



MOUNT SUNAPEE

Mount Sunapee Resort Annual Operating Plan 2013 - 2014

May 15, 2013

Prepared for:
NEW HAMPSHIRE DEPARTMENT OF
RESOURCES AND ECONOMIC DEVELOPMENT

Prepared by:
MOUNT SUNAPEE RESORT

Mount Sunapee

Annual Operating Plan

2013-2014

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The State of New Hampshire
Department of Resources and Economic Development

Prepared by:

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INTRODUCTION

The *Lease and Operating Agreement* (the Agreement) originally dated April 30, 1998 between the State of New Hampshire Department of Resources and Economic Development (DRED) and Okemo Mountain, Inc., which was assigned by The Sunapee Difference, LLC as successor to Okemo Limited Liability Company f/k/a Okemo Mountain, Inc. to CNL Income Mount Sunapee, LLC on December 5, 2008, requires that the Operator (The Sunapee Difference, LLC d/b/a Mount Sunapee Resort) present an Annual Operating Plan to DRED each year for the term of the Agreement.

Paragraph 5 in the *Lease and Operating Agreement* defines the Annual Operating Plan requirements as follows:

5. ANNUAL OPERATING PLAN

“On or before the 15th of May during each year of this Agreement, the Operator shall submit to DRED an annual operating plan, including a schedule of the proposed days and hours of operation for the ski area, and a description of the types of recreational activities available to the public. The proposed schedule of operation shall be reviewed by DRED and either approved as proposed, or revised for resubmission. DRED shall notify the Operator in writing of a final schedule of operations no later than June 30th of each year. No changes in the days of operation or the scheduled hours of operation may be made without the prior approval of DRED. The Leased Premises shall not be closed to the public except for emergency or unsafe weather conditions.

The Annual Operating Plan shall describe in detail the following operations:

- a. Types of recreational activities available to the public
- b. Ski lift operations
- c. Snowmaking and grooming operations
- d. Ski support services
- e. Maintenance procedures
- f. Security procedures
- g. Emergency operation plan
- h. Status of special use permits and leases
- i. Marketing and advertising
- j. Environmental management program
- k. Signage
- l. Utilities and roads
- m. Implementation of Master Development Plan improvements.”

In the following sections, Mount Sunapee Resort (hereafter, “Mount Sunapee”) presents its Annual Operating Plan 2013-2014 in accordance with the requirements of the Agreement.

SECTION A RECREATIONAL ACTIVITIES AVAILABLE TO THE PUBLIC

Non-Skiing Activities

In the summer of 2012, Mount Sunapee developed its summer Adventure Park as described in its *“Summer Recreational Program Proposal”* presented to the New Hampshire Department of Resources and Economic Development on November 3, 2011, and included again as an appendix in this 2013-14 Annual Operating Plan.

In the spring of 2012, Mount Sunapee received approvals to construct the following new recreational activities during the next two years:

1. Canopy Tour Zip Line
2. Aerial Adventure Park (now called Aerial Challenge Course)
3. Mountain Bike Trails
4. Disc Golf
5. Interpretive Hiking Trails
6. Segway Tours
7. Miniature Golf

In the summer of 2013, Mount Sunapee will add two additional loops to the Aerial Challenge Course and will complete the Interpretive Hiking Trails.

In the Map Appendix of this AOP there is a drawing showing the Aerial Challenge Course with the two loops from last year and the two (2) proposed loops for this year.

We will also utilize our “Acro-Bag” which is a 50’x50’ big air bag in our Adventure Park for tubing and freestyle skiing training as is done in the winter months.

The above activities are designed to appeal to a broad cross-section of guests with activities for all age groups, skill sets and price points.

Mount Sunapee also offers the following summer, non-skiing, activities:

1. League of New Hampshire Craftsmen’s Fair
2. Car Shows
3. Weddings, Receptions, Banquets & Meetings
4. Summer Dinners
5. Events and Concerts
6. Summit Chairlift Rides
7. Summer Camps
8. Hiking

CANOPY ZIP LINE TOUR

The Canopy Zip Line Tour (CZLT) is located in the woods at the South Peak area.

Participants register in the Welcome Center building adjacent to the South Peak area. They are then fitted with a safety harness and helmet, and have a safety instruction presentation after which they ride the Clipper Ship Quad chair lift to the top of the CZLT course.

There are eight (8) different zip line stages and other features such as rappels from a high tree platform to a lower tree platform and aerial bridges. The final stage ends behind the Welcome Center for the Adventure Park building with a rappel from the final aerial platform to ground level.

A CZLT tour takes approximately two and one-half (2.5) hours to complete. The wire ropes on the first six stages in the woods are plastic coated for a “quiet” experience.

A full tour consists of eight (8) guests with two (2) guides. When in full operation, two tours will depart per hour, on the hour and on the half-hour. This yields an hourly capacity of sixteen (16) guests and a daily capacity of ninety-six (96) guests. Guests are encouraged to make advance reservations for a specific day and time for their canopy tour experience due to the low daily capacity.

There are weight restrictions for users of the CZLT. Typically, eighty (80) pounds is the minimum weight and two hundred sixty (260) pounds is the maximum weight.

AERIAL CHALLENGE COURSE

The Aerial Challenge Course (ACC) is located in the woods at South Peak adjacent to the base terminal of the Clipper Ship Quad chair lift.

The Mount Sunapee ACC is a ropes challenge course featuring four (4) layouts of different skill levels. The final two loops in the course will be constructed this spring. Mount Sunapee received approval from the Town of Newbury Planning Board for the two new layouts at their April 16, 2013 meeting. Aerial adventure parks usually have multiple layouts of different skill levels progressing from novice to intermediate to advanced.

The Aerial Challenge Course will have a lower minimum weight restriction than the Canopy Tour Zip Line. The minimum weight of fifty (50) pounds in the ACC will allow younger children who are unable to use the Canopy Tour Zip Line to use the ACC.

The participants in the ACC wear helmets and safety harnesses at all times, and are always clipped-in on the safety wire rope. Guides are present in the ACC during all hours of operation.

MOUNTAIN BIKE TRAILS

Mount Sunapee proposes building a network of Mountain Biking trails that appeal to families with an emphasis on intermediate trails from the summit of the South Peak area.

The Clipper Ship Quad chair lift can be fitted with racks to transport bicycles uphill on the chairlift to the start of the trail network.

DISC GOLF

An 18-hole Disc Golf Course was laid out in the summer of 2012 on few ski trails and in the woods on the western side of the South Peak ski slopes area. Disc Golf equipment is available for rent in the Mount Sunapee Adventure Center.

INTERPRETIVE HIKING TRAILS

Mount Sunapee is building a network of Interpretive Hiking Trails in collaboration with the Upper Valley Trails Alliance that will educate users through informational signage that describes the local flora and fauna including the following:

- Mammals and Amphibians
- Birds and Butterflies
- Trees and Wildflowers
- Historical Sites and Local history

At the head of Interpretive Trails, a large sign will illustrate the trail layout and show the locations of other wildlife signage and benches.

Guests may hike on the Interpretive Hiking Trails free of charge, and can enter the walking trail network at any location by foot. Guests may choose to ride uphill on the Clipper Ship Quad chair lift and start at the top of the Interpretive Trail for a small fee.

Sections of the hiking trails that do not cross ski trails may become part of the snow shoe trail network in the winter. Hiking trails which cross ski trails will be closed in the winter.

SEGWAY TOURS

Segway PTs, or Personal Transporters, have become popular for touring historical sites and districts in major cities such as Boston, MA and Manchester, NH.

Mount Sunapee offers Segway PT excursions around the base area of the mountain in areas of relatively flat terrain. Our Segways have large, knobby tires for off-road use. Riders travel through wooded areas in the base area and across parking lots 2 and 3.

The typical Segway Tour is 90 minutes with 6 riders and a guide. With five or six tours per day, the daily capacity is 30 to 36 guests.

All riders start with an indoor safety training session followed by a practice course training session before going on the Segway Tour. Helmets are provided for all participants.

MINIATURE GOLF

During the summer of 2012, Mount Sunapee constructed an 18-hole Miniature Golf course at the base of the South Peak ski trails near the Clipper Ship Quad chair lift.

The course has lights for twilight and early evening play until 10:00pm.

Landscaping for the Miniature Golf Course consists of perennial plants and mulching complimented by three small scale model wooden replicas of the Lake Sunapee Lighthouses. Man-made snow covered the course during the ski season.

BIG AIR BAG

Mount Sunapee will operate its 50 foot x 50 foot big air bag for tubing and freestyle jump training as it does in the winter months. It will be located adjacent to the Aerial Challenge Course in the South Peak ski slopes area.

SUMMER CAMP

Mount Sunapee plans to have two weeks of “Summer Camp” during the second and third weeks of July. Participants may enroll for one week or both weeks. The Mount Sunapee Camp will be a “day camp” with a maximum participation of thirty-two campers each week. Camp activities will be centered around the Adventure Park activities and other offerings available at Mount Sunapee.

DOGS at Mount Sunapee

Due to the extensive public operations in the summer and winter, dogs are not permitted to run loose at Mount Sunapee. Signs are posted informing our guests of this policy.

All dogs must be leashed and the owners must clean-up after their dogs. Mount Sunapee provides “Doggie Stations” with bags and disposal cans for the owners’ convenience.

Dogs are not permitted on the snow during the winter season, and must be on a leash when being walked in the parking lots.

THE FOLLOWING RECREATIONAL ACTIVITIES ARE AVAILABLE TO THE PUBLIC WITHOUT CHARGE DURING THE OFF-SEASON (May 1 – Oct 31):

Hiking – In addition to the South Peak Interpretive Hiking Trails which are maintained by Mount Sunapee, designated hiking trails such as the Summit Trail and the Lake Solitude Trail offer hiking on trails marked and maintained by the Sunapee-Ragged-Kearsarge Greenway and/or the Sunapee-Monadnock Greenway. These trails are part of a hiking trail network in the greater Sunapee region. Mount Sunapee does not operate, maintain, patrol or accept any liability for any individual(s) using these hiking trails.

In addition to the designated hiking trail network, Mount Sunapee currently allows hiking on the ski trails in the summer and fall. Mount Sunapee reserves the right to designate specific ski trails for hiking. Mount Sunapee reserves the right to not allow hiking on ski trails at its discretion.

Walking – Without undertaking a rigorous hike to the summit (the trail is over 7,000 feet long with over 1,400 feet of vertical rise) the expansive base area of Mount Sunapee allows visitors to take extended walks around the premises and stay on relatively flat ground.

Birdwatching – Mount Sunapee offers the avid birdwatcher the opportunity to see numerous species of birds. With a variety of woodlands including deciduous hardwoods and mixed conifers, and a variety of terrain including wooded wetlands, streams, upland woodlands, open fields (slopes) and ponds, habitat exists for viewing many bird species.

Picnics – Picnic tables and outdoor grills are available in the trees along Beck Brook near the South Peak area for use by the general public. Although trash cans are provided, Mount Sunapee encourages a “carry-in, carry-out” approach for personal trash.

Restrooms are available in the Adventure Center Lodge for the general public.

The Sunapee Lodge facilities may not be open to the general public depending upon operating schedules. The Summit Lodge is not scheduled to be open in the summer months, including use of the restroom facilities, except on days when the Summit chair lift is operating for the public. Restrooms in the Adventure Center building are open 7-days a week from Memorial Day weekend through Columbus Day weekend.

Parking - Free parking is available for visitors to use the grounds for the above activities.

Hunting & Trapping – Mount Sunapee reserves the right to prohibit all hunting and all shooting activities of any type within ski area boundaries.

After the close of the Adventure Park activities in mid-October and prior to the ski area opening in November, Mount Sunapee may permit hunting and trapping within its lease area in accordance with New Hampshire Fish & Game Laws, Rules and Regulations.

Recreational shooting is not permitted within the lease area at any time.

MOUNT SUNAPEE ALSO OPERATES THE FOLLOWING FEE PAID RECREATIONAL ACTIVITIES IN THE SUMMER AND FALL:

Sky Rides – Mount Sunapee will offer scenic chair lift rides to the summit on the Sunapee Express chair lift on selected summer weekends and selected fall foliage weekends. The lift may also operate during certain special events. A lift ticket is required to ride the chair lift.

<u>Summit Sky Rides schedule:</u>	<u>Date:</u>	<u>Chairlift operations:</u>
Lions Club Car Show	June 23	10:00 a.m. - 3:30 p.m.
Pre-Craftsmen's Fair weekend	July 27 - 28	10:00 a.m. - 4:30 p.m.
Craftsmen's Fair week	August 3 - 11	10:00 a.m. - 4:30 p.m.
NH Mustang Club Car Show	September 15	10:00 a.m. - 3:30 p.m.
Country Music Festival	September 21	10:00 a.m. - 4:30 p.m.
Fall Foliage Weekends	October 5-6, 12-14 and 19-20	10:00 a.m. - 4:30 p.m.
Special events & functions	dates as booked	times as scheduled

Note: Chair lift operations and outdoor activities may be suspended or closed due to severe weather conditions such as high winds, heavy fog, rain, thunderstorms, or other severe weather conditions.

Food & Beverage Services – Food and beverage services may operate in the Sunapee Lodge, the Spruce Lodge, the Summit Lodge and the Adventure Center building during the summer for Adventure Park operations, and other for special events and banquets & receptions as scheduled.

Summer Dinners – Mount Sunapee offers evening dinners at both the summit and at the base of mountain during the non-skiing season. These dinners are by reservation only and guests ride the Sunapee Express Quad chairlift uphill to the Summit Lodge for the dinners.

Many of the dinners are themed dinners such as Lobster Bakes and Family Fun Nights.

Retail Ski Shop – The retail shop in the Sunapee Lodge may operate in the summer and fall to provide accessories, light apparel and ski season closeout sales.

Outdoor Concerts – Mount Sunapee may offer country, classical, jazz, pop, rock or folk outdoor concerts in the late afternoon or early evening hours during the summer and fall. An admission fee may be charged for these concerts.

Banquets & Receptions – Facilities are available for catered private functions such as banquets, receptions, reunions, and special events from 8:00am until 12:00am daily during the non-ski season. Wedding receptions and banquets are booked for most weekends. Fees are charged for the building rental and for food and beverage services rendered.

*** During private functions the base lodge(s) may be closed to the general public.

Shows, Fairs and Events – Several shows, fairs and events may be scheduled at Mount Sunapee including, but not limited to, the following and their tentative dates:

- | | |
|--|---------------------|
| 1.) Mountain Mucker Endurance Challenge | June 1, 2013 |
| 2.) Sunapee Lions Club / Antique Car Show | June 23, 2013 |
| 3.) League of New Hampshire Craftsmen's Fair | August 3-11, 2013 |
| 4.) NH Mustang Car Club - Fall Car Show | September 15, 2013 |
| 5.) Country Music Festival | September 21, 2013 |
| 6.) October Fall Foliage Pig Roast | October 12-13, 2013 |
| 7.) FestEvol Music Concert | March 29, 2014 |

Winter Activities

ALPINE SKIING & SNOWBOARDING

The principal winter recreational activity at Mount Sunapee is alpine skiing and snowboarding, and the ancillary services associated with alpine ski area operations.

Ancillary services include, but are not limited to, the ski school, children's ski school, childcare, ski and snowboard rental and repair shop, ski retail shops, food and beverage operations, alpine ski racing and freestyle programs and photography services.

All users of Mount Sunapee's lifts and ski slopes are required to purchase either a daily lift ticket or a season pass in order to use either the ski lifts or the ski slopes.

Mount Sunapee offers downhill skiing and snowboarding on a variety of ski slopes and trails for all ability levels and interests. Additionally, Mount Sunapee also offers skiing in designated wooded areas or "glades" between certain ski trails.

Mount Sunapee also builds and maintains several terrain parks that contain jumps, rails, and snow features for all ability levels of snowboarders and skiers.

In addition to the designated ski trails and "glades" on the Mount Sunapee Trail Map, which are skied and maintained by the ski patrol and mountain operations staff, Mount Sunapee allows "boundary to boundary" skiing within the wooded areas inside the perimeter ski trails when snow conditions permit. Mount Sunapee does not patrol or maintain areas not designated as a ski trail or as a glades trail area on its Trail Map.

Any individual skiing or snowboarding in any area that is not a designated ski trail or glades area on the Mount Sunapee trail map does so solely at their own risk with the understanding that these areas are neither maintained nor patrolled by Mount Sunapee. They may be responsible for the cost of rescue if injured or lost in these areas.

Skiers and snowboarders are not permitted to hike uphill on any of the ski slopes or trails in order to ski or snowboard downhill on the ski trails regardless of whether they have purchased a lift ticket or season pass. This policy is for the safety of all guests.

Mount Sunapee allows alpine skis, telemark skis and snowboards on the slopes. Many other "sliding devices" exist for sliding on snow including snow bikes, snow trikes, snow balls, snow sleds, etc. These devices are not permitted for use on the slopes.

Snowmobiles are not allowed on Mount Sunapee except by Mount Sunapee maintenance and operations personnel. Snowmobile use on Mount Sunapee by members of the general public is strictly forbidden at all times.

WINTER OPERATING SCHEDULE

Mount Sunapee is open for alpine skiing and snowboarding seven days a week from the opening day of the ski season until the closing day of the ski season unless severe weather conditions force the mountain to be closed temporarily.

With favorable temperatures for early season snowmaking, Mount Sunapee plans to open for the winter season on November 29, 2013, the Friday after Thanksgiving, and plans to remain open through Sunday, April 13, 2014, weather permitting.

Because of the weather dependent nature of the ski business these dates are subject to change including: opening sooner or later and closing sooner or later, or both. In general, Mount Sunapee historically opens as soon as possible following Thanksgiving Day, and stays open until the first or second Sunday in April.

<u>LEASE YEAR</u>	<u>SKI SEASON</u>	<u>OPENING DATE</u>	<u>CLOSING DATE</u>	<u>DAYS OPEN</u>	<u>SKIER VISITS</u>
1	1998-1999	December 11	April 11	122	165,000
2	1999-2000	November 25	April 02	133	189,000
3	2000-2001	November 23	April 22	151	258,000
4	2001-2002	December 10	April 07	122	231,000
5	2002-2003	November 29	April 13	136	272,000
6	2003-2004	December 04	April 11	130	229,000
7	2004-2005	December 05	April 10	127	257,000
8	2005-2006	November 25	April 03	130	234,000
9	2006-2007	December 06	April 22	137	230,000
10	2007-2008	November 23	April 20	150	280,000
11	2008-2009	November 28	April 05	124	273,000
12	2009-2010	December 08	April 08	122	265,000
13	2010-2011	November 30	April 10	132	288,000
14	2011-2012	December 11	March 22	104	214,000
15	2012-2013	November 30	April 14	134	255,000

Operating hours for the ski lifts during the ski season are generally from 9:00am to 4:00pm midweek, and from 8:00am to 4:00pm on weekends and midweek holidays. Lodges generally open one hour prior to the opening of the lifts each day.

Dogs are not permitted on the snow at the ski area during the ski season. Any dog being walked in the parking areas must be on a leash.

Special events are held throughout the ski season including popular late season events such as the FestEvol concert, Slush Cup and Cardboard Sled Race in March and April.

Après-ski entertainment is offered in Goosefeathers Pub on weekends & holidays. Goosefeathers Pub is open from 11:00am to 6:00pm, or earlier or later for functions.

SNOWSHOE TRAILS

In addition to alpine skiing and snowboarding, designated snowshoe trails may be available to the public.

The snowshoe trails are dependent upon natural snowfall and are not groomed or maintained. Users of the snowshoe trails assume all risk and personal responsibility for their usage of the trails.

A lift ticket is not required to use the snowshoe trails and there is no fee for using the snowshoe trails. Snowshoe rentals are available in the Mount Sunapee Ski Rental Shop.

Snowshoeing is not permitted on any ski slopes or trails at any time unless specifically approved by Mount Sunapee management.

NEHSA

The New England Handicapped Sports Association (NEHSA) is based at Mount Sunapee, and begins their ski instruction and skiing assistance programs for adaptive skiers in early December and continues into late March or early April.

NEHSA is an independent organization and has a lease agreement with the Department of Resources and Economic Development.

Mount Sunapee provides the NEHSA organization with lift tickets and season passes for their volunteers, and electricity, water and wastewater disposal for their building.

NEHSA provides approximately 1,000 ski lessons per year for adaptive skiers.

SECTION B SKI LIFT OPERATIONS

Mount Sunapee operates aerial chair lifts and surface lifts for winter alpine skiing and snowboarding in accordance with the American National Standards Institute (ANSI) – B77.1 National Code for Aerial Tramways, and the State of New Hampshire Department of Safety – Tramway Division - Rules and Regulations.

Supervision of lift operations and lift maintenance at Mount Sunapee is performed by experienced, qualified, full-time year round personnel.

Mount Sunapee currently operates six (6) aerial chair lifts and five (5) surface lifts.

<u>Aerial chair lifts</u>	<u>speed / design capacity</u>	<u>manufacturer</u>	<u>installation</u>
1.) Sunapee Express	1,100 fpm / 2,650 pph	Poma of America	1998
2.) Sun Bowl Quad	500 fpm / 2,400 pph	Poma of America	1998
3.) Clipper Ship Quad	425 fpm / 2,200 pph	Poma of America	2000
4.) North Peak Triple	450 fpm / 1,800 pph	Doppelmayr USA	1987
5.) Spruce Triple	425 fpm / 1,800 pph	Doppelmayr USA	1985
6.) Duckling Double	390 fpm / 900 pph	Roebling	1962

Surface lifts:

1.) Piggy Back Tow	Borer	1994
2.) Rope Tow	SunKid	1996
3.) Little Carpet – 90’ moving carpet	SunKid	2000
4.) Flying Carpet – 340’ moving carpet	SunKid	2002
5.) Middle Carpet - 130’ moving carpet	SunKid	2010

Scheduled hours of operation for ski lifts:

Weekends & Holidays	8:00am - 4:00pm
Weekdays	9:00am - 4:00pm

Notes:

- 1.) Chair lift operations may be extended to 4:30pm on peak weekend days to alleviate traffic congestion by spreading out the exit time frame.
- 2.) Chair lift operations may begin prior to the regularly scheduled hours for private functions prior to general public opening at 8:00am or 9:00am.
- 3.) Adverse weather conditions, i.e., high winds, icing conditions, thunderstorms, etc. may affect chair lift operating schedules including delays and/or closures.
- 4.) Not all lifts are scheduled to operate seven days per week.
- 5.) SunKid moving carpets lifts were previously known as Bruckschlogl Lifts.

SECTION C SNOWMAKING and GROOMING OPERATIONS

SNOWMAKING OPERATIONS

Snowmaking operations are scheduled to begin in mid-to-late November 2013 or as soon thereafter as sufficiently cold temperatures occur for productive snowmaking to begin. Snowmaking operations are planned for mid-November for Mount Sunapee to meet its goal of opening for the Thanksgiving weekend each year.

Snowmaking usually begins with nighttime operations in mid-November, and expands into around-the-clock snowmaking operations as temperatures become sufficiently cold during the day to rapidly expand snow coverage on the ski trails.

Snowmaking operations generally take place during the months of November, December, January, February and March, and have averaged approximately 711 hours per season for the past five (5) years. The 2012-13 ski season began with generally mild December temperatures which led to 766 hours of snowmaking during the winter.

GROOMING OPERATIONS

Snow grooming operations begin immediately after the start of snowmaking operations and prior to the opening day of the ski season. Grooming operations generally continue on a daily basis until the last day of the ski season.

Most ski trails are generally groomed every night although adverse weather conditions may affect grooming schedules. Some trails, i.e., ski trails with moguls such as Upper Flying Goose and Lift Line, and certain natural snow trails may not be groomed nightly or may not be groomed at all. Some advanced level ski trails (which are normally groomed) may not be groomed when natural snowfall allows for “powder” skiing days.

Snow grooming operations are generally performed between 4:30pm and 8:00am (during non-skiing hours) or on closed trails when grooming operations are necessary during the operating day.

Due to grooming operations being in progress at night, Mount Sunapee does not permit hiking on the mountain at night during the winter.

Mount Sunapee operates four (4) Prinoth 350 snow grooming vehicles for ski trail grooming. Each grooming vehicle is usually operated for two 8-hour shifts per night. The first shift grooms from 4:00pm to 12:00am, and the second shift grooms from 12:00am to 8:00am. A fifth Prinoth is used as a snowmaking utility vehicle.

SECTION D SKI SUPPORT SERVICES

- 1.) **SKI SCHOOL** – Mount Sunapee offers a full service ski school operating daily from opening day until approximately April 1st when it closes for the season. The ski school is staffed by many PSIA certified directors, supervisors and instructors offering instruction to skiers and snowboarders of all ages and abilities including young children. Special package programs provide both the beginner and the experienced skier or snowboarder with lessons, rental equipment, and a lift ticket. Package prices will vary depending on the type and number of lessons. Guests may select a group lesson, a specialty clinic or a private lesson.
- 2.) **RENTAL AND REPAIR SHOP** – The ski and snowboard rental shop offers a large selection of current snowboards and shaped skis. The ski rental shop is open every day that Mount Sunapee is open for skiing and riding. Mount Sunapee maintains a current inventory of quality rental equipment with all rental equipment inventory replaced on a normal rotational basis every three to four years.
- 3.) **SKI PATROL** – The Mount Sunapee Ski Patrol consists of a paid, full-time, professional core of supervisors and patrollers supplemented by paid part-time weekend patrollers, and part-time weekend volunteer patrollers. Ski Patrol members are expected to meet, as a minimum, the Outdoor Emergency Care requirements as administered by the National Ski Patrol. The OEC certification is the equivalent of a basic EMT certification. A 2-day refresher clinic is held the first week of November, and all Ski Patrol members and candidates are expected to attend. Currently, four (4) medical doctors serve as advisors to the Mount Sunapee Ski Patrol. Newport Ambulance provides Mount Sunapee with on-call ambulance transportation service to New London Hospital.
- 4.) **RETAIL SKI SHOPS** – Mount Sunapee operates retail ski shops in both the Sunapee Lodge and the Spruce Lodge. The Sunapee Lodge Ski Shop offers the latest ski and snowboard apparel in addition to accessory items. The Sunapee Lodge Ski Shop is generally open whenever the Sunapee Lodge is open during winter operations. The Spruce Lodge Ski Shop has reduced hours during early season and late season.
- 5.) **FOOD & BEVERAGE SERVICES** – All Culinary operations are operated by Mount Sunapee management and staff, and are not contracted to outside vendors (except for the new Waffle Cabin). Food & Beverage services are located in the Sunapee Lodge, the Spruce Lodge, Goosefeathers Pub, and the Summit Lodge.

Food & Beverage services generally operate seven days a week during the ski season from the opening day through the closing day of each season. In the early and late season only one lodge with F&B may open based on business volumes.

Very few evening functions are booked by the Mount Sunapee Culinary staff during the winter season. Due to the demands of running a seven-day a week ski area operation in three lodges, Mount Sunapee generally does not accept winter bookings for private Culinary events from December 10 to April 30 each year.

At all times, summer or winter, Mount Sunapee reserves the right to deny any group or organization the use of Mount Sunapee facilities.

Mount Sunapee does not permit guests to use outside food caterers to serve food or provide their own catering services in any of our licensed food establishments.

- 6.) **ENTERTAINMENT** - During the winter ski season, après-ski entertainment is offered on weekends and holidays in the Goosefeathers Pub of the Spruce Lodge. Beer, wine and spirits are served in Goosefeathers Pub to adults ages 21 and older.
- 7.) **ALPINE RACING PROGRAM** - Competitive training programs for youths, ages 5-19, offer season long instruction in alpine ski racing, freestyle skiing and snowboarding.
- 8.) **PARKING OPERATIONS** - Parking operations at Mount Sunapee are under the supervision of full-time year round staff at Mount Sunapee with part-time seasonal attendants assisting.
- 9.) **SHUTTLE SERVICES** - Mount Sunapee operates eight (8) shuttle buses which are converted school buses to give courtesy rides to skiers from Lot 3 to the two base area lodges. Also, two (2) one-ton trucks with open air, passenger-standing shuttle bodies transport skiers from the Spruce Lodge area and the Spruce Lodge Ski Rental shop to the South Peak novice slopes and the Sunapee Lodge.
- 10.) **WAFFLE CABIN** - Mount Sunapee has contracted with “Waffle Cabin” for a ten foot by fourteen foot cabin to be located on the snow near the Sunapee Lodge during the winter months. The “Waffle Cabin” is a temporary building that serves hot, fresh, Belgian style waffles dipped in chocolate. The “Waffle Cabin” group operates thirteen (13) “Waffle Cabins” across New England ski resorts including two others in NH. Okemo VT has two “Waffle Cabin” locations with the first installed five years ago.

Mount Sunapee does not allow any independent operators, agents, groups or individuals to provide services for hire on the Mount Sunapee Resort premises without written approval or contractual agreements from Mount Sunapee Resort management. This includes, but is not limited to, independent ski instructors, race coaches, photographers, food vendors, rental companies, ski tuners, transportation services, retailers, real estate agents, fundraisers, etc.

SECTION E MAINTENANCE PROCEDURES

Maintenance operations are generally divided into five (5) departments to supervise and perform the required maintenance tasks at Mount Sunapee. Even though these specific departments exist, due to Mount Sunapee's small size there is considerable teamwork and cooperation working together among the maintenance departments.

Buildings and Grounds – The maintenance of the buildings and lodges at Mount Sunapee are under the supervision of a full-time year-round Base Operations Manager who performs regular inspections of all facilities. Custodial and cleaning operations are performed daily. Building repairs and maintenance work is performed as needed.

Security operations are under the direction of the Base Operations Manager and the Buildings & Grounds Supervisor. Summer lawn mowing in the base area is under the supervision of the Buildings & Grounds Supervisor.

Vehicle Maintenance – The Vehicle Maintenance Supervisor is responsible for the service and maintenance of all vehicles at Mount Sunapee. Daily and/or weekly inspections are performed, and repair work is performed as needed. The track vehicle fleet including snow grooming vehicles and construction equipment is also maintained under the direction of the Vehicle Maintenance Supervisor.

Lift Maintenance – The Lift Maintenance Supervisor and Mountain Manager are responsible for the maintenance of the six (6) chair lifts and five (5) surface lifts.

Service and maintenance is performed on each lift during the off-season in accordance with the Lift Manufacturers' Service Manuals and by ANSI B77.1 code.

Prior to operating any chair lift for the winter ski season or for the summer season, each lift is inspected by personnel from the NH Tramway Division and by representatives from our insurance carrier.

During the operating season, chair lifts are inspected daily and are ridden by Mount Sunapee maintenance staff to observe the alignment of the sheave trains and haul rope.

Trail Maintenance – Ski trail maintenance is performed during the ski season and the off-season under the direction of the Mountain Manager, the Ski Patrol Director and the Grooming Supervisor. In-season trail maintenance work generally includes snow grooming operations and slope safety inspections.

Off-season work includes erosion control, water bar repairs, seeding & mulching, trimming sapling growth back on trail edges, mowing trails and general preparations for the next ski season.

Snowmaking Maintenance - Snowmaking maintenance during the ski season and during the off-season is under the supervision of the Snowmaking Supervisor and the Mountain Manager.

Maintenance Best Management Practices – Best management practices in Mount Sunapee’s maintenance operations have been implemented for many years. We constantly strive to evolve and improve our best management practices.

Many of these best management practices have been adopted from the Federal EPA and/or NH-DES best management practices guidelines. Some of our many BMPs are listed below.

The sand/salt mixture for sanding roads and parking lots in the winter is stored in an enclosed three-sided building with a concrete floor. Any spillage during unloading or loading operations is scooped up and returned to the sand pile inside the enclosed building.

In the vehicle maintenance shop, all wash water from the floor drains goes through two separation chambers, a solids separator and an oils separator, before being piped into the waste water lagoons. The separation chambers are pumped twice annually by professional firms that are licensed for the proper disposal of such refuse.

In the vehicle maintenance shop, all oils, lubricants and solvents are stored indoors year-round. All parts washing basins that are solvent based are internally re-circulating fluid devices with no solvents released from the closed system.

Procedures are in place advising the maintenance staff about the proper use of solvents.

Fuel storage tanks have electronic monitoring systems and are manually monitored by Mount Sunapee staff.

As a standard best management practice, any vehicle or piece of equipment that shows any sign of a fluid leak is immediately removed from service and the leak is repaired.

Most waste oils and fluids such as anti-freeze are stored indoors in 55 gallon drums until picked up by licensed professional firms for proper disposal. There are two 275 gallon outside waste oil tanks. These tanks are not filled outdoors, but have inlet pipes coming from inside the maintenance shop. Waste oils and waste fluids are disposed of promptly when the designated container is 80% full.

Mount Sunapee has invested in emergency spill containment kits and has developed spill response procedures. Staff is trained in the procedures to immediately deal with spills. Each building has its own dedicated yellow 55-gallon emergency spill containment kit.

The emergency spill kits consist of booms to encircle and contain the spill zone and absorbent material designed specifically to absorb the spilled fluid. After clean-up, the contaminated materials used in the clean-up are placed in the 55 gallon container, and the

container is picked up by a professional firm licensed for the proper disposal of such refuse.

All paints and solvents are stored indoors. Empty containers are picked up by a professional firm licensed for proper disposal each fall, as required, following the summer maintenance season.

Used tires and used batteries are stored indoors for brief periods of time until picked up by licensed professional firms for proper disposal.

All agricultural products such as hay, seed and fertilizer are stored indoors year-round.

Very few pesticides are used at Mount Sunapee and those that are used are stored indoors and are used according to the label instructions for approved uses. Mount Sunapee typically uses professional firms to spray building eaves for cluster flies and other pests annually.

Erosion control silt fencing and staked hay bales are used around the perimeter of any disturbed areas of soil during construction and/or maintenance operations.

Drainage ditches have stone check dams to reduce the velocity of storm water run-off and to create sediment settling areas. These check dams are regularly cleaned and maintained.

Level spreaders and swales are also used to reduce storm water run-off and to create sediment settling areas. These areas are regularly cleaned and maintained.

On the wastewater lagoons, regular mowing is done on the berms and sides of the dams to prevent sapling root growth into the banks of the dams.

Material Safety Data Sheets (MSDS) are maintained for all chemicals used at Mount Sunapee, and all staff receives orientation training on the availability of MSDS information.

SECTION F SECURITY PROCEDURES

Mount Sunapee maintains a staffing schedule to provide a general presence and surveillance on the facilities during the winter ski season, the summer season and during the off-seasons.

Mount Sunapee works closely with the Newbury Police Department to maintain a presence at Mount Sunapee during selected events. The Newbury Police Department also provides random drive through patrols of the premises.

Mount Sunapee has installed security cameras inside and outside of our base lodges and maintenance buildings to provide surveillance of the premises, internally and externally. For each of the past four (4) years, additional security cameras have been added for security purposes.

Mount Sunapee's security priorities are specified under the following headings:

Safety of our Guests – Mount Sunapee endeavors to provide a safe, secure and enjoyable environment for our guests and our staff. Operating procedures, project planning and staffing are performed in a manner to minimize threatening situations such as physical harm or theft of personal property or any other forms of endangerment to our guests.

Prevention of Theft of Equipment – Operational policies and staffing schedules are done so as to minimize theft of equipment and other personal items.

Prevention of Vandalism - A security program utilizing Mount Sunapee staff members and building security alarm/motion detection systems safeguard the buildings against off-hours vandalism.

Mount Sunapee has added security cameras as part of our security program, and will continue to add more security cameras in the future.

Prosecution of Criminals – Individuals responsible for criminal acts at Mount Sunapee will be prosecuted as provided by New Hampshire law and Federal law.

SECTION G EMERGENCY OPERATING PLAN

The Emergency Action Plan for Mount Sunapee consists of plans for dealing with emergency events at the ski resort. In the event that an emergency situation requires the involvement of an outside agency, i.e., Local Police, State Police, Fire Department, Fish & Game Department, the General Manager and the appropriate Mount Sunapee employees will assist the outside agency in responding to the emergency situation.

While the plan is designed to be flexible and applicable to all major emergencies, the following procedures should be followed:

- Local Fire and Police Departments will be notified about any unusual situations at Mount Sunapee. There may be times when a call will be made to an outside agency to make them aware of a situation although not requiring immediate assistance.
- The following Mount Sunapee management team members will be contacted: President, General Manager, Base Operations Manager, Mountain Operations Manager, Marketing Director, and Building Maintenance Supervisor as required by the nature of the emergency situation.
- The emergency command post will be located in the administrative office unless otherwise designated.
- Only designated members of the management team will speak with the media.
- Mount Sunapee management has had several planning meetings with emergency management officials from the Town of Newbury in developing the Emergency Action Plan. The Town of Newbury, DRED and DES have copies of the plan.

SECTION H STATUS of SPECIAL USE PERMITS and LEASES

Mount Sunapee currently has three (3) Special Use Permits from the New Hampshire Department of Resources and Economic Development (DRED), and certain operating agreements and contracts with outside vendors and third parties as detailed below:

SPECIAL USE PERMITS:

1.) Special Use Permit for use of the Sun Bowl access road

Purpose of Permit: Provide access to the base of the Sun Bowl area
Period of Use: June 15, 2012 to May 31, 2015

2.) Special Use Permit for parking use of the State Beach parking lot in winter

Purpose of Permit: Staff parking and overflow parking for the resort
Period of Use: June 15, 2012 to May 31, 2015

3.) Special Use Permit for Mountain Bike Trail on Bowl Road

Purpose of Permit: Mountain Bike Trail on Bowl Road
Period of Use: June 15, 2012 to May 31, 2015

(In 2012, Mount Sunapee gave up its Special Use Permit for a storage area on the uphill side of the Access Road so that DRED could use that space as a work area for its Trails Division.)

LEASES, CONTRACTS and AGREEMENTS

- 1.) **League of New Hampshire Craftsmen** – The League of NH Craftsmen has an annual contract / lease agreement with Mount Sunapee to operate the annual Craftsmen’s Fair which always opens on the first Saturday in August and runs for nine (9) days.

Fair setup activities on the grounds of Mount Sunapee generally begin during the third week of July to prepare for the Fair opening in early August. The Craftsmen’s Fair is scheduled for August 3, 2013 through August 11, 2013 this year.

- 2.) **New England Handicapped Sports Association (NEHSA)** – Mount Sunapee has an operating agreement and a liability agreement with NEHSA.

- 3.) **On-Mountain Photography** – Mount Sunapee may enter into an annual contract and lease agreement with a service provider/concessionaire for space to operate a photography service at Mount Sunapee Resort during the winter ski season.

With the popularity of small, personal digital cameras and high-resolution cameras in personal cell phones, there has been minimal interest in an on-mountain photography service for the past 5 years.

- 4.) **Resort Real Estate Sales** – Mount Sunapee may enter into an annual contract and lease agreement with an outside company to provide real estate marketing, sales or rental services at Mount Sunapee Resort.

- 5.) **Waffle Cabin** - Mount Sunapee plans to sign a three-year contract with “Waffle Cabin” for a ten (10’) foot by fourteen (14’) foot cabin to be located on the snow near the Sunapee Lodge during the winter months. The cabin is classified as a temporary structure, not a building.

The “Waffle Cabin” primarily serves hot, fresh, Belgian style waffles dipped in chocolate. The “Waffle Cabin” group operates thirteen (13) “Waffle Cabins” across New England ski resorts including two others in NH including Waterville Valley and Ragged Mountain. Okemo VT has two “Waffle Cabin” locations with the first installed five years ago.

SECTION I MARKETING and ADVERTISING

Mount Sunapee's marketing, advertising and sales are under the direction of a full-time year-round Director of Marketing & Sales. The Director of Marketing & Sales is responsible for branding and positioning Mount Sunapee in the competitive New Hampshire and New England ski industry.

Mount Sunapee will be prepared to host approximately 272,000 skier visits during the 2013-2014 ski season. Mount Sunapee has averaged 272,000 skier visits during the five of the last six years excluding the 2011-12 season. Skier visits this past winter were 255,000 which is below our previous 5-year average due to coming off an unseasonably warm winter last year and slow start this past December.

MARKETING

Mount Sunapee is positioned as a "big mountain, family resort, close to home" with emphasis on providing consistently superior snow surface conditions, excellent guest services and excellent learn-to- ski programs.

ADVERTISING

Mount Sunapee develops and produces collateral pieces including a brochure, a group sales planner, a trail map, a ski school brochure, a magazine and other collateral materials. Mount Sunapee uses newspaper, Internet, radio, television and billboard advertising media to promote skiing, snowboarding and summer recreational activities at Mount Sunapee.

SALES

In addition to the Director of Marketing, Mount Sunapee has a full-time year- round Sales Manager to book group business during the ski season and the off-season months.

PROMOTIONS & EVENTS

Mount Sunapee schedules promotions and events throughout the ski season. Some of the more popular events are the "FestEvol Concerts," the "Slush Cup" and the "Cardboard Sled Race" in late March and early April of each year.

TICKET PROGRAMS

Mount Sunapee offers many diverse ticket programs and packages including season passes, daily lift tickets, multi-day lift tickets, learn-to-ski packages, group sales programs, corporate ticket programs and special promotional ticket programs.

SECTION J ENVIRONMENTAL MANAGEMENT PROGRAM

Mount Sunapee presented its Environmental Management Plan as a required part of its Five-Year Master Development Plans. In this Annual Operating Plan, the areas of the Environmental Management Program that are discussed below are relative to the major resources utilized at Mount Sunapee or to the improvements planned in the current Annual Operating Plan for this summer.

A.) WATER USAGE AND CONSERVATION

Snowmaking – Mount Sunapee is permitted by the New Hampshire Department of Environmental Services to withdraw up to 258 million gallons of water from Lake Sunapee for snowmaking purposes during the winter season. Snowmaking water withdrawals have averaged 150 million gallons for the past five years, and 148 million gallons for the past 10 years.

Water conservation – Annual water conservation measures (such as low flush toilets) undertaken by Mount Sunapee since 1999 have been effective in reducing wastewater levels in the lagoons despite increased business volume.

In the summer of 2003, Mount Sunapee completed a phased renovation of the restrooms in the Spruce Lodge adding new single faucet, low-flow water fixtures.

In the summer of 2004, Mount Sunapee completed a project that reduced storm water run-off infiltration into the lagoons.

B.) SEPTAGE DISPOSAL/TREATMENT

Mount Sunapee operates a lagoon and spray field waste treatment system under the rules and regulations of the NH - Department of Environmental Services.

In May 2013, Mount Sunapee submitted its permit renewal application to the NH – Department of Environmental Services for operation of the lagoons and spray fields. The permit is valid for five (5) years until June 2018.

Mount Sunapee has retained Hoyle-Tanner Engineering Associates since 1998 for evaluation and permitting of the lagoons and spray fields, and they did the engineering analysis work for the permit renewal.

Septic tanks are generally pumped (septage) two (2) times per year by a licensed NH hauler to a sewage treatment plant. The tanks are usually pumped prior to the ski season, and once during the ski season.

Wastewater from the septic tanks flows to the lagoon system for secondary treatment, and is then pumped to a spray irrigation field in the woods above the lagoons for final polishing in the soil column.

In the summer of 2000, Mount Sunapee rebuilt the existing spray field pipelines, and installed metering to monitor the output of the spray field system.

Since the implementation of water conservation measures at Mount Sunapee in 1999, the total gallons of wastewater input into the lagoons has remained relatively constant despite the increase in skier visits during the past three years.

In the summer of 2006, Mount Sunapee Resort rebuilt the septic fields serving the summit lodge using the Presby Environmental System.

C.) DRAINAGE, EROSION AND WATER QUALITY ISSUES

Mount Sunapee utilizes the New Hampshire Stormwater Manuals – volumes 1-3, published in December 2008 for guidance in managing storm water run-off, soil stabilization and erosion control practices.

Many erosion control buffers, swales, stone check dams and level spreaders are in place to reduce the velocity of storm water run-off and maintain water quality.

Each spring, sand from winter sanding operations is cleaned up in April by a machine designed for sweeping up sand from the parking lots and roadways. This spring clean-up prevents very fine sand particles from being washed into the brooks flowing from Mount Sunapee during spring rains and run-off.

Mount Sunapee also uses many best management practices in its maintenance operations to maintain the water quality in the streams flowing from the mountain.

In the vehicle maintenance shop, all wash water from the floor drains goes into two separation chambers, a solids separator and an oils separator, before being piped into the waste water lagoons. The separation chambers are pumped annually by licensed professional firms for proper disposal. These practices have been adopted from EPA guidelines for water quality.

D.) SOLID WASTE DISPOSAL

Purchasing discretion is used to reduce solid waste by avoiding or minimizing the use of certain packaging such as styrofoam and other products to minimize waste.

Recycling efforts have increased each year at Mount Sunapee since 1998. Recycling of glass bottles has been a standard practice since 2006-2007.

Mount Sunapee currently recycles glass bottles, glass light bulbs, plastic containers, cardboard, aluminum cans, scrap metals, waste oils and kitchen oils.

In 2009, Mount Sunapee entered into a contract with our solid waste carrier, Casella Waste Services, to provide single-stream recycling at Mount Sunapee. We continue to research opportunities to expand our recycling program where feasible.

Recycled tonnage has grown from 8 tons to over 20 tons in the past three years. Trash tonnage has decreased as the quantity of recycled waste has increased.

E.) AIR QUALITY AND TRAFFIC CONGESTION MITIGATION

Mount Sunapee has an "State Permit to Operate, # SP-0034" four (4) stationary diesel air compressors in snowmaking, and four (4) diesel emergency evacuation engines in chair lifts by the NH - Department of Environmental Services. Mount Sunapee operates these diesel engines in compliance with State and Federal air emission regulations.

All four diesel air compressors that were originally permitted are no longer in service, and Mount Sunapee plans to relinquish its State Permit to Operate, and apply for a General Permit to cover the diesel emergency evacuation engines.

Mount Sunapee used the State Beach for overflow parking four (4) times during the 2012-2013 ski season.

The State Beach is used, on average, 3 times per year. In 2010-2011, the State Beach was used for overflow parking eleven (11) days, the most ever.

The overflow parking days generally coincide with peak holiday weekends of the winter season: December 29 - January 1; January 15-16; and, February 18-20.

Mount Sunapee works with the Town of Newbury Chief of Police on anticipated peak traffic days during the winter season.

F.) FORESTRY MANAGEMENT

The forested lands within the Mount Sunapee lease are not actively managed for timber harvesting or silviculture.

G.) WETLANDS IMPACTS

Wetlands at Mount Sunapee are regulated by Local, State and Federal rules, and Mount Sunapee complies with these rules and regulations in all proposed projects.

H.) WILDLIFE HABITAT PRESERVATION

Per 1986 NH Fish and Game Department mapping, no critical wildlife habitat areas were identified within the lease area. Improvements proposed in the current Annual Operating Plan would not affect critical wildlife habitat.

I.) SCENIC AND AESTHETIC QUALITIES

The Annual Operating Plan for 2013-2014 preserves the scenic and aesthetic qualities of Mount Sunapee by maintaining the general character of the area with the proposed summer recreational activities, and by maintaining the facilities for the alpine skiing experience in winter recreational activities.

The planning efforts and the choices of recreational activities in the proposed Summer Recreational Program are designed to be consistent with the natural setting and essential character of Mount Sunapee.

The winter recreational activities in this Annual Operating Plan are consistent with the recreational activities offered at Mount Sunapee prior to the Lease & Operating Agreement of April 1998.

J.) RARE PLANT RESOURCES

The NH Natural Heritage Inventory has identified a population of a threatened orchid, bog twayblade (*Liparis loeselii*), existing on the Duckling (Jet Stream) ski slope that is apparently perpetuated “in part by management of the open ski run.”

The work proposed in this Annual Operating Plan would not affect this plant population. Mount Sunapee will protect the population by mowing the trail after mid-August allowing time for flowering and seed dispersal.

K.) ARCHAEOLOGICAL / HISTORICAL RESOURCES

A previously unknown burial site from the 1700s has been located in the woods to the east of the South Peak ski slopes. The site is protected in an undeveloped area.

L.) ENERGY CONSERVATION and MANAGEMENT

a.) Spruce Lodge boiler replacement

In the summer of 2013, Mount Sunapee will replace the boiler in the Spruce Lodge. The existing boiler is fifty (50) years old, and has a low efficiency rating. Two smaller boilers will replace the existing single boiler. The new boilers will be propane fired instead of oil fired like the current boiler.

Using two boilers will result in greater energy savings due to having each boiler serve different zones. The energy efficiency rating of the new boilers will be significantly higher than the old boiler and a 50% decrease in energy usage is anticipated. The two boiler system will also provide systems redundancy.

b.) Fuel storage facility

In the fall of 2011, Mount Sunapee replaced both of the underground, single-wall fuel storage tanks at the Service Shop. Originally installed in 1985, the 6,000 gallon gasoline tank and the 6,000 gallon diesel fuel tank were single wall tanks and had to be replaced before December 31, 2012 to meet state and federal regulations.

In November 2011, a new double-walled 12,000 gallon tank with an internal partition was installed to meet the state and federal regulations. A Veeder-Root fuel monitoring and alarm system was installed to monitor both partitions of the tank.

Engineering was provided by Horizons Engineering of Littleton, NH and plans were approved by NH-DES and a state permit issued for the new installation. A building permit was issued by the Town of Newbury.

The new fuel storage facility is now in full compliance with all State and Federal regulations for fuel storage facilities.

c.) Bio-diesel fuels

In the fall of 2007, Mount Sunapee changed fuel providers and began using bio-diesel fuel blends from Evans Fuel Company in its operations.

A bio-diesel B-5 blend was used in the #2 heating oil supplied for use in the base lodges heating oil systems. In accordance with Federal EPA regulations, all diesel fuel is an ultra-low sulfur formation with less than 15ppm sulfur content.

d.) Electrical Energy Efficiencies

Mount Sunapee has completed the replacement of older fluorescent lighting ballasts with newer, energy efficient ballasts throughout the business in both public and non-public buildings. All new construction has energy efficient fluorescent lighting installed during construction.

In the summer of 2007, Mount Sunapee purchased the latest technology in energy efficient snow guns. Eighteen (18) new HKD SV-10 snow guns were added which operate more efficiently at higher temperatures than our current snow guns.

In the summer of 2008, Mount Sunapee purchased an additional thirty (30) new HKD SV-10 energy efficient snow guns.

In the summer of 2009, Mount Sunapee purchased an additional ten (10) HKD SV-10 energy efficient snow guns, and one (1) TechnoAlpin tower mounted fan gun.

In the fall of 2011, Mount Sunapee purchased another fourteen (14) HKD SV-10 energy efficient snow guns.

This summer, Mount Sunapee will purchase an additional fifty-two (52) HKD-SV10 Impulse snow guns which should result in a savings of over 500,000 KWHs of electricity next season.

In the last six years, Mount Sunapee has purchased one hundred and thirty-nine (139) HKD SV-10s to replace older inefficient snowmaking guns.

The new SV-10 snow guns use only 25% of the compressed air as the older K3000 ground snow guns use resulting in significant annual energy savings.

e.) Demand Response Program

Mount Sunapee is no longer participating in the ISO-New England demand response program as of December 2012.

M.) STORM WATER POLLUTION PREVENTION PLAN

Mount Sunapee has an internal Storm Water Pollution Prevention Plan for storm water pollution prevention measures and to use as a basis for improving best management practices. A Multi-Sector General Permit is not required by the Environmental Protection Agency for ski areas which are classified under the SIC 7011 code.

SECTION K SIGNAGE

Mount Sunapee believes that high quality, effective signage is important and continues to maintain and upgrade its resort signage each year. Our signs are designed to be informational, simple and consistent in design.

Design changes to the Mount Sunapee State Park entrance sign were approved by the NH DRED - Division of Parks, and the Town of Newbury in December 1999.

Also in 1999, Mount Sunapee completed the replacement of all the existing ski trail signage on the mountain with new ski trail directional signs.

In 2000, Mount Sunapee replaced the existing chairlift signage at the base of each chairlift and improved signage on the buildings.

A “*Courtesy Counts*” safety and skier courtesy program was launched at Mount Sunapee for the 2000-2001 ski season, and signage was placed on the chairlift towers and in the lodges promoting the concept of courtesy and safety on the ski slopes. This program is updated each year.

In the summer of 2008, Mount Sunapee renovated the main, large entrance sign at the traffic circle.

In the summer of 2013, Mount Sunapee will continue its upgrades of the existing signage to provide better information and directions for traffic and skier flow around the resort. Signage for the Summer Recreational Program will be developed and placed in appropriate locations.

SECTION I UTILITIES and ROADS

This section provides information on the parking areas, internal work roads, walkways, water supply and distribution, sewage disposal, electrical systems and telephone systems at Mount Sunapee. The following projects have been completed or are proposed:

- Phone System – A fiber optic cable was installed between the two base lodges and from the Spruce Lodge to the maintenance shop in the fall of 2001. A local area computer network was completed in 2000. A new phone switch and telephone system was installed in October 2005.

Wireless service for personal computers and hand held computers was installed at Mount Sunapee in January 2006.

Verizon Wireless upgraded the communications capabilities of the cellular tower at the summit in the fall and winter of 2011-12 by installing fiber optic (FIOS) cable from the base to the summit in preparation for LTE 4G technology service from the cell tower.

As a part of that upgrade, Mount Sunapee Resort has fiber optic connectivity in addition to the existing copper wire phone network. Also, “In-building” technology was installed in the Spruce Lodge to improve the signal strength in this building.

- Deep Well – Well testing was performed in 1999 to determine the capacity of the primary source of potable water for Mount Sunapee. The well has significant water capacity that will meet the needs of Mount Sunapee for the foreseeable future.
- Electrical Transformers – Mount Sunapee has its electrical transformers checked annually by TSI, Inc. for maintenance needs and to assure their operational reliability.
- Parking Areas – All parking lots receive annual maintenance in the form of snow removal, trash clean up, and sand removal in the spring and drainage maintenance.
- Sewage Disposal – Engineering consultation with Hoyle-Tanner Associates continues for monitoring the wastewater inflows into the lagoons and for assuring that the capability of the lagoons is adequate for Mount Sunapee’s needs.

Hoyle-Tanner has completed and submitted our application to the Department of Environmental Services for the renewal of our Groundwater Discharge Permit. The permit is valid for five years. The existing permit expires in June 2013. The new permit would be valid through 2018.

We are not planning to expand the spray fields at this time, and did not make application to do so in our permit renewal application.

SECTION M IMPLEMENTATION of the MASTER DEVELOPMENT PLAN (MDP)

Mount Sunapee's first Five-Year Master Development Plan 2000-2004 was presented on January 25, 2000, and described capital improvements and plans for Mount Sunapee during the next five years.

Mount Sunapee's second Five-Year Master Development Plan 2005-2009 was presented on June 1, 2004, and described capital improvements and plans for Mount Sunapee for the next five to ten years.

Mount Sunapee's third Five-Year Master Development Plan 2009-2014 was presented on June 1, 2009, and described capital improvements and plans for Mount Sunapee for the next five to ten years.

This Annual Operating Plan 2013-2014 describes the MDP improvements proposed at Mount Sunapee during the spring and summer of 2013.

Mount Sunapee has invested over sixteen million in capital improvements during the first fifteen summers since July 1, 1998. This will be our sixteenth (16th) summer of capital improvements and capital maintenance projects at Mount Sunapee.

In the summer of 2013, new capital projects and capital maintenance projects are estimated to cost approximately eight hundred forty thousand dollars (\$840,000).

In the spring of 2014, Mount Sunapee hopes to do an extensive renovation of the Spruce Lodge. Our objective is to finalize the design, permitting and financing in 2013 or early 2014, in order to begin the project in mid-April 2014 with a completion in mid-July 2014. The estimated budget for the Spruce Lodge renovation could be \$1,500,000.00.

Most of capital maintenance spending planned for the summer of 2013 will be to maintain or expand the existing facilities, equipment and inventories at Mount Sunapee.

The major new capital projects planned for this summer include the two new loops in the Aerial Challenge Course and a 1,554 square foot addition to the Competition Center building for the Alpine Race Program children and parents.

Some capital improvement projects planned for Mount Sunapee have been presented and approved by the New Hampshire Department of Resources and Economic Development in Mount Sunapee's previous Annual Operating Plans, but have not been started yet.

Due to financial constraints, on-going planning & permitting approvals, and/or time constraints some previously presented AOP projects will be carried over into this or into future Annual Operating Plans.

Projects approved by the NH-Department of Resources and Economic Development in previous Annual Operating Plans:

1.) SKI TRAIL IMPROVEMENTS

- Construction of a new ski trail – to the west of the Upper Ridge trail.
- Widen a section of Billy Goat trail (renamed Pipeline).

2.) SNOWMAKING IMPROVEMENTS

- Add snowmaking capability to new ski trails when constructed.
- Replace the existing South Peak snowmaking system on all trails.

3.) INFRASTRUCTURE IMPROVEMENTS

- Construct a new gravel parking lot #4 along the Access Road.
- Expand the spray fields for the septic system.

(None of the above previously approved projects will be undertaken in the summer of 2013 at Mount Sunapee Resort.)

Improvements planned in the 2013-2014 Annual Operating Plan:

1.) SKI TRAIL IMPROVEMENTS

- Maintenance projects.

2.) CHAIR LIFT IMPROVEMENTS

- Maintenance projects.

3.) BUILDING IMPROVEMENTS

2013

- 1,554 square foot addition to Competition Center building
- Replacement of the Spruce Lodge boiler
- Removal of the old heating oil tank behind Spruce Lodge

2014

- Major renovation of the interior and exterior of the Spruce Lodge is being planned for mid-April through mid-July, 2014

4.) SNOWMAKING SYSTEM IMPROVEMENTS

- Purchase of 52 HKD SV-10 Impulse snow guns
- other snowmaking system maintenance projects.

5.) INFRASTRUCTURE IMPROVEMENTS

- Maintenance only.

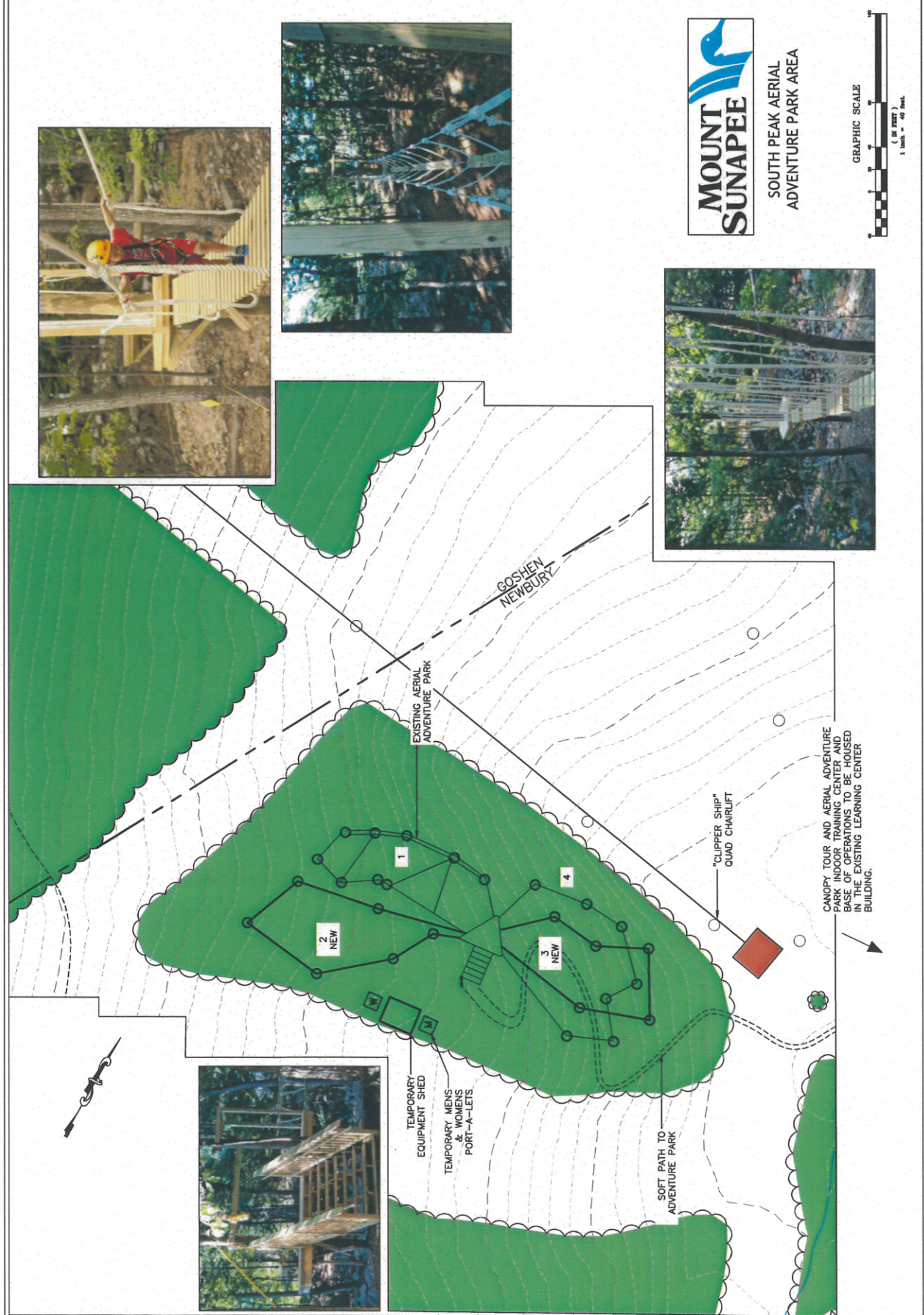
6.) OTHER IMPROVEMENTS – Summer Adventure Park projects

- Add two (2) additional loops in the Aerial Challenge Course
- Complete the Interpretive Hiking Trails
- 50' Acro-Bag added to the Summer Adventure Park

PROJECT NO. 12-0111		DATE: 2/28/13		DRAWN: 1		NO. DATE REVISION	
SCALE: AS NOTED		DATE: 2/28/13		DRAWN: 1		NO. DATE REVISION	
MOUNT SUNAPEE RESORT SUMMER RECREATION PROGRAM NEWBURY, NEW HAMPSHIRE		MOUNT SUNAPEE RESORT NEWBURY, NEW HAMPSHIRE 03255		1398 RTE. 103 PO BOX 2021 NEWBURY, NEW HAMPSHIRE 03255		16 Hancock Ridge Drive, Suite 103 Village of Madoc-White River, VT 05001 (802) 856-7800 • www.cdegners.com	
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SOUTH PEAK AERIAL
ADVENTURE PARK AREA



Mount Sunapee Resort

Newbury, NH

Summer Recreational Program Proposal



Presented to the New Hampshire

Department of Resources and Economic Development

November 3, 2011

I. Introduction

Mount Sunapee management has proposed expanding the summer recreational offerings at Mount Sunapee several times since Okemo's original *Proposal for the Operation of the Mount Sunapee Ski Area* which was submitted to the New Hampshire Department of Resources and Economic Development on April 1, 1998.

(note: see Tab 4, Section N, p 70-71)

The following summer recreational activities were proposed and described with some detail in the original 1998 Okemo *Proposal*:

- Mountain Biking
- Scenic Chairlift Rides
- Hiking
- In-line Skating & Skateboard Park
- Alpine Slide
- Concerts
- Water park

Other summer recreational activities were simply listed as potential activities and included the following:

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

Since Okemo's *Proposal for the Operation of the Mount Sunapee Ski Area* in 1998, four important documents have followed including:

- April 20, 1998 Lease and Operating Agreement
- January 25, 2000 5-year Master Development Plan
- June 1, 2005 5-year Master Development Plan
- June 1, 2009 5-year Master Development Plan

In Mount Sunapee's most recent Master Development Plan which was submitted to the NH- Department of Resources and Economic Development on June 1, 2009, Mount Sunapee added a Zip Line to the summer recreational items that were proposed in the original *Proposal for the Operation of the Mount Sunapee Ski Area* and in the other two Master Development Plans.

II. Proposed New Summer Activities

Mount Sunapee management has spent considerable time investigating the various attractions and options available for a summer recreational program.

Our goal has been to find the right mix of summer recreational attractions that are the best fit for our family-focused brand identity, and the best fit for the essential character of Mount Sunapee.

We found many options including attractions that have an "amusement park" feel, attractions that have a "pure adrenaline rush" feel, and attractions that have a "natural setting" feel.

Mount Sunapee managers have visited many ski areas and/or zip line operators as paid participants in New Hampshire, Vermont, New York and Massachusetts to experience the "feel" of the resort and experience first-hand the attractions offered by the operators.

Based on our experience in visiting these areas and using their various attractions, Mount Sunapee has chosen to base our summer recreational program around a "natural setting" feel which best matches our family recreational brand and the unique natural setting at Mount Sunapee.

The following sections describe the summer recreational plans that are proposed for installation and operation in the summer and fall of 2012 at Mount Sunapee.

1. Canopy Tour / Zip Line

Mount Sunapee proposes to add a Canopy Tour / Zip Line as its signature summer attraction.



The Canopy Tour / Zip Line would be located in the woods at the South Peak area.

Participants would access the start of the Canopy Tour / Zip Line by riding uphill on the 1,814 long Clipper Ship Quad chair lift which serves the South Peak trails. The vertical drop is 374 ft.

Phoenix Experiential Designs from Boone, NC is the designer of the Canopy Tour / Zip at Mount Sunapee. We plan to contract their crews for a turn-key installation beginning on May 1, 2012.

The three principals in the company have over 54 years of experience designing rope courses and challenge courses in the United States.

They have designed many rope courses at ski areas including Crested Butte, CO; Okemo, VT; Seven Springs, PA; and, Massanutten, VA.

The proposed Canopy Tour / Zip Line at Mount Sunapee would begin in the woods near the top of the Clipper Ship Quad chair lift and end behind the Learning Center building at the end of parking lot one in the base area.

To traverse the 374' vertical drop the Canopy Tour is projected to have seven (7) or eight (8) zip line stages and two features which include one aerial, Indiana Jones style rope bridge and one feature where participants rappel down to a lower platform.

The topographical map on page 7 shows the preliminary lay-out of the seven stages and two features for the Canopy Tour.

The daily capacity for the Canopy Tour is 96 people. There would be two (2) tours per hour departing on the hour and on the half-hour which is 16 participants per hour.

Prior to riding the Clipper Ship Quad chairlift, all participants will have an indoor training and safety session, and all are fitted into their safety harnesses and helmets. After arriving at the top, the first zip line is a small training line that all participants use before beginning down the Canopy Tour / Zip Line course.



Canopy Tours will typically have 8 participants with 2 trained guides in each tour. One guide leads the group across each stage, and one guide follows the group across each stage.

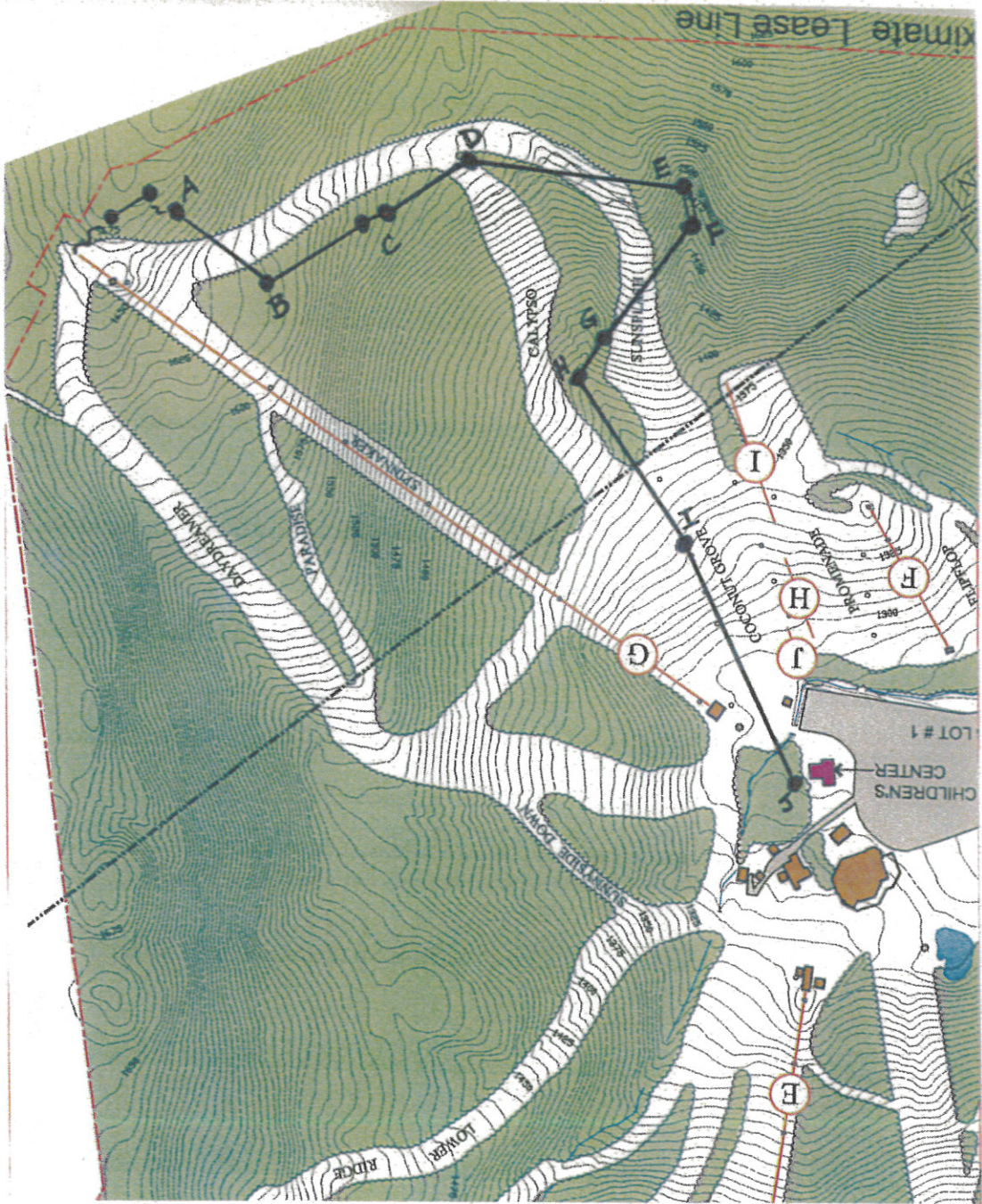
The length of time to complete the Mount Sunapee Canopy Tour / Zip Line layout is estimated at two hours. There are minimum and maximum weight restrictions for participants of the zip line.

The capital costs for the design and installation of the Mount Sunapee Canopy Tour / Zip is estimated at \$325,000.

We are currently in the final design stages with a turn-key installation planned to begin on May 1, 2012. Our goal is to open to the general public by the weekend of June 30, 2012.

Operations would be either 5-days a week (Wed-Sun) or 7-days a week from June 30 through Labor Day weekend, and then would operate on weekends only during the fall and winter months.

Topographical map of South Peak area at Mount Sunapee



Canopy Tour / Zip Line course lay-out at South Peak area

2. Treetop Adventure Park

In addition to the Canopy Tour / Zip Line a popular recreational offering for younger age groups is the Treetop Adventure Park.

The Treetop Adventure Park would be located at South Peak in the woods to the left of the Clipper Ship Quad base terminal.

Treetop Adventure Parks can offer several different course layouts with varying skill levels for the elements in each course.

Mount Sunapee proposes that its first Treetop Adventure Course consist of a beginner course and an intermediate skill course built together in the same overall layout.

In the future, other layouts can be added in a modular way like a clover leaf which allows participants to move from lower level courses to progressively more difficult courses without leaving the overall Adventure Park setting.



Phoenix Experiential Designs have built many adventure parks that feature rope challenge elements, and they have been selected to design the Treetop Adventure Park at Mount Sunapee.



Typical "elements" in a Treetop Adventure Course



Treetop Adventure Parks are very popular with younger participants who may not be able to ride the Canopy Tour / Zip Line due to being below the minimum weight requirement of 80 pounds in order to use the Canopy Tour.

Additionally, the different skills levels and height levels allow the course designer to tailor the offering to different age and ability groups.

The participants on the ropes courses are required to wear safety harnesses and are always clipped into the overhead safety line.

Prior to using the Treetop Adventure Course all participants must go through the safety training course which teaches proper use and fitting of the safety harness and of the clip-in devices.

All participants and guides wear lightweight safety helmets in the Adventure Tree Park and in the Canopy Tour / Zip Line.

3. Mountain Bike Trails

The Clipper Ship Quad chair lift will be the transportation vehicle for participants using the Canopy Tour / Zip Line. The Clipper Ship Quad has an hourly uphill capacity of 800 people per hour at half-speed (225 feet per minute) in summer operations.

With the capacity of the Canopy Tour / Zip Line at only 20 people per hour including guides, Mount Sunapee is interested in other recreational offerings that utilize the Clipper Ship Quad for uphill transportation given the available uphill capacity.

One such recreational activity is lift-serviced mountain biking.

This activity also fits in the natural setting, family recreation brand that Mount Sunapee has cultivated.

Mountain biking can be offered in many ways and at different skill levels. Mount Sunapee plans a low level, family oriented mountain biking experience using novice or low intermediate trails from the summit of the South Peak area.



Mountain bikes would be available for rent at Mount Sunapee.

4. Disc Golf

Disc Golf offers another recreational activity that can use the Clipper Ship Quad chair lift to ride up the mountain, and play the disc golf course as they hike down the mountain.

The Disc Golf course would have a combination of "holes" that work their way down and across a ski trail, and others that weave in and out of the woods adjacent to the trails in the South Peak area.

Disc Golf Frisbees would be available for rent or purchase in the Retail Shop at Mount Sunapee.



Above is a typical Disc Golf "cup" that finishes the hole. Different Frisbees are often used for the different "shots" on the course.

5. Interpretive Hiking Trails

Interpretive Hiking Trails offer a recreational offering for guests in which they purchase a lift ticket to ride the Clipper Ship Quad chair lift to the South Peak summit area, and have a themed Interpretive Hiking Trail as their venue down the mountain.



The information signage would be developed around several flora and fauna categories including:

- Large Mammals
- Small Mammals
- Birds of Prey
- Song Birds
- Butterflies
- Trees
- Wildflowers
- Local history

At the head of the Interpretive Trail there may be large signage, 4' x 8' signs, which would show the trail layout and offer previews

of the locations for the many small signage locations which will show selected native species of the flora and fauna along the trail.

The Interpretive Hiking Trails would be free for guests who are willing to walk uphill to access the trails.

The Clipper Ship Quad chair lift will allow participants to enjoy riding the chair lift up the mountain for a small fee with the opportunity to enjoy the Interpretive Hiking Trail as their path down the mountain.



Along the trail would be smaller identification signage where the reflection benches are located that target species identification of the groups above.

The trails would be well marked for a defined path and may be lined with wood chips or blue stone.

6. Segway Tours

Segway Tours have become very popular for touring the historical sites in major cities such as Boston, MA and Manchester, NH.

They have also become very popular in natural settings as a personal touring vehicle in the base area. The ride is the thrill.

Mount Sunapee proposes having Segway Tours around the base area of the mountain along flatter elevation areas using the Segways with the larger, natural ground tires.



Riders enjoy riding through wooded areas in the base area and across parking lots such as Lot 2 or Lot 3 at Mount Sunapee.

A typical Segway Tour is 90 minutes with 6 riders and a guide.

All riders start with an indoor safety training session followed by a practice course training session before going on the Segway Tour. Helmets are provided for all participants.

7. Miniature Golf

Mount Sunapee has considered adding a natural setting miniature golf course for many years.

Miniature golf courses come in many designs and layouts.

Mount Sunapee proposes a ground level course that uses natural landscaping to create a scenic setting and fit into the "natural" feel of the summer recreational program at Mount Sunapee.



Miniature Golf offers summer recreational fun for all ages and is a very popular family activity that fits well with the Mount Sunapee family recreation brand.

The Miniature Golf course location poses the greatest site location challenge for Mount Sunapee. We do not have a location that is not also utilized for winter operations. We may have to make snow over the mini golf course in winter, and utilize landscaping that is recessed in pots in the ground and covered with mulch. The landscaping would be removed and stored for the winter.

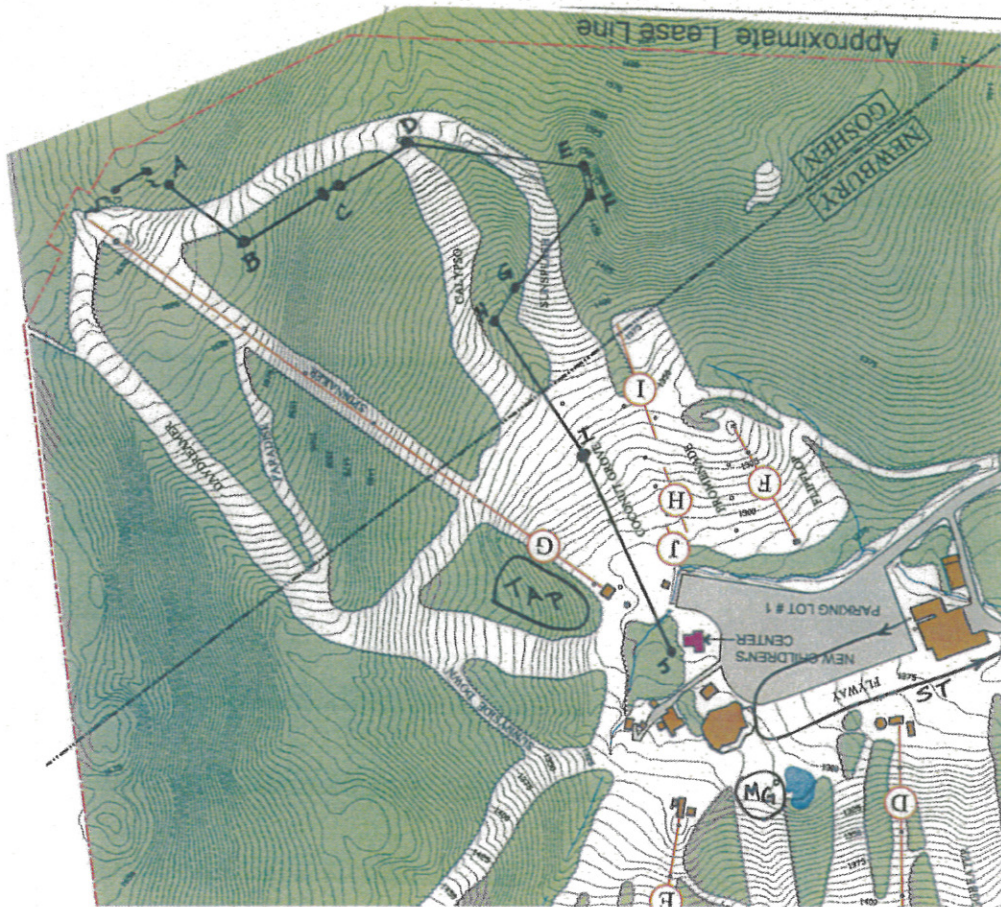
III. Existing Summer Activities

Mount Sunapee currently offers a limited summer recreational program. Some of the offerings include:

- Skyrides to the summit via the Sunapee Express Quad
- Summit Dinners (4) at the Summit Lodge via Sunapee Express
 - Lobster Fest
 - Family Fun Night
 - Wine Pairing
 - Beer Pairing
- Sunapee Lions Club Car Show in late June
- League of New Hampshire Craftsmen's Fair each August
- Fall Foliage Festival on Columbus Day weekend
- Weddings, Receptions, Banquets and Business Meetings

These activities will still be offered at Mount Sunapee, and the layout of the newly proposed recreational offerings will be designed to complement and not interfere with these existing activities.

IV. Location Map



Approximate site location for Mount Sunapee summer recreational attractions.

- A-J** = Canopy Tour / Zip Line stages
- TAP** = Treetop Adventure Park
- MG** = Miniature Golf
- ST** = Segway Tours

Mountain Bike Trails and the Interpretive Hiking Trails will start near the unload of Lift G (the Clipper Ship Quad) and meander through the woods and across the ski area before finishing in the base area.