Wisconsin Department of Natural Resources

Rib Mountain State Park Ski Area

Lease of Facilities

This Lease of, Rib Mountain State Park Ski Area, hereafter referred to as the Premises, located in Rib Township, Marathon County, and further described in Exhibit "A", attached hereto and made a part hereof, is entered into by and between the State of Wisconsin Department of Natural Resources (Lessor), and Granite Peak Corporation, a Wisconsin corporation with a mailing address of 3610 East Fourth Street, Duluth, MN 55804 (Lessee).

WHEREAS, Lessor owns and has operated the Premises through a contract with Marathon County Civic Corporation (MCCC) and a private operator for the purpose of serving the needs of the public in the area of outdoor recreation - alpine skiing/boarding with their associated services for over 20 years;

WHEREAS, the current and projected levels and types of public use on the Premises have manageable and acceptable negative impacts on the existing and immediate natural environment;

WHEREAS, Lessor recognizes that the public will benefit from this Lease through the continued operation of these facilities by Lessee with promotional and local support assistance from MCCC;

WHEREAS, Lessor shall continue ownership of the land and to provide administrative oversight through this Lease in order to ensure the public's rights, title and interest are protected and furthered by Lessee;

WHEREAS, Lessee desires to lease the Premises from Lessor for the purpose and obligation of operating an alpine ski area and to provide other recreational activities year-round that are allowed in the Lease and current Lessor-approved ski area development plan for the leased area;

WHEREAS, Lessor is authorized to enter into this lease pursuant to Section 26.08(2)(b), Wis. Stats.;

NOW THEREFORE, for and in consideration of their mutual covenants hereinafter set forth, the Lessor and Lessee do hereby agree as follows:

1. Lease Coverage: This lease is for the purpose of operating the Premises shown on Exhibit "A" including any future improvements or additions to the present facilities for use by the general public. With the exception of the management, maintenance, construction, and employee areas, the entire Premises shall be open to the public subject to Lessee’s management and limitations including the requirement that the public purchase any lift tickets or pay for any use fees charged by Lessee. The permitted uses of the Premises under this Lease shall be alpine skiing, snowboarding, snow tubing, other winter sports, and other activities with an outdoor recreational focus, including, but not limited to: cross-country skiing, horse riding, alpine sliding, off-road mountain biking (Note: all such bicycle and horse trails shall be built to Lessor specifications shown in Exhibit D), special events that do not unreasonably affect adjacent neighbors, food/beverage preparation and sales, retail sales of clothing and gift items, snow recreation equipment sales and rental, and all other activities necessary, incidental or related thereto. Beer and liquor sales and
consumption are permitted if all necessary licenses are first obtained. Lessor shall have the right to approve any additional categories and types of uses of the Premises in writing, in advance, but agrees to objectively consider all proposed new uses and not unreasonably withhold approval.

Lessee shall have full use of all assets of Lessor on the Premises as listed on Exhibit F and hereinafter referred to as “Lessor’s Assets” and any future assets which may hereafter be funded by Lessor on the Premises. All permanent, non-moveable additions, repairs, and remodeling work by Lessee to Lessor-owned buildings including on the Premises shall be donated by Lessee to Lessor in accordance with Section 12 of this Lease (hereinafter, referred to as “Assets Donated to Lessor” and shown on Exhibit F). “Lessee’s Assets” as described on Exhibit F shall, at the termination of the Lease, be sold at appraised market value to the new lessee and said new lessee shall be required by Lessor to purchase such property. Market value shall be set as described in the “Termination” clause in Section 12 of this Lease.

Lessee and Lessor agree to annually update the asset lists shown on Exhibit F.

Use Levels: Lessee is encouraged to expand, improve, replace and/or reposition current improvements on the Premises provided all applicable local zoning and building codes are met. Lessor’s written approval must be obtained in advance of the construction of any improvements not shown on the modified Sno.engineering Development Plan Upgrade attached hereto as Exhibit B (hereinafter referred to as the “Development Plan”) or road and trail improvements not meeting the specifications shown in Exhibit D. Lessor acknowledges the importance to the skiing that the top terminals of the Lifts H, G, C, and F (or future replacements) be located at the elevations shown on the Development Plan, i.e., 1775 feet for Lift H, 1780 for G, 1840 for C, and 1907 for F. Lessee acknowledges the importance to the operation of the state park that such terminals be screened to the extent practicable by vegetation. Lessee agrees to cooperate with Lessor to maintain existing vegetation or provide evergreen tree plantings to augment existing vegetation screens. In order to permit the construction and operation of new Lift F as shown on the Development Plan, Lessor agrees to close the current road to the parking area to the west of the new lift line and complete an alternative road connection to such parking lot prior to June 1, 2001. Lessor agrees to make a reasonable effort to complete the moving of the building and the abandoning of the road by September 1, 2000, but in any case, accomplish the move and abandonment by June 1, 2001. In order to assist Lessor in rerouting road access to such parking lot, Lessee agrees that subject to obtaining Lessee’s Financing (as defined below), Lessee will provide Lessor up to $5,000 to pay for part of the cost of moving the current shelter building provided the June 1, 2001, deadline is met. Lessee agrees to use reasonable efforts to obtain as soon as practicable (and in any event prior to June 30, 2000) financing or commitments for financing of at least $5 million on terms satisfactory to Lessee for the purchase and/or replacement of current lifts, buildings, snowmaking infrastructure, equipment, and other ski area assets and the purchase and construction of the additional runs and lifts shown on the Development Plan and related buildings, snowmaking infrastructure and equipment described generally in Lessee’s Proposal for the Operation of Rib Mountain Ski Area dated February 17, 2000 (“Lessee’s Financing”).

Lessee shall use reasonable efforts to either purchase sufficient assets from the current lessee and/or purchase and install sufficient replacement assets prior to the 2000-01 ski season so as to maintain lift service to the top of the mountain and ski rental, food service, ski school, and ski patrol operations. Lessee agrees to contact the Rib Mountain State Park Superintendent with
reasonable advance notice for all desired alterations to the Premises. All construction plans for
any alteration of state land other than those within the specifications shown on Exhibit B and
shown on the Development Plan shall be submitted to the Lessor for approval consideration at
least 60 days prior to construction. Lessor maintains approval over alterations to natural
vegetation in regards to the quantity of vegetation altered and the construction plans for all
buildings. Such approvals by Lessor shall not be unreasonably withheld or delayed. Lessor’s
decisions in such approvals shall be based on the Development Plan and the current Rib Mountain
State Park Master Plan as updated to incorporate the Development Plan. Any contemplated
expansions beyond what is shown in the Development Plan and updated Master Plan shall be
offered for review at a public meeting in the Wausau area and may require a formal master plan
amendment process involving formal public input and Natural Resources Board approval prior to
Lessor’s decision. Such process shall be at Lessor’s expense and direction.

Before proceeding with any site work or improvements: Lessee is required to submit to Lessor:

- Detailed construction documents for all site work / improvements, including, but not limited
to: buildings, grading, erosion control, drainage improvements and utility improvements. Site
improvements must meet all Lessor and other jurisdictional agency requirements, including
those applying to a “priority watershed”.

- Plans for proposed ski runs and storm water retention ponds shall be accompanied by a surface
storm water analysis for a 100-year storm allowing for additional water resulting from spring
snow melt and ground water seepage. The storm water analysis and ground water
investment shall be prepared by a certified hydrologist or qualified licensed civil engineer.

- Architectural plans, elevations, details and specifications for any modifications to new and
existing structures. Americans With Disabilities Act (ADA) guidelines must be followed for
new structures and additions/modifications to existing structures but only to the extent required
by law.

Lessee is required to revise the plans per Lessor’s reasonable recommendations, provided such
recommendations are not inconsistent with the Development Plan, and submit final plans for
consideration for approval. Lessee shall not commence any work until after receiving written
approval from Lessor. Such approval shall not be unreasonably withheld or delayed by Lessor.

Main Chalet: Lessee shall have the exclusive right to use the Main Chalet (including any
additions or expansions) and all other Lessor-owned buildings located on the Premises.

2. Term of this Lease: The term of this Lease shall commence on the date signed by Lessor on or
near April 6, 2000 and, unless renewed or earlier terminated, shall terminate on April 30, 2030, a
period of thirty (30) years. Lessee agrees to provide alpine skiing and related services to the
fullest extent practicable within facility and weather limitations during every winter of the term of
this Lease unless prevented from doing so by circumstances beyond Lessee’s control. This Lease
may be renewed for a term of thirty (30) years, unless Lessor or Lessee notifies parties to the
Lease in writing at least five (5) years prior to the end of the initial term, of its intent to not renew
this Lease or of its intent to renew for a period of less than thirty (30) years (in which case the
Lease may be renewed for such additional period as agreed to by Lessor and Lessee).
In the event that Lessor or Lessee chooses not to renew this Lease beyond the initial term, Lessee shall have the right to sell and the new operator shall have the obligation to purchase Lessee's Assets in existence on the Premises at the time in accordance with Section 12 of this Lease.

Lease Payment: In consideration of Lessee's right to use the Premises and Lessor's Assets, Lessor agrees to pay Lessor an annual lease payment that is a percentage of annual gross revenues from the ski area and associated operations on the Premises based on the following scale. Lessor shall annually in March, beginning with revenues of the second year of the Lease, adjust the $1 million and $3 million thresholds for inflation based upon the average changes over the preceding twelve months in the Midwest Consumer Price Index as published by the Federal Bureau of Labor Statistics.

- From $0 to $1,000,000 of gross revenue..........................0% of gross
- $1 million to $3 million of gross revenue ......................2.0% of gross
- Above $3 million of gross revenue............................2.5% of gross

For purposes of applying this percentage, "gross revenues" shall include all revenues collected on Premises arising from charges and fees collected by the Lessee directly resulting from the Premises operation. Such revenue would apply to lift tickets, food/beverage sales, ski and other outdoor recreational equipment sales and rentals, special event fees, and restaurant revenue from facilities operating on the Premises. Lift ticket sales shall be subject to this lease payment percentage regardless of the point of sale - on or off Premises. "Gross revenues" shall not include: sales tax collected, any items sold on behalf of the Lessor, donations to Lessee, the value of charitable donations by Lessee, the value of complimentary lift tickets or the value of lift tickets, rentals, food, beverages or other products or services provided as part of a marketing trade out in connection with the purchase by Lessee of an advertising product or service or otherwise provided for commercially reasonable promotional purposes. In general, usual and normal fees may not be labeled as donations to avoid lease payments.

Lessee's lease payment shall be made to the Department annually by May 31 delivered or sent by certified mail to such place as Lessor shall designate in writing to Lessee. A late payment penalty fee of 1 ½ % per month prorated by day applied to the unpaid lease payment balance due (the interest is not compounded) shall be paid by Lessee commencing June 1st.

3. Fee Levels: Lessee may charge reasonable fees for outdoor recreational activities, food, beverages, equipment sales and rentals, supplies, training, instruction and special events. Lessee and Lessor agree that "reasonable fees" shall mean within the range of the fees charged by other ski areas or related businesses with comparable facilities within the Midwestern states of Wisconsin, Michigan, Minnesota, Illinois, and Iowa. In the event that Lessee offers value in excess of the competition, Lessee may charge fees whose levels are higher than the range of other ski areas in the Midwest.

4. Lessee agrees:

a. Regulations/Laws: To comply with all applicable local, state and federal licenses, approvals, ordinances, permits, rules, and regulations regarding food and beverage sales, and the storage,
handling and disposal of all waste and/or hazardous materials generated, stored or brought to
the site by Lessee. In addition, Lessee shall abide by all applicable environmental regulations
related to the operation and development of the ski area. Examples include handling storm
runoff from ski trails, sediment runoff during construction, and protection of endangered
species as described by applicable State and Federal laws. The Main Chalet shall be smoke-
free except for bar and associated lounge areas if allowed by local ordinance.

b. State Park Rules: To comply with all Wisconsin Department of Natural Resource rules not
inconsistent with Section 1 of this Lease. In addition, no firearms or other weapons are
allowed without prior written approval of Lessor. During the non-snow season the lifts and
lights on the hill shall not be used past 11:00 p.m. In addition, no Premises-based operation
may adversely affect in a material manner the operation of the traditional state park activities
occurring within Rib Mountain State Park.

c. Maintenance: To maintain, repair and if necessary, replace or contract for the maintenance,
repairing or replacement at Lessee's expense, of all machinery, equipment, lands, and
improvements located on the Premises to the reasonable level of industry standards. Examples
include, but are not limited to the Main Chalet, roads, parking lots, chair lifts, snow guns,
structures, trails, landscaping, and erosion control. Lessor shall have no expenses in the
operation or development of the ski area. If Lessor reasonably determines that excessive
erosion is occurring on the Premises, Lessee shall correct such erosion to the reasonable
satisfaction of Lessor within a reasonable time period and/or cease the particular operation
causing the problem. Lessee further agrees to abide by American National Standards Institute
codes for maintenance of skiing equipment.

d. Public Health: To maintain the Premises in a reasonably neat, safe, sanitary, usable and litter-
free condition, normal wear and tear excepted, so as to preserve and protect the property and
public health and safety. Lessee shall be solely responsible for all necessary maintenance of
the grounds, facilities, buildings, sewer/water, other infrastructure, and any improvements.

e. Operational Expenses: To provide all tools, equipment and supplies that the Lessee deems
necessary to conduct its business. Lessee shall be responsible for all electrical, heating, sewer,
water, telephone and any other utility expenses as well as all other operational expenses.

f. Lessor Access: To allow authorized employees and agents of the Lessor onto the Premises at
any reasonable time to conduct Lessor business including, but not limited to, inspections, law
enforcement and fire control. Lessor agrees to limit access to normal business hours and to
give Lessee at least two hours advance notice regarding access to any buildings except in times
of emergency. The Lessor shall not unnecessarily disrupt or interfere with the Lessee's
business operation except in cases of emergency. Lessor shall take all reasonable measures to
prevent Park users from interfering with Lessor's operations at the ski area or damaging
Lessee's assets. In the case of emergencies, the Lessor shall interfere with Lessee's business
operation only to the extent necessary under the circumstances. Lessee further agrees that
Lessor shall be allowed one meeting per year during the non-ski season for the duration of one
day or less to be held on the Premises at no charge to Lessor for building use or utilities. All
other fees for food, beverage and equipment shall apply at the rates charged the general public.
g. **Emergencies:** That in the event that an emergency which threatens the health or safety of the
general public exists, Lessee shall temporarily cease all or such portions of its operations for
such amount of time as is reasonably necessary to correct such emergency condition. Lessee
shall not be entitled to any reimbursement of lost income from Lessor in such cases.

h. **Prohibited Sales:** To refrain from selling or allowing the use of pyrotechnics, any illegal or
illicit items or any items that Lessor reasonably determines are in conflict with the mission of
the State Park System on the Premises. Lessee shall not sell tobacco products and shall
provide a non-smoking area in any restaurant and snack area on the Premises. The sale of
alcoholic beverages is permitted if necessary licenses are obtained by Lessee.

i. **Encumbrances:** To not create or allow the creation of any lien, judgment, security interest,
mortgage or encumbrance on or in the Premises or any Lessor Assets other than those created
as a matter of law or whose creation is beyond the control of Lessee. Lessee shall use best
efforts to attempt to immediately satisfy all liens. Ownership of the names: “Rib Mountain Ski
Area”, “Rib Mountain”, “Rib Mountain Ski Hill” shall not be copyrighted or otherwise owned
by Lessee or others.

j. **Sublease:** To not assign or transfer this Lease or sublease all or any part of the Lease without
prior written approval of Lessor which approval shall not be unreasonably withheld. All
assignees and sub-lessees shall provide revenue and attendance figures in such detail as
reasonably requested by Lessor. Any assignment or sublease shall be written and subject to
Lessor’s review and not inconsistent with this Lease. Lessor may reject any proposed assignee
or sublessee if Lessor reasonably determines that the proposed sublessee is not financially
responsible or does not have sufficient capital to operate the ski area or portion thereof.

k. **Nuisance:** To not create, store or allow any nuisance upon the Premises and to take
reasonable action to guard against entry to the buildings and improvements on the Premises by
unauthorized persons.

l. **Recyclables:** To haul or contract to haul, at Lessee expense, refuse and recyclables generated
by the operation of the ski area.

m. **Acknowledgments:** To clearly identify the Premises as owned by the Wisconsin Department
of Natural Resources in all promotional material, publications and any entrance signs.

n. **Nondiscrimination:** To comply with all applicable federal, state and local laws and
regulations relating to discrimination against any employee or employee applicant or
authorized user of the Premises.

o. **Indemnification & Insurance:** To indemnify the Lessor and MCCC against any cause of
action, claim, liability, damage or expense, including reasonable attorney's fees, arising from
the use of the Premises by Lessee and its customers or from breach or default by the Lessee in
the performance of this Lease or from any negligence of the Lessee at the Premises. In case
any action or proceeding is brought against the Lessor or MCCC by reason of such cause of
action or claim, the Lessee, upon notice from the Lessor, shall defend the Lessor and MCCC
by counsel reasonably satisfactory to the Lessor. The Lessee shall maintain, during the term of
this Lease, worker's compensation insurance for all employees of Lessee. Lessee shall prior to
Lessee commencing on-site construction or operations procure and maintain during the term of
this Lease commercial liability and property damage insurance against any claim(s) which
might occur in carrying out the terms of this Lease. Minimum coverages shall be $1,000,000
liability for bodily injury and property damage including products liability and completed
operations. Provide motor vehicle insurance for all owned, non-owned, and hired vehicles that
are used in carrying out the Lease. Minimum coverage shall be $1,000,000 per occurrence
combined single limit for automobile liability and property damage. The "Department and its
employees" shall be named as additional insureds on the general liability insurance policy.
Insurance certificates shall be provided to Lessor indicating this coverage, counter-signed by
an insurer licensed to do business in Wisconsin, and covering the term of the Lease. Lessor
understands and accepts that coverage for the term of this Lease may be accomplished through
a series of incremental policies of shorter duration rather than one policy for the entire 30-year
term. Cancellation or modification of said insurance policies require immediate notice to
Lessor.

p. **Property Insurance:** That prior to Lessee commencing on-site construction or operations,
procure and maintain, at its sole expense, property replacement insurance insuring its personal
property and casualty insurance covering any or all Lessee Assets and Assets Donated to
Lessor within 75% to 100% of its replacement value, and property damage insurance insuring
its personal property located on or within the Premises. Insurance certificates shall be
provided to Lessor indicating this coverage for the term of the Lease. Cancellation or
modification of said insurance policy shall require immediate notice to Lessor. In addition,
Lessee may, at its sole discretion, insure the Main Chalet and any other Lessor Assets used in
Lessee's operations for loss at the level Lessee deems appropriate.

q. **Financial Statements:** To maintain, and submit to Lessor, audited annual financial (income and
expenses) statements and to maintain and make available for review by Lessor: daily receipts, ledgers,
and attendance records whether electronic or in hard-copy for each fiscal year concerning the
operation of the ski area and associated facilities on the Premises in such reasonable detail as the
Lessor may reasonably require. These reports and statements from each fiscal year shall be submitted
to or made available for review by Lessor annually, no later than 120 days after the close of the
Lessee's fiscal year. Lessor reserves the right to conduct an on-site fiscal audit or contract for such
audit by a licensed CPA at Lessor's expense.

r. **Taxes:** To be responsible for any and all taxes, assessments or charges, including penalties and
interest imposed by virtue of this Lease and the conditions contained herein. Lessee shall obtain and
maintain a Wisconsin Sales Tax number and pay all necessary sales tax.

s. **Land Acquisition:** To not purchase land within the current official boundary of Rib Mountain State
Park (as shown in Exhibit A attached hereto) as approved by the Natural Resources Board without
prior written approval of Lessor. Lessor acknowledges that pursuant to Section 20 of this Lease, the
official boundary will need to be changed to allow Lessee to exercise Lessee's Land Option as shown
on Exhibit B.

t. **Public Service:** To allow specific events or groups such as local high schools' ski teams, Badger
State Games alpine event held annually the first weekend in February or such other weekend mutually
agreed to by Lessee and Badger State Games officials, and Skiing with Partners program (or similar) that matches disabled skiers with skiing guides to use the ski lifts and slopes for fees determined by Lessee. Lessee may choose to allow free access to certain groups or events. The skiing guides accompanying disabled skiers shall have free lift tickets for the time that they are actually assisting disabled skiers or being trained for such duties. Lessor strongly encourages the integration of adaptive ski programs into the traditional ski activities. Badger State Games shall be provided reasonable access to the ski hill to allow their events to be held, but not to the significant exclusion of the general public.

u. **Ski Patrol:** To provide a reasonable and necessary number of qualified ski patrol persons that meet the standards of acceptability set by the National Ski Patrol Association or provide an equivalent level of safety that meets or exceeds industry standards at the time. Lessee shall provide a room in the base chalet or other building at the base of the ski hill to be devoted primarily to first aid. The room shall have sufficient size to accommodate at least two accident victims and appropriate emergency care personnel. The room shall be located so as to allow easy access to ambulances and to the Ski Patroller toboggans off the hill.

v. **Ski School:** To provide and maintain a ski school that meets industry standards at the time.

w. **MOU:** To enter into a Memorandum of Understanding with Marathon County Civic Corporation and the Department that delineates the roles and interaction of all three entities (shown in Exhibit E).

5. **Pre-existing Conditions:** The Lessor or previous lessee(s) shall be responsible for any existing environmental conditions created or caused prior to the signing of this Lease. The Lessor's ability to pay for such matters are subject to the availability of future appropriations.

6. **Pre-existing Conditions - Lessee's Rights:** If funding is not available and as a result, such remediation of environmental problems is not performed by Lessor, Lessee may terminate this Lease but not seek financial restitution for any losses resulting from Lessor's failure to make such replacement or repairs. In such cases, Lessee may, in its sole discretion, use its own resources to complete the necessary work and offset the cost of such work against future Lease payments.

7. **Rebuild - Replace:** If all or a substantial portion of the land, Main Chalet or other Lessor-owned structures is destroyed or damaged by virtue of whatever cause, the Lessor reserves the right to not rebuild, restore, replace or repair such land or structures. In the event the Lessor elects not to rebuild, restore, replace or repair such land or structures, Lessor may elect to either (a) restore, rebuild, or repair them using its own funds or any available insurance proceeds (in which case, the Main Chalet or other structures – but not the land, shall become a Lessee Asset), or (b) terminate the Lease at any time thereafter.

8. **Law Enforcement:** The Lessor retains management, supervision and control over the Premises to the extent necessary and for the purpose of enforcing Chapter NR 45, Wisconsin Administrative Code and state laws, when needed to protect the Premises or the public. Such control shall not be unreasonably exercised by Lessor so as to unnecessarily and adversely affect Lessee's operation of the Premises.

9. **Licenses, Approvals & Permits:** Lessee shall secure, maintain, and comply with required federal, state and local licenses for operations on Premises.
10. **Assigns:** In this Lease, Lessor and Lessee include their respective employees, officers, members, directors, agents, servants, contractors, representatives, partners, assigns, and successors. This Lease shall be binding upon and shall inure to the benefit of Lessor and Lessee and their respective successors and permitted assignees.

11. **Independent Contractor:** Lessor recognizes Lessee as an independent contractor for all purposes and Lessee and Lessee's employees are not employees or agents of Lessor.

12. **Termination of the Lease:** Lessor may terminate this Lease in the event of (i) Lessee's failure to obtain a binding commitment for Lessee's Financing prior to the close of business on June 30, 2000; (ii) Lessee's failure to use reasonable efforts to either purchase sufficient assets from the prior lessee and/or purchase and install sufficient replacement assets prior to the 2000-01 ski season so as to maintain lift service to the top of the mountain and ski rental, food service, ski school and ski patrol operations; (iii) Lessee's failure to provide alpine skiing or related services within facility and weather limitations during every winter of the term of this Lease unless prevented from doing so by circumstances beyond Lessee's control or (iv) Lessee fails to substantially comply with the material terms of this Lease after having received written notice from Lessor to cure such breach of this Lease and having not taken reasonable steps to accomplish the cure within 120 days of receiving such written notice from Lessor. Notice of Lessor's intent to terminate under clause (ii) shall be effective only after Lessee has had an opportunity to review with Lessor Lessee's efforts to purchase/replace such assets. Notice of Lessor's intent to terminate under clauses (iii) and (iv) shall be made to Lessee at least six (6) months in advance of the intended termination date. In addition to Lessee's other specific rights of termination set forth in this Lease, Lessee may terminate this Lease with 30-days notice in the event that any of the following occur:

1. Lessee fails to obtain a binding commitment for Lessee's Financing prior to the close of business on September 30, 2000.

2. Lessor fails to provide the water permit pursuant to Section 19 by August 1, 2000 provided Lessee has otherwise satisfied the provisions of Section 19.

3. Lessee fails to successfully change the project boundary, gain public input and obtain Natural Resources Board approval of Lessee's Land Option by December 31, 2000.

4. Lessor fails to successfully complete the Rib Mountain State Park Master Plan amendment or updating process, including gaining public acceptance, that concludes with obtaining Natural Resources Board approval of the of the Master Plan by December 31, 2000.

5. Lessor fails to acquire the lands necessary to complete runs #16 and #17 on the Development Plan by September 1, 2000.

Lessee may terminate this Lease at any time with a minimum of eighteen (18) months notice to Lessor.

In the event of any termination of this Lease by Lessor under clause (iii) or any termination of this Lease by Lessee or any expiration of the term of the Lease or non-renewal of the Lease, Lessee shall be entitled to the payment of the fair market value of Lessee's Assets immediately prior to the effective date of termination of the Lease. Lessor in its sole discretion may elect to purchase such assets itself or find a new lessee to purchase Lessee's Assets at fair market value. Unless Lessor desires to purchase Lessee's Assets itself, Lessor will begin the process of soliciting bids for a new lessee within two (2) years of the anticipated date of termination. Lessee may assist in this process by identifying potential possible lessees and requesting Lessor to send a bid package to such party. Lessee shall cooperate fully with the bid process and give access to potential bidders to Lessee's Assets and the Premises. All potential bidders will be required to pay fair market value for Lessee's Assets as a condition to being awarded a new lease.
Fair market value shall be determined by valuing the fair market value of Lessee's Assets of the ski area and other operations conducted by Lessee on the Premises immediately prior to termination. Fair market value shall be determined assuming the continuation of such operations under the terms of a new lease containing substantially the same terms (including length of lease, percentage scale of lease payments, and termination provisions) as this Lease. Fair market value of the entire operation shall then be allocated among Lessor's Assets, Assets Donated to Lessor, and Lessee's Assets in proportion to their relative value.

Fair market value and the allocation among Lessor's Assets, Assets Donated to Lessor, and Lessee's Assets shall be determined by an independent licensed appraiser with previous experience evaluating ski area assets whom is mutually agreed to by Lessor and Lessee. In the event Lessor and Lessee can not agree to an appraiser within 90 days of the issuance of a notice of termination, Lessor and Lessee shall each, within 30 days, choose a licensed appraiser with previous experience evaluating ski area assets and each such licensed appraiser shall have 90 days to determine the fair market value of Lessee's Assets. The final value that Lessee shall be paid for its assets shall be the mid-point between the values arrived at by the two appraisers.

Lessee shall be entitled to continue its operations on the Premises until it has been paid in full for the fair market value of Lessee's Assets by Lessor or by a subsequent lessee. The actual donation of Assets Donated to Lessor shall take effect at the closing of the purchase of Lessee's Assets or at such earlier time as determined by Lessee in its sole discretion.

After a new operator has signed a Lease and Lessee has received payment in full for the fair market value of Lessee's Assets, Lessee shall have 60 days to vacate the Premises. Any items formerly owned by Lessee and not sold to the new lessee shall be returned to the Premises after that 60-day period shall be considered Lessee-donated property. Any and all liens, judgments, security interests, mortgages or encumbrances on or in the land and any improvements shall not be transferred to Lessor, but remain the independent obligation of Lessee.

13. Lessee May Terminate: Lessee may terminate this Lease at any time for any reason with a minimum of eighteen (18) months notice to Lessor.

14. Creditors' Rights: Lessor understands that in order to finance the lifts, runs, chalets and other buildings, equipment and vehicle purchases, snowmaking infrastructure and other improvements contemplated by the Development Plan, Lessee will be obtaining loans from one or more banks, governmental agencies, trusts, insurance companies or other entities, persons or institutions not affiliated with Lessee ("Institutional Lenders"). In the event of any default under any such loans, Lessor hereby agrees that to the extent provided under applicable loan documents with Lessee, (i) such Institutional Lenders shall have the right to enter upon the Premises, assume all of Lessee's rights under the Lease (including Lessee's right under Section 4j, hereof to assign, transfer or sublease this Lease), take immediate possession of Lessee's Assets, use, operate, manage, and control Lessee's Assets, Assets Donated to Lessor, Lessor Assets, and the Premises in any lawful manner consistent with this Lease and collect and receive all revenue, income, earnings and profits therefrom and (ii) all lease payments hereunder shall automatically be subordinate to the repayment of principal and interest under such loans. Lessor further agrees that in connection with any such financings or refinancings with Institutional Lenders, Lessor will promptly execute any subordination agreements consistent with terms of this paragraph, assignments of lease, or other documents reasonably requested by Institutional Lenders to evidence the foregoing creditor rights.
15. **No Public Debt:** This Lease shall not be construed as creating a public debt in contravention of Article VIII, Wisconsin Constitution, and all the Lessor’s duties and obligations herein are subject to future legislation appropriations.

16. **Governed By Wisconsin Laws:** This Lease shall be governed by and construed in accordance with the laws of the State of Wisconsin.

17. **Miscellaneous:** This Lease contains all agreements between the parties. As of the date this Lease is signed, no prior agreements or understandings exist and the terms of this Lease shall not be altered or amended except in writing signed by Lessor and Lessee. This Lease is not intended to create any third party beneficiary rights and no party other than Lessor and Lessee (and Lessee’s lenders) shall be entitled to enforce the terms of this Lease. Lessor and Lessee have authority to enter into this Lease and to perform their respective obligations under the Lease. This Lease may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

18. **Authorized to Sign:** Each party to this Lease represents that they have the authority to sign for their respective interests.

19. **River Water Permit:** Lessor acknowledges that securing additional sources of water for snowmaking is essential for the proper operation of the ski area and for the expansion of the ski area in accordance with the Development Plan. Lessee agrees to promptly apply for and make a reasonable effort to provide the necessary information and fees to obtain such permit. Lessor shall grant to Lessee on or before August 1, 2000, a permit valid until termination of the Lease (including any renewal) to draw up to 140 million gallons of water per winter from Big Rib River provided Lessee complies with standard Department of Natural Resources’ rules regarding the placement and construction of water pumps and structures within the waterway. Lessor further agrees to permit Lessee to pump water from one of the existing State Park wells near the top of Rib Mountain at all times the well is not being utilized for State Park purposes (minimally November 1st through April 1st) and to permit Lessee to drill such additional wells on the Premises as Lessee deems reasonably necessary. Lessee may also add such additional ponds or reservoirs on the Premises for storage of water for snowmaking as Lessee deems reasonably necessary.

20. **Lessee’s Land Option:** Subject to formal State of Wisconsin Natural Resources Board approval (which Lessor shall use its best efforts to obtain prior to December 31, 2000), Lessor hereby agrees to grant Lessee the option exercisable for a period of 10 years commencing on or before January 1, 2001, at a price of $5,000 per acre to purchase up to 30 acres of the parcel of land (“Lessee’s Land Option”) shown on Exhibit B. Lessor agrees to cooperate with Lessee in obtaining the rezoning of such land from SR-2 or SR-3 to a Unified Design District (similar to a Planned Unit Development) or other commercial zoning classification desired by Lessee that is not in conflict with other terms of this Lease. Lessor shall jointly attend such meetings and hearings with Lessee and send such pertinent letters and other documents without unreasonable delay as Lessee reasonably requests. Lessee agrees to use reasonable efforts to purchase or obtain an option to purchase from the owner of the adjacent golf course prior to December 31, 2000, at a price of up to $5,000 per acre for up to 15 acres of land adjacent to the current parking lot and for each acre so purchased or subject to such option, the number of acres subject to Lessee’s Land Option shall be reduced accordingly.
21. Previous Lessee Assets: Lessor represents that the current lessee is obligated under the previous lease to vacate the Premises, including removal of all lessee’s assets, prior to September 30, 2000. Lessor agrees to promptly take all appropriate measures, including seeking injunctive relief or other legal remedies, to (i) require the previous lessee to promptly comply with its obligations to vacate the Premises and remove its assets, (ii) take measures to stop the previous lessee from damaging the Premises, any snow-making pond, the Main Chalet, any land improvement or any other asset not owned by the previous lessee, and (iii) take measures to stop the previous lessee from interfering with Lessee’s use of the Premises or Lessee’s construction of any lifts, buildings, runs, reservoirs or other improvements. Lessor acknowledges that Lessee’s current intention is to possibly make an offer to purchase certain limited assets of the previous lessee (and not attempt to purchase many other assets) but that Lessee does not wish to have direct contact with the previous lessee unless the previous lessee indicates an initial willingness to sell the specific assets desired by Lessee for prices acceptable to Lessee. In the event requested by Lessee, Lessor will send the previous lessee an outline provided by Lessee identifying the assets that Lessee is possibly interested in purchasing and either proposing a price (or price range subject to further inspection) for each such asset or requesting a sales price from the previous lessee for each such asset. Lessor agrees to continue to act as an intermediary to the extent reasonably requested by Lessee. In the event that Lessor is successful in acquiring any assets from the previous lessee, such assets shall become Lessor Assets and shall be available for use by Lessee in its operations for no additional fee other than percentage lease payments accruing under Section 2, and at any time Lessee shall be entitled to remove such assets at its own cost and, at Lessor’s option, Lessee will either turn such assets over to Lessor or attempt to sell such assets and turn over any sales proceeds to Lessor.

In witness hereof, the State of Wisconsin Department of Natural Resources has caused this Lease of Rib Mountain State Park Ski Area to be signed at Madison, Wisconsin by its Secretary:

\[Signature\] George E. Meyer, Secretary

4/7/2000

In witness thereof, the Lessee has caused this Lease to be signed by:

\[Signature\] Charles Skinner, Jr., President and CEO

Granite Peak Corporation, a Wisconsin Corporation

4/7/2000

attachments.
Exhibit C

Addendum to Development Plan

Clarifications of and Modifications to Sno.engineering Development Plan

In addition to the development shown on the Sno.engineering Development Plan Upgrade dated November 20, 1998 (the “Development Map”), the following summarizes certain clarifications, modifications or additional explanatory information to the Development Map (such Development Map as so clarified and modified is referred to in the Lease between the State of Wisconsin and Granite Peak Corporation as the “Development Plan”).

1. **Scope of Development Map**: The parties acknowledge that the Development Map was intended to show approximate locations and number of runs and lifts as well as conceptual improvements to the Premises. The Development Map was not intended to show all aspects of the development of Rib Mountain Ski Area accompanying such additional runs and lifts. Such items as chalet additions, additional base facilities, roads, maintenance areas, snowmaking reservoirs, biking or other trails, pump houses, piping, electrical and other infrastructure are not shown on the Development Map and shall be located in such areas as Lessee reasonably determines. All development shall conform to the terms of the Lease and the most current Master Plan for Rib Mountain State Park.

2. **Width of New Runs**: The New Runs shown on the Development Plan may be up to 175 feet wide for portions of the New Runs flatter than 30% and up to 225 feet in areas steeper than 30% grade with a 350’ long transition from the 175 foot to 225 foot widths at the top and bottom of 30% grade sections.

3. **Exact Location of New Runs**: The locations of the runs shown on the Development Map are approximate and may require adjustment to avoid difficult natural terrain features like cliffs. Lessor and Lessee acknowledge that fundamental ski run design principles such as having the runs generally follow the fall line will be followed. All runs shall stay within the exterior boundary of the Premises.

4. **Location of Bottom and Top Terminals of Lifts**: Subject to the terms of the Lease, Lessor and Lessee agree that the location of the top terminals for the Lifts C, F, G and H will be as shown on the Development Map and the bottom and top terminals may be moved at Lessee’s discretion to the East or West. The bottom terminal for Lift G may in Lessee’s discretion be moved down to the 1250’ elevation level. The bottom terminal for Lift F may in Lessee’s discretion be moved down to the 1320’ elevation level assuming Lessor acquires the 40-acre parcel from 3M. Lessee may also change the location and increase the length of the beginner’s chairlift shown on the Development Plan.

5. **40-Acre 3M Parcel**: In the event Lessor’s acquisition of the 40-acre parcel from 3M has not been completed at the time Lessee proposes to begin construction of Lift F, Lessor agrees that Lessee shall be entitled to develop a like number of runs on the Premises as Lessee determines are reasonable substitutes for the loss of Run 16, Tree Skiing between Runs 16 and 17, Tree Skiing to the east of Run 17 and loss of 80’ of vertical at the bottom on all ski terrain serviced by such Lift. It is anticipated that such additional runs and possibly additional lifts would be put in between Lifts G and H or to the east of Lift H.
6. **Lessee’s Land Option:** Within the general area designated by a black dashed line in rectangular form east of the Chalet/Administration area at the base of the hill, Lessee shall have the option to purchase up to 30 acres once a property boundary change is approved by the Natural Resources Board that places that parcel outside of the approved boundary. The exact size, shape and location of the parcel to be sold to Lessee will be determined at the time of purchase. However, it is anticipated to be in the general area indicated.

7. **Tree Skiing Areas:** Trees skiing areas may be added in the following areas: to the east of Run 27, between Runs 27 and 26, between Run 26 and Runs 23/24/25, between Runs 23 and 22, between Runs 16 and 17 and to the east of Run 17. Tree skiing areas shall consist of areas for skiing/snowboarding where the underbrush has been removed and a few additional trees removed to permit safe skiing/snowboarding between trees provided that Lessor and Lessee intend that most of the trees will remain in Tree Skiing Areas so as to largely preserve the canopy of trees in these areas. Tree skiing areas between runs may include all of the area between such runs and, for the area east of Run 27, may extend up to 400 feet to the east of Run 27 or to within 50 feet of any private property, whichever is less.

8. **Additional Connecting Runs:** Additional connecting runs of up to 50 feet wide may be added near the top or bottom of the mountain to allow skiers/snowboarders to (a) ski from the top of Run 23 to near the top of Run 24 (b) ski from the top of Run 6 to the top intersection of Runs 16 and 17 (c) ski from Run 27 to Run 26 (d) ski from Run 25 to near the bottom of Lift G (e) ski from near the bottom of Run 21 back to the Main Base Area, and (f) ski from the bottom portion of Run 20 to Run 19.

9. **Additional Run through Maintenance Area to Golf Course:** An additional run may be added by Lessee starting at approximately 1360’ elevation from Runs 2/19 through the current maintenance building returning to the bottom of Lift C and, if Lessee wishes, an additional extension of this new run may continue through the area marked “Parking Expansion” to the property line with the golf course.

10. **Location of Parking Areas:** Lessor acknowledges that it may desirable from an aesthetic or traffic flow standpoint to move portions of the parking area, reconfigure the existing parking area or expand the parking lot in areas other than proposed on the Development Plan and agrees that Lessee may in its discretion do so if such lots are built below the 1260-foot elevation level and more than 50 feet from private property.

11. **Lift Type:** Lessor acknowledges that the size and type of lifts shown on the Development Plan are just suggestions of the consultant and that skier traffic patterns, lift availability and other issues will determine the size and type of lifts (e.g. double versus triple chairlifts, chairlifts versus surface lifts or gondolas, and detachable lifts versus fixed grip lifts). Lessor agrees that Lessee shall have complete discretion in determining the size and type of lifts to be installed including any replacements thereof. Subject to the terms of the Lease, Lessee may add additional lifts beyond those shown on the Development Plan.
## Exhibit D

**Specifications/Approvals**

For

Improvements to the Premises

<table>
<thead>
<tr>
<th>Item</th>
<th>Approvals needed or specifications required</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Road Signs</td>
<td>Road signs must follow Wisconsin DOT standards</td>
</tr>
<tr>
<td>2. Skiing Signs</td>
<td>Lessee has full discretion within any applicable state, local, industry codes.</td>
</tr>
<tr>
<td>3. Buildings</td>
<td>Lessor must approve all construction plans for all new buildings, shelters and additions/modifications to such structures</td>
</tr>
<tr>
<td>4. Snowmaking Pipe</td>
<td>Pipes, valves, and controls sized &amp; placed at Lessee's discretion</td>
</tr>
<tr>
<td>5. Ski Run Lighting</td>
<td>Lights, poles, wiring placed at Lessee's discretion</td>
</tr>
<tr>
<td>6. Parking Lots</td>
<td>Sized, located (below 1260-foot elevation), landscaped at Lessee's discretion. May be gravel or hard-surfaced.</td>
</tr>
<tr>
<td>7. Landscaping</td>
<td>Lessee's discretion except, 50-foot minimum dense tree-shrub cover adjacent to private property shall be maintained.</td>
</tr>
<tr>
<td>8. Snowmaking Ponds</td>
<td>Ponds/reservoirs sized &amp; placed in accordance with required storm water runoff engineering plan and Lessee's needs.</td>
</tr>
<tr>
<td>9. Alpine Slide</td>
<td>Location, length, material is Lessee's discretion.</td>
</tr>
<tr>
<td>10. Maintenance Buildings</td>
<td>Location, size, color discretion of Lessee, however, Lessee agrees to screen such areas from visiting public and area neighbors as much as practical.</td>
</tr>
<tr>
<td>11. Roads</td>
<td>Built to attached specifications</td>
</tr>
<tr>
<td>12. Non-Alpine Trails</td>
<td>Built to attached specifications (Applies to trails such as off-road bicycling, horse riding, cross-country skiing, and hiking.)</td>
</tr>
<tr>
<td>13. Ski Runs</td>
<td>Location, length, width, and number of lifts all built to specifications in the Development Plan (Exhibit B) and “Addendum to Development Plan” (Exhibit C)</td>
</tr>
<tr>
<td>14. Wells</td>
<td>Built to applicable local code, location, size, and number is Lessee's discretion.</td>
</tr>
<tr>
<td>15. Lifts</td>
<td>Size, number, location, type at Lessee's discretion within the general concept shown in the Development Plan (Exhibit B)</td>
</tr>
</tbody>
</table>
BICYCLE TRAILS

Grades

On Class A trails, a 0-5% grade is desirable (on abandoned railroad right-of-ways the grade is set at generally less than 3%). On Class B trails, the grade would range from 0-10%, and on Class C trails, from 0-30%. On short grades of less than 100 feet in length, the slope should not exceed 30%. On sustained grades of more than 500 feet in length, the slope should not exceed 15%.

Tread Widths

ALL Class A trails will be two-way and will have a minimum tread width of 8 feet. Ten feet of width is more desirable and should be used if possible. Class B two-way trails will have the same tread width of 8 to 10 feet minimum. Class B one-way trails will have a tread width of at least 5 feet. ALL Class C trails will be one-way only and will have a tread width of 4 feet with occasional passing zones of two additional feet in width.

Clearing Height

Vegetation shall be cleared to a minimum height of 10 feet from tread level.

Clearing Width

Woody vegetation shall be cleared 2 feet on either side of the tread.

Surface Materials

On Class A and B trails, surface materials may vary. Generally, on abandoned rail right-of-ways, surfacing material will consist of crushed limestone or other similar stable aggregates. Aggregate size should be 3/8 inch or smaller to facilitate biking. A crushed stone surface course shall have a 4 to 6 inch compacted thickness. The existing ballast is usually adequate base course material. In park settings, where such trails are found in an around intensive use areas, or to connect intensive use areas, consideration may be given to more hardened surfaces such as asphalt. Asphalt or a "tar and chip" surface on sections of rails-to-trails in urban areas is also a viable option.

The Department is conducting studies on various types of erosion control materials and devices on trail slopes. When the study is completed, recommended methods and devices will be incorporated into this design standard especially as it pertains to surface treatment on Class C trails.

Crossing Structures

Bridges. On ALL new construction over public roads, bridges shall have a minimum width of 10 feet. Within DNR properties, bridges should have a minimum width of 10 feet on ALL Class A trails, on two-way Class B trails and where passage of emergency or maintenance vehicles is necessary. One-way Class B and ALL Class C bridges will have a minimum width of 6 feet. Railing heights shall be a minimum of 42 inches. Surface materials on bridges shall be limited to wood planking, asphalt or concrete.

Routing

Trails, other than those on abandoned railroad corridors, will not be routed through areas considered sensitive by the Department.
HORSE TRAILS

Grades

On Class A trails, an 0-8% slope is desirable. Class B trails would allow slopes of 0-15%, and Class C trails from 0-25%. On sustained grades of more than 100 feet in length, the slope should be no more than 15%. On short grades of less than 100 feet in length, the slope should be no more than 25%. On these slopes, surfacing material should be required to prevent erosion. Switchbacks and perrons are desirable on the steeper grades, particularly those closer to 25%.

Switchbacks

Switchbacks should be constructed with a minimum turning radius of 5 feet.

Tread Widths

ALL Class A trails will be two-way and will have a minimum tread width of 8 feet. Ten feet of width is more desirable and should be used if possible. Class B two-way trails will have a tread width minimum of 8 feet. Class C two-way tread width will be a minimum of 6 feet. On Class B one-way trails, the tread width shall be a minimum of 4 feet, and on Class C one-way trails, a minimum of 2 feet. Occasional passing zones of an additional 2 feet in width will be used on the narrower Class C one-way trails.

Clearing Height

Vegetation shall be cleared to a minimum height of 12 feet from tread level.

Clearing Width

Trails shall be cleared of woody vegetation 2 feet on either side of the tread.

Surface Materials

The subsurface should not be disturbed except in grubbing, removal of rock, or in the installation of perrons. Surface materials may consist of grass on lesser slopes or compacted crushed stone aggregate, native soils or wood chips on steeper slopes (used in combination with perrons on steepest slopes).

The Department is conducting studies on various types of erosion control materials and devices on trail slopes. When the study is completed, recommended methods and devices will be incorporated into this design standard.

Crossing Structures

Bridges. On ALL new construction over public roads, bridges shall have a minimum width of 10 feet. Within DNR properties, bridges shall have a minimum width of 10 feet on ALL Class A trails, on two-way Class B trails, and where passage of emergency or maintenance vehicles is necessary. One-way Class B and ALL Class C bridges will have a minimum width of 6 feet. Railing heights shall be a minimum of 42 inches on rural bridges. Surface materials on bridges shall be limited to wood planking, asphalt or concrete.
**CROSS COUNTRY SKIING**

**Exhibit D**

Page 4 of 6

**Layout:**

* Trail layout should provide scenic views, emphasize specimen trees or other aesthetic vegetation, terrain, geologic or other features. Trails should be routed so as not to negatively impact significant natural features.

* South facing slopes should be avoided to prevent the creation of bare spots from sun exposure.

* Sharp turns on downhill slopes should be avoided. Adequate run outs must be provided at the bottom of slopes before any sharp turns to allow the skier an opportunity to slow down. Gradual turns on downhill slopes can provide interest and technical challenge to the skier but should be banked (banked turns are safer and keep snow longer as less is pushed off to the side) and sight lines open to allow the skier to see that the trail ahead is clear.

* Trails are best designed in loops to allow the skier to return to the point of beginning without backtracking.

* Trails are best designed for one-way travel.

* Steep uphill and downhill slopes tend to cause congestion. They should be short or bypasses provided when possible to minimize congestion. Wider trails on hills are less intimidating to skiers and also reduce congestion.

* Drainage is an important consideration when designing trails. Potholes with no outlet can hold water creating ponds at the base of hills. Culverts, water bars, erosion mats/grids are all devices which can be used to prevent erosion of the trail tread and the washing of melt waters across snow covered trails.

* An instruction area, separate from the main trail, may be desirable if lessons will be offered.

* A short loop with a track set narrower for children may be considered.

**Maintenance:**

* Good off season maintenance of the trail tread can extend the ski season by allowing skiing under minimal snow conditions. (For example, it takes 4 inches of snow to cover something that extends 1 inch above a non-snow covered trail surface.)

* Off season removal of low hanging branches or branches which can be weighted by snow avoids difficult removal after snowfall. Clearing height should be a minimum of 10 feet above the trail tread.

* Grooming is best done while snow is falling and/or at night after the humidity and temperature have dropped. Grooming should not be "scheduled". It is much more desirable to let the snow conditions determine when grooming is done. Minimal grooming equipment for significant grooming efforts are a large snowmobile, a packer and a track setter. Additional useful items include a scarifier, a powderraker or other devices to soften hard packed snow.

* Non-skiers and pets are not permitted on cross country ski trails when the trails are snow-covered.

**Trail Tread Material:**

* Grass - Provides the best tread surface since it prevents erosion, is easily maintained by mowing and does not damage skis in low snow conditions.

* Wood Chips - Provides a base that does not absorb heat like bare ground and does not damage skis in low snow. Wood chips, however, can be brought up on top of the snow by grooming equipment, become matted over time and float downhill during rain.
HIKING TRAILS

Grades

On Class A trails a 0-15% slope is desirable. Class B trails would allow slopes of 0-30% and Class C trails from 0-45%. On sustained grades of more than 500 feet in length, the slope should be no more than 15%. On short grades of less than 100 feet in length, the slope should be no more than 30%. On these slopes, surfacing material should be considered to prevent erosion. Switchbacks, perrons and steps and railing at more heavily used sites are desirable on the steeper grades, particularly those closer to or exceeding 30%.

Switchbacks

Switchbacks shall be constructed with a minimum turning radius of 5 feet.

Steps and Railings

Steps shall have a tread width of no less than 12 inches and a riser height of no greater than 6 inches.

There shall be no more than 9 feet vertical between landings.

Step materials may vary greatly but should blend into the landscape, be long-lasting and should be free of uneven surfaces that might cause accidents.

Railings shall be used in stepped areas wherever dropoffs occur and should have a height of 36 to 42 inches.

Tread Widths

All trails will be two-way. Class A trails will have a minimum tread width of 5 feet with the greater width on old railroad right-of-ways and on the more heavily used trails and connectors. Class B trails will have a minimum tread width of 4 feet. Class C trails will have a minimum tread width of 2 feet. Step tread widths will correspond to the trail width of the class in question.

Clearing Height

Vegetation shall be cleared to a minimum height of 10 feet from tread level.

Clearing Width

Trails shall be cleared of woody vegetation 2 feet on either side of the tread.

Surface Materials

On Class A and B trails, improved surfaces should be used. On Class A trails, the surface would range from a more hardened material such as asphalt in more heavily used areas, to a stable aggregate in more lightly used areas. In order to help accessibility, there will be no barriers such as steps and perrons on Class A trails. Class B trails would generally be surfaced in more heavily used areas, with steps, perrons, waterbars or other devices used on steeper or erodible slopes. In more lightly used areas, surface materials could consist of grass on lesser slopes if accompanied by a porous granular backfilled subsurface. Class C trails would generally use existing
**Note:**
The above specifications are for a two-way asphalt-paved road open to the public. One-way roads may have a paved surface of twelve (12) feet minimum in width. Gravel roads open to public use should adhere to the width requirements of an asphalt or concrete road and the depth of gravel is recommended at eight (8) inches of crushed aggregate, No. 1 and/or 2 stone.

Roads not generally open to the public may be constructed to Lessee's specifications but should be built in a way sensitive to maintaining the natural aesthetics of the state park insofar as practical.
Exhibit E

Rib Mountain State Park Ski Area

MEMORANDUM OF UNDERSTANDING
To Define Roles Of Major Participants

This Memorandum of Understanding is entered into by Wisconsin Department of Natural Resources (the Department), Marathon County Civic Corporation, Inc. (MCCC), and the ski area operator, Granite Peak Corporation (Granite Peak) to cooperate in support, promotion, and fund raising for Rib Mountain State Park Ski Area located in Marathon County, Wisconsin.

WHEREAS, the Department, MCCC, and Granite Peak recognize the need to cooperate in the protection, promotion, funding, and improvement of Rib Mountain State Park Ski Area to provide for outdoor recreational activities focusing on alpine skiing, snowboarding, and other outdoor recreational activities year-round for present and future generations, while adhering to the Department’s mission;

WHEREAS, all partners to this Memorandum of Understanding recognize that each has a specialized role that when added to the efforts of the other parties, contributes to the ski area’s success;

NOW THEREFORE, in consideration of their mutual goals and the covenants herein set forth, the Department, MCCC, and Granite Peak do hereby agree to the following:

The Department shall:
1. Maintain ownership of the land and not allow any reduction in number of acres within the Natural Resources Board approved project boundary for Rib Mountain State Park except as necessary to meet the terms of the Lease.

2. Ensure that Rib Mountain State Park Ski Area is managed and operated as a harmonious unit of the Wisconsin State Park System in a manner reflecting the Department’s Land Stewardship role while recognizing the uniqueness of the ski area.

3. Seek input from its partners in this Memorandum of Understanding (MCCC and Granite Peak) and the public in all planning matters that materially affect the operation of the ski area.

4. Oversee all planning efforts that affect improvements to, uses of, and alterations to the ski area.

5. Recognize one official Friends Group for Rib Mountain State Park (not MCCC) for the purposes of the Department awarding grants or offering concessions outside the leased ski area Premises.

6. Manage the Lease agreement with Granite Peak.

Granite Peak shall:
1. Develop and operate the ski area in compliance with the terms of the signed Lease agreement with the Department.

2. Seek input from MCCC on local public input, historical information, sensitivity to Wausau community issues, promotions, special events, brochures, grants, and donations.
MCCC shall:

1. Be the lead public advisory group to the Department and Granite Peak on local issues related specifically to Rib Mountain State Park Ski Area.

2. Have as its dual purposes:
   - to encourage, promote and assist in fundraising through special events, donations, and bequeathed funds for the operation and development of Rib Mountain State Park Ski Area if such projects are acceptable to the Department and Granite Peak.
   - to act as the sounding board for local concerns and input related to the operation of Rib Mountain State Park Ski Area thereby safeguarding the public’s interests.

3. Play a valuable role in providing long-term continuity and acceptance of the overall operation of the ski area relying on its existence since 1929.

4. Within the terms of the signed Lease, have first right of refusal to enter into a lease with the Department and take over operation of the ski area in the event that the lease draws no viable bids/proposals or the lease with Granite Peak is terminated for whatever reason. As long as MCCC maintains its federal s.501(c)(3) non-profit, tax-exempt status, MCCC shall not be required to make any lease payments. Any excess revenues after Department-approved expenses shall be used for Department-approved projects that improve the ski area or Rib Mountain State Park in general.

This Memorandum of Understanding shall not be construed as creating a public debt in contravention of Article VIII, Wisconsin Constitution and all payment obligations of the Department hereunder are subject to the availability of future appropriations.

In witness thereof, the State of Wisconsin Department of Natural Resources has caused this Memorandum of Understanding regarding Rib Mountain State Park Ski Area to be signed at Madison, Wisconsin, by its Secretary:

STATE OF WISCONSIN, DEPARTMENT OF NATURAL RESOURCES

[Signature]
George E. Meyer, Secretary
Wisconsin Department of Natural Resources

Date

In witness thereof, the Lessee has caused this Memorandum of Understanding regarding Rib Mountain State Park Ski Area to be signed at Wausau, Wisconsin, by:

[Signature]
John Prange, President, Marathon County Civic Corporation, Inc.

Date

[Signature]
Charles M. Skinner, Jr., President and CEO
Granite Peak Corporation

Date
Exhibit F

Lessor’s Assets:

Real property (land), Main Chalet with attached addition(s), Kordus mid-hill ski shelter, and currently existing pumphouses, parking lots, roads, walkways, ski runs, ponds/reservoirs and any improvements added during the Lease term that are funded by Lessor.

Assets Donated to Lessor: (At the closing after termination of the Lease)

Any future attached additions/remodeling to the Main Chalet and improvements to roads, parking lots, and entrance signs currently existing as of the date this Lease is signed by Lessor including grading, landscaping, and improving existing ski runs and construction of new ponds/reservoirs.

Lessee’s Assets:

Buildings, structures, lifts, snow-making pipe, lighting equipment on ski runs, and all personal property, equipment, fixtures, and other physical assets of Lessee existing on the Premises and used in operating the ski area including any assets that Lessee purchased and still on the Premises from the previous lessee. In addition, specifically-identified assets of a less-tangible nature shall be included such as: proprietary software, web site(s) or electronic technology, customer and mailing lists, photographs, copyrights, trademarks, and trade names which are an integral part of the operation of the Premises. Goodwill shall not be included in Lessee’s Assets.
Exhibit F

Lessor's Assets:

Real property (land), Main Chalet with attached addition(s), Kordus mid-hill ski shelter, and currently existing pumphouses, parking lots, roads, walkways, ski runs, ponds/reservoirs and any improvements added during the Lease term that are funded by Lessor.

Assets Donated to Lessor: (At the closing after termination of the Lease)

Any future attached additions/remodeling to the Main Chalet and improvements to roads, parking lots, and entrance signs currently existing as of the date this Lease is signed by Lessor including grading, landscaping, and improving existing ski runs and construction of new ponds/reservoirs.

Lessee's Assets:

Buildings, structures, lifts, snow-making pipe, lighting equipment on ski runs, and all personal property, equipment, fixtures, and other physical assets of Lessee existing on the Premises and used in operating the ski area including any assets that Lessee purchased and still on the Premises from the previous lessee. In addition, specifically-identified assets of a less-tangible nature shall be included such as: proprietary software, web site(s) or electronic technology, customer and mailing lists, photographs, copyrights, trademarks, and trade names which are an integral part of the operation of the Premises. Goodwill shall not be included in Lessee's Assets.
AMENDMENT NO. 1 TO LEASE

AMENDMENT dated as of July 7, 2000, between the STATE OF WISCONSIN DEPARTMENT OF NATURAL RESOURCES (the "Lessor"), and GRANITE PEAK CORPORATION, a Wisconsin corporation, dba Granite Peak Ski Area (the "Lessee").

WHEREAS, the Lessor and Lessee entered into a Lease of Facilities, dated April 7, 2000 (the "Lease"), for the lease of approximately 375 acres of land, a chalet and other assets for the purpose of operating a ski area and other recreational facilities;

WHEREAS, in connection with the addition shortly before signing of the Lease of an additional right of the Lessor to terminate the Lease in the event of certain material defaults by Lessee, the parties failed to make the conforming change to the provisions regarding the Lessee's entitlement to compensation for the fair market value of Lessee's Assets upon termination; and

WHEREAS, the parties wish to correct this failure by amending the Lease as hereinafter provided.

NOW, THEREFORE, in consideration of the premises and mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. Amendment. The words "and clause (iv)" are hereby added to the first sentence of the third paragraph of Section 12 of the Lease and such sentence is hereby amended to read in its entirety as follows:

"In the event of any termination of this Lease by Lessor under clause (iii) or clause (iv) or any termination of this Lease by Lessee or any expiration of the term of the Lease or non-renewal of the Lease, Lessee shall be entitled to the payment of the fair market value of Lessee's Assets immediately prior to the effective date of termination of the Lease."

2. Miscellaneous. Except for the amendment set forth in Section 1 of this Amendment, the Lease remains in full force and effect. This Amendment may be executed concurrently in two or more counterparts, each of which will be deemed to be an original, but all of which together will constitute one and the same instrument. This Amendment and the Lease constitute the entire understanding of the parties hereto with respect to the subject matter hereof and supersede all prior agreements (whether written or verbal) between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective duly authorized officers as of the date first above written.

STATE OF WISCONSIN, DEPARTMENT OF NATURAL RESOURCES

By [Signature]
George E. Meyer, Secretary

GRANITE PEAK CORPORATION.

By [Signature]
Charles M. Skinner, President

1
AMENDMENT NO. 2 TO LEASE

AMENDMENT dated as of July 13, 2000 between the STATE OF WISCONSIN DEPARTMENT OF NATURAL RESOURCES (the “Lessor”), and GRANITE PEAK CORPORATION, a Wisconsin corporation, d/b/a Granite Peak Ski Area (the “Lessee”).

WHEREAS, the Lessor and Lessee entered into a Lease of Facilities, dated April 7, 2000 (the “Lease”), for the lease of approximately 375 acres of land, a chalet and other assets for the purpose of operating a ski area and other recreational facilities; and

WHEREAS, the base chalet serves as the focal point of visitor use at the ski area, but has not been substantially improved since its construction in 1939; and

WHEREAS, improvements to the base chalet are critical to the success of the ski area operation; and

WHEREAS, it is in the best interest of the public and Lessor to encourage improvements to the base chalet on the Premises to provide better customer service; and

WHEREAS, the base chalet shall remain in Lessor’s ownership for as long as Lessor determines.

NOW, THEREFORE, in consideration of the Premises and mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. Amendment. The phrase “except that the lease payments for the first three (3) seasons of operation under this Lease shall be withheld by Lessee and used specifically to make permanent improvements to the base chalet” is hereby added to the first sentence of the last paragraph of Section 2 of the Lease and such sentence is hereby amended to read in its entirety as follows:

“Lessee’s lease payment shall be made to the Department annually by May 31 delivered or sent by certified mail to such place as Lessor shall designate in writing to Lessee except that the lease payments for the first three (3) seasons of operation under this Lease shall be withheld by Lessee and used specifically to make permanent improvements to the base chalet. Lessee shall provide receipts or other such proof of expenditures as Lessor may require to Lessor to verify improvements to the chalet.”

2. Miscellaneous. Except for the amendment set forth in Section 1 of this Amendment, the Lease remains in full force and effect. This Amendment may be executed concurrently in two or more counterparts, each of which will be deemed to be an original, but all of which together will constitute one and the same instrument. This Amendment and the Lease constitute the entire understanding of the parties hereto with respect to the subject matter hereof and supersede all prior agreements (whether written or verbal) between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective duly authorized officers as of the date first above written.

STATE OF WISCONSIN
DEPARTMENT OF NATURAL RESOURCES:

By George E. Meyer
George E. Meyer, Secretary

GRANITE PEAK CORPORATION:

By Charles M. Skinner
Charles M. Skinner, President
AMENDMENT NO. 3 TO LEASE

AMENDMENT dated as of August 16, 2000 between the STATE OF WISCONSIN DEPARTMENT OF NATURAL RESOURCES (the "Lessor"), and GRANITE PEAK CORPORATION, a Wisconsin corporation, d/b/a Granite Peak Ski Area (the "Lessee").

WHEREAS, the Lessor and Lessee entered into a Lease of Facilities, dated April 7, 2000 (the "Lease"), for the lease of approximately 375 acres of land, a chalet and other assets for the purpose of operating a ski area and other recreational facilities; and

WHEREAS, the existing ski hill Maintenance Building serves as an essential element of the operation of the ski area, but heretofore has been in private ownership; and

WHEREAS, ownership of the ski area’s sole Maintenance Building is critical to the stability and seamless transition from Lessee to Lessee in the future of the ski area; and

WHEREAS, it is in the best interest of the public and Lessor to secure Lessor ownership of the Maintenance Building on the Premises in exchange for Lessor waiving Lessee lease payments in years four and five of the Lease up to a total of $92,000 to ensure continuous operation of the ski area; and

WHEREAS, the Maintenance Building shall remain in Lessor’s ownership for as long as Lessor determines.

NOW, THEREFORE, in consideration of the Premises and mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. Amendment. The phrase: "Maintenance Building" is hereby added twice to the sole sentence in the last paragraph of Section 1 of the Lease and such sentence is hereby amended to read in its entirety as follows:

"Main Chalet and Maintenance Building: Lessee shall have the exclusive right to use the main Chaos (including any additions or expansions) , the Maintenance Building, and all other Lessor-owned buildings located on the Premises."

2. Amendment. The phrase: "and the lease payments for the fourth and fifth seasons of operation under this Lease up to a total of $92,000 shall be withheld for use by Lessee in exchange for transferring ownership of the existing Maintenance Building to Lessor." is hereby added to the first sentence of the last paragraph of Section 2 of the Lease as previously amended and such sentence is hereby amended to read in its entirety as follows:

"Lessee’s lease payment shall be made to the Department annually by May 31 delivered or sent by certified mail to such place as Lessor shall designate in writing to Lessee except that the lease payments for the first three (3) seasons of operation under this Lease shall be withheld by Lessee and used specifically to make permanent improvements to the base chalet; and the lease payments for the fourth and fifth seasons of operation under this Lease up to a total of $92,000 shall be withheld by Lessee in exchange for transferring ownership of the existing Maintenance Building to Lessor. Lessee shall provide receipts or other such proof of expenditures as Lessor may require to Lessor to verify improvements to the chalet."

3. Amendment. The phrase: "and Maintenance Building" is hereby added to the second sentence in paragraph "c" of Section 4 of the Lease and such sentence is hereby amended to read in its entirety as follows:
AMENDMENT NO. 4 TO LEASE

AMENDMENT dated as of December 28, 2001, between the STATE OF WISCONSIN DEPARTMENT OF NATURAL RESOURCES (the "Lessor"), and GRANITE PEAK CORPORATION, a Wisconsin corporation, d/b/a Granite Peak Ski Area (the "Lessee").

WHEREAS, the Lessor and Lessee entered into a Lease of Facilities, dated April 7, 2000 (the "Lease"), for the lease of approximately 284 acres of land, a chalet and other assets for the purpose of operating a ski area and related recreational facilities; and

WHEREAS, the Lessee's purchase of private lands outside of the Premises identified in the Lease has negated the need to purchase state lands within the Premises, and

WHEREAS, the purchase of said private lands provides Lessee with adequate options in development of lodging and associated amenities.

NOW, THEREFORE; in consideration of the Premises and mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. Amendment: The Development Plan as shown in Exhibit B, dated 2001 shall be modified, eliminating any wording or graphic depicting "Lessee's Land Option" or similar indication that Lessor would consider selling or trading state-owned lands.

2. Amendment: The second sentence in paragraph "s." titled "Land Acquisition" on page seven, under Section 4 of the Lease, and beginning with the words: "Lessor acknowledges that..." and ending with the words: "...shown on Exhibit B." shall be eliminated. Paragraph "s." shall read in its entirety:

"Land Acquisition: To not purchase land within the current official boundary of Rib Mountain State Park (as shown in Exhibit A attached hereto) as approved by the Natural Resources Board without prior written approval of Lessor."

3. Amendment: Item 3 in Section "12. Termination of the Lease" on page 9 that reads: "Lessor fails to successfully change the project boundary, gain public input and obtain all necessary approvals of Lessee's Land Option by December 31, 2000." shall be eliminated in its entirety.

4. Amendment: Section "20. Lessee's Land Option:" on page 11 that reads:

Lessee's Land Option: Subject to formal State of Wisconsin Natural Resources Board approval (which Lessor shall use its best efforts to obtain prior to December 31, 2000), Lessor hereby agrees to grant Lessee the option exercisable for a period of 10 years commencing on or before January 1, 2001, at a price of $5,000 per acre to purchase up to 30 acres of the parcel of land ("Lessee's Land Option") shown on Exhibit B. Lessor agrees to cooperate with Lessee in obtaining the rezoning of such land from SR-2 or SR-3 to a Unified Design District (similar to a Planned Unit Development) or other commercial zoning classification desired by Lessee that is not in conflict with other terms of this Lease. Lessor shall jointly attend such meetings and hearings with Lessee and send such pertinent letters and other documents without unreasonable delay as Lessee reasonably requests. Lessee agrees to use reasonable efforts to purchase or obtain an option to purchase from the owner of the adjacent golf course prior to December 31, 2000, at a price of up to $5,000 per acre for up to 15 acres of land adjacent to the current parking lot and for each acre so purchased or subject to such option, the number of acres subject to Lessee's Land Option shall be reduced accordingly.

shall be eliminated in its entirety and replaced by:

Lessee's Land Option: Lessor agrees to allow ski-in/ski-out access from the ski trails on the Premises as shown on the Development Plan to the Lessee's privately-owned parcel identified as Lot 1 of Certified Survey Map No. 12169, recorded in Volume 52 of Certified Survey Maps, Page 87, as Document No.
5. **Miscellaneous.** Except for the amendments set forth in Sections 1 through 4 of this Amendment, the Lease remains in full force and effect. This Amendment may be executed concurrently in two or more counterparts, each of which will be deemed to be an original, but all of which together will constitute one and the same instrument. This Amendment, along with all previous Amendments, and the Lease constitute the entire understanding of the parties hereto with respect to the subject matter hereof and supersede all prior agreements (whether written or verbal) between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective duly authorized officers as of the date first above written.

**STATE OF WISCONSIN**  
**DEPARTMENT OF NATURAL RESOURCES:**  
By [Signature]

Richard E. Steffes, for the Secretary

**GRANITE PEAK CORPORATION:**  
By [Signature]

Charles M. Skinner, President
AMENDMENT NO. 5 TO LEASE

AMENDMENT dated as of February 12, 2002, between the STATE OF WISCONSIN DEPARTMENT OF NATURAL RESOURCES (the “Lessor”), and GRANITE PEAK CORPORATION, a Wisconsin corporation, d/b/a Granite Peak Ski Area (the “Lessee”).

WHEREAS, the Lessor and Lessee entered into a Lease of Facilities which is marked as Exhibit A, attached hereto and made a part hereof, dated April 7, 2000 (the “Lease”), for the lease of approximately 385 acres of land, a chalet and other assets for the purpose of operating a ski area and related recreational facilities; and

WHEREAS, the Lessor’s purchase of 20 acres of private lands outside of the Premises as originally described in the Lease and subsequently negotiated to be added to the Premises if purchased by Lessee, and

WHEREAS, the use of said 20 acres is consistent with the amended Development Plan specified in the Lease as Exhibit B and shall bring the total acreage of the Premises to 405 acres.

NOW, THEREFORE, in consideration of the Premises and mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. Amendment: The Development Plan as shown in Exhibit B, shall be modified to include the 20 acres located in the west half of the southeast quarter of the northeast quarter of Section 8, T28N-R7E, Town of Rib Mountain, Marathon County, Wisconsin to be within the boundary of the Premises.

2. Miscellaneous. Except for the amendments set forth in Section 1 of this Amendment, the Lease remains in full force and effect. This Amendment may be executed concurrently in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. This Amendment, along with all previous Amendments, and the Lease constitute the entire understanding of the parties hereto with respect to the subject matter hereof and supersede all prior agreements (whether written or verbal) between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective duly authorized officers as of the date first above written.

STATE OF WISCONSIN
DEPARTMENT OF NATURAL RESOURCES:

By: Durrell Bazell, Secretary

GRANITE PEAK CORPORATION:

By: Charles M. Bidner, President
Rib Mountain

Legend

- Existing Buildings
- Existing Lifts
- Existing Vegetation
- Existing Roads
- Trail Numbers
- Proposed Lifts
- Proposed Trails
- Proposed Terrain Park
- Proposed Re-vegetation
- Proposed Facilities
- Proposed Fence

Base Area Expansion Zone

Development Plan Upgrade

Contour Interval - 10ft
Date: November 20, 1998

PREPARED BY:

sno_engineering

PREPARED FOR:

Marinette County EDC Corp.

Exhibit "B"
Lessee's Land Option
(Subject to Wisconsin Natural Resources Board approval)
Master Plan Variance Approval

Property Name: Rib Mt. State Park

Date Master Plan was Approved: Rib Mountain State Park Master Plan - 1982; Rib Mt. State Park Ski Area Master Plan - 1984

A. Variance to the 1982 Rib Mountain State Park Master Plan:

Figure 2a, titled "proposed boundary," is replaced by the Revised Figure 2a (attached). The revised map updates the current park boundary, ownership within the boundary, and the revised ski hill lease area. The acreage of the lease area is 385 acres. All the leased ski hill area is designated as an Intensive Recreation Development Area.

B. Variances to the 1984 Rib Mountain State Park Ski Hill Area Master Plan:

1. The ski hill master plan provides the broad, conceptual framework for the ski hill facilities and operations, such as the general use of the area, the boundaries of the leased area and the maximum design capacity for the facilities. The ski hill lease document shall govern implementation of the ski hill master plan, including the appropriate details or procedures related to the design, development, operation and specific uses of the ski hill facilities and leased area.

2. Plate 2, a map showing the 1984 ski hill development plan, is replaced by the revised Plate 2 (attached) showing the revised lease area (385 acres) and the updated conceptual ski hill development plan.

3. Use of the ski hill lease area primarily focuses on alpine skiing, snow boarding, snow tubing, cross-country skiing and other winter activities with an outdoor recreational focus. Secondary, compatible non-snow season outdoor recreation uses are encouraged, and they may include activities like mountain biking, horseback riding and special events which do not create a significant negative impact upon adjacent neighbors.

Approved: [Signature]
Administrator, Division of Lands
Date: 11-2-01
Variance Author: Tom Watkins, FL/4

Supporting Approvals

[Signature]
Department Master Planning Manager, LF Date: 10-8-01

[Signature]
Environmental Analysis Coordinator; I certify that all WEPA requirements have been met. Date: 10/8/01

[Signature]
Property Manager Date: 10-17-01

[Signature]
Regional Director, Land Leader or Basin Leader Date: 10-22-01

Program Bureau Director,

[Signature]
Program Bureau Director, Date: 10-03-01

Others with a special interest:

[Signature] Date: 

[Signature] 

[Signature] Date: 

[Signature] 

[Signature] Date: 
SUPPORTING INFORMATION

Purpose and Need for the Proposed Variances (include background and history as appropriate):

In 2000 the Department negotiated a new 30 year lease for operation of the Rib Mountain State Park Ski Hill with Granite Peak Corporation. In order to meet the demands of the present day recreation market and ensure the viability of the ski hill, the terms of the lease allow a substantial up-grading of the existing ski runs and support facilities. These proposed actions are within the scope of the full development plan outlined in the 1984 Ski Hill Master Plan; however, the configuration of the ski runs and the boundary of the leased area are changed to meet current state-of-the-art ski run designs, to take better advantage of the height of the hill, and to minimize conflicts between the ski hill developments and the state park users and neighbors. The new lease area reflects changes necessary to accommodate the revised ski run layout, primarily extending further to the west near the top of the hill, and also changes due to land acquisitions since 1982. The plan variances recognize these adjustments, updating both the 1982 park master plan and the 1984 ski hill master plan.

As indicated above, a number of small land parcels were purchased since 1982. Some were adjacent to but outside of the 1982 park boundary. The approval of these land purchases also included changing the park boundary to include the new lands within the park. However, the master plan maps were not revised to reflect these recent boundary changes. The revised Figure 2a also serves this purpose.

Variance two to the 1984 ski hill plan clarifies the respective functional roles of the ski hill master plan and the lease document. It is added to avoid confusion and unnecessary duplication between the master plan and lease. As the specific details regarding how the conceptual ski hill plan will be achieved are typically negotiated between the Department and the lessee, the lease agreement is the most appropriate document for directing the specific development, operations and use of the ski hill.

Variance three to the 1984 ski hill plan updates and clarifies the intended types of uses for the lease area bringing it in-line with those identified in the new lease agreement. The reason for the change is that since the 1984 ski hill plan was drafted a number of activities beyond alpine skiing, like snow-boarding and mountain biking, have become common ski area uses, and they were not recognized in the 1984 plan.

Unavoidable Adverse Impacts:

The new configuration of the ski runs extend the runs to the west into an area that previously was not targeted for ski run development. The runs in this area will be narrow, therefore only a small amount of clearing (approximately 22 acres) is needed for the western runs. The visual impact will be minimal. Other alternative locations for the extended runs (extended up the hill to gain maximum elevation) would have significant impacts upon the picnic area and other state park non-ski hill facilities. The visual
impacts of these alternatives would be considerably greater than for the proposed location.

Cumulative impacts: the overall ski-hill redevelopment includes adding new, narrow runs covering about 25 acres to the east of the original runs and also substantially narrowing the original, wide ski runs (reforesting 15 acres). (Note; a plan variance is not needed for these actions as they are within the area covered by the 1984 ski-hill redevelopment plan). Adding new runs to the east and west of the original runs will expand the foot-print of the ski operation and the cleared area by about 32 acres. However, the shift from wide, open ski runs to narrow runs will substantially mitigate the visual impact of the expansions, and possibly the ski-hill development as a whole.

Compatibility with Statutes, Codes and Department Policies:

The proposed plan variances comply with all statutes, administrative codes and department policies.

Federal Aid Limitations (cite if any federal aid moneys are involved with either acquisition or management of the property and whether the proposed plan variance is compatible with the aid requirements):

LWCON funds have been used at Rib Mountain State Park. The proposed variances are consistent with land uses allowed under LWCON.

How the Master Plan Supports the Proposed Variance (cite how the proposed variance is consistent with the provisions of the master plan):

1. The proposed variance to the 1982 Rib Mountain State Park master plan is fully consistent with the park's master plan goal and objectives. The variance brings the park master plan in-line with the ski hill development level approved in the 1984 ski hill master plan.

2. The full development conceptual plan outlined in the 1984 ski hill master plan set specific limits on the ultimate design capacity for the ski hill facilities as well as the number of acres that could be cleared for ski runs. The new revised ski hill design is within the parameters set by the 1984 plan. An ultimate size of the lease area was not set by the 1984 ski hill plan, although its general size and approximate location is inferred by the plan’s ski hill development map. The revised plan approximates the size of the 1984 concept design, but the lease area's shape is slightly reconfigured.
The Public Review Process Used (summary of who was notified about the proposal or otherwise reviewed the proposal and the meetings, mailings and other techniques used):

The Department has carried out an intensive public involvement process for the Rib Mountain ski hill redevelopment and expansion plans since April 1999. The public has had substantial involvement and impact upon the scope and design of the plan. The involvement process included contacts with local government officials, news releases, mailings to 3,300 area residents, periodic open-house public meetings, and meetings with the Friends of Rib Mountain State Park. Additionally there has been substantial coverage by local papers, radio and television. The most recent public informational meeting was held on July 9, 2001 at the Marathon County Public Library.

Description of the Support and/or Opposition to the Proposed Variance (including reasons for the various positions taken) and Any Unresolved Issues or Concerns:

Most persons in opposition to the ski hill expansion project are against the entire expansion project in general, with the strongest opposition targeting the potential sale or exchange of park land for condo development (which is not part of this plan variance). In regard to the ski run expansion, opposition primarily focuses on the aesthetic or environmental impacts of timber cutting, such as loss of naturalness or wildlife habitat. Some expressed the view the expansion as an undesirable commercialization of the park. In the last comment period (July 2001) comments were 2:1 in opposition to the expansion. Most comments were from local area residents.

Persons favoring the ski hill expansion believe it will bring a strong economic and recreational benefit to the community.
SUPPLEMENTAL ENVIRONMENTAL IMPACT REVIEW
RIB MT. STATE PARK MASTER PLAN VARIANCE, 2001

The environmental assessment (EA) prepared on the 1984 State Park Ski Area Master Plan examined a ski-hill expansion of the type and magnitude being proposed by the current operator. The new ski-hill plan primarily differs from the plan examined in 1984 in the configuration of the ski runs. Part of the western ski runs, the area that is the subject of this plan variance, extend outside of the area evaluated in 1984. As part of the master plan variance process the impacts in key areas were reevaluated to ensure significant impact are not overlooked. No significant potential impacts were found during this review. A summary of the areas reevaluated and the results is below:

Highways and traffic; The primary access route to the ski area is County Highway NN. In 1984 there were 31 residences and four businesses along this route. Conditions have only slightly changed since 1984. Today there are 27 residences, eight businesses and one church. Under phase two development (maximum development level) there would be an estimated increase of 638 vehicles/day to the ski-hill. Local Highway “NN” residents and persons who regularly travel this stretch of highway may notice increases in traffic at peak ski-hill use times, specifically on nights or weekends between December 15th and March 1st. However, these hours are non-peak traffic periods. According to James Griesbach, Senior Engineering Specialist, Marathon County Highway Department, (letter, April 2001) the additional daily traffic should have any impact on the local highway system, due to the fact most of the traffic will be at non-peek traffic months and times of day. Additionally, traffic flow along the route will be improved over the next few years by the rebuilding of the CTH “NN” and USH 51 Interchange and the widening/repaving of CTH “NN”.

Stormwater run-off; The 2001 ski-hill development plan contains a detailed stromwater assessment and a management plan. The new stormwater management plan is designed to handle a 100 year rain event occurring with full snow cover. (The local town government requested the management plan only cover a 25 year event.) The capacity of existing water retention basins would be expanded to hold the excess flow. Additionally, cut-off swales would be constructed to prevent run-off from flowing into the Rib View Park and Sunset Ridge sub-divisions.

Reviews of the stormwater management plan by a DNR wastewater specialist and the Town of Rib Mountain’s consulting engineer (pers. com. Brad Johnson) verifies the plan is based on appropriate runoff calculation methods and that the proposed management practices will be adequate to control excess runoff from the ski hill.
Rock formations; Possible construction impacts to prominent rock outcrops near the upper terminus of the western ski lifts were a concern. Based on a joint site visit by the ski-hill developer, park staff and representatives of the park friends group the location of the ski runs were adjusted to avoid impacts to significant geological formations in the area (Willman, memo, May 2001).

Historic resources; A cultural resources report for Rib Mountain State Park (Victoria Dirst, 1996) indicates there are no known archeological sites within the park. The report further indicates there is a low probability of sites being within the park, because most archeological sites are found near water. All historic structures within the park are located outside of the ski-run development area. However, hiking trails built in the 1930's by the CCC are located in the vicinity of the proposed new western ski runs. After on site consultation by DNR staff and ski hill representatives the chair lift location was sited in a location that will have no impact on any CCC trails in the park (Bishop, memo, September 2001).

Endangered or rare species; A rare plant survey was conducted in the vicinity of the proposed western ski runs to ensure that no endangered or threatened plants would be impacted. No rare species were located, including Botrychium mormo, Goblin Fern; a Wisconsin endangered plant. The report indicates the site has been severely impacted by exotic earthworms and deer. The survey was conducted by Yellowfield Biological Surveys, September 2001.

The area for the western ski run expansion is a stand of saw-timber size sugar maple, red oak, and basswood. The area was thought to be potential nesting habitat for the rare Cerulean Warbler and Hooded Warbler. According to Sumner Matteson, Avian Ecologist, Bureau of Endangered Resources, it is doubtful these birds breed in the area, given their breeding range, the large blocks of suitable habitat required, because the area is in an urban location (Daniels, memo, September 2001). Sumner further stated that the proposed ski run project would not likely adversely affect either species if adjacent habitat is suitable to meet the needs of a (probable) small number of nesting pairs. Mike Willman and DNR Wildlife biologist, Rich Wissink, concluded that if these birds are present, suitable habitat remains within other areas of the park.
RIB MOUNTAIN · EXISTING SKI AREA
WISCONSIN
MARCH 1983
PLATE 2

RIB MOUNTAIN
WISCONSIN
DEVELOPMENT PLAN
JUNE 1983

KEY

TRAILS
EXISTING
UPGRADE
EXPANSION

LIFTS
EXISTING
PROPOSED
FENCES

PROPOSED TREE PLANTING
TREED AREAS
I. DAY LODGE
II. COMMUNICATION ADMINISTRATION
III. PROPOSED LODGE