

Killington Mountain Resort

3/6/61

Sherburne Corporation
Lease

Shelter

L E A S E

This contract and indenture made and entered into in Montpelier in the County of Washington and State of Vermont, by and between the State of Vermont, acting through the State Board of Forests and Parks, the Director of Forests and Parks and its State Forester and with the approval of the Governor and the State Board of Forests and Parks (hereinafter called "State"), and Sherburne Corporation, a Vermont corporation, with its principal place of business at Sherburne, in the County of Rutland and State of Vermont (hereinafter called "Lessee"),

W I T N E S S E T H:

WHEREAS, the State has leased to the Lessee certain land and premises in the Killington Peak area, which land and premises are used by Lessee for the purpose of operating winter recreational facilities, and

WHEREAS, the State owns a ski shelter located on the above leased premises, and

WHEREAS, it is the desire of State and Lessee that the development of summer and winter sports continue for the mutual good of the public, the State and the Lessee, and

WHEREAS, it has been determined by the Governor and the State Board of Forests and Parks that the execution of this lease is in their judgment advantageous to the State in the highest orderly development and management of state forests,

NOW THEREFORE, it is mutually agreed between the parties hereto as follows:

1. State does hereby let, give and lease unto Lessee the following described portions of the ski shelter above referred to:

All of the ski shelter and the premises adjoining the same and used in connection therewith, including the use of all roads, walks, trails or other means of ingress or egress thereto, except the utilities room and the small room adjacent to that and the garage which is adjacent to the aforementioned and served by the large overhead door.

Said above described premises are to be used by the Lessee for purposes of operating a restaurant, sport shop, rent and repair shop, first aid room, office and counter space to operate ticket office for all lifts and ski schools owned by Lessee and for all purposes connected with the operation of a ski area or business on Killington.

2. The State agrees that it will not lease to others the reserved space in the above mentioned ski shelter for any of the purposes covered in the above paragraph.

3. That the Lessee shall have and hold the above described premises with all appurtenances thereof for and during the term of ten (10) years from November 10, 1960 and the Lessee is hereby given and granted an option to extend the terms and provisions hereof for five (5) additional extensions, each for ten (10) years. It being the intent and purpose of this provision to establish an original term of ten (10) years plus five (5) options to Lessee to extend the demised term for a period of ten (10) years at the end of each extended option term until five (5) extensions for a combined period of sixty (60) years have expired after being exercised by Lessee. Said option shall be subject to the provisions of Paragraph No. 5 following.

4. That in addition to any other benefits accruing to the State as expressly herein provided, the Lessee shall pay to the State as rental five per cent (5%) of the gross receipts from the sale of food, beverages, souvenirs and the sale, rent or repair of sporting equipment by the Lessee in said State ski shelter. Rentals shall be payable on a fiscal year basis and shall be paid not later than December 31 of each year for the fiscal year of Lessee ending July 31. The first payment shall be made on or before December 31, 1961 for all sums due to July 31, 1961. The Lessee agrees to file a certified auditor's report annually covering the 5% rental income from the leased premises.

5. That after the termination of the original ten year term hereof or any extended ten year term hereof, the State shall have the option to terminate this lease if but only if the State has exercised its right to purchase the rights of the Lessee as set forth in a lease agreement between the State of Vermont and the Lessee dated November 10, 1961, which agreement is recorded in the Land Records of the Town of Sherburne, provided that the State may cancel this lease for violation of the conditions of this lease after notice in writing of such violations has been given to the Lessee and the Lessee allowed a reasonable time to correct said violations.

6. The Lessee further agrees as follows:

- (a) That in the operation of the premises above mentioned for the purposes above mentioned it will comply with all regulations of the State Board of Health.
- (b) That it will heat and supply hot water to the ski shelter and pay all electrical bills incurred to light said ski shelter.
- (c) That it will provide all necessary furniture and equipment except that furniture and equipment of the State now on the premises will remain there and may be used by the Lessee.
- (d) That it will repair all damage to the ski shelter caused by the negligence of the Lessee and to make all minor repairs to the buildings and provide general maintenance covering such items as broken windows, plugged sewer lines or broken water pipes.
- (e) That it will keep all walks leading to and from the parking area, and all parts of ski shelter leased by the Lessee, in a clean and sanitary condition.

- (f) That it will care for the lawn surrounding the ski shelter during the summer months.
- (g) That it will indemnify and save harmless the State, its agents and officials from any and all damages suffered by any person or persons by reason of its use, maintenance or operation of the above leased premises, except in the event that such damage to any person or property shall be caused by reason of the acts or omissions of the State of Vermont, its agents, servants or officials, and that it will carry public liability insurance in an amount of at least \$10,000/\$100,000 on the maintenance and operation of said leased premises and such policy shall be extended to the State and, if feasible, to all officials and employees of the State.
- (h) The public room and toilets are to be made available for public use at all reasonable and reasonable times. The State reserves the right to the use of the ski shelter for public meetings so long as the same does not interfere with the normal use thereof by the lessee. The State shall have the right of ingress and egress to the ski shelter at all times.
- (i) No alterations shall be made to the building without prior written approval of the Director of Forests and Parks.

7. The State agrees that on the termination of this lease the Lessee shall have the right to remove from said premises all property and equipment installed thereon by the Lessee and the Lessee agrees on such removal to repair all damage done to the ski shelter by reason of said removal.

8. On execution and delivery of this lease the rights of the parties under and by virtue of any prior leases of all or part of the herein leased property shall terminate.

IN WITNESS WHEREOF, the parties hereto have subscribed their names and affixed their seals this 6th day of March A. D. 1961, and on behalf of the State of Vermont executed this indenture by the signature of the Director of Forests and Parks and the State Forester, approved by the State Board of Forests and Parks and the Governor, and under the authority of Title 10, Section 1604, of the Vermont Statutes Annotated.

Witnesses:

Ellie Tomassini

Alta DeClairne

Ellie Tomassini

Alta P. DeClairne

THE STATE OF VERMONT
By Perro H. Merrell
Director of Forests and Parks

By Albert V. Kottick
State Forester

Paul R. Bourque

Robert E. Landry

SHELBURNE CORPORATION
By Robert E. Landry

Approved:

Charles Keegan
Governor

State Board of Forests and Parks

By Donald W. Smith
Chairman

Approved as to form

John R. Peterson
Legal Assistant to Attorney General

STATE OF VERMONT
WASHINGTON COUNTY, SS.

At Montpelier in said County, this *6th* day of *March*
1961, personally appeared Perry H. Merrill and acknowledged this
indenture to be his free act and deed and the free act and deed
of the Sovereign State of Vermont.

Before me, *Alta P. E. Colman*
Notary Public

STATE OF VERMONT
WASHINGTON COUNTY SS.

At Montpelier in said County, this *6th* day of *March*
1961, personally appeared Albert W. Gottlieb and acknowledged
this indenture to be his free act and deed and the free act and
deed of the Sovereign State of Vermont.

Before me, *Alta P. E. Colman*
Notary Public

STATE OF VERMONT
WASHINGTON COUNTY, SS.

At Montpelier in said County, this *18* day of *January*
1961, personally appeared Preston Leete Smith and acknowledged
this indenture to be his free act and deed and the free act and
deed of Sherburne Corporation.

Before me, *Alta P. E. Colman*
Notary Public

STATE OF VERMONT
RECEIVED AND FILED

MAR 10 11 30 AM '61

Robert C. Purkins
SECRETARY OF STATE
DEPUTY SECRETARY OF STATE

L E A S E

Between

STATE OF VERMONT

VS

SHERBURNE CORPORATION

DATED: January , 1961

LAW OFFICES OF
BILLINGS AND SHERBURNE
OF THE GREEN
WOODSTOCK, VERMONT

The Tuttle Law Print, Publishers, Rutland, Vt.

11/10/60

Road for State

LEASE (Real Estate)

This contract and indenture made and entered into in Montpelier in the County of Washington and the State of Vermont, by and between the State of Vermont, acting through the State Board of Forests and Parks, the Director of State Forests and Parks and its State Forester and with the approval of the Governor and the State Board of Forests and Parks (hereinafter called the "State", and Sherburne Corporation, a corporation organized and existing under the laws of the State of Vermont with its principal place of business at Sherburne in the County of Rutland and State of Vermont (hereinafter called the "LESSEE",

W I T N E S S E T H:

WHEREAS, STATE desires to promote winter sports and summer and winter recreational facilities within its boundaries and to provide for the public good and benefit by the utilization of State-owned lands in recreational areas; and

WHEREAS, there are presently in force lease agreements between STATE and LESSEE; and

WHEREAS, it is the desire of STATE and LESSEE that the development of summer and winter sports continue for the mutual good of the public, STATE and LESSEE; and

WHEREAS, it has been determined by the Governor and the State Board of Forests and Parks that the execution of this lease is in their judgment advantageous to STATE in the highest orderly development and management of State forests;

NOW THEREFORE, it is mutually agreed by and between the parties hereto as follows:

1. THAT the STATE does hereby let, demise and lease unto the LESSEE and its assigns the following land;

The Killington parcel of land called the Killington section of the Calvin Coolidge State Forest which will include the portions of rights 33 to 36 inclusive, and 51 to 54 inclusive, presently owned by the STATE and the western half of right number 50 all in the Town of Sherburne for the purposes of developing and the year round use of winter sports facilities including the construction and maintenance of ski trails and skiing facilities, together with the right of ingress and egress to and from said premises over and across any highway or trail already constructed or to be constructed by STATE within the general area in which said premises are located. It is agreed between the parties that any type of lodging for hire shall not be within the contemplation of this lease.

2. THAT the LESSEE will maintain any and all lifts, buildings and other structures now located upon said demised premises, except where inconsistent with provisions of this lease, provided, however, that LESSEE shall not be required to reconstruct or repair any of such lifts, buildings or other structures which shall be destroyed or substantially damaged by war or Acts of God, and may erect buildings and other structures, trails and ski trails, additional lifts, roads, and other appurtenances, of such design and form as it shall determine, provided the use and purpose of such is within the contemplation of this lease or the same is specifically approved by the State, and the plans, specifications and location of such buildings and other structures, trails and ski trails, additional lifts, and roads shall be filed with the State Board of Forests and Parks at least sixty (60) days prior to the commencement of the construction thereof and such construction shall not be commenced thereafter in the event that the State Board of Forests and Parks shall notify LESSEE of its objection to such construction during such sixty (60) day period in writing addressed to LESSEE by certified mail. (If the State Board of Forests and Parks shall

fail to notify LESSEE of its objection within sixty (60) days of its receiving the plans, specifications and location thereof, then and in that event, LESSEE may consider the plans, specifications and location satisfactory.

Appendix A hereunto attached and made a part hereof substantially describes the specifications of all lifts erected and existing upon the demised premises on the date hereof and being used by LESSEE.

3. THAT STATE will not build or maintain or lease, nor permit to be built or maintained or leased, on any land now owned by the STATE or which hereafter be acquired by the STATE in the town of Sherburne except as herein provided, any tow, lift, funicular, gondola, or any other conveyance of whatsoever type, design or kind for the uphill transportation of persons, without first obtaining the written consent of the LESSEE, and in addition

THAT the STATE will not build or maintain or lease, nor permit to be built or maintained or leased, on any land now owned by the State of which hereafter be acquired by the State within a radius of ten (10) miles from the boundaries of the demised premises except as herein provided, any tow, lift, funicular, gondola or any other conveyance of whatsoever type, design or kind for the uphill transportation of persons without first obtaining the written consent of the LESSEE during the first 10 year term of this lease. During each successive 10-year term hereof, the LESSEE shall have first option to develop skiing facilities on any State land now owned or later acquired within such 10-mile radius of the Sherburne area.

4. THAT the LESSEE shall have and hold the premises above demised with all the appurtenances thereof and the rights to enforce the covenants of the STATE herein contained for and during a term of ten (10) years from the date hereof and the LESSEE is hereby given and granted an option to extend the term and provisions hereof for another period of ten (10) years and at the end

of such extended term is hereby given an option to extend the terms and provisions hereof for four (4) further periods of ten (10) years, making in all an original term of ten (10) years plus the option for five (5) additional extensions of the same length of time, each of said rights to extension to be subject, however, to the provisions of paragraph No. 6.

5. THAT in addition to any benefits accruing to the STATE as expressly herein provided, the LESSEE shall pay to the STATE as rental the following sums:

(a) On the lift or lifts heretofore erected or to be erected on the land herein demised by STATE, five per cent (5%) of gross receipts.

(b) From restaurants, sport shops and warming shelters, constructed by LESSEE, two and one-half per cent (2½%) on all gross receipts.

Rentals shall be payable on a fiscal year basis and shall be paid not later than December 31 of each year for the fiscal year of LESSEE ending the previous July 31. On December 31, 1960 payment shall be made for all sums due under prior leases between LESSEE and STATE for the calendar year 1959 and all sums due under this lease and said prior leases to July 31, 1960. All payments required to be made by this paragraph shall be made to the State of Vermont.

There shall be filed with the State of Vermont with each of the above payments, a certified auditor's report covering the above for the fiscal period ending July 31, of each year.

6. THAT after the termination of the original ten (10) year term hereof, or any extended ten (10) year term hereof, the STATE shall have the option to purchase (but only in its entirety) the rights of the LESSEE to this agreement and contract, all buildings, platforms, platform railings, and any and all other constructions of any type whatsoever that have been placed in and about the

demised premises by LESSEE, including any and all lifts upon the said demised premises, upon payment to LESSEE of LESSEE'S "adjusted capital outlay" as that term is defined in paragraph No. 7, plus an amount equal to ten per cent (10%) of the gross receipts from the operations of the LESSEE set forth in paragraph No. 5 (a) and (b), for the three (3) year period preceding the purchasing of the property by the STATE. This option to purchase shall not be available to the STATE, but shall be deemed to have been waived by the STATE, unless, at least six (6) months prior to the termination of the original term, or any extended term, the STATE shall notify the LESSEE in writing that it elects to exercise its said option. That if the option herein provided to the STATE is exercised as herein provided and the purchase price paid, the LESSEE shall not have the right to further extend this lease as in paragraph No. 4 provided. This option to purchase granted to the STATE shall apply in the same manner to each extended term hereof to be exercised at the end of each said term, provided that the six (6) months' previous written notice, as hereinbefore provided, shall have been given by the STATE to the LESSEE.

7A. The term "adjusted capital outlay" as used in paragraph No. 6 shall include the aggregate of all capital expenditures made by LESSEE, in connection with its corporate organization and its activities as contemplated by this agreement and the lease agreement described in paragraph No. 21, from the date of LESSEE'S incorporation to the date on which STATE shall notify LESSEE of its election to exercise its option under paragraph No. 6, less one per cent (1%) of each such capital expenditure for each full year which shall have elapsed between the date on which such capital expenditure shall have been made and the date on which STATE shall notify LESSEE of its election to exercise its option as aforesaid, except that the capital expenditures listed in sub-paragraph b hereafter shall be depreciated at a rate of 2%

from the date of abandonment. In the event the STATE shall terminate this agreement pursuant to Paragraph 19, the term capital expenditures shall have the same definition as aforesaid except that the items listed in sub-paragraph d shall not be included therein.

The term "capital expenditures" as used in this paragraph No. 7A shall include, without limitation, the sums expended by LESSEE for the following:

(a) The purchase, construction, relocation and renovation other than general maintenance of all operable lifts, tows, other uphill facilities, buildings and other structures, equipment related thereto, roads, parking areas, ski trails and slopes;

(b) Construction costs of all lifts, tows, other uphill facilities, buildings and other structures, equipment related thereto, roads, parking areas, ski trails and slopes which are non-operable. Non-operable for the purposes of Paragraph 7A shall mean abandoned.

(c) All architectural planning, engineering survey and engineering expenses;

(d) All corporate organization expenses of LESSEE and its successors or assigns; and

(e) Any and all other expenditures of a capital nature relating to the expenditures described in parts (a), (b) and (c) of this paragraph No. 7A.

8. THAT the STATE may purchase the entire rights of the LESSEE herein at any time, providing the STATE and the LESSEE can mutually agree to such purchase and sale and the terms thereof.

9. THAT the LESSEE shall print and publish a list of charges for the use of the lifts and shall furnish such list to the State Board of Forests and Parks and the prices thereon listed shall be in force and effect until the LESSEE shall cause a new list of charges and tariffs to be printed and a copy sent to such Board.

provided that the LESSEE shall not (except with the approval of the State Board of Forests and Parks) between October 31st of any year and April 1st of the following year and during the period of June 1st to October 1st increase such charges.

10. THAT the LESSEE agrees to indemnify and save harmless the State of Vermont, its agents, servants and officials from any and all damages suffered by any person or persons by reason of the use, maintenance or operation of the lifts, or in connection with its use of said leased premises, except in the event that such damage to any person or property shall be caused by reason of the acts or omissions of the State of Vermont, its agents, servants or officials, and the LESSEE will carry public liability insurance in an amount of at least \$100,000/\$300,000 on the operation of the lifts, except the chair lifts and the LESSEE will carry public liability insurance on the operation of the chair lifts in an amount of at least \$100,000/\$500,000, and such policy shall be extended to the STATE, and if feasible, all STATE officials and employees.

11. THAT all lifts, including towers, cables, chairs, railings, platforms and all buildings, shall be deemed to be real estate immediately upon construction and erection and that hereafter the same shall be deemed to be the property of the STATE subject only to the rights of the LESSEE herein.

It is agreed that the LESSEE may substitute and/or replace during the term of this lease any part or all of the lift or lifts or any other of the above described property, notwithstanding it being designated real estate herein, for new facilities or substantially like or better kind or quality.

12. THAT the STATE hereby agrees that the LESSEE may cut all trees necessary in the construction of the lift, or lifts, or buildings or appurtenances connected therewith or trail or traile or slope or slopes subject to the written approval of the

State Board of Forests and Parks as to the number of trees to be cut, provided that the State Board of Forests and Parks shall not arbitrarily withhold its consent to the cutting of any trees if the cutting of such trees is necessary in the construction of the lift, or lifts, or trails, or buildings or appurtenances connected therewith; that the trees after being felled shall be disposed of as the LESSEE may decide. The LESSEE shall pay the STATE the prevailing stumpage value for trees cut.

13. THAT the LESSEE agrees that the design and erection of any and all new chair lifts erected by LESSEE after the adoption by the State of Vermont of the proposed American Standard Safety Code for Aerial Passenger Tramways shall meet the requirements and standards of said Code, and the LESSEE further agrees to abide by the laws of the State of Vermont.

14. THAT all the covenants and agreements herein contained shall, unless otherwise provided, be construed to be for and during the term of this instrument and any extension thereof.

15. THAT the right of ingress and egress granted in paragraph No. 1 hereof to LESSEE is extended to and includes all members of the public.

16. THAT this indenture is executed in duplicate, one copy for the STATE and one for the LESSEE and each of said copies is deemed to be a duplicate original.

17. THAT the LESSEE, its agents, employees or other authorized persons of the LESSEE, shall have the right to go upon such lands of the STATE contiguous or near to the land herein demised for all proper business purposes, all in relation to the operation of the business and this lease, and the LESSEE, its agents, employees or other authorized persons of the LESSEE shall have the right to build such temporary roads across such lands of the STATE as shall be reasonably necessary for the construction or replacement of any lift or lifts, buildings or other structures

nessary thereto, reasonable care to be taken to prevent the erosion of roads and trails. The location of such temporary roads, however, shall be subject to the approval of the State Board of Forests and Parks, which approval shall not be unreasonably withheld.

18. THAT in the event it is held by a court of competent jurisdiction that the officials executing this instrument are without power to lease, this entire instrument shall be construed to grant to the LESSEE an exclusive irrevocable license and concession to go upon the land herein purported to be demised to build thereon the lift, or lifts herein described and such further buildings, platforms and railings, and such exclusive irrevocable license and concession shall, at the option of the LESSEE, be extended for five (5) additional terms of ten (10) years as hereinabove provided so that the entire term hereof, if the options to extend be exercised by the LESSEE, shall be sixty (60) years. All the terms and conditions in this document shall apply to said irrevocable license.

19. THAT the LESSEE will operate the lift or lifts at all reasonable times in the winter season, provided that proper skiing conditions exist, and at least one chair lift during July through September, weather permitting, except for the summer months of any year when a new lift is constructed or any lift replaced, and provided that for both winter and summer sufficient demand for such operation exists, but in no event shall the annual operation of some uphill facility be less than forty (40) days, unless prevented by Acts of God, war, a forest fire, labor disputes, or any other unusual circumstances or mechanical difficulties, or unless the LESSEE and the STATE, acting through its State Board of Forests and Parks, otherwise agree in writing, and for breach of this covenant the STATE shall have the right to declare this lease terminated and shall be entitled to possession of the demised

premises and the appurtenances thereof. Upon such termination, the STATE shall pay the LESSEE the sums provided for in paragraphs No. 6 and No. 7 of this lease.

20. On the execution and delivery of this agreement the rights of the parties hereto under a lease agreement between them dated December 2, 1957 shall terminate.

21. THAT the STATE shall have the right to enter upon the leased premises at all reasonable times for the purpose of inspection of the leased premises and shall have the further right to make selective cutting of timber or wood on said premises provided that said cutting shall not interfere with the operations of LESSEE under this lease, and shall retain all other rights in the premises not inconsistent with this lease.

22. THAT the LESSEE is granted the exclusive right to conduct in or about the premises herein leased a ski school under competent leadership for the purpose of teaching skiing.

23. THAT any option granted to LESSEE under paragraph No. 4 or paragraph No. 18, as the case may be, may be exercised by LESSEE by LESSEE's mailing or delivering to the State Board of Forests and Parks, prior to the expiration of the then current ten (10) year term, written notice of LESSEE's election to exercise such option.

IN WITNESS WHEREOF, the parties have subscribed their names and affixed their seals this 10th day of November, 1960, and on behalf of the State of Vermont executed this indenture by the signatures of the Director of State Forests and Parks and the State Forester, approved by the State Board of Forests and Parks and the Governor, under the authority of No. 48 of the Acts of 1953 and No. 244 of the Acts of 1953.

In Presence of:

W. T. Colburn
E. P. Johnson

THE STATE OF VERMONT

BY: [Signature]
Director of State Forests
and Parks

TMO
JHM

In Presence of:

Robert Williams

Albert W. Gottlieb
State Forester

Perry H. Merrill

Franklin B. Merrill

SHERBURNE CORPORATION

Paul B. Maynard

BY: Thomas M. Debevoise

APPROVED:

[Signature]
Governor

Donald W. Smith
Chairman
State Board of Forests and Parks

Approved as to form

Thomas M. Debevoise
Attorney General

STATE OF VERMONT }
COUNTY OF WASHINGTON } SS.

At Montpelier, Vermont, in said County, this 10th day of November, 1960, personally appeared Perry H. Merrill and acknowledged this indenture to be his free act and deed and the free act and deed of the Sovereign State of Vermont.

Before me, Alta D. Collins
Notary Public.

STATE OF VERMONT }
COUNTY OF WASHINGTON } SS.

At Montpelier, Vermont, in said County, this 10th day of November, 1960, personally appeared Albert W. Gottlieb and acknowledged this indenture to be his free act and deed and the free act and deed of the Sovereign State of Vermont.

Before me, Alta D. Collins
Notary Public.

STATE OF VERMONT }
COUNTY OF Windsor } SS.

At Woodstock in said County this 14 day of October 1960, personally appeared Rowston Little Smith and acknowledged this indenture to be his free act and deed and the free act and deed of Sherburne Corporation.

Before me, Franklin B. Merrill
Notary Public.

APPENDICES

GLADE LIFT LOCATION

The Glade lift (or 3rd T50 Pomalift) begins at a point in Killington Basin South of the 2nd lift and the center line runs south 26° west a distance of 2600 feet toward the summit of Mt. Killington to approximately an elevation of 4010 feet. The parcel of land leased to Sherburne Corporation by the State of Vermont has a width of 50 feet on either side of the said centerline of this lift.

Chairlift Parcel

The centerline of the Poma - Savio double chairlift up the Northeast fact of Killington and a fifty (50') foot width of land on either side of the centerline form the parcel of land leased by the State of Vermont to the Sherburne Corporation. The centerline and parcel of land begins at a point 90 feet south of the Base Shelter and runs south 59 degrees west; a horizontal distance of 6000 ft. to a point near the summit of Killington Peak.

Double Chair -Poma-Telecar

The Poma Savio double chairlift consists of a series of truss type steel towers numbering 27 plus a driving unit or terminal and a counterweight and tower all at the lower end of the series of towers. At the upper end is a tower and return wheel 12 feet in diameter and all towers terminals are anchored by concrete foundations. There are more than 300 pulleys attached to these towers and an endless cable runs over and under these pulleys and around the return wheel and the 10 feet full-wheel. 142 double chairs hang from the endless cable for transportation of passengers and the chairs are equipped with safety bars and foot rests. The driving unit is Twin Diesel (300 or more h.p.) set of engines driving two reduction gears to two pinion gears to one ring gear on the Bull-wheel. There are two braking systems, one a brake band around the bull-wheel the other is two shoe type brakes which operate simultaneously on each drive shaft. The length of the lift is approximately 6300 feet and rises vertically about 1700 feet.

AMENDMENT TO LEASE

between

Killington, Ltd.

and

State of Vermont

Agency of Natural Resources, Department of Forests, Parks & Recreation

WHEREAS, a CONTRACT and INDENTURE ("REAL ESTATE LEASE") that related land known as the Killington Section (Sherburne Block) of the Calvin Coolidge State Forest, was made and entered into by and between the STATE OF VERMONT, acting through the State Board of Forests and Parks, the Director of State Forests and Parks and its State Forester and with the approval of the Governor and the State Board of Forests, Parks and hereinafter called the "STATE", and SHERBURNE CORPORATION (now known as KILLINGTON, LTD.) a Vermont Corporation having a place of business in Killington, Vermont, hereinafter called the "LESSEE", on November 10, 1960, and recorded in Volume 21 of the Killington (Sherburne) Land Records at Pages 357-364; and

WHEREAS, an additional CONTRACT and INDENTURE ("SKI SHELTER LEASE") that related to ski shelters and appurtenances located on the leased premises, was made and entered into by and between the STATE and LESSEE on March 6, 1961, and recorded in Volume 21 of the Killington (Sherburne) Land Records at Pages 383-385; and

WHEREAS, these CONTRACTS and INDENTURES were amended by the STATE and LESSEE on August 1, 1973, and recorded in Book 31 of the Killington (Sherburne) Land Records at Pages 23-33 (the "1973 AMENDMENT"); and

WHEREAS, these CONTRACTS and INDENTURES were amended by the STATE and LESSEE on December 1, 1997, and recorded in Book 161 of the Killington (Sherburne) Land Records at Page 458 (the "1997 AMENDMENT")(the REAL ESTATE LEASE, SKI SHELTER LEASE, the 1973 AMENDMENT and the 1997 AMENDMENT all being referred to collectively herein as the LEASE); and

WHEREAS, STATE and LESSEE desire to amend certain sections of the LEASE but to affirm and ratify the LEASE in all other respects; and

WHEREAS this amendment was approved by Joint Resolution 85 (State Land Lease Transactions) of the 1999 session of the Vermont General Assembly.

NOW THEREFORE, it is mutually agreed between the parties hereto that Paragraph 1 of the LEASE is hereby amended to add the following leased premises:

THAT the STATE does hereby let, demise and lease unto LESSEE and its assigns a parcel of land containing 9,411 +/- square feet conveyed by Killington, Ltd. to State of Vermont by a deed of even date, to be recorded simultaneously herewith in the Killington (Sherburne) Land Records.

Except as expressly modified hereby, all of the other terms and conditions of the above mentioned Lease Agreements and Addendum to the Lease shall remain unchanged and continue in full force and effect.

IN WITNESS WHEREOF, KILLINGTON, LTD. and the STATE OF VERMONT have hereunto caused to be set their hands and seals this 4th day of December, A.D. 2002.

IN PRESENCE OF:

STATE OF VERMONT
AGENCY OF NATURAL RESOURCES
DEPARTMENT OF FORESTS, PARKS AND
RECREATION

[Signature]
Witness

[Signature]
Conrad M. Motyka, Commissioner

STATE OF VERMONT)
COUNTY OF WASHINGTON)ss.

At Waterbury, in said county, this 4th day of December, 2002, personally appeared Conrad M. Motyka, Commissioner of the Department of Forests, Parks & Recreation, and acknowledged the foregoing instrument by him subscribed to be his free act and deed and the free act and deed of the State of Vermont.

Before me, [Signature]
Notary Public 2/10/03

IN PRESENCE OF:

[Signature]
Witness

KILLINGTON, LTD.
[Signature]
Allen Wilson, President and
Duly Authorized Agent

STATE OF VERMONT)
COUNTY OF RUTLAND)ss.

At Killington, in said county, this 7th day of December, 2002, personally appeared Allen Wilson, President of Killington, Ltd., and acknowledged the foregoing instrument by him subscribed to be his free act and deed and the free act and deed of Killington, Ltd.

Before me, [Signature]
Notary Public
exp. 2/10/03

SHERBURNE VERMONT-TOWN CLERK'S OFFICE
RECEIVED FOR RECORD

AMENDMENT TO LEASE

December 8 AD 19 97
12 O'CLOCK 00 MINUTES PM
AND RECORDED IN BOOK 161 PAGE 458
TEST Judith Duxson
TOWN CLERK

between
Killington, Ltd.
and
State of Vermont

Agency of Natural Resources, Department of Forests, Parks & Recreation

WHEREAS, a CONTRACT and INDENTURE (REAL ESTATE LEASE) that related to land known as the Killington Section (Sherburne Block) of the Calvin Coolidge State Forest, was made and entered into by and between the STATE OF VERMONT, acting through the State Board of Forests and Parks, the Director of State Forests and Parks and its State Forester and with the approval of the Governor and the State Board of Forests, Parks and hereinafter called the "STATE", and SHERBURNE CORPORATION (now known as KILLINGTON, LTD.) a Vermont Corporation having a place of business in Sherburne, Vermont, hereinafter called the "LESSEE", on November 10, 1960, and recorded in Volume 21 of the Sherburne Land Records at Pages 357-364; and

WHEREAS, an additional CONTRACT and INDENTURE (SKI SHELTER LEASE) that related to ski shelters and appurtenances located on the leased premises, was made and entered into by and between the STATE and LESSEE on March 6, 1961, and recorded in Volume 21 of the Sherburne Land Records at Pages 383-385; and

WHEREAS, these CONTRACTS and INDENTURES were amended by the STATE and LESSEE on August 1, 1973, and recorded in Book 31 of the Sherburne Land Records at Pages 23-33 (the AMENDMENT) (the REAL ESTATE LEASE, SKI SHELTER LEASE and the AMENDMENT all being referred to collectively herein as the LEASE) ; and

WHEREAS STATE and LESSEE desire to amend certain sections of the LEASE but to affirm and ratify the LEASE in all other respects; and

WHEREAS this amendment was approved by Act No. 21 of the 1997 session of the Vermont General Assembly.

NOW THEREFORE, it is mutually agreed between the parties hereto as follows:

1 Paragraph 1 of the LEASE is hereby amended to add the following to the leased premises:

1. THAT the STATE does hereby let, demise and lease unto the LESSEE and its assigns the **Granville Manufacturing Parcel** conveyed by Killington, Ltd. to the State of Vermont by

the **Granville Manufacturing Parcel** conveyed by Killington, Ltd. to the State of Vermont by deed dated December 1, 1997, to be recorded in the Sherburne Land Records, and more particularly described in Schedule A-3 of this Amendment.

- 2 The LEASE is amended to delete the following lands from the leased premises and the LEASE:

Those lands and premises designated as the **Killington Basin Parcel** in the quit-claim deed dated December 1, 1997 from the State of Vermont to Killington, Ltd., to be recorded in the Sherburne Land Records, and more particularly described in Schedule A-1 of this Amendment.

- 3 The LEASE is further amended to delete the following lands from the leased premises and the LEASE:

The **Killington Peak Electronic Communication Site** more particularly described in Schedule A-4 of this Amendment.

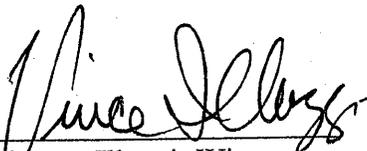
- 4 The LEASE is further amended to delete the following lands from the leased premises and the LEASE:

The **Appalachian National Scenic Trail, Tract 211-04** more particularly described in Schedule A-5 of this Amendment.

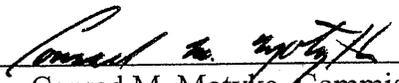
Except as expressly modified hereby, all of the other terms and conditions of the above mentioned Lease Agreements and Addendum to Lease shall remain unchanged and continue in full force and effect.

IN PRESENCE OF:

STATE OF VERMONT
AGENCY OF NATURAL RESOURCES
DEPARTMENT OF FORESTS, PARKS AND
RECREATION



Vincent Illuzzi, Witness



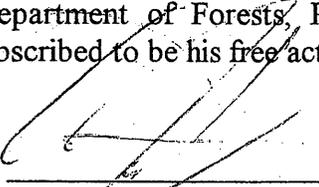
Conrad M. Motyka, Commissioner



Robert Wood, Witness

STATE OF VERMONT)
RUTLAND COUNTY) ss:

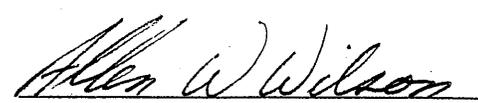
At Sherburne, in said county, this 1st day of December, A.D., 1997, personally appeared Conrad M. Motyka, Commissioner of the Department of Forests, Parks & Recreation, and acknowledged the foregoing instrument by him subscribed to be his free act and deed and the free act and deed of the State of Vermont.

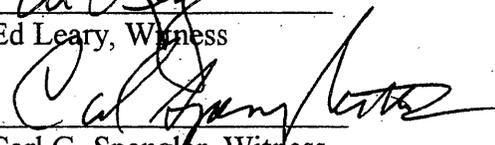
Before me, 
Notary Public

IN THE PRESENCE OF:

KILLINGTON, LTD.

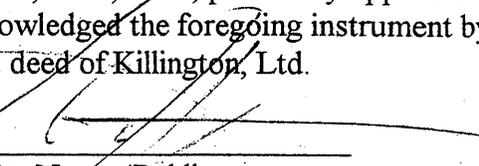

Ed Leary, Witness


Allen Wilson, Vice President and
Managing Director

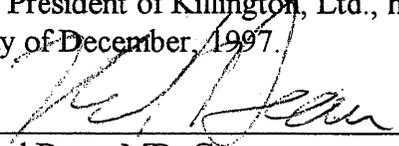

Carl G. Spangler, Witness

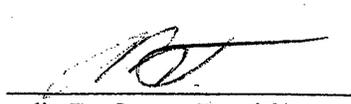
STATE OF VERMONT)
RUTLAND COUNTY) ss:

At Sherburne, in said county, this 1st day of December, A.D., 1997, personally appeared Allen Wilson, Vice President and Managing Director, and acknowledged the foregoing instrument by him subscribed to be his free act and deed and the free act and deed of Killington, Ltd.

Before me, 
Notary Public

The undersigned, Hon. Howard Dean, MD, Governor of the State of Vermont, and Leslie B. Otten, President of Killington, Ltd., hereby acknowledge the foregoing Amendment of Lease on this 1st day of December, 1997.


Howard Dean, MD, Governor
State of Vermont


Leslie B. Otten, President
Killington, Ltd.

F:\USERS\JAY\ASC\KILLGTON\EXCHANGE\LEASE.AMD\FINAL\SE-AMD.DO1 December 1, 1997 (9:51am)

SCHEDULE A-3

GRANVILLE MANUFACTURING PARCEL

Being that portion of Parcel #2 of the lands and premises conveyed to Killington Ltd., by Warranty Deed of Granville Manufacturing Co., Inc. dated August 19, 1967 and recorded in Book 23, Page 449, Sherburne Land Records described as follows:

All of said Lot number 54, one of the lots in the original allotment of the Town of Sherburne, EXCEPT for the following described portion of said Lot 54.

Beginning at the most easterly corner of said Lot number 54 as marked by a iron pin with a 3 1/4" diameter bronze cap. Said cap is marked "State of Vermont", "Agency of Natural Resources", "State Lands Administration", "LS 508" and "LS 250". The iron pin is a 1000mm long 'Feno' brand spike. This corner is located in a small parking lot and the top of the pin is approximately 8" below the surface of the ground. This Corner is southerly of and approximately 370 feet from the southeast corner of the Bear Mountain Lodge.

Thence S 20° 23' 57" W, 936.52 feet, along lands now or formerly of Sherburne Corporation to a stone pile.

Thence S 19° 18' 25" W, 1209.29 feet, along lands now or formerly of International Paper Realty Corporation to a stone pile. Said stone pile marks the most southerly corner of said Lot number 54 and is purportedly located on the line between the Town of Sherburne and the Town of Mendon.

Thence N 70° 29' 58" W, 754.47 feet, along lands now or formerly of International Paper Realty Corporation to an iron pin with a 3 1/4" diameter bronze cap. Said cap is marked "State of Vermont", "Agency of Natural Resources", "State Lands Administration", "LS 508." The iron pin is a 600mm long 'Feno' brand spike and the top of the spike is approximately 4" below the surface of the ground. This corner is overlaid by a cairn of stones and is purportedly located on the line between the Town of Sherburne and the Town of Mendon.

Thence N 19° 47' 09" E, 2169.86 feet, along lands being conveyed herein to an iron pin with a 3 1/4" diameter bronze cap. Said cap is marked "State of Vermont", "Agency of Natural Resources", "State Lands Administration", "LS 508." The iron pin is a 1000mm long 'Feno' brand spike and the top of the spike is approximately 10" above the surface of the ground.

Thence S 68° 39' 57" E, 754.65 feet, along lands of the State of Vermont to place

of beginning.

All bearing are mean geodetic.

The within conveyed lands and premises are conveyed to the State of Vermont subject to the following:

1. Easement Deed from Killington, Ltd. to Sunrise Homeowners Association, Inc. Dated March 8, 1993 and recorded in Book 133, Page 306 of the Sherburne Land Records (well and water line easement).
2. Covenant Restricting Development between Killington, Ltd. and Sunrise Homeowners Association dated March 8, 1993 and recorded in Book 47, Page 355 of the Mendon Land Records (well protection area).

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SCHEDULE A-1

KILLINGTON BASIN PARCEL

All right, title and interest of the State of Vermont in and to those portions of lands of the State of Vermont known as Coolidge State Forest, Sherburne Block, that include the "Part of [Sherburne Tax Map] 35-1", all of [Sherburne Tax Map] Parcel 36-1 and all of [Sherburne Tax Map] Parcel 37-28 shown on the plan entitled:

PORTION OF "CALVIN COOLIDGE STATE FOREST"; SHERBURNE BLOCK; RUTLAND COUNTY, VERMONT; SURVEYED FOR KILLINGTON, LTD., prepared by Bruno Associates, P.C., dated 11/20/97, on file in the land records of the Town of Sherburne as Map #M-97019, Locator 608-B.

The Killington Basin Parcel is comprised of all of the right, title and interest (including, without limitation, all rights of way, easements and reservations) of the State of Vermont in and to:

1. Those lands and premises conveyed to the State of Vermont by Sherburne Corporation by warranty deed dated May 11, 1967, and recorded in Volume 24 at Page 476 of the Sherburne Land Records, and
2. A portion of those lands and premises conveyed to the State of Vermont by Vermont Marble Company by warranty deed dated December 29, 1945 and recorded in Volume 19 at Page 83 of the Sherburne Land Records, excepting the following:
 - (a) Those lands previously conveyed by the State of Vermont to the Sherburne Corporation by quitclaim deed dated February 13, 1968 and recorded in Volume 24 at Page 16 of the Sherburne Land Records, and
 - (b) Those land previously conveyed by the State of Vermont to North Ridge Development Corporation by quitclaim deed dated August 23, 1989 and recorded in Volume 121 at Page 303 of the Sherburne Land Records.

There are expressly included in the conveyance of the Killington Basin Parcel those development rights reserved by the State of Vermont in the quitclaim deed from State of Vermont to North Ridge Development Corporation dated August 23, 1989 and recorded in Volume 121 at Page 303 of the Sherburne Land Records.

Further included in this conveyance of the Killington Basin Parcel to Killington, Ltd. are the following rights-of-way conveyed to the State of Vermont by Sherburne Corporation:

1. Right-of-way conveyed to the State of Vermont by Sherburne Corporation by deed dated June 6, 1969, and recorded in Volume 24 at Page 454 of the Sherburne Land Records;
2. Right-of-way conveyed to the State of Vermont by Sherburne Corporation by deed dated October 22, 1982 and recorded in Volume 55 at Page 209 of the Sherburne Land Records.

Upon the conveyance of the Killington Basin Parcel to Killington, Ltd., the following rights-of-way previously granted by the State of Vermont to Killington, Ltd. will be merged with the title to the Killington Basin Parcel:

1. Right-of-way conveyed to the State of Vermont by Sherburne Corporation by deed dated June 6, 1969, and recorded in Volume 24 at Page 455 of the Sherburne Land Records.
2. Right-of-way conveyed to Sherburne Corporation by the State of Vermont by deed dated January 12, 1982 and recorded in Volume 51 at Page 394 of the Sherburne Land Records.
3. Right-of-way conveyed to Sherburne Corporation by the State of Vermont by deed dated January 12, 1982 and recorded in Volume 51 at Page 396 of the Sherburne Land Records.

The Killington Basin Parcel is conveyed subject to all prior conditions, easements, or licenses of record in the Sherburne Land Records, and to the following licenses and agreements on file with the Vermont Department of Forests, Parks and Recreation:

1. State of Vermont Agency of Natural Resources Department of Forests, Parks and Recreation - License - Between the State of Vermont and GTE North Incorporation dated December 20, 1993. (015-12-LC1-93)
2. State of Vermont Agency of Natural Resources Department of Forests, Parks and Recreation - License - Between the State of Vermont and Adelpia Communications Corporation dated September 10, 1997. (015-12-BP-98)
3. State of Vermont Agency of Natural Resources Department of Forests, Parks and Recreation - License - Between the State of Vermont and Central Vermont Public Service Corporation dated September 19, 1991. (015-12-LC3-91)
4. State of Vermont Agency of Environmental Conservation Department of Forests, Parks and Recreation - License - Between the State of Vermont and Central Vermont Public Service Corporation dated December 21, 1990. (015-04-LC2-91, 015-06-LC2-91, 015-12-LC2-91, 015-12-LC2-91)

5. Amendment of License Between State of Vermont and Central Vermont Public Service Corporation dated August 21, 1991.
6. Amendment of License Between State of Vermont and Central Vermont Public Service Corporation dated March 10, 1992.
7. Amendment of License Between State of Vermont and Central Vermont Public Service Corporation dated September 13, 1993.
8. Amendment of License Between State of Vermont and Central Vermont Public Service Corporation dated August 12, 1996.
9. Amendment of License Between State of Vermont and Central Vermont Public Service Corporation dated October 17, 1997.

RESERVATION OF PUBLIC ACCESS

Forever reserving to the State of Vermont, its successors, assigns, agents, guests and invitees, a right of way, in common with Killington, Ltd., its successors and assigns, agents, guests and invitees, to pass and re-pass of over the property herein conveyed by foot, vehicle, or by reasonable and appropriate means over and upon such public roadways and walkways as may now or hereafter be located or constructed upon the Killington Basin Parcel, and such other means or rights of access as may be reasonably required to provide public access to public lands adjoining the Killington Basin Parcel, including, without limitation, lands of the State of Vermont known as the Calvin Coolidge State Forest. The right of access that is hereby reserved to the State of Vermont shall be exercised by the State of Vermont, its successors, assigns, agents, guests and invitees in a reasonable, safe and lawful manner, so as not to unreasonably interfere with or impair the development, use or enjoyment of the Killington Basin Parcel by Killington, Ltd., its successors and assigns, guests and invitees. Killington, Ltd., its successors or assigns shall have the right to designate, limit, develop, improve or relocate such roadways, walkways or other means of access to said public lands as may now or hereafter be located or constructed upon the Killington Basin Parcel, provided that the State of Vermont, its agents, guests and invitees continue to have reasonable access across the Killington Basin Parcel to such public lands.

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SCHEDULE A-4

KILLINGTON PEAK ELECTRONIC COMMUNICATION SITE

The **Killington Peak Electronic Communication Site** located on the summit of Killington Mountain. The Site is approximately 0.3 acres and is depicted on a plan entitled "Killington Peak Electronic Communication Site", scale 1 inch = 10 feet, compiled by B. Lavery, dated 5/88, and is on file with the Department of Forests, Parks and Recreation, State Lands Administration. The Site is located in part on the Parkers Gore Parcel in the Town of Mendon and in part on lands of the State of Vermont in the Town of Sherburne. The northerly line of the Site is located southerly of the open ledge at the top of Killington Peak, approximately 35 feet southerly of the benchmark marking the top of Killington Peak.

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SCHEDULE A-5

APPALACHIAN NATIONAL SCENIC TRAIL, TRACT 211-04

Appalachian National Scenic Trail, Tract 211-04, being that part of the Calvin Coolidge State Forest, Sherburne Block, that is bounded northerly by the lands, now or formerly of Pico Pond Associates, Charles F. Sanborn and David Partridge, et al.; easterly by lands leased by the State of Vermont to Killington, Ltd., southerly by the Sherburne/Mendon town line and the Killington Peak Electronic Communication Site, so-called; and westerly by Lands of the United States of America, Tract 211-07; Appalachian National Scenic Trail, Tract 211-04 is more particularly described as follows:

BEGINNING at an iron pipe in a stone pile on the north slope of a small peak situated between Pico Peak and Rams Head, being a corner common to lands, now or formerly, of Charles F. Partridge, et al., lands formerly of Harold L. Herbert, et ux., now of the United States of America, Appalachian National Scenic Trail, Tract 211-07 and subject owner; thence, with the property line of Tract 211-07, the following two bearings and distances:

South 13° 50' East, 7,931 feet, more or less, to a stake and stones;
and

North 69° 20' West, 5,629 feet, more or less, to a stake and stones on the property line of lands of the State of Vermont, Calvin Coolidge State Forest, and being the easterly line of lands conveyed to the State of Vermont by The Conservation Fund;

Thence, with the east line of said State lands acquired from The Conservation Fund, South 20° 40' West, 2,227.59 feet to a stake and stones on the Sherburne/Mendon town line, being the property line of lands leased by the State of Vermont to Killington, Ltd. and being the southeast corner of lands conveyed to the State of Vermont by The Conservation Fund;

Thence, with the property line of said lands leased by the by the State of Vermont to Killington, Ltd. and said town line, South 69° 20' East a distance of 5050 feet more or less to Appalachian Trail Monument 212-VT- 6;

Thence continuing with the lands leased by the State of Vermont to Killington, Ltd. and said Town line, passing Appalachian Trail Monument 212-VT- 1 at 769 feet, in all a total distance of 1,074 feet, more or less; to a point, said point being the southeast corner of lands leased by the State of Vermont to Killington, Ltd.;

Thence, through other lands of Calvin Coolidge State Forest, and along lands leased by the State of Vermont to Killington, Ltd., the following ten bearings and distances are intended to be entirely west of ski trails and lift terminals as are found on the ground as of December 1, 1997:

North 00° 08' East, 898 feet, more or less;

North 18° 23' East, 1,637 feet, more or less;

North 00° 18' West, 1,305 feet, more or less;

North 39° 16' West, 432 feet, more or less;

North 12° 01' East, 622 feet, more or less;

North 10° 01' West, 1,045 feet, more or less;

North 30° 44' West, 808 feet, more or less;

North 19° 35' West, 647 feet, more or less;

North 08° 04' East, 467 feet, more or less, to a point on the east side of Rams Head;

North 23° 06' West, 2,503 feet, more or less, to the property line of said Partridge;

Thence, with the property line of said Partridge, North 78° 37' West, 255 feet, more or less, to the point of beginning.

Bearings are purported to be based on the Vermont State Plane Grid North, NAD27.

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8/1/73

AMENDMENT OF LEASE

Between

STATE OF VERMONT
and
SHERBURNE CORPORATION

This contract and indenture made and entered into in Montpelier in the County of Washington and State of Vermont (herein referred to as "STATE"), acting through its Secretary of the Agency of Environmental Conservation (herein referred to as "SECRETARY"), the Commissioner of the Department of Forests and Parks, the Director of Forests, upon the advice of the State Board of Forests and Parks (herein referred to as "BOARD") and with the approval of said Secretary of the Agency of Environmental Conservation and the Governor of the State of Vermont pursuant to 10 V.S.A. §1604 and Chapter 51, 3 V.S.A., and Sherburne Corporation (herein referred to as "LESSEE"), a corporation organized and existing under the laws of the State of Vermont with its principal place of business at Sherburne in the County of Rutland and State of Vermont.

WITNESSETH:

WHEREAS, STATE and LESSEE have hitherto entered into two contracts and indentures, dated November 10, 1960, and March 6, 1961, respectively and respectively recorded in Volume 21 of the Sherburne Land Records at pages 357-364 on November 10, 1960, and in Volume 21, at pages 383-385 on March 6, 1961, one of which relates to land known as the Killington Section of the Calvin Coolidge State Forest (REAL ESTATE LEASE) and the other of which relates to ski

shelters and appurtenances (SKI SHELTER LEASE) located on the leased premises, and,

WHEREAS STATE and LESSEE desire to amend certain sections of said contracts and indentures but to confirm and ratify them in all other respects,

NOW THEREFORE, it is mutually agreed between the parties hereto as follows:

FIRST: Paragraph 4 of the REAL ESTATE LEASE is hereby amended to read as follows:

"4. That the LESSEE shall have and hold the premises above demised with all appurtenances thereof and rights to enforce the covenants of the STATE herein contained for and during the term of ten (10) years from November 10, 1960, and the LESSEE is hereby given and granted an option to extend the terms and provisions hereof for another nine (9) periods of ten (10) years each, making in all an original term of ten (10) years plus the option for nine (9) additional extensions of the same length of time, each of said rights to extension to be subject, however, to the provisions of Paragraph 6."

SECOND: Paragraph 3 of the SKI SHELTER LEASE is hereby amended to read as follows:

"3. That the LESSEE shall have and hold the premises above demised with all appurtenances thereof and the rights to enforce the covenants of the STATE herein contained for and during the term of ten (10) years from November 10, 1960, and the LESSEE is hereby given and granted an option to extend the terms and provisions hereof for another nine (9) periods of

ten (10) years each, making in all an original term of ten (10) years plus the option for nine (9) additional extensions of the same length of time, each of said rights to extensions to be subject, however, to the provisions of Paragraph 5."

THIRD: Paragraph 4 of the SKI SHELTER LEASE is hereby amended to read as follows:

"4. That in addition to any other benefits accruing to the State as expressly herein provided, the LESSEE shall pay to the STATE as rental three percent (3%) of the gross receipts from the sale of food, beverages, souvenirs, and the sale, rent or repair of sporting equipment by the LESSEE in said STATE SKI SHELTER. Rentals shall accrue on a fiscal-year basis and shall be paid not later than December 31 of each calendar year for the fiscal year of LESSEE ending the previous July 31. The STATE acknowledges that proper payments have been made for the fiscal years ending July 31, 1971, and July 31, 1972. The next payment shall be made on or before December 31, 1973, for all sums due through July 31, 1973. The LESSEE agrees that it will maintain the said STATE SKI SHELTER in a satisfactory condition and furnish at its sole expense proper heat, hot water, electricity, and minor repairs without charge to STATE, and to make all major repairs and improvements to the structure, capital improvements or expansion subject to the approval of the Secretary.

The sewage disposal system, servicing the STATE SKI SHELTER, shall be considered part of the structure for these purposes. The LESSEE shall bear the same responsibility towards the sewage disposal system as it does toward the STATE SKI SHELTER except that the STATE shall be responsible for obtaining all necessary permits for the operation of the system.

Further, the STATE shall bear such cost of any improvement or replacement to the sewage disposal system required by the STATE or any public or semipublic authority having jurisdiction, in excess of the replacement cost of the existing or similar system, measured at the time of the need for replacement or improvement."

FOURTH: STATE hereby confirms and ratifies as of January 16, 1969, the right to flow and flood all STATE lands underneath Snowshed Pond, so called, and described as follows:

A manmade pond lying east of the existing lower Snowshed parking lot, being 100 feet wide, more or less, on the East-West line and 600 feet long, more or less, on the North-South line. The boundary line between lands owned in fee by the State of Vermont and by Sherburne Corporation passes through the pond. The aforesaid boundary line is more accurately described in deed between STATE and Sherburne Corporation dated March 22, 1968, and recorded in the Town of Sherburne Land Records in Book 24, Page 16, and shown on the Department of Forests and Parks' map 15-17B.

FIFTH: A new paragraph 9 is added to the SKI SHELTER LEASE as follows:

"9. That any option granted to LESSEE under paragraph 3 hereof may be exercised by LESSEE by LESSEE's mailing or delivering to the State Board of Forests and Parks, prior to the expiration of the then ten - (10) year term, written notice of LESSEE's election to exercise such option."

SIXTH: A new paragraph 10 is added to the SKI SHELTER LEASE as follows:

"10. That LESSEE agrees that it will replace the STATE SKI SHELTER in the event the same is destroyed by fire or other causes not due to war or Act of God; or, will pay to the STATE the original cost of construction of said STATE SKI SHELTER, excluding capital costs paid by the LESSEE."

SEVENTH: Paragraph 5 of the REAL ESTATE LEASE is hereby amended to read as follows:

"That in addition to any benefits accruing to the STATE as expressly herein provided, the LESSEE shall pay to the STATE as rental the following sums:

(a) Five percent (5%) of gross receipts from the sale of lift tickets on lifts heretofore or hereafter erected by LESSEE on the land herein demised by STATE, provided, however, that:

(i) With respect to any cabin chair or gondola lift, the payment due on account of such chair or lift during the first five (5) years of operation of such chair or lift shall be two and one-half (2-1/2%) percent of the gross receipts from the sale of lift tickets for that chair or lift.

(ii) With respect to any cabin chair or gondola lift, the payment due on account of such chair or lift during the second five (5) years of operation of such chair or lift shall be two and one-half (2-1/2%) percent of the gross receipts from the sale of lift tickets for that chair or lift, except that in any year in which total gross receipts from all ski lifts on the land herein demised by the STATE shall exceed \$750,000, the LESSEE shall pay an additional two and one-half percent (2-1/2%) of such gross receipts from such cabin chair or gondola lift.

(iii) For purposes of determining payments due under this subparagraph (a), in the event that any cabin chair, gondola lift or other lift is erected partly on the land herein demised by the STATE and partly on other land, the gross receipts from such chair or lift shall be based only on that portion of such gondola chair or lift as lies on lands demised by the STATE.

(iv) Payments will be computed in a manner similar to those methods used in prior years except as modified under this paragraph. In the event a party comes to the opinion that the method of computation presently in use does not accurately reflect receipts derived from lifts on state land a party may request a change in method by notice of thirty days of proposed changes together with statistical basis. If parties are unable to agree upon a revision of the method of computation then either party may bring a Declaratory Judgment Petition for a determination of the appropriate method of computation. Nothing herein shall obligate LESSEE to make continuous or regular observation or tabulation of individual lift rides.

(b) From restaurants, sport shops and warming shelters constructed by LESSEE, two and one-half percent (2-1/2%) on all gross receipts.

Rentals shall accrue on a fiscal-year basis and shall be paid not later than December 31 of each calendar year for the fiscal year of LESSEE ending the previous July 31. The STATE and LESSEE acknowledge that payments have been made for the Fiscal Years ending July 31, 1971, and July 31, 1972 and the STATE will seek no further payments for these fiscal years nor will LESSEE be entitled to refunds. The next payment shall be made on or before December 31, 1973, for all sums due through July 31, 1973. All payments required to be made by this paragraph shall be made to the State of Vermont.

There shall be filed with the State of Vermont with each of the above payments, a certified auditor's report covering the above for the fiscal period ending July 31, of each year.

EIGHTH: A new paragraph is added to the REAL ESTATE LEASE as follows:

"25. That STATE shall have the right at all reasonable times to inspect and audit the books of the LESSEE for the purpose of ascertaining if proper rentals have been or will be paid."

NINTH: A new paragraph is added to the REAL ESTATE LEASE as follows:

"26. Beginning at the commencement of the 1971-1972 ski seasons, LESSEE at its sole expense will maintain all parking lots then existing or thereafter constructed by LESSEE on land herein demised by STATE."

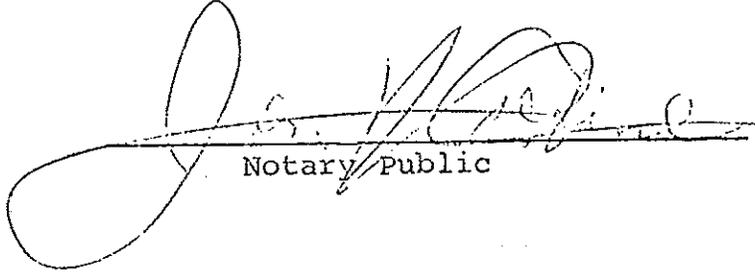
TENTH: Except as specifically amended hereby, said contracts and indentures are hereby confirmed and ratified in all respects.

STATE OF VERMONT

RUTLAND COUNTY

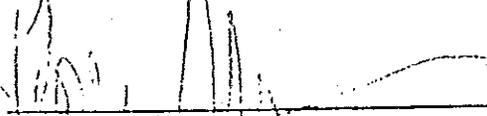
At the City of Rutland in said County, this 27th day of July, A.D., 1973, before me personally appeared Preston Leete Smith who, being by me duly sworn, did depose and say he is the President of Sherburne Corporation, the corporation described herein and which executed this instrument; that he knows the seal of said corporation; that the seal affixed to this instrument is said corporate seal; that it is affixed by order of the Board of Directors of said corporation and that he signed his name hereto by like order; and that the instrument is his free act and deed and the free act and deed of the Sherburne Corporation.

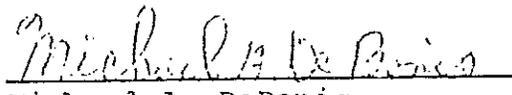
Before me,


Notary Public

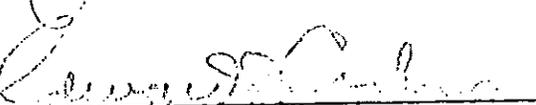
APPROVED:


Thomas P. Salmon
Governor


Robert Wilson
Secretary of Administration


Michael A. DeBonis
Chairman, Board of Forests
and Parks

APPROVED AS TO FORM:


Assistant Attorney General

IN WITNESS WHEREOF, the STATE has caused its name to be hereunto subscribed, pursuant to 16 V.S.A. §1604 and 3 V.S.A. §2803, by Martin Johnson, Secretary of the Agency of Environmental Conservation; A. F. Heitmann, Commissioner of the Department of Forests and Parks, and James E. Wilkinson, Jr., Director of Forests, the duly authorized agents of the State of Vermont

IN WITNESS WHEREOF, the STATE executes these presents this 15th day of August 1973.

Executed in presence of

STATE OF VERMONT
AGENCY OF ENVIRONMENTAL CONSERVATION

Richard L. Linn
Robert B. Williams

By

Martin Johnson
Martin Johnson, Secretary

STATE OF VERMONT
DEPARTMENT OF FORESTS AND PARKS

James E. Wilkinson, Jr.
James E. Wilkinson, Jr.

By

A. F. Heitmann
A. F. Heitmann, Commissioner

James E. Wilkinson, Jr.
James E. Wilkinson, Jr.

By

James E. Wilkinson, Jr.
James E. Wilkinson, Jr.
Director of Forests

STATE OF VERMONT

WASHINGTON COUNTY

At Montpelier, in said County, on the 15th day of August A.D. 1973, personally appeared Martin Johnson, Secretary of the Agency of Environmental Conservation, A. F. Heitmann, Commissioner of Forests and Parks, and James E. Wilkinson, Jr., Director of Forests, agents of the State of Vermont, subscribers of the foregoing written instrument and acknowledged the same to be their free act and deed and the free act and deed of said State of Vermont.

Before me:

Francis M. Thow
Notary Public

IN WITNESS WHEREOF, the Sherburne Corporation has caused its name to be hereunto subscribed, pursuant to its bylaws and the resolution of its Board of Directors, by Preston Leete Smith, its President, the duly authorized agent of the Sherburne Corporation.

IN WITNESS WHEREOF, Sherburne Corporation executes these presents this 27th day of July, 1973.

WITNESS

John W. Caffine
JOHN W. CAFFINE
Thomas R. Anoe
THOMAS R. ANOE

SHERBURNE CORPORATION

BY: Preston Leete Smith
Preston Leete Smith
President

TOWN OF SHERBURNE, VERMONT

Killington Post Office 05751

Telephone: 802-422-3241

August 22, 1973

I certify that the Amended Lease between the State of Vermont and Sherburne Corporation was entered in Book 30 at pages 23-33 on August 17, A.D. 1973 at 3:20 o'clock P.M.

Attest: *Josephine J. Blanchard*

Sherburne Town Clerk