

## **OWNERSHIP OF LAND**

### **Exhibit VIII. C.2.a**

Below is a list of all ownership interests, easements, encumbrances, and other interests in existence during the last twenty years in the Project Site, which consists of Orange County Tax Lots 37.2, 52.26, 36.32, 59.2 and 52.25 in Section 1 Block 1. All citations below are to the public records of the Office of the Orange County Clerk.

#### **Fee Interests:**

- Sterling Forest Corporation acquired Section 1 Block 1 Lots 37.2, 52.26, 36.32. and 52.25 by merger with Blue Lake Corporation, Fletcher Lake Corp., Jennings Creek Corp., Long Lake Forest Preserve Corp., Long Valley Corp., McKeags Meadow Corp., Pine Hill Forest Preserve Corp., Prospect Mountain Corp., SFW Corp., The Sirrom Corporation, Spruce Lake Corp., Sterling Forest Gardens Corporation, Sterling Forest Peat Co., Inc., The Sterling Forest Shopping Center, Inc., Sterling Lake Corp., Tiger Mountain Corp., and Upper Ridge Corp., as evidenced by that certain Certificate of Merger dated December 31, 1976 and filed on January 18, 1977 under Certificate Number A366945.
- Sterling Forest Corporation acquired Section 1 Block 1 Lot 59.2 by deed made from Morgan Guaranty Trust Company of New York dated April 15, 1993 and recorded on April 23, 1993 at liber 3800 page 213.
- Faire Partners LLC acquired the Project Site by deed made from Sterling Forest LLC, as successor in interest by merger to Sterling Forest Corporation, dated April 2, 2002 and recorded on April 4, 2002 at liber 5839 page 108.
- Alesund I LLC ("Project Site Owner") will acquire a fee interest in the Project Site no later than the earlier of (i) 60 days after a License has been awarded by the Commission and (ii) January 19, 2015, pursuant to that certain bargain and sale deed referenced in the Real Estate Purchase and Sale Agreement by and between Faire Partners, LLC and Project Site Owner dated March 21, 2014, as amended by Amendment No. 1 by and between Faire Partners, LLC and Project Site Owner dated April 7, 2014 and Amendment No. 2 by and between Faire Partners, LLC and Project Site Owner dated June 10, 2014 (the "PSA"), provided in Appendix VIII. C.2.b-3 to Exhibit VIII.C.2.b.

#### **Leasehold Interests:**

- Applicant will acquire a leasehold interest in the Project Site no later than 60 days after a License has been awarded by the Commission pursuant to that certain Agreement of Lease (provided in Appendix VIII. C.2.b-2 to Exhibit VIII. C.2.b), as referenced in that certain letter agreement regarding the Option to Lease Certain Property by and between Applicant and the direct parent company of Project Site Owner dated April 23, 2014, as amended and restated by the letter agreement regarding the Amended and Restated Option to Enter into an Access Agreement and Agreement of Lease for Certain Property by and between Applicant and the direct parent company of Project Site Owner executed on or before June 27, 2014 (the "Option to Lease", provided in Appendix VIII. C.2.b-1 to Exhibit VIII. C.2.b).
- Lease Agreement made by Sterling Forest LLC, as Landlord, and South County Sewer Corp., as Tenant, dated as of January 1, 2002.
- Lease Agreement made by Faire Partners, LLC, as Landlord, and Renaissance Entertainment Productions, Inc., as Tenant, dated as of March 19, 2002, as amended by the Amendment of Lease Agreement dated as of November 1, 2003, the Amendment of Lease Agreement dated as of December 2, 2004, the Amendment of Lease Agreement dated as of November 30, 2005, the Amendment of Lease Agreement dated as of February 14, 2006, the Fourth Amendment to Lease Agreement dated as of January 9, 2009, and the Amendment of Lease Agreement dated

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April 15, 2014, and as will be modified upon the closing of the PSA in accordance with the terms of that certain Settlement Agreement made by Project Site Owner, Faire Partners, LLC and Renaissance Entertainment Productions, Inc. dated as of April 15, 2014, as may be amended after the date of this Application.

- Interim Lease Agreement made by Faire Partners, LLC, as Landlord and Tuxedo Ridge, LLC, as Tenant, dated as of February 1, 2013, as will be modified, amended or terminated upon the closing of that certain Termination and Settlement Agreement by and among Project Site Owner, Faire Partners, LLC and Tuxedo Ridge, LLC dated as of April 7, 2014, which is intended to close no later than July 21, 2014.

### **Other Interests**

As set forth on Schedule B-1 to the pro forma title insurance policy covering the Project Site issued by Chicago Title Insurance Company, the Project Site is subject to the following encumbrances:

- Agreement with Home Gas Company recorded Sept. 21, 1949 Liber 1135 page 452, as modified in Modification of Easement Agreement recorded Sept. 18, 1996 in Liber 4452 page 191, as amended in Amendment to Right-of-Way Agreement recorded March 20, 2006 in Liber 12108 page 632, as amended in Amendment to Right of Way Agreement recorded Dec. 10, 2007 in Liber 12579 page 1552 (affects that portion of said easement as it affects Section 1, Block 1 of Lot 34.2).
- Pipe Line Easement and Rental Agreement (Columbia Gas Transmission Corporation) in Liber 2477 page 243.
- Terms, Easements, Leases and Rights as recited in Liber 5839 page 108.
- Grant to Home Gas Company recorded Sept. 16, 1949 in Liber 1135 page 97.
- Permanent Easement as set forth in Notice of Appropriation in Liber 1818 Page 741, Liber 1825 page 738, Liber 2376 page 193, Map Nos. 32, 43 and 51.
- Easements in Liber 1964 page 811.
- Grant to Orange & Rockland Utilities, Inc. recorded May 9, 1995 in Liber 4216 page 64.
- Grant of Right of Way to Orange & Rockland Utilities recorded in Liber 2039 page 602.
- Grant to Orange & Rockland Utilities in Liber 1683 page 272.
- Terms, Conditions and Restrictions in Liber 1637 page 1.
- Easement of Right of Way in Liber 5363 page 82.
- Easement, Terms, Conditions as set forth in License for Temporary Road Use recorded Feb. 22, 2006 in Liber 12087 page 1832.
- Terms, Conditions and Easements set forth in Liber 12108 page 632.
- Rights and Reservations recited in Liber 4713 page 138.
- Notes and Easements shown on Filed Map 372-06 and Filed Map 398-07.
- Notes and Easements as shown on Filed Map entitled "Boundary Survey Portion of Lands now or formerly of Sterling Forest Corporation" as filed in the County of Orange in Unit 1, Drawer 1.
- Gas Easement line as shown on Filed Map 1580 and Map 1418.
- Terms, Conditions, Provisions and Agreements in Lease made by Sterling Forest LLC with South County Sewer Corporation, as evidenced by Memorandum of Lease recorded April 4, 2002 in Liber 5839 page 103.
- Grant to Orange & Rockland Electric Company in Liber 795 page 386 and Liber 839 page 493.
- Grant of Easement made by and between by Sterling Forest LLC and Palisades Interstate Park Commission recorded Dec. 11, 2000 in Liber 5421 page 229.
- Easement made by and between Sterling Forest LLC and South County Water Corporation recorded April 4, 2002 in Liber 5839 page 94.
- Rights of others to the natural and unobstructed flow of the brook crossing premises.
- Terms, conditions, provisions and agreements set forth in Agreement recorded Nov. 25, 1941 in Liber 874 page 390.

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- Declaration of Restrictions dated Feb. 5, 1998, recorded in Liber 4713 page 1, made by Sterling Forest LLC (the "Declaration"). With regard thereto:
- Allocation Agreement dated April 2, 2002 and recorded Sept. 12, 2003 in Liber 11186 page 131, made by and between Sterling Forest LLC, as successor in interest to Sterling Forest Corporation and Faire Partners LLC (the "Faire Allocation Agreement").
- Allocation Agreement dated June 10, 2008 and recorded Jan. 6, 2009 in Liber 12768 page 835, made by Faire Partners LLC with Torsoe Enterprises, Inc. (the "Torsoe Allocation Agreement").

### **Development Restrictions**

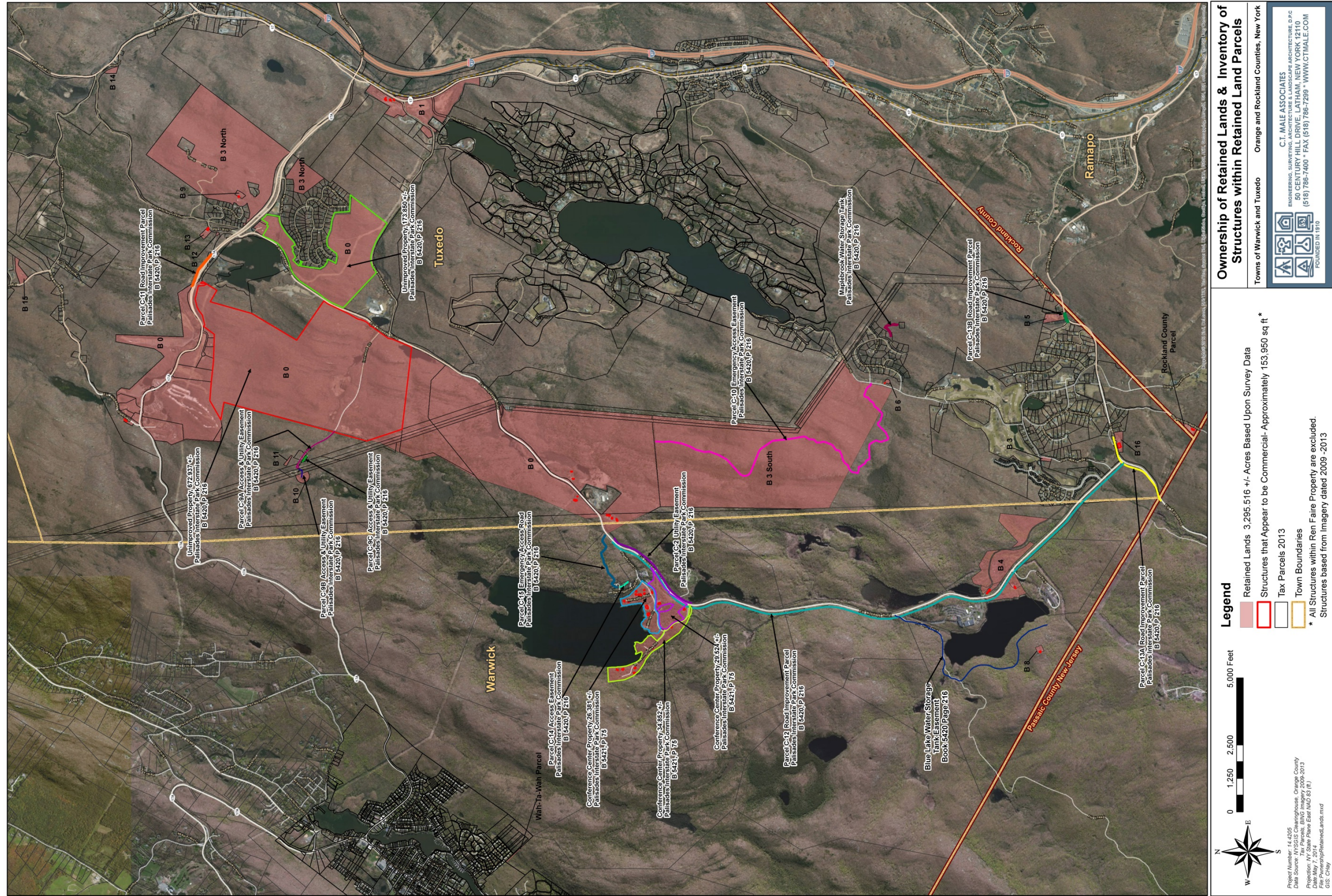
The Declaration imposes a "Master Cap" that restricts Sterling Forest LLC and its successors from developing more than 2,800,000 square feet of commercial space, in the aggregate, on 2,200 acres of land in the Towns of Warwick and Tuxedo (the "Restricted Lands") including the Project Site as depicted in Figure VIII. C.2.a-1 behind this exhibit. The Master Cap runs with the land and is binding on subsequent owners of the Restricted Lands. The Master Cap excludes from the limit imposed on the development of commercial space most of the commercial development on the Restricted Lands existing in 1998 as well as post-1998 municipally-required improvements such as utilities and parking. At the time Sterling Forest LLC agreed to the Master Cap, it owned and intended to develop the Restricted Lands. This development never occurred, as the majority of the Restricted Lands was later converted into parkland while a small portion was transferred to a few private parties.

Applicant has taken care to ensure that Sterling Forest Resort will fit within the Master Cap. The design of Sterling Forest Resort comprises approximately 1,500,000 square feet of commercial space. This design leaves a comfortable margin of approximately 250,000 square feet of unused commercial space rights after subtracting from the Master Cap (i) Sterling Forest Resort's space requirements, (ii) 900,000 square feet of commercial space allocated to another party and (iii) post-1998 commercial development on the Restricted Lands (currently estimated to be approximately 150,000 square feet).

As part of the Host Community Agreement, the Town of Tuxedo has required Applicant to construct a parking garage, which, pursuant to the municipal-requirement exclusion from the Master Cap described above, is not counted as part of Sterling Forest Resort's commercial space. In the event that it is not feasible to build the parking garage on the Project Site, Applicant plans to locate the parking garage on an alternative site, e.g. the Red Apple Rest Site. A commonly-owned affiliate of Project Site Owner has entered into a Real Estate Purchase and Sale Agreement with Peter Kourakos dated May 15, 2014 (provided in Appendix VIII. C.2.b-4 to Exhibit VIII. C.2.b) for this Site, identified as Orange County Tax Lots 13, 14.2, 14.1, 16 and 17.2 in Section 5 Block 3. Pursuant to the Option to Lease, Applicant has the right to acquire a leasehold interest in the Red Apple Rest Site within 60 days after a License has been awarded by the Commission.

A portion of the development rights established under the Master Cap was allocated pursuant to the Faire Allocation Agreement, which allocated the right to develop 140,000 square feet of commercial space on the Project Site. Sterling Forest LLC reserved the remaining commercial space rights under the Master Cap for itself (and later allocated, as noted above, a portion to another party). The Project Site allocation is technically enforceable by Sterling Forest LLC, which informed the Applicant that it has sold all of its Restricted Lands and is in the process of winding up its operations. However, based on the terms of the Master Cap and the Faire Allocation Agreement, and because Sterling Forest LLC no longer owns any Restricted Lands, Applicant believes that Sterling Forest LLC has no right to enforce either the Master Cap or the Faire Allocation Agreement. Moreover, based on discussions with Sterling Forest LLC, Applicant believes that the company has no intention of seeking to enforce any of these restrictions.

Figure VIII. C.2.a-1. Map of Restricted Lands



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### ***Explanatory Note:***

In this exhibit, Applicant has provided additional information for certain interests in the Project Site that Applicant considers to be material. Applicant believes that the interests for which additional information is not provided will not have a material impact on the development of the Project. Furthermore, the PSA requires the seller to convey good and marketable fee simple title and Applicant will continue working with the seller to clear title.