



Mr. Ralph D. Scurfield  
President and Chief Executive Officer  
Sunshine Village Corporation  
P.O. Box 1510  
Banff AB T1L 1J5

Dear Mr. Scurfield:

Thank you for your letter of November 30, 2018, regarding Sunshine Ski Village, sharing your views on matters related to the site guidelines and the draft lease provisions pertaining to vesting versus severance and removal of assets.

Parks Canada recognizes that ski areas are a cornerstone of the winter visitor experience in the mountain national parks and contribute significantly to the local and regional economy. The Agency is committed to the continued success of national park ski areas, including Sunshine Village, which can only be achieved through a future-oriented framework that ensures long-term ecological protection, exceptional visitor experiences and business certainty for the operator.

The key elements of this framework are reflected in each ski resort's lease, its site guidelines and long-range plans. Thanks to the hard work and dedication of both the Sunshine Village and Parks Canada teams, I believe we have achieved significant progress on the first two of these items, with the initialing of the new draft lease and my December 17, 2018 approval of the site guidelines for Sunshine Village. As you will see, these final guidelines:

- Explain the ecological management parameters for all future development and use proposals;
- Establish permanent limits to growth, which include: up to 8500 skiers at one time (from current 6500), an additional 3650 square metres of commercial space, eight new ski lifts and up to 80 hectares of new ski terrain;
- Allow for exceptions to the Ski Area Management Guidelines such as development of surface water capture reservoirs, improvements to Angel Ski Way and development of new lifts and runs outside the current developed area in the Hayes Hill and Meadow Park areas, through removal of 61 hectares of land (nine percent of lease area) with high ecological value; and
- Provide for transportation and parking through a combination of augmented transit, demand management strategies, such as people movers and incentive programs, and/or a parking structure of no pre-determined size.

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As stated in Acting Superintendent Sheila Luey's correspondence of October 15, 2018, the approved site guidelines will be appended to any new lease and are now being provided to you so that you may review them for 35 days in the context of deciding, unconditionally, whether or not you wish to enter into a new lease. Parks Canada does not plan to release them publicly until the end of the 35-day period. By the end of this period on January 21, 2019, the Agency expects to receive your written, unconditional confirmation as to whether or not you are prepared to conclude and execute a new lease with these site guidelines appended. This 35-day window is not a period for Sunshine to provide feedback, and no such assurance was given in our personal discussions, contrary to the suggestion in your counsel's email of December 4, 2018 to Parks Canada's legal counsel.

Your decision should be communicated to Acting Superintendent Luey by January 21, 2019. If by that date Parks Canada does not have your written, unconditional confirmation that you are prepared to conclude and execute a new lease with these site guidelines appended, the Agency will understand that to mean you do not wish to enter into the initialed lease with the site guidelines appended and proceed to seek a new operator through a public request for proposals.

Also attached for your information are: the *What We Heard* – Summary of Public and Indigenous Comment on the draft site guidelines for Sunshine Village; a copy of Mr. Riley's August 2018 letter to Acting Superintendent Luey with comments on the draft site guidelines; and document with Parks Canada's response to the points in Mr. Riley's letter.

This has the potential to be a great step forward for both Parks Canada and for Sunshine Village Ski Area. I am optimistic that your decision will be a positive one and that Sunshine Village will continue to play an important role in the establishment of Alberta's world-renowned reputation for providing exceptional skiing in an exceptional setting. I am grateful for your collaboration to date and look forward to your reply.

Sincerely,



Michael Nadler  
Acting Chief Executive Officer  
Parks Canada

Enclosures