

# Stowe Mountain Resort

## Stowe Mountain Resort Lease Summary

Lessee: Mount Mansfield Company, Inc.

Location: Stowe, Lamoille County

State Park/Forest: Mount Mansfield State Forest

Parcel Size: 1,400 Acres

Parcel Characteristics: \_\_\_\_\_

Lease Term: The initial lease was executed on 4/12/1946.  
The current lease was executed on 4/18/1972.  
It can be extended by 10 years 8 times with its  
final extension ending 6/28/2057.

### Summarized Lease Payment Calculation Method:

5% of gross receipts generated by lift ticket sales and,

2.5% of gross receipts generated by sales at the mountain's restaurants  
and retail outlets constructed on state land and,

3% of revenues from the sale of food, beverages, souvenirs and the sale,  
rent or repair of sporting equipment generated in buildings built by the  
state.

Lease Payment Due Date: Fiscal year basis (11/1 to 10/31) due  
December 31 annually.

### Purpose of Lease:

Development and operation of a ski area including ski trails, ski lifts,  
warming shelters, restaurants, and maintenance facilities for the good of  
the public.

### Chronology of Significant Events:

- 4/12/1946 – Original lease agreement with Smuggler's Notch Lift, Inc. -  
executed.
- 6/28/1967 – Lease agreement with Mansfield Company, Inc. is executed.
- 4/18/1972 – Current lease agreement with Mt. Mansfield Company, Inc.  
is executed

LEASE

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 Secretary of the Agency of Environmental Conservation, the Commissioner of Forests and Parks and its Director of Forests and with the approval of the Governor and the Secretary of the Agency of Environmental Conservation (hereinafter called "State"), and **Mr. Mansfield Company, Inc.**, a Vermont corporation with its principal place of business at Stowe, in the County of Lamoille and State of Vermont (hereinafter called "Lessee"),

WITNESSETH

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, 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 Lessee, and

WHEREAS, it has been determined by the Governor and the Secretary of the Agency of Environmental Conservation and the Commissioner of Forests and Parks and its Director of Forests 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 by and between the parties hereto as follows:

1. State does hereby let, demise and lease unto Lessee land and buildings described as follows:

Being all and the same land, premises, rights of way and easements leased by the State of Vermont to Lessee herein by lease dated June 28, 1967. Also the Ski Shelter owned by the State of Vermont and the premises adjoining the same and used in connection therewith, including the use of all parking areas, roads, walks, trails and other means of ingress and egress thereto.

Said land and premises are outlined on the plan, a copy of which is attached hereto and made a part hereof by reference, which copy together with this lease is to be recorded in the Land Records of the Town of Stowe.

2. That the Lessee will maintain and operate any and all lifts, parking areas, buildings and other structures now located upon said demised premises, except where inconsistent with provisions of this lease, and may erect buildings or structures, including trails or ski trails, or additional lifts, of such design and form as it shall determine and the plans, specifications and location of such buildings or structures, including trails or ski trails, or additional lifts shall meet the laws and minimum standards pertaining to health, safety, trail width, drainage, construction or other requirements now or as may be established by the State of Vermont and shall be filed with the Secretary of the Agency of Environmental Conservation sixty (60) days prior to the commencement of the construction thereof and such construction shall not be commenced thereafter in the event that the Secretary of the Agency of Environmental Conservation shall notify Lessee of its objections to such construction during such sixty (60) day period in writing addressed to Lessee by certified mail. If the Secretary of the Agency of Environmental Conservation 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.

3. That in the operation of the ski shelter and the premises adjoining the same and used in connection therewith, as described above, the Lessee further agrees as follows:

- (a) That it will comply with all laws and regulations of the State of Vermont, will obtain all permits and licenses required.

- (b) That it will provide all necessary furniture, equipment and material, except that of the State now on the premises will remain there and may be used by the Lessee.
- (c) That it will maintain and repair all buildings, grounds, equipment and facilities including the access road and parking areas located on the leased premises and will keep same in a functional, orderly, clean and sanitary condition.
- (d) That water for the campground shall continue to come from the State shelter.
- (e) No alterations shall be made to the building without prior written approval of the Director of Parks.

4. 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, within a radius of ten (10) miles from the boundaries of the demised premises, 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.

5. That the Lessee shall have and hold the premises above described with all the appurtenances thereof and the right to enforce the covenants of the State herein contained for and during the term of ten (10) years from June 28, 1967 and the Lessee is hereby given and granted an option to extend the terms and provisions hereof for eight (8) 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 eight (8) options to the Lessee to extend the demised term for the period of ten (10) years at the end of each extended option term until eight (8) extensions for a combined period of ninety (90) years have expired after being exercised by Lessee.

6. 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 all lifts heretofore erected on land demised by the State, five per cent (5%) of gross receipts.
- (b) On the cabin chair or gondola lift or lifts hereafter erected on the land demised by the State two and one-half per cent (2 1/2%) of all gross receipts from said lifts for a period of five (5) years after start of its or their operation.
- (c) On the cabin chair or gondola lift or lifts hereafter erected by the Lessee on land demised by the State, for the second five (5) year period of their operation, the sum of two and one-half per cent (2 1/2%) of gross receipts from said lifts. If the gross receipts from ticket sales during said second five year period on all lifts on the land herein leased exceed Seven Hundred Fifty Thousand Dollars (\$750,000.00) in any one year, the rent for that year on the lift or lifts covered in this paragraph shall be five per cent (5%) of gross receipts from said lift or lifts.
- (d) On the cabin chair or gondola lift or lifts hereafter erected by Lessee, after ten years from the start of its or their operation, the sum of five per cent (5%) of gross receipts from such lift or lifts.
- (e) From restaurants, sport shops and warming shelters, constructed by Lessee, two and one-half per cent (2 1/2%) of all gross receipts.
- (f) Three per cent (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 the buildings owned by State.

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 October 31.

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

The 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.

7. 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 hereof.

8. In the event the Lessee shall receive a bona fide offer from a third party at any time during the term of this lease to purchase all

or substantially all the assets of Lessee and Lessee shall desire to sell the same for the amount named in the offer, the Lessee shall promptly give the State written notice of such offer and the State shall have the option to purchase said assets at said price for a period of ninety (90) days after receipt of said notice for the amount specified in the offer made by the third party. In the event the State does not elect, in writing, within said ninety (90) day period to exercise said option, said option shall terminate and be of no further effect. In the event the Lessee shall sell its interests as defined above, the portion of this lease affecting the use of State owned buildings may be renegotiated at the option of the State with the new owner of this Lessee's facilities.

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 Secretary of the Agency of Environmental Conservation 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 Secretary of the Agency of Environmental Conservation, provided that the Lessee shall not (except with the approval of the Secretary of the Agency of Environmental Conservation) between October 31st of any year and October 31st of the following year, increase such charges.

10. Title to all property of whatsoever nature which the Lessee has heretofore or may hereafter place on the leased premises shall remain in the Lessee and the Lessee shall have the right to mortgage or pledge the same, provided that no such mortgage or pledge of any assets which the Lessee is not entitled to remove shall extend in term beyond the expiration of this lease and all options to renew said lease. Upon termination of this lease or any extension thereof, the Lessee, its successors or assigns, may remove such property, except permanent buildings. The removal of

the property hereunder shall be effected so as to disturb or damage the leased premises as little as possible, and after such removal the Lessee shall restore said land to its original condition to the greatest extent reasonably possible.

11. The Lessee, its successors or assigns, shall have the right to assign or pledge the within lease as collateral security for any mortgages and liens on its property.

Except as aforesaid, said leasehold shall not be assigned nor sublet without written permission of the State.

12. 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 property constructed by it on the leased premises for new facilities of substantially like or better kind and quality.

13. That the option granted to Lessee under Paragraph 5 of this lease may be exercised by the Lessee by Lessee mailing or delivering to the Secretary of the Agency of Environmental Conservation six (6) months prior to the expiration of the then current ten (10) year term, written notice of Lessee's election to exercise said option.

14. That the Lessee agrees to indemnify and save harmless the State, 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 lift or lifts, or in connection with the use of said leased premises, and that the Lessee will carry public liability insurance in an amount of at least \$100,000/\$3,000,000 on the operation of all lifts, and in the case of State buildings, it will carry public liability insurance in an amount of \$10,000/\$100,000 and such policies shall be extended to and cover the State, and, if feasible, all officials and employees of the State and shall be in a company approved by the State and be evidenced by a certificate furnished to the State by such Company.



15. If during the term of this lease the State Buildings shall be destroyed by fire or other causes or so damaged by fire or other causes as not to be capable of being repaired within a reasonable time, the Lessee shall be relieved of its obligations specifically applicable to said buildings under this lease. The State shall have the option to repair the same if possible within a reasonable time and upon the completion of said repairs these obligations shall once again be of full force and effect and except, further, in the event the State shall not make such repairs within a reasonable time that the Lessee shall have the right to make said repairs at its own expense and upon their completion, said obligations shall once again be of full force and effect. In the event the Lessee shall make the above mentioned repairs at its own expense, said Lessee shall have the right to reimburse itself out of payments of rent otherwise becoming due until the costs of such repairs are fully satisfied.

16. 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 trails or slope or slopes subject to the written approval of the Secretary of the Agency of Environmental Conservation as to the number and location of trees to be cut provided that the Secretary of the Agency of Environmental Conservation 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 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.

17. That the Lessee agrees that the design and erection of any and all new passenger tramways to be erected by Lessee shall meet the requirements of the Safety Standards for Passenger Tramways as administered

by the Vermont State Passenger Tramway Board and as the same may be amended from time to time and the Lessee further agrees to abide by the laws of the State of Vermont.

18. 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.

19. That the right of way granted in Paragraph 1 hereof shall be extended to and include all members of the public.

20. That this indenture is executed in duplicate, one copy for the State and one for the Lessee and each of such copies is deemed to be a duplicate original.

21. 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 and other structures necessary thereto, reasonable care to be taken to prevent erosion of roads and trails. The location of such roads however shall be subject to the approval of the Secretary of the Agency of Environmental Conservation, which consent shall not be unreasonably withheld.

22. 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 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 eight (8) additional periods 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 ninety (90) years. All the terms and conditions in this document shall apply to said irrevocable license.

23. That the Lessee will operate the lift or lifts at all times in the winter season, provided that proper skiing conditions exist, and at least one chair or gondola 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 the lift or lifts be less than forty (40) days, unless prevented by Acts of God, war, a forest fire or any other unusual circumstances or mechanical difficulties, or unless the Lessee and the State, acting through its Secretary of the Agency of Environmental Conservation, otherwise agree in writing. Any lift or lifts erected on land leased to Lessee subsequent to June 28, 1967 shall not be operated during the summer months unless permission is given by the Secretary of the Agency of Environmental Conservation in view of change of business or economic conditions. Application for variation to be considered by the Secretary of the Agency of Environmental Conservation shall be in writing at least sixty (60) days prior to proposed use.

24. On execution and delivery of this lease the rights of the parties hereto under all present leases between the State and Lessee shall terminate, provided that in the event this lease shall at any time be found invalid or of no force and effect, the present lease between the parties shall remain in full force and effect.

25. 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 or damage the operation of Lessee under this lease and any third party with whom State contracts for this purpose shall have the right to enter the premises for the purpose of cutting and removing such timber and wood. State shall give sixty (60) days written notice to Lessee before entering to or contracting with a third party to cut timber or wood.

26. 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.

IN WITNESS WHEREOF, the parties hereto have subscribed their names and affixed their seals this 18<sup>th</sup> day of April, A. D. 1972, and on behalf of the State of Vermont executed this indenture by the signature of the Commissioner of Forests and Parks and the Director of Forests, approved by the Secretary of the Agency of Environmental Conservation and the Governor and the Secretary of the Agency of Administration and the State Board of Forests and Parks and under the authority of Title 10, Section 1604, of the Vermont Statutes Annotated.

THE STATE OF VERMONT

WITNESSES:

Margaret Sancibrian

By Robert B. Williams  
Secretary of the Agency of  
Environmental Conservation

Alan Carrier

By J. F. Weston  
Commissioner of Forests and Parks

Rodney C. Barber

By James E. Williams  
Director of Forests

Elizabeth C. Root

John W. Stark

MT. MANSFIELD COMPANY, INC.

Allen S. Moore

By Allen S. Moore  
President

APPROVED:

Beane C. Davis  
Governor

APPROVED:

STATE BOARD OF FORESTS & PARKS

By James R. Haley

APPROVED:

W. J. ...  
Secretary of Administration

APPROVED AS TO FORM:

Edward J. ...  
Assistant Attorney General

STATE OF VERMONT )  
SS  
COUNTY OF WASHINGTON)

At Montpelier in said County, this 18th day of April, 1972 personally appeared Robert B. Williams 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,

John W. Sikes  
Notary Public

STATE OF VERMONT )  
SS  
COUNTY OF WASHINGTON)

At Montpelier in said County, this 7th day of April, 1972 personally appeared A. F. Heitmann, Commissioner of Forests and Parks and James E. Wilkinson, Jr., Director of Forests, and they acknowledged the foregoing instrument by them executed to be their free act and deed and the free act and deed of the Sovereign State of Vermont.

Before me,

Grace M. Sichel  
Notary Public

STATE OF VERMONT )  
SS  
COUNTY OF Lamoille)

At Stowe in said County, this 3rd day of April, 1972 personally appeared Sepp Ruschp, and he acknowledged the foregoing instrument by him executed to be his free act and deed and the free act and deed of Mt. Mansfield Company, Inc.

Before me,

Helen L. Murray

