will be included in the five year master plan.

LIFTS

- New Lift in the Sun Bowl area (east of the existing lift and trail network)

TRAILS

- New Trail Network east of the Sun Bowl area
- New Trail Network above the lower parking area and below the "Campground"
- New Trail Network north and adjacent to the Province area

LODGE(S) and STRUCTURES

- New Sun Bowl Lodge
- New Learning Center in Province area for first time skiers/snowboarders

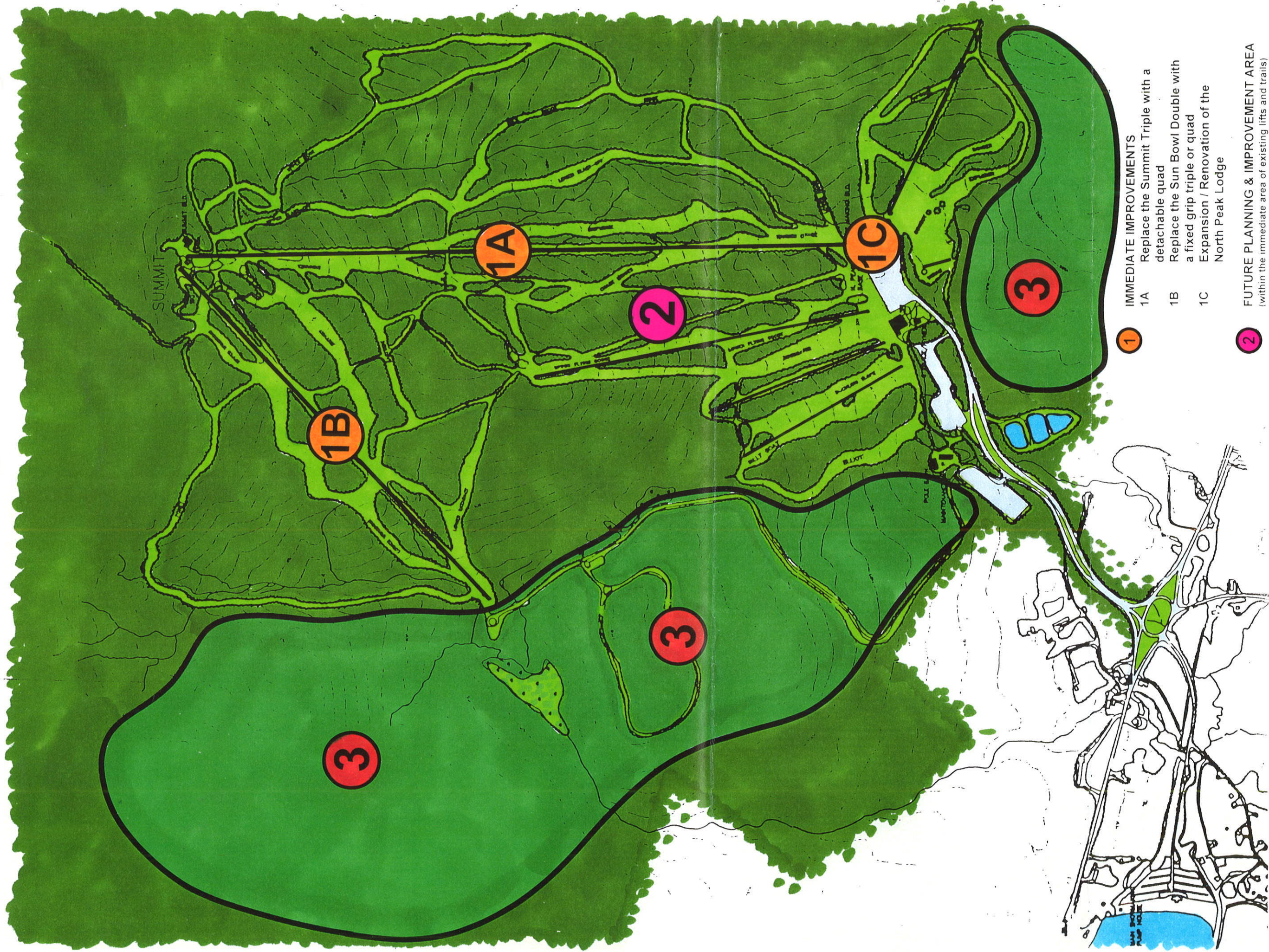
ROADS & PARKING

- New Parking Lot between Province area and south of lagoons
- Expanded Shuttle Route(s)
- Improved Road to Sun Bowl area

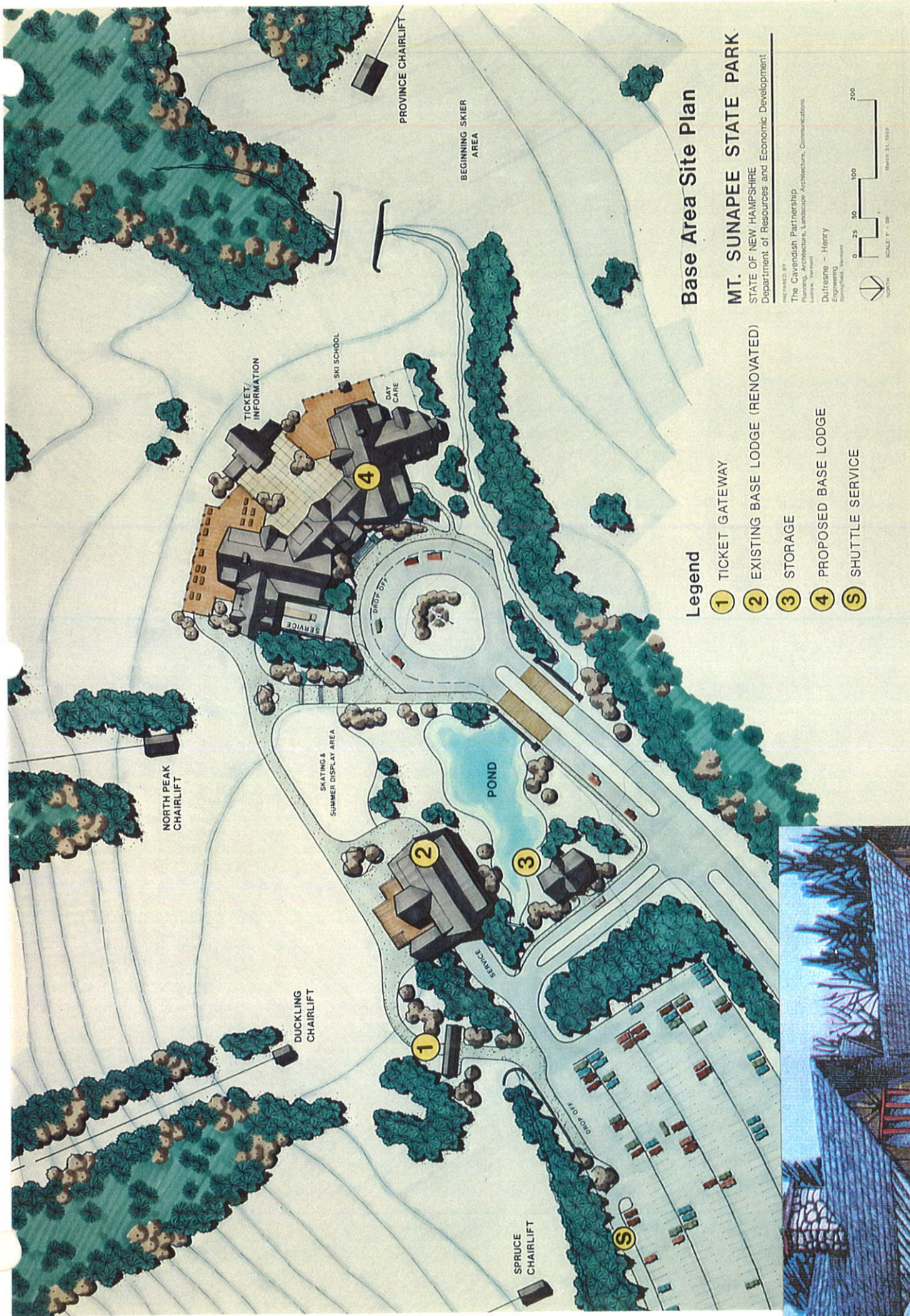
INFRASTRUCTURE

Sewer

- Lagoon Expansion
- Lagoon Aeration, Routing & Deepening
- Spray Field Expansion



MOUNT SUNAPEE SKI AREA **CONCEPTUAL IMPROVEMENT PLAN** **& PLANNING STRATEGY**



MOUNT SUNAPEE SKI AREA **1989 BASE AREA MASTER PLAN** (The Cavendish Partnership)





MOUNT SUNAPEE SKI AREA **1989 BASE AREA MASTER PLAN** (The Cavendish Partnership)

Low Flow Fixtures
Use of Gray Water
Water
Well Development

II. SUMMER RECREATION

The Mount Sunapee region is very well known as a summer recreation area. Mount Sunapee will be developing and enhancing programs to make more summer activities available. Some of the potential activities are as follows:

Mountain Biking:

- ◆ With Mount Sunapee close to the main route from major New England cities, it is an ideal setting for mountain biking. The mountain biking program at Mount Sunapee will consist of an elaborate trail system from the summit area that will cater to beginners to expert bike riders. The trails will be built on existing ski trails and also new areas of the ski resort consisting of work roads and logging trails. There will also be a children's area in the beginner skiing area which is very flat and ideal for children.
- ◆ There will be rental equipment available. This will include bikes, helmets, shoes and other equipment.
- ◆ There will be package rates for the guests that will include trail fees and bike rental.

Scenic Rides:

Scenic chairlift rides will be available to guests during the Summer and Fall.

- ◆ Guests will be able to ride the chairlift to the summit.
- ◆ Once they arrive at the summit, there will be a chance to walk around to see the views and then ride the lift back down.

Hiking:

- ◆ A hiking program at Mount Sunapee will allow our guests to explore the wonders of nature on the existing ski trails as well as work roads. Guests will be able to ride the chairlift to the summit area and hike the marked trails on the top of the mountain or walk up the trails and explore the area on their own. There will be a route map available and scenic overlooks will have benches for the guests.

Other summer activities that may be considered:

In-line Skating & Skateboard Park

A summer in-line skating program & skateboard park will provide the guests of Mount Sunapee with another activity in which to enjoy the region. The park would have the following:

- ◆ Asphalt covered inclined area.
- ◆ Asphalt covered skate park with ramps and jumps to be used by both skateboarders and in-line skaters.

- ◆ Halfpipe ramp made out of wood.
- ◆ A regulation in-line skating hockey rink complete with side boards and nets.

During the summer months there will be weekly camps for both disciplines. These camps will consist of daily group instruction, competitions, free time and free time activities. Also during the Summer, there will be local competitions for both skateboarding and in-line skating.

Alpine Slide

The construction of an Alpine slide is a possibility for another summer activity. This slide will be approximately 2000-2500 feet long and would use the existing trail and lift network.

Concerts

The staging of concerts or festivals may also take place during the summer months. These concerts will be family orientated, and made available to all the visitors of the region. The concerts will not exceed the size of the comfortable capacity of the ski area during the winter.

Water Park

Because of its central location and a broad base area, a small water park with pools and slides would be very desirable. A water park will draw from the local and regional residents as well as the vacationers that are here in the Summer. A more thorough plan will be developed in our Mountain Development Plan.

Other potential activities include:

- Craft Fairs
- Atheletic Events
- Weddings
- Family Gatherings
- Special Ethnic Festivals
- Children's Day Camps
- Nature and Wildlife Interpretation and Education
- Archery Competitions
- Food and Brewery Festivals

5

4.5 Public Recreational Benefit



5

4.5 Public Recreational Benefit

A. Winter Recreation Opportunities

B. Summer Recreation Opportunities

PUBLIC RECREATIONAL BENEFIT

- Expand, enhance and maintain high quality winter and summer public recreation
- Continue to offer recreational opportunities to existing groups currently using Mount Sunapee
- Inventory and evaluate local recreational opportunities and work with the community to expand recreation benefits on the mountain
- Add winter and summer recreation activities at Mount Sunapee that are accessible to the broad spectrum of users from the region and state

Approach

It is our goal to expand, enhance and maintain high quality winter and summer public recreation opportunities at Mount Sunapee and to assure sustained recreation benefit to the region and the state. It is important that the recreation opportunities offered in the Mount Sunapee region are accessible to a broad spectrum of user groups. As part of our improvement plan and planning strategy we will inventory and assess the recreation activities and facilities at the mountain as well as activities and facilities that are currently provided in the immediate area to determine how they can be expanded or improved to meet public recreation needs. (Note: The 1989 Base Area Master Plan identified numerous deficiencies in the base facilities. This study will be reviewed and updated to assess the current condition of buildings and other recreation-related facilities at the mountain.) The inventory and assessment will be conducted on a local and regional basis to determine gaps that exist in the spectrum of public recreation opportunities currently being offered. These gaps or niches in the recreation market may be ones that can be filled by expanded activities at Mount Sunapee or can best be filled by other recreation providers or facilities in the area. We will explore ways of providing new or expanded recreation opportunities. This may include providing them at the mountain, identifying existing local enterprises that could expand to fill the gaps or forming alliances with local enterprises or groups to meet the recreation need. Some of the recreation opportunities may be filled in the short term by the immediate implementation of activity programs or facilities on and/or off the mountain to meet specific needs. Long term needs will be addressed as part of the five year master plan to be prepared by the year 2000. As part of that planning process we will inventory, assess and identify public recreation opportunities and facilities in the area. Particular efforts will be made to work closely with groups that are currently active at Mount Sunapee in winter and/or summer including the New England Handicapped Sports Association, racing programs, senior's programs, school programs, the League of New Hampshire Craftsmen, trail groups, and others. It is important that recreation activity in the area be developed in such a way as to not diminish the recreational quality that make the Sunapee region a highly attractive and enjoyable vacation and living environment. Therefore, the planning process must include a mechanism for providing sustainable public recreation benefit to all ages, incomes, and abilities without eroding the intrinsic values of the region.

A. Winter Recreation Opportunities

In addition to skiing and snowboarding several opportunities may exist for expansion or addition of winter recreation activities. Because of existing infrastructure, equipment and facilities, most winter recreation activities in the area will probably occur at the mountain. Potential expansion activities include:

- Expanded Skiing and Snow Boarding Terrain
- Snow Boarding Park (Day & Night)
- Snow Tubing (Day & Night)
- Ice Skating (Day & Night)
- Outdoor Space for Winter Events
 - On-snow Equipment Retailer's Demo's
 - Winter Carnivals
 - On-snow Family / Kids Activities & Games
 - Fireworks
 - Holiday Celebrations
- Cross-Country Skiing
- Snowshoeing
- Telemark Skiing
- Winter Adventure Outing / Camping

B. Summer Recreation Opportunities

Given the existing level of summer activity associated with the lake and the mountain, opportunities exist for expanding the range of summer recreation activities available to the public. Summer activities currently occurring at the mountain will continue to be provided with no charge to the public including hiking, picnicking and other passive use of the park lands. Expanded or added summer activities may include:

- Alpine Slide
- Water Slide / Water Park
- In-line Skating & Skateboard Park
- Devil Carts
- Mountain Biking
- Hiking
- Scenic Chairlift Rides
- Family-oriented Attractions & Games
- Kid's Day Camp
- Lake Sunapee Triathlon
- Road Races
- Concerts
- Fairs, Craft Shows, Car Shows
- Tournaments and Competitions
- Conferencing
- Corporate Picnics and Parties

6

4.6 Payments to State



6

4.6 Payments to State

A. Payment to the State

B. Economic Benefit to the Sunapee Area, Region and State

A. PAYMENTS TO THE STATE

Contained in Appendix A. of this document is our proposed lease between the State of New Hampshire and Okemo Mountain, Inc. for the lease and operation of Mount Sunapee Ski Area.

Within the lease document, Section 3, entitled "Rent" addresses the fee which we will pay to the State of New Hampshire for the lease of Mount Sunapee.

In addition to the lease fee which Okemo Mountain will pay for the lease of Mount Sunapee, the State of New Hampshire will receive a significant amount of new tax revenue from the increase in visitation which will occur at Mount Sunapee both during the winter and the summer seasons. After our proposed master plan improvements are completed in 7 or 8 years, there will be an increase of approximately \$14 million in expanded economic activity annually in the region. This includes the increase in the sales of both goods and services to new visitors in the Sunapee region.

B. ECONOMIC BENEFIT TO THE SUNAPEE AREA, REGION & STATE

As indicated above, the potential economic benefit to the state and region will be substantial. To strengthen Mount Sunapee's position as a winter and summer recreation resource we will invest a significant portion of annual profits back into the mountain to capitalize and sustain the proposed improvement and programs, resulting in positive direct and indirect economic benefit. Our proposed capital improvements, expansion of programs and activities, expanded marketing and increase in summer activity will result in increased visits to Mount Sunapee and the surrounding area. Increases in winter and summer visitors will result in substantial direct and indirect economic benefit to the Sunapee area, region and the state. As part of our planning strategy we will study and quantify the direct and indirect economic benefit resulting from increased winter and summer visits to the area. Preliminary projections indicate several areas of potential economic benefit.

- Our projections indicate as much as an additional \$14,000,000 will be spent by winter visitors for off-mountain regional and local goods and services by the eighth year of operation.
- On-mountain and off-mountain summer and winter spending will result in increased tax generation from rooms and meals taxes, gasoline tax and liquor tax.
- Our projections indicate that on-mountain employment opportunities will increase substantially on both a seasonal and permanent basis. It is likely that off-mountain employment will also increase.
- Revenues from the lease and rent payments will go directly into the State of New Hampshire budget for state parks resulting in increased park programs, park improvements and user fee offsets for parks throughout the state.
- There will be an increase in revenues from business profit tax and property tax.

Increases in Regional and Local Spending

An economic study prepared by the Vermont Ski Areas Association (VSAA) in 1994 identifies several specific characteristics of skier spending. Their figures indicate that for every dollar spent at the mountain approximately \$3.00 is spent off-mountain for such things as lodging, food, gasoline and other goods or services purchased. Given our experience and projections, we see an additional \$14,000,000 in potential off-mountain spending per year for goods and services in the Sunapee area and region by our eighth year of operation. This figure includes only winter spending activity; summer spending will also increase as a result of increased summer recreation activities and programs.

Tax Generation

Tax generation will increase substantially as a result of on and off-mountain spending. Rooms and meals taxes, gasoline taxes and liquor tax will provide additional revenue. The 1994 VSAA economic study found that ski areas communities generate as much as 2000% more in rooms and meals taxes than other rural communities.

Employment

We anticipate a substantial increase in on-mountain employment as a result of the implementation of improvements, increased visits, increased CCC (Comfortable Carrying Capacity of the mountain and recreation facilities) and increased summer activity at Sunapee. By year eight we project that the number of employees at Mount Sunapee will increase from the current 315 (+/-) up to as many as 480 employees of which 30 (+) will be permanent positions. Wages will be competitive for comparable positions in the New Hampshire / Vermont region.

We anticipate keeping the same or similar wage rates at Sunapee as we presently have at Okemo. The 1994 VSAA economic study indicates that ski area communities provide as much as four times more employment opportunity than other rural communities.

Benefit to the State of New Hampshire Budget for State Parks

It is our understanding that our lease and rent payments to the State of New Hampshire will go directly into the operating budget for state parks. Therefore, the overall economic benefit of the lease and rent payments will reach the broader spectrum of parks throughout the state. The increase in state funds for the park system will likely result in expanded state park programs, improvements for state parks, and offsets for users fees, not to mention indirect economic benefit from the increased investment in the state park system.

Business Profit Tax and Property Tax

Private operation of Mount Sunapee will result in new tax generation from business profit tax and property tax to the local towns. Unlike the state operation, we will be obligated to pay these taxes based upon our profitability and the actual amount of property leased and the fixed improvements made at the mountain.