

The following information is a response from Saddleback, Inc. regarding the Land Use Regulation Commission's document entitled **Saddleback Mountain, Completeness Checklist to Accept for Processing, Petition for Rezoning and Amended Preliminary Development Plan (ver. 7/3/2006).**

The text in *italics* was taken from the above referenced document. The applicant's response follows in regular type.

## **2. Petition for Rezoning**

### **Required Submittal:**

- *Financial provision – How will this expansion be financed? Submit 1) letter from financial advisor approving business plan and stating probable ability to acquire financing from banks based on plan and 2) statement that profits from earlier phases will be used to finance subsequent phases.*

### **Response:**

Saddleback Inc. has the financial capacity to carryout this expansion. Three letters are attached that demonstrate this capacity. First, the letter from Baldwin Investment Management, LLC is a letter from a financial advisor approving the business plan and endorsing Saddleback Inc.'s ability to obtain financing from a bank to complete the proposed plan. Additionally, attached is a letter from United Kingfield Bank stating that the bank is interested in pursuing financing for the project.

Saddleback Inc. intends to utilize profits from earlier phases of its ten-year plan to finance subsequent phases of the plan. The Berry family is committed to future success of Saddleback and its contribution to the success of the local area. Profits that accrue will be utilized for continued success of the ten-year plan and later stages of the project. The attached letter from Swett Associates, Inc attests to the commitment of Saddleback Inc. to the sustainability of this project.

February 27, 2006

Land Use Regulation Commission  
Maine Department of Conservation  
22 State House Station  
Augusta, Maine 04333-0022

Re: Saddleback, Inc. - Development Project  
Letter of Interest

To Whom It May Concern:

UnitedKingfield Bank is pleased to offer this letter on behalf of Saddleback, Inc., for its proposed development project. We have reviewed the 10-year plan and find the project has merit. Based on the wherewithal of the borrower and its principal, Archie W. Berry, Jr., UnitedKingfield Bank is very interested in pursuing financing opportunities with this project.

Please note, this is not a commitment letter, since it creates no binding obligation on either party hereto and approval of any transaction has not been obtained at present time under the Bank's Credit Approval Process.

If you have any questions or need any additional information, please do not hesitate to call me at 207-779-0727 Ext. 4100.

Sincerely,

Ellen W. Curtiss  
Vice President  
Commercial Banking Officer

*Ambassador Richard N. Swett, FAIA*  
*1 Putney Road*  
*Bow, New Hampshire 03304*

January 30, 2007

Land Use Regulatory Commission  
State of Maine  
Augusta, ME

To Whom It May Concern:

Over the past year Swett Associates, Inc. has worked with Saddleback, Inc. to come up with a ten-year pro forma using both current as well as expected earnings to derive a development schedule. Using a conservative estimate of costs as well as sales the current Saddleback Mountain's Petition for Rezoning and Amended Preliminary Development Plan reflects an acceptable rate of return to ensure modest profits for Saddleback, Inc.

These financial estimates in the pro forma are supported by the market study conducted by Pinnacle Research of Boston on timeshare as well as Sage Marketing of Vermont on condominium development. Other experts in the both the hospitality industry and ski industry have reviewed portions of pro forma to verify the necessary financial returns needed to sustain Saddleback Inc. operations and provide an acceptable rate of return.

The Berry family has shown an unusual level of commitment not often seen in the development world to preserve the environmental integrity of the land and to keep growth sustainable but compatible with the surrounding environs of Western Maine. They have consistently placed community needs ahead of large profits.

Ambassador Richard Nelson Swett, FAIA, President, is a former Member of Congress (1991-1995) where he served on the Public Works and Transportation Committee dealing with infrastructure and energy issues. He is also a former U.S. Ambassador to Denmark (1998-2001). His business experience encompasses architectural design, project management, corporate management, project development, and finance. He has worked in real estate, alternative energy development, energy conservation, industrial development, design, and leadership. He is a licensed architect and author of *Leadership by Design: An Architecture of Trust*.

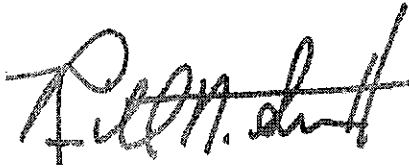
*Swett Associates, Inc.*  
Tel: (603) 774-1072 Fax: (603) 774-1071  
[rnszett@swettassociates.com](mailto:rnszett@swettassociates.com)

*Ambassador Richard N. Swett, F.A.S.A.*  
*1 Putney Road*  
*Bow, New Hampshire 03304*

Recent projects which Swett Associates has consulted on include a 140 unit development of both single family detached as well as multi-family housing units in Lebanon, NH; development of a ninety acre parcel of land for high-end residential housing in Stoughton, MA and several bioenergy facilities located in the Northeast United States as well as Central America .

Please, let me know us know if you have any further questions.

Best regards,

A handwritten signature in black ink, appearing to read "Richard N. Swett". The signature is stylized and cursive, with a horizontal line striking through the middle of the letters.

Richard N. Swett

*Swett Associates, Inc.*  
*Tel: (603) 774-1072 Fax: (603) 774-1071*  
*rmswett@swettassociates.com*



## Baldwin Investment Management, LLC

100 Four Falls Corporate Center • Suite 202 • West Conshohocken, Pennsylvania 19428  
610-260-1555 • Fax 610-260-1551

Peter H. Havens  
Chairman

Direct Dial 610-260-0453

February 23, 2007

Department of Conservation  
Attn: Marcia Spencer Famous  
Land Use Regulation Commission  
Augusta, ME 04333

Dear Ms. Spencer Famous:

Baldwin Investment Management LLC is pleased to present this letter on behalf of Saddleback Inc for its proposed 10-year development plan. I have reviewed the Saddleback Inc. business plan and ten-year pro forma for the D-PD expansion at Saddleback Mountain. In my judgment it constitutes a business plan that conforms to generally accepted standards, and demonstrates that the project will generate a revenue stream sufficient for project financing and project completion. Additionally, Saddleback Inc. could obtain financing from banks to carryout the plan.

Baldwin is a registered investment advisor which deals primarily with high net worth individuals and families. Archie W. Berry and his family are amongst our largest clients.

Baldwin has worked closely with the Saddleback Inc.'s principal, Archie W. Berry, Jr., and can attest to the commitment the company and the principal have for the expansion proposal. Based on our knowledge of the business plan and the market conditions, Saddleback Inc. could obtain needed financing to implement and sustain the proposed project over the life of the plan.

If you have any questions, please contact me at 610-260-0453.

Very truly yours,

Peter H. Havens  
Chairman