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STATE OF NEW HAMPSHIRE  
DEPARTMENT of RESOURCES and ECONOMIC DEVELOPMENT  
DIVISION OF PARKS AND RECREATION

172 Pembroke Road Concord, New Hampshire 03301  
Phone: (603) 271-3556 Fax: (603) 271-3553 E-Mail: nhparks@dred.nh.gov  
Web: www.nhstateparks.org

November 3, 2015

Her Excellency, Governor Margaret Wood Hassan  
and Honorable Executive Council  
State House  
Concord, New Hampshire 03301

**REQUESTED ACTION**

Authorize the Department of Resources and Economic Development, Division of Parks and Recreation, Cannon Mountain (Department) to enter into **SOLE SOURCE** addition of Schedule #08 to the previously approved Master Lease Equipment Agreement #09-169 with International Financial Services Corporation (IFSC) (VC# 204372), Libertyville, IL in the total amount of \$393,216 for the 41-month lease of one new Prinoth Bison TW from December 1, 2015 to May 1, 2019 effective upon Governor and Executive Council approval. 100% Ski Area Fund

Funding is available as follows and pending budget approval for Fiscal Years 2018 and 2019:

	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>
03-35-35-351510-37030000				
Cannon Mountain				
022-500257 Rents-Leases Other Than State	\$98,664	\$98,184	\$98,184	\$98,184

**EXPLANATION**

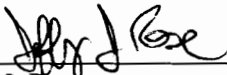
This will be the fifteenth year that the Department has utilized this fleet rotation program and we would like to continue to do so by entering into this lease agreement, Schedule #08, for a new Prinoth Bison TW. The fleet rotation program has worked very successfully for Cannon Mountain by continually providing a state-of-the-art grooming fleet and a superior on-hill product, and by reducing maintenance costs and capital outlay for outright purchases. Currently, only Prinoth, Inc. and Kassbohrer, Inc. sell snow groomers in this part of the country. Cannon's mountain operations team believes that Prinoth grooming vehicles are far superior in performance, and Prinoth's (approximately) 70% market share in the United States supports that claim. In addition, the mechanics at Cannon are factory trained by Prinoth to service their machines and stock original and aftermarket parts to spec the 4-machine fleet. The Prinoth machines have had excellent service records, and the eastern sales and service team, located in Gilmanton, has provided superior service. IFSC, being the preferred financial institute used by Prinoth, Inc., has also been a reliable and trusted lender to the Department for many years. The \$416,000 stated on the lease is to establish the basis for determining personal property coverage required under the lease as well as cost of ownership, residual value and depreciation rate schedule. For these reasons, your approval of this **SOLE SOURCE** lease is respectfully requested.

As noted, this request is to add Schedule #08 to the previously approved Master Equipment Lease Agreement. The Governor and Executive Council approved the Master Equipment Lease Agreement #09-169 and Schedule #01 on December 9, 2009, Item 46, Schedules #02 and #03 on November 17, 2010, Item 101, Schedule #04 on December 14, 2011, Item 53, Schedule #05 on November 14, 2012, Item 76, Schedule #06 on November 20, 2013, Item 52, and Schedules #07 and #02 (Extension) on November 12, 2014, Item 36. An original master 4-year lease agreement to provide a fleet of updated groomers for Cannon was first

approved by the Governor and Executive Council on November 10, 1999, Item #66. That lease, then with Bombardier Capital, Inc., provided the option to replace older groomers and keep three used groomers each year. Although that master lease agreement expired in 2003, we have continued the same leasing program with Prinoth, Inc. on an annual basis through financing provided by IFSC and the approval of Governor and Executive Council.

The Attorney General's Office has reviewed and approved the Schedule #08 lease agreement and related documents as to form, substance, and execution. Additionally, the Department of Administrative Services' has reviewed and approved the Schedule #08 lease agreement. A copy of Chapter 276:190, Laws of 2015 (HB 2) governing this process is included for your information. Lastly, the NH State Treasury has reviewed and approved the Schedule #08 lease agreement as well. A copy of the NH State Treasury Agency Lease Questionnaire approved by State Treasurer William F. Dwyer, a copy of RSA 6:35 governing this process and a Statement of Appropriations showing Cannon Mountain's operating budget line item for equipment leases are all included for your information.

Respectfully submitted,



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Jeffrey J. Rose  
Commissioner

## NH State Treasury Agency Lease Questionnaire

In order to provide a brief overview of the asset and financing arrangement, the Department of Resources and Economic Development (DRED) submits responses to the following items:

1. Has funding for the lease payments under consideration been specifically approved by the state legislature? Please provide a copy of the relevant excerpt from the biennial operating budget containing the line item for the appropriate accounting unit.

**Yes, Cannon Mountain has an approved line item in their operating budget for equipment leases, i.e. 03-35-35-351510-37030000-022-500257 (see attached printout).**

2. Has the financing schedule been submitted to the Deputy State Treasurer for analysis and approval? If so, confirm rate found to be reasonable and that there are sufficient appropriations available to cover the lease payments. If not, what is the time frame for submission?

**Yes, the lease agreement and supporting documents were originally submitted for review/approval by the State Treasurer on October 2, 2015. It has since been determined by the State Treasurer that the rate is reasonable and there's sufficient funding available in Cannon Mountain's operating budget.**

3. Have both the Department of Administrative Services (DAS) and the Attorney General's office (AGO) been notified so that they can conduct their reviews of the lease documentation? If so, please provide the contact information for those conducting the review at DAS and AGO. If not, what is the time frame for submission?

**Yes, Brian Buonamano, Assistant Attorney General at the AGO, and Michael P. Connor, Deputy Commissioner at DAS, have both reviewed and approved the lease agreement and supporting documents. Attorney Brian Buonamano may be contacted at 603-271-1392. Deputy Commissioner Michael P. Connor may be contacted at 603-271-6899.**

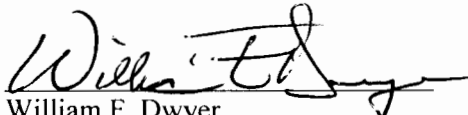
4. If an Escrow Agreement is involved, will it require a State bank account? Who will be the signatory(ies)? Please provide a brief summary of how the account will operate. Has Governor and Executive Council approval to open the State bank account been obtained? (attach appropriate documentation for the escrow agreement, if needed)

**No, an Escrow Agreement is not involved.**

5. Does the lease agreement require filing of an IRS form 8038-G or 8038-GC? If so, has the Department provided to the State Treasury all information necessary to complete the required IRS forms, particularly the lease financing contract? Please note that the State Treasury will work with bond counsel to ensure filing of required IRS forms and will provide a copy of the completed and filed form to the Department

**No, the lease does not require the filing of IRS form 8038-G or 8038-GC.**

Submitted by: Jeffrey J. Rose  
Position Title/Agency: Commissioner of DRED  
Phone/Email: 603-271-2411/jeffrey.rose@dred.nh.gov  
Date: November 2, 2015

Reviewed/Approved:   
William F. Dwyer  
NH State Treasurer

11-3-15  
Date

CHAPTER 276  
HB 2-FN-A-LOCAL – FINAL VERSION  
- Page 55 -

1 111-148, as amended.

2 276:189 Applicability. RSA 21-I:26-a, as inserted by section 188 of this act, shall not apply to  
3 any state employees health insurance plan in effect on the effective date of section 188 of this act.

4 276:190 Agreements to Lease-Purchase Vehicles and Equipment Authorized. For the biennium  
5 ending June 30, 2017, any state agency or department is authorized, with the prior written approval  
6 of the department of administrative services, to enter into agreements to rent, lease, or lease-  
7 purchase vehicles and equipment from any outside vendor or to rent or lease vehicles and equipment  
8 from any other state agency or department.

9 276:191 Allocation of Highway Fund Appropriations. RSA 9:9-b is repealed and reenacted to  
10 read as follows:

11 9:9-b Allocation of Highway Fund Appropriations. In each biennium, highway fund  
12 appropriations, including costs of collections of the department of safety, shall be subject to the  
13 following limitations:

14 I. Department of transportation: Not less than 73 percent of anticipated total gross road toll  
15 and motor vehicle fees and fines for the biennium.

16 II. Department of safety: Not to exceed 26 percent of total anticipated gross road toll and  
17 motor vehicle fees and fines for the biennium.

18 III. All other agencies: Not to exceed 1 percent of total anticipated gross road toll and motor  
19 vehicle fees and fines for the biennium.

20 276:192 Highway Fund; Construction and Reconstruction Aid; Apportionment. Amend RSA  
21 235:23, I to read as follows:

22 I. Apportionment A. In each fiscal year, the commissioner shall allocate an amount not less  
23 than 12[%] *percent* of the [~~total~~] *gross* road toll revenue and motor vehicle fees collected in the  
24 preceding fiscal year to a local highway aid fund. This fund shall be distributed to each city, town,  
25 and unincorporated place on a formula in which 1/2 of the amount is based on the proportion which  
26 the mileage of regularly maintained class IV and class V highways in each municipality, as of  
27 January 1 of the previous year, bears to the total of such mileage in the state; and 1/2 of the amount  
28 is based on the proportion which the office of energy and planning population estimate of each  
29 municipality bears to the latest estimate of the total population of the state as of July 1 of the year of  
30 the estimate. The aid to be distributed under this paragraph shall be in addition to all other state  
31 and federal aid specifically authorized by statute.

32 276:193 Chartered Public Schools; Funding. Amend RSA 194-B:11, I(b)(1) to read as follows:

33 (b)(1) Except as provided in subparagraph (2), for a chartered public school authorized  
34 by the state board of education pursuant to RSA 194-B:3-a, the state shall pay tuition pursuant to  
35 RSA 198:40-a plus an additional grant of [~~\$2,000~~] **\$2,036** directly to the chartered public school for  
36 each pupil who is a resident of this state in attendance at such chartered public school.



# TITLE I

## THE STATE AND ITS GOVERNMENT

### CHAPTER 6

#### STATE TREASURER AND STATE ACCOUNTS

#### State Leases

##### Section 6:35

**6:35 State Leases.** – The 10-year limitation does not apply to leases for state facility energy cost reduction projects pursuant to RSA 21-I:19-a through RSA 21-I:19-e, which shall be subject to the term limitation applicable to energy performance contracts, as defined therein. The treasurer may establish financing criteria to be met by any state agency or department before entering into leases for equipment. In no instance shall the term of such lease exceed 10 years. For purposes of this section "leases" shall include lease-purchase, sale and lease back, installment sale, or other similar agreements entered into by various agencies or departments to acquire such equipment from time to time for the agencies or departments; provided that funding for such equipment leases was specifically approved by the legislature in a budget. Payment obligations under any lease entered into under this section shall be subject to annual appropriation and shall not be treated as debt obligations of the state. Nothing in this chapter shall prohibit the treasurer from entering into financing agreements or executing any related documents, including any document creating or confirming any security interest retained by the seller or lessor of the equipment.

**Source.** 1996, 1:1. 2000, 276:8. 2008, 120:12, eff. Aug. 2, 2008.

Cannon Mountain 4-year Equipment Lease Payment Schedule

	<u>-3.6200% IRR</u>
11/18/2015	416,000.00
1 12/1/2015	(98,184.00)
2 12/1/2016	(98,184.00)
3 12/1/2017	(98,184.00)
4 12/1/2018	(98,184.00)

Note: Negative IRR results from operating lease versus capital lease

**INTERNATIONAL FINANCIAL SERVICES CORPORATION**

1113 S. Milwaukee Avenue, Suite 301  
Libertyville, IL 60048

June 24, 2015

Mr. Jeffrey J. Rose, Commissioner  
CANNON MOUNTAIN SKI AREA  
Franconia Notch State Park  
Franconia, NH 03580

Dear Mr. Rose:

Enclosed is our set of documents for Schedule #08 in the amount of \$416,000.00 to MASTER EQUIPMENT LEASE AGREEMENT #09-169 between STATE OF NEW HAMPSHIRE DIVISION OF PARKS AND RECREATION CANNON MOUNTAIN AERIAL TRAMWAY & SKI AREA (LESSEE) and INTERNATIONAL FINANCIAL SERVICES CORPORATION (LESSOR).

To avoid confusion and administrative headaches, we have taken the liberty to date all of the documents June 24, 2015. If you would like to change the date then please feel free to do so, but please make sure all of the documents are dated with the same date.

ORIGINAL

**EQUIPMENT LEASE SCHEDULE #08  
FOR MASTER EQUIPMENT LEASE AGREEMENT #09-169**

This Schedule is executed and delivered by STATE OF NEW HAMPSHIRE DIVISION OF PARKS AND RECREATION CANNON MOUNTAIN AERIAL TRAMWAY & SKI AREA whose signatures appear below, in accordance with the terms and as part of that certain Master Equipment Lease Agreement #09-169 dated December 22, 2009 (the "Master Lease") between Lessor, and Lessee (the defined terms in the Lease being herein used with the same meaning):

TERM:	41
Periods are:	Monthly
Total # of Lease Payments:	4
Effective Date:	

A total of four (4) payments in the amount of \$98,184.00 each plus applicable taxes, payable as follows: One (1) payment per year payable on the first (1st) day of each December, commencing on December 1st, 2015 continuing through, May 1st, 2019.

- DESCRIPTION OF EQUIPMENT COVERED BY THIS SCHEDULE: New (estimated to be 2015) Pinnoth Bison TW with Hydrostatic MP Stick Controls, Rexroth Drive System, Sherpa Tower Winch, Standard Rear Lift Frame, Winch Rear Cover, Snow Guards for Rear Cover, Xenon Rear Lights, Joystick & Joystick, AM/FM, CD, iPod & USB Radio, 4 Point Seat Belt, Tiller Up/Down, Pressure Gauge, Solid Rubber ITL Groomer Tires, 66" Master Climber Tracks, Leitwolf Quick Mount Blade, Posi Flex Tiller with Hydraulic Wings and Full Posi, Hydraulics and all other accessories and attachments thereto.

# INTERNATIONAL FINANCIAL SERVICES CORPORATION

1113 S. Milwaukee Avenue, Suite 301  
Libertyville, IL 60048

June 24, 2015

Mr. Jeffrey J. Rose, Commissioner  
CANNON MOUNTAIN SKI AREA  
Franconia Notch State Park  
Franconia, NH 03580

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*To avoid confusion and administrative headaches, we have taken the liberty to date all of the documents June 24, 2015. If you would like to change the date then please feel free to do so, but please make sure all of the documents are dated with the same date.*

The documents for this transaction are to be executed as follows:


1. Schedule #08 - please sign and also have executed by the Attorney General's office.
2. Acceptance Notice – *will be sent once the equipment is delivered and accepted in December 2015.*
3. Fair Market Value Purchase Option – please sign and also have executed by the Attorney General's office.
4. Request for Insurance- please sign and provide a copy of the Self Insured Letter.
5. Tax Status Certificate – please sign and forward a TAX EXEMPTION CERTIFICATE.
6. Addendum A – please sign.
7. Addendum B – please sign.
8. Addendum C - please sign.
9. Pre-dated Invoice- please forward a check for **\$98,664.00** due no later than **12.10.2015**.

Approximate Delivery date: X November 25, 2015

Equipment to be located at: X Franconia Notch State Park (Cannon Mountain Ski Area) in Franconia, New Hampshire

**\*\*IMPORTANT\*\***

IFS will need personal property coverage for the amount requested \$416,000.00 along with general liability coverage in the amount of \$1,000,000.00 for the full term of the lease.

ACKNOWLEDGED AND AGREED: BY:  DATE: 10/5/15  
Jeffrey J. Rose, Commissioner

If you should have any questions, please do not hesitate to call 800-258-3531 x212.

Best Regards,

Dara W. Dietmeyer  
Credit Manager



ORIGINAL

**EQUIPMENT LEASE SCHEDULE #08  
FOR MASTER EQUIPMENT LEASE AGREEMENT #09-169**

This Schedule is executed and delivered by STATE OF NEW HAMPSHIRE DIVISION OF PARKS AND RECREATION CANNON MOUNTAIN AERIAL TRAMWAY & SKI AREA whose signatures appear below, in accordance with the terms and as part of that certain Master Equipment Lease Agreement #09-169 dated December 22, 2009 (the "Master Lease") between Lessor, and Lessee (the defined terms in the Lease being herein used with the same meaning):

<b>TERM:</b>	<u>41</u>	A total of four (4) payments in the amount of <u>\$98,184.00</u> each plus applicable taxes, payable as follows: One (1) payment per year payable on the first (1st) day of each December, commencing on December 1st, 2015 continuing through, May 1st, 2019.
<b>Periods are:</b>	<u>Monthly</u>	
<b>Total # of Lease Payments:</b>	<u>4</u>	
<b>Effective Date:</b>		

- DESCRIPTION OF EQUIPMENT COVERED BY THIS SCHEDULE:** New (estimated to be 2015) Prinoth Bison TW with Hydrostatic MP Stick Controls, Rexroth Drive System, Sherpa Tower Winch, Standard Rear Lift Frame, Winch Rear Cover, Snow Guards for Rear Cover, Xenon Rear Lights, Joystick & Joystick, AM/FM, CD, iPod & USB Radio, 4 Point Seat Belt, Tiller Up/Down, Pressure Gauge, Solid Rubber ITL Groomer Tires, 66" Master Climber Tracks, Leitwolf Quick Mount Blade, Posi Flex Tiller with Hydraulic Wings and Full Posi, Hydraulics and all other accessories and attachments thereto.
- LOCATION:** Equipment covered by this Schedule shall be located at:  
**Franconia Notch State Park; Franconia, NH 03580**
- SELLER:** The Seller of the Equipment is Prinoth, LLC; 264 NH Route 106; Gilmanton, NH 03237
- The term of the Lease for the Equipment covered by this Schedule shall be the number of months stated above, effective on the date stated above. Lessee authorizes Lessor to insert said effective date, provided such date shall not be earlier than the date of delivery to Lessee of the Equipment covered hereby or a substantial part thereof.
- RENT:** The total rent for the term here is the sum of all monthly payments as described above times the appropriate number of months as described above.
- ADDITIONAL TERMS, IF ANY:** The undersigned confirm that this Equipment Lease Schedule marked "Original" together with the original or a xerographic copy of the Master Lease (the terms and conditions of which are hereby incorporated by referenced) will constitute an original, separable and enforceable agreement to lease, independent of any other Equipment Schedules and as such shall constitute chattel paper under the Uniform Commercial Code.
- ERRORS IN ESTIMATED COST:** The amount of each rent payment and the advance rent initially set forth are above based on the estimated cost of the EQUIPMENT (including taxes, transportation and any other charges) which is an estimate, and each shall be adjusted proportionally if the actual cost of the EQUIPMENT differs from said estimate. LESSEE hereby authorizes LESSOR to correct the figure set forth above when the actual cost is known, and to add the amount of each rent payment any sales or other tax that may be imposed on or measured by rent payments. If the actual cost of the EQUIPMENT differs from the estimated cost by more than ten (10%) percent thereof, however, either party at its option may terminate this Lease by giving written notice to the other party within fifteen (15) days after receiving notice of the actual cost or corrected rent.
- A security interest in this Lease Schedule may be created and/or perfected only by possession of this equipment lease schedule marked "Original" and possession of any other duplicates or copies will not give rise to the creation of perfection of a security interest.

**INTERNATIONAL FINANCIAL SERVICES CORPORATION, Lessor**

**STATE OF NEW HAMPSHIRE DIVISION OF PARKS AND RECREATION CANNON MOUNTAIN AERIAL TRAMWAY & SKI AREA, Lessee**

Signed By: [Signature]

Signed By: [Signature]

Title: Funding Coordinator

Print Name & Title: Jeffrey J. Rose, Commissioner

Date: 10/5/15

Date: October 5, 2015

**Approved as to form, substance and execution**

Signature: [Signature]  
Attorney General's Office

Date: 10/20/15

**FAIR MARKET VALUE PURCHASE OPTION**

Master Equipment Lease Agreement #09-169, Schedule #08, dated June 24, 2015 between Lessee STATE OF NEW HAMPSHIRE DIVISION OF PARKS AND RECREATION CANNON MOUNTAIN AERIAL TRAMWAY & SKI AREA;

Party of the first part, STATE OF NEW HAMPSHIRE DIVISION OF PARKS AND RECREATION CANNON MOUNTAIN AERIAL TRAMWAY & SKI AREA (Hereinafter called "Lessee") and INTERNATIONAL FINANCIAL SERVICES CORPORATION, 1113 S. Milwaukee Ave., Suite 301, Libertyville, IL 60048 party of the second part (Hereinafter called "Lessor").

1. If there is no default of, or any event of default with respect to any of the terms or conditions of the Lease, the Lessee shall have the option to purchase all (but not less than all) of the Equipment described in said Lease at the end of the term thereof or any renewal term thereof, at its then current Fair Market value, as determined by the Lessor when such purchase option is exercised, and supported by independent market information and valuation.
2. This option may be exercised by the Lessee by delivery of a signed written notice by postpaid mail to Lessor at least one hundred eighty (180) days prior to the expiration of said Lease and by making payment at the said time of the option price of the then fair market value in cash, certified or bank check. Lessee hereby warrants that there are no side agreements guaranteeing any floor or ceiling on the fair market value. The actual, then current, fair market value shall be determined as stated above.
3. Title to the equipment, and all parts and accessories at any time added to such equipment shall remain in the Lessor until the purchase price has been fully paid.
4. No Change or modification of the Agreement is valid unless agreed to in writing by both parties and endorsed hereon. This option shall not be effective until accepted in writing by a duly authorized representative of the Lessor, but shall not be deemed to have been exercised until the Lessee complies with the provisions of this agreement.
5. This Purchase Option must be exercised on an all or none basis.

Lessee acknowledges that at the outset of our negotiations with International Financial Services Corporation, we discussed several lease plans. Some were tax leases, others were finance leases and conditional sale contracts. All had various purchase options, some fixed, some at fair market value and some at fair market value not to exceed a certain cap of 10 or 20 percent. After all other programs or applications were considered, we have agreed to a true lease program without any cap, floor or other limitation on the Fair Market Value purchase option.

The final lease agreement we have entered into is a true lease. The purchase option at the end of said lease shall be its actual fair market value at the time of the expiration of the lease without cap, floor or other limitations on the purchase option. There is no cap or floor on this fair market value purchase option. There are no side letters or other representations, estimates or promises; oral, implied, written, or otherwise as to the value of purchase option price at the end of this lease.

**ACKNOWLEDGED AND AGREED:**

LESSOR:

INTERNATIONAL FINANCIAL  
SERVICES CORPORATION

By: [Signature]

TITLE: Funding Coordinator

DATE: 10/5/15

LESSEE:

STATE OF NEW HAMPSHIRE DIVISION OF PARKS AND RECREATION  
CANNON MOUNTAIN AERIAL TRAMWAY & SKI AREA

SIGNED BY: [Signature]

PRINT NAME & TITLE: Jeffrey J. Rose, Commissioner

DATE: October 5, 2015

**Approved as to form, substance and execution**

Signature: [Signature]  
Attorney General's Office

Date: 10/22/15





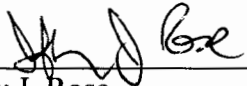
STATE OF NEW HAMPSHIRE  
DEPARTMENT of RESOURCES and ECONOMIC DEVELOPMENT  
OFFICE OF THE COMMISSIONER


172 Pembroke Road Concord, New Hampshire 03301  
Phone: 271-2411 Fax: 271-2629

October 5, 2015

To Whom It May Concern:

The Department of Resources and Economic Development, being a New Hampshire State agency, is self-insured.

  
\_\_\_\_\_  
Jeffrey J. Rose  
Commissioner

Witness:   
\_\_\_\_\_  
Leanne M. Lavoie  
Notary Public

\_\_\_\_\_  
Date 10/5/15

My Commission Expires:

LEANNE M. LAVOIE, Notary Public  
My Commission Expires October 3, 2017

**TAX STATUS CERTIFICATE  
SALES AND USE TAXES**  
For the State of  
New Hampshire

**FOR MASTER EQUIPMENT LEASE AGREEMENT #09-169  
SCHEDULE #08**

The undersigned Purchaser, being fully informed concerning the NH Sales and Use Tax Acts and their Rules and Regulations, hereby certifies that Lessee is either legally Subject to such taxes or is entitled to Exemption from such taxes, by reason of one or more of the classifications listed below.

**Please check one:**

\_\_\_\_\_ Subject to State Sales and Use Taxes

\_\_\_\_\_ Exempt, as equipment and parts are to be used in productions and/or industrial processing  
(Provide State Registration Number and a copy of the Tax Exempt Certificate)

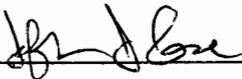
XX Exempt, for other reasons, specified below: (Attach a copy of the tax exempt certificate)

The undersigned hereby makes this certificate a part of each order unless otherwise specified on such order and agrees to reimburse the Seller/ Lessor for any deficiencies imposed by the State of NH for any violation of such Rules and Regulations.

This certificate shall remain in effect for a period for which the State of NH shall hold the Seller/ Lessor liable.

**LESSEE:**

**STATE OF NEW HAMPSHIRE DIVISION OF PARKS AND RECREATION  
CANNON MOUNTAIN AERIAL TRAMWAY & SKI AREA**

By: 

Print Name & Title: Jeffrey J. Rose, Commissioner

Date: October 5, 2015



## TAX EXEMPTION CERTIFICATE

*(For use by the United States, Territories, or Political Divisions thereof, or the District of Columbia)*

October 2015

The undersigned hereby certifies that he is the Business Administrator of the State of New Hampshire, Department of Resources and Economic Development, and that he is authorized to execute this Certificate, and that the goods or services specified below purchased from International Financial Services Corporation of Libertyville, Illinois are for the exclusive use of the Department of Resources and Economic Development of the State of New Hampshire.

It is understood that the exemption from tax in the case of all goods or services under this Certificate to the United States, Territories, etc. is limited to the sale of goods or services for their exclusive use, and it is agreed that if goods or services purchased tax-free under this Certificate are used otherwise, or are sold to employees or others, such fact must be reported to the manufacturer/provider of the goods or services covered by this Certificate. It is also understood that the fraudulent use of this Certificate to secure exemption will subject all guilty parties to a fine of not more than \$10,000, or to imprisonment for not more than five years, or both, together with cost of prosecution.

A handwritten signature in black ink, appearing to read 'Christopher S. Marino', written over a horizontal line.

Christopher S. Marino, Admin. of Business Ops.  
Dept. of Resources and Economic Development

This Certificate covers the following articles specified in various Contracts and/or Purchase Orders issued by the State of New Hampshire for:

**ALL GOODS AND SERVICES**

**INTERNATIONAL FINANCIAL SERVICES CORPORATION**

1113 S. Milwaukee Avenue, Suite #301  
Libertyville, IL 60048  
PHONE: 800-258-3531 FAX: 847-549-0119

**ADDENDUM "A"**

**FOR MASTER EQUIPMENT LEASE AGREEMENT #09-169  
SCHEDULE #08  
AND/OR SECURITY AGREEMENT-MORTGAGE ON GOODS & CHATTELS  
AND UNIFORM COMMERCIAL CODE #1 & #3 FILING FORM**

**LESSEE: STATE OF NEW HAMPSHIRE DIVISION OF PARKS AND RECREATION  
CANNON MOUNTAIN AERIAL TRAMWAY & SKI AREA**

**LESSOR: INTERNATIONAL FINANCIAL SERVICES CORPORATION**

**EQUIPMENT AS DESCRIBED BELOW:**

New (estimated to be 2015) Prinoth Bison TW with Hydrostatic MP Stick Controls, Rexroth Drive System, Sherpa Tower Winch, Standard Rear Lift Frame, Winch Rear Cover, Snow Guards for Rear Cover, Xenon Rear Lights, Joystick & Joystick, AM/FM, CD, iPod & USB Radio, 4 Point Seat Belt, Tiller Up/Down, Pressure Gauge, Solid Rubber ITL Groomer Tires, 66" Master Climber Tracks, Leitwolf Quick Mount Blade, Posi Flex Tiller with Hydraulic Wings and Full Posi, Hydraulics and all other accessories and attachments thereto.

Including all accessories and attachments now owned or hereafter acquired and all proceeds thereof.

**LESSOR:**

**INTERNATIONAL FINANCIAL  
SERVICES CORPORATION**

Signed By: 

Title: Funding Coordinator

Date: 10/5/15

**LESSEE:**

**STATE OF NEW HAMPSHIRE DIVISION OF PARKS AND RECREATION  
CANNON MOUNTAIN AERIAL TRAMWAY & SKI AREA**

Signed By: 

Print Name & Title: Jeffrey J. Rose, Commissioner

Date: October 5, 2015

**INTERNATIONAL FINANCIAL SERVICES CORPORATION**

1113 S. Milwaukee Avenue, Suite 301  
Libertyville, IL 60048  
PHONE: 800-258-3531 FAX: 847-549-0119

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**ADDENDUM "B"**

**FOR MASTER EQUIPMENT LEASE AGREEMENT #09-169  
SCHEDULE #08**

**LESSEE: STATE OF NEW HAMPSHIRE DIVISION OF PARKS AND RECREATION  
CANNON MOUNTAIN AERIAL TRAMWAY & SKI AREA**

**LESSOR: INTERNATIONAL FINANCIAL SERVICES CORPORATION**

The monthly payment is subject to adjustment in proportion to any increase in comparable term interest rate swaps, as published by the Federal Reserve Statistical Release for June 18, 2015 (1.54%) until the date of final funding.

**ACKNOWLEDGED AND AGREED:**

**LESSOR:**

**INTERNATIONAL FINANCIAL  
CORPORATION**

SIGNED BY: \_\_\_\_\_

TITLE: Funding Coordinator

DATE: 10/5/15

**LESSEE:**

**STATE OF NEW HAMPSHIRE DIVISION OF PARKS AND SERVICES  
RECREATION CANNON MOUNTAIN AERIAL TRAMWAY & SKI AREA**

SIGNED BY: \_\_\_\_\_

PRINT NAME & TITLE: Jeffrey J. Rose, Commissioner

DATE: \_\_\_\_\_

October 5, 2015



**ADDENDUM "C"**  
**USAGE AND RETURN PROVISION**

**FOR MASTER EQUIPMENT LEASE AGREEMENT #09-169**  
**SCHEDULE #08**

**LESSEE: STATE OF NEW HAMPSHIRE DIVISION OF PARKS AND RECREATION**  
**CANNON MOUNTAIN AERIAL TRAMWAY & SKI AREA**

**LESSOR: INTERNATIONAL FINANCIAL SERVICES CORPORATION**

**Usage Provision:**

Lessee acknowledges that the Equipment has a meter indicating the total number of hours that the Equipment has been operated and that the meter reading for the Equipment contained in this Lease is zero as this equipment is being sold "New". The usage of the Equipment will be limited as follows: A maximum of 1,500 hours per unit for each ski season, or a total accumulation of 6,000 hours per unit during the Term. Further, Equipment must be maintained in accordance with the original equipment manufacturers recommended maintenance program.

At the end of the lease, and provided Lessee does not exercise the Purchase Option, Lessee shall compensate Lessor for any Equipment usage in excess of 6,000 hours per unit, accumulated during the Term at a rate of \$75.00 per hour of operation. No credit is applicable for unused hours within the allowance assigned.

**Return Provision:**

At the Lease Termination, or such other date as agreed upon by Lessor and Lessee, Lessor shall inspect the Equipment, and shall notify Lessee in writing of any item of Equipment which may require repair or service to satisfy the Return Conditions as defined below.

- All standard and optional equipment must be fully operational.
- No broken or cracked glass.
- All doors and windows shall be free of defects which would prohibit the proper sealing and operation of the windows.
- Track and track components as well as hydrostatics and final drives should be in good operating condition with ordinary wear and tear expected. Normal wear and tear to track conditions will not require belt replacement.
- No evidence of excessive smoke, blow by, oil consumption or excessive internal engine noise.
- Any replacement of Track Parts must be from the original equipment manufacturer.
- Track Belts, Sprockets, and Tiller Drums all must have at least 50% remaining useful life.

**LESSOR:**

**LESSEE:**

**INTERNATIONAL FINANCIAL SERVICES CORPORATION**

**STATE OF NEW HAMPSHIRE DIVISION OF PARKS AND RECREATION**  
**CANNON MOUNTAIN AERIAL TRAMWAY & SKI AREA**

SIGNED BY: \_\_\_\_\_

SIGNED BY: \_\_\_\_\_

TITLE: Funding Coordinator

PRINT NAME & TITLE: Jeffrey J. Rose, Commissioner

DATE: 10/5/15

DATE: \_\_\_\_\_

October 5, 2015

INTERNATIONAL FINANCIAL SERVICES CORPORATION  
1113 S. Milwaukee Avenue, Suite 301  
Libertyville, IL 60048  
Phone: (800) 258-3531 Fax: (847) 549-0119

**INVOICE**

**LEASE NO.**

**#09-169-08**

**LESSEE:**

STATE OF NEW HAMPSHIRE DIVISION OF PARKS AND  
RECREATION CANNON MOUNTAIN AERIAL TRAMWAY &  
SKI AREA

**Invoice Date**  
**December 1, 2015**

DESCRIPTION	AMOUNT
1 <sup>ST</sup> Payment due= December 1, 2015 Lease Payment	\$98,184.00
Documentation Preparation Fee (Does not include UCC filing fees)	\$350.00
UCC Filing and Processing Fee	\$130.00
Less Payment Received	(\$0.00)
<b>TOTAL AMOUNT DUE: PLEASE SUBMIT A CHECK NO LATER THAN DECEMBER 10, 2015</b>	<b>\$98,664.00</b>

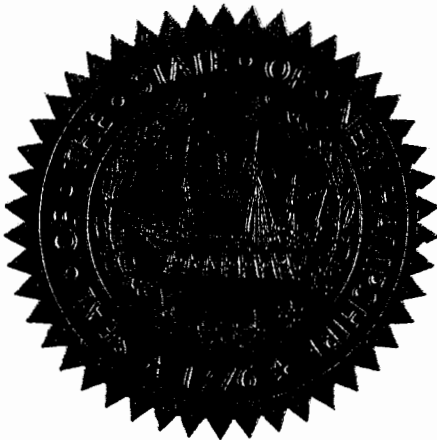
**PAYMENT DUE NO LATER THAN DECEMBER 10, 2015**

# State of New Hampshire

## Department of State

### CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that International Financial Services Corporation doing business in New Hampshire as International Financial Services of Illinois, a(n) Illinois corporation, is authorized to transact business in New Hampshire and qualified on November 12, 2009. I further certify that all fees and annual reports required by the Secretary of State's office have been received.



In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 22<sup>nd</sup> day of September, A.D. 2015

A handwritten signature in cursive script, appearing to read "William M. Gardner".

William M. Gardner  
Secretary of State

**COPORATE OFFICER'S CERTIFICATE**

The undersigned, as secretary of INTERNATIONAL FINANCIAL SERVICES CORPORATION (the "Company"), does hereby certify that the person listed below is duly authorized to execute on behalf of the company that certain lease documents, dated as of Oct. 5, 2015, to the State of New Hampshire, Department of Resources and Economic Development, d/b/a Cannon Mountain Ski Area, that such person holds the title set forth opposite his name below, and that the signature written opposite his name and title is his correct and genuine signature.

**NAME**

**TITLE**

**SIGNATURE**

Stacy Levinson

Funding Coordinator



In WITNESS WHERE ON, I have hereunto signed my name as of the 5th day of October, 2015



Denise Mitchem

Secretary



STATE OF NEW HAMPSHIRE  
 DEPARTMENT of RESOURCES and ECONOMIC DEVELOPMENT  
 DIVISION of PARKS and RECREATION

172 Pembroke Road P.O. Box 1856 Concord, New Hampshire 03302-1856  
 PHONE: (603) 271-3556 FAX: (603) 271-3553 E-MAIL: nhparks@dred.state.nh.us  
 WEB: www.nhstateparks.org

Item # 36 10/20/14

October 20, 2014

Her Excellency, Governor Margaret Wood Hassan  
 and Honorable Executive Council  
 State House  
 Concord, New Hampshire 03301

**REQUESTED ACTION**

1. Authorize the Department of Resources and Economic Development, Division of Parks and Recreation, Cannon Mountain to enter into **SOLE SOURCE** addition of Schedule #07 to the previously approved Master Lease Equipment Agreement #09-169 with International Financial Services Corporation (IFSC) (VC# 204372), Libertyville, IL in the total amount of \$272,228. This additional Schedule is for a 4-year lease period for one new Bison Snow Groomer from December 1, 2014 to May 1, 2018. The Governor and Executive Council originally approved the Master Lease Equipment Lease Agreement #09-169 and Schedule #01 on December 9, 2009, Item #46, Schedules #02 and #03 on November 17, 2010, Item #101, Schedule #04 on December 14, 2011, Item #53, Schedule #5 on November 14, 2012, Item #76, and Schedule #6 on November 20, 2013, Item #52. 100% Ski Area Fund
2. Further authorize the Department to enter into a **SOLE SOURCE** extension of Schedule #02 to the previously approved Master Lease Equipment Agreement #09-169 with IFSC in the total amount of \$43,598. This extension Schedule is for an additional 4-year lease period for a Prinoth Trooper from December 1, 2014 through December 1, 2017. The Governor and Executive Council originally approved Schedule #02 on November 17, 2010, Item #101. 100% Ski Area Fund
3. Further authorize the Department to purchase **SOLE SOURCE** the Prinoth Trooper in Schedule #02 to the previously approved Master Lease Equipment Agreement #09-169 from IFSC in the amount of \$1 at the completion of the lease extension on December 1, 2017. 100% Ski Area Fund

Funding is available in account titled, Cannon Mountain, as follows and pending budget approval for Fiscal Years 2016, 2017 and 2018:

	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>
03-35-35-351510-37030000-022-500257 Rents-Leases OTS	\$79,579	\$78,749	\$78,749	\$78,750

**EXPLANATION**

A master 4-year lease agreement to provide a fleet of updated groomers for Cannon was first approved by the Governor and Executive Council on November 10, 1999, Item #66. That lease, then with Bombardier Capital, Inc., provided the option to replace older groomers and keep three used groomers each year. Although that agreement expired in 2003, we have continued the same program with Prinoth, Inc. on an annual basis through financing provided by IFSC and the approval of Governor and Executive Council.

This fleet rotation program has worked very successfully for Cannon Mountain by continually providing a state-of-the-art grooming fleet and a superior on-hill product, and by reducing maintenance costs and capital outlay for outright purchases. Currently, only Prinoth, Inc. and Kassbohrer, Inc. sell snow groomers in this part of the country. Cannon's mountain operations team believes that Prinoth grooming vehicles are far superior in performance, and Prinoth's (approximately) 70% market share in the United States supports that claim. In addition, the mechanics at Cannon are factory trained by Prinoth to service their machines and stock original and aftermarket parts to spec the 4-machine fleet. The Prinoth machines have had excellent service records, and the eastern sales and service team, located in Gilmanton, has provided superior service to its NH customers.




The Department has been using this program for fourteen years, and would like to continue to do so by entering into Schedule #07 for a new Bison Snow Groomer. We would also like to extend Schedule #02 for the lease of a Prinoth Trooper, and to purchase this vehicle at the completion of the lease period. The Department has maintained, and will continue to maintain this vehicle in excellent working condition so that the value is retained. The Trooper is used primarily to haul equipment and personnel around the ski area's trail network, and does far less heavy lifting than its groomer fleet counterparts, thus the ability to renew the lease for a second 4-year term and maintain its condition and value during that timeframe (rather than leasing a new machine at a far higher cost). The one-dollar buyout at the end of this renewal term will allow Cannon to either utilize the machine as a rubber-tracked summer vehicle for its trail crew, or continue its winter use by the snowmaking crew as a secondary carrier, or both. For these reasons, your approval of these 3 **SOLE SOURCE** actions is respectfully requested.

The Attorney General's Office has reviewed and approved the Schedule #07 and related documents as well as the Schedule #02 extension document as to form, substance, and execution.

Respectfully submitted,

Concurred, <sup>TMM</sup>

  
\_\_\_\_\_  
Philip A. Bryce  
Director

  
\_\_\_\_\_  
Jeffrey J. Rose  
Commissioner

PAB/GMB/lml



11/20/13

3 A

STATE OF NEW HAMPSHIRE  
DEPARTMENT of RESOURCES and ECONOMIC DEVELOPMENT  
DIVISION of PARKS and RECREATION  
172 Pembroke Road P.O. Box 1856 Concord, New Hampshire 03302-1856  
PHONE: (603) 271-3556 FAX: (603) 271-3553 E-MAIL: nhparks@dred.state.nh.us  
WEB: www.nhstateparks.org

October 16, 2013

Her Excellency, Governor Margaret Wood Hassan  
and Honorable Executive Council  
State House  
Concord, New Hampshire 03301

**REQUESTED ACTION**

Authorize the Department of Resources and Economic Development, Division of Parks and Recreation, Cannon Mountain to enter into **SOLE SOURCE** addition of Schedule #06 to the previously approved Master Lease Equipment Agreement #09-169 with International Financial Services Corporation (IFSC) (VC# 204372), Libertyville, IL in the total amount of \$278,458. This additional Schedule is for the 4-year lease period for one new Bison Snow naS Groomer from December 1, 2013 to May 1, 2017. The Governor and Executive Council originally approved the Master Lease Equipment Lease Agreement #09-169 and Schedule #01 on December 9, 2009, Item #46, Schedules #02 and #03 on <sup>November</sup> December 17, 2010, Item #101, Schedule #04 on December 14, 2011, Item #53, and Schedule #05 on November 14, 2012, Item #76. 100% Ski Area Fund

Funding is available in account titled, Cannon Mountain, as follows and pending budget approval for Fiscal Years 2016 and 2017:

		<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>
03-35-35-351510-37030000-022-500257	Rents-Leases OTS	\$69,742	\$69,572	\$69,572	\$69,572

**EXPLANATION**

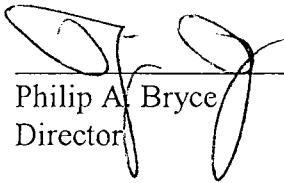
A master 4-year lease agreement to provide a fleet of updated groomers for Cannon was first approved by the Governor and Executive Council on November 10, 1999, Item #66. That lease, then with Bombardier Capital, Inc., provided the option to replace older groomers and keep three used groomers each year. Although that agreement expired in 2003, we have continued the same program with Prinoth, Inc. on an annual basis with the approval of Governor and Executive Council.

This fleet rotation program has worked very successfully for Cannon Mountain by continually providing an up-to-date fleet of groomers, and by reducing maintenance costs and capital outlay for outright purchases. Currently, there are only two vendors, Prinoth, Inc. (formally known as Bombardier) and Pisten Bully that sell snow groomers in this part of the country. Cannon determined years ago that the Pisten Bully cannot be operated safely on Cannon's narrow and steep trails because they are awkward to maneuver and much heavier than the Prinoth groomers. In addition, the mechanics at Cannon are fully trained to service Prinoth groomers which have had excellent service records. The Department has been running this program for fourteen years so far and would like to continue to do so by leasing the vehicle described in Schedule #06, therefore **sole source** approval is being requested.

The Attorney General's Office has reviewed and approved the Schedule #06 and related documents as to form, substance, and execution.

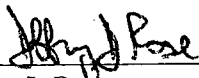
Respectfully submitted,

Concurred, *JJR*



---

Philip A. Bryce  
Director



---

Jeffrey J. Rose  
Commissioner

PAB/JJR/lml





STATE OF NEW HAMPSHIRE  
 DEPARTMENT of RESOURCES and ECONOMIC DEVELOPMENT  
 DIVISION of PARKS and RECREATION

172 Pembroke Road P.O. Box 1856 Concord, New Hampshire 03302-1856  
 PHONE: (603) 271-3556 FAX: (603) 271-3553 E-MAIL: nhparks@dred.state.nh.us  
 WEB: www.nhstateparks.org

October 1, 2012

His Excellency Governor, John H. Lynch  
 and Honorable Executive Council  
 State House  
 Concord, New Hampshire 03301

**REQUESTED ACTION**

Authorize the Department of Resources and Economic Development, Division of Parks and Recreation, Cannon Mountain to enter into **SOLE SOURCE** addition of Schedule #05 to the previously approved Master Lease Equipment Agreement #09-169 with International Financial Services Corporation (IFSC) (VC# 204372), Libertyville, IL in the total amount of \$284,042. This additional Schedule is for the 4-year lease period for one new Bison X Snow Groomer, from December 1, 2012 to April 1, 2016. The Governor and Executive Council originally approved the Master Lease Equipment Lease Agreement #09-169 and Schedule #01 on December 9, 2009, Item #46, Schedules #02 and #03 on ~~December~~ <sup>November</sup> 17, 2010, Item #101, and Schedule #04 on December 14, 2011, Item #53. 100% Ski Area Fund

Funding is available in account titled, Cannon Mountain, as follows and pending budget approval for Fiscal Years 2014, 2015 and 2016:

		<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
03-35-35-351510-37030000-022-500257	Rents-Leases OTS	\$71,513	\$70,843	\$70,843	\$70,843

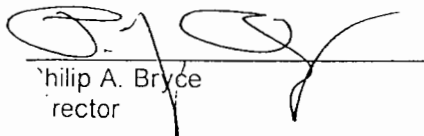
**EXPLANATION**

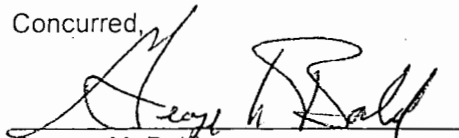
A master 4-year lease agreement to provide a fleet of updated groomers for Cannon was first approved by the Governor and Executive Council on November 10, 1999, Item #66. That lease, then with Bombardier Capital, Inc., provided the option to replace older groomers and keep three used groomers each year. Although that agreement expired in 2003, we have continued the same program with Prinoth, Inc. on an annual basis with the approval of Governor and Executive Council.

This fleet rotation program has worked very successfully for Cannon Mountain by continually providing an up-to-date fleet of groomers, and by reducing maintenance costs and capital outlay for outright purchases. Currently, there are only two vendors, Prinoth, Inc. (formally known as Bombardier) and Pisten Bully that sell snow groomers in this part of the country. Cannon determined years ago that the Pisten Bully cannot be operated safely on Cannon's narrow and steep trails because they are awkward to maneuver and much heavier than the Prinoth groomers. In addition, the mechanics at Cannon are fully trained to service Prinoth groomers which have had excellent service records. The Department has been using this program for thirteen years so far and would like to continue to do so by leasing the vehicle described in Schedule #05, therefore **sole source** approval is being requested.

The Attorney General's Office has reviewed and approved the Schedule #05 and related documents as to form, substance, and execution.

Respectfully submitted,

  
 Philip A. Bryce  
 Director

Concurred,  
  
 George M. Bald  
 Commissioner

PAB/GMB/lml



Item # 53 12/14/11

STATE OF NEW HAMPSHIRE  
DEPARTMENT of RESOURCES and ECONOMIC DEVELOPMENT  
DIVISION of PARKS and RECREATION

172 Pembroke Road P.O. Box 1856 Concord, New Hampshire 03302-1856  
PHONE: (603) 271-3556 FAX: (603) 271-3553 E-MAIL: nhparks@dred.state.nh.us  
WEB: www.nhstateparks.org

November 17, 2011

His Excellency Governor, John H. Lynch  
and Honorable Executive Council  
State House  
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Resources and Economic Development (DRED), Division of Parks and Recreation, Cannon Mountain to enter into **SOLE SOURCE** addition of Schedule #04 to the previously approved Master Lease Equipment Agreement #09-169 with International Financial Services Corporation (IFSC) (VC# 204372), Libertyville, IL in the total amount of \$324,110. This additional Schedule is for the 4-year lease period for one Prinoth BR350 Sherpa TW Snow Groomer, from December 15, 2011 to April 15, 2015. The Governor and Executive Council originally approved the Master Lease Equipment Lease Agreement #09-169 and Schedule #01 on December 9, 2009, Item #46, and Schedules #02 and #03 on ~~December~~ <sup>November</sup> 17, 2010, Item #101. 100% Ski Area Funds

Funding is available in account titled, Cannon Mountain, as follows and pending budget approval for Fiscal Years 2014 and 2015:

		<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>
03-35-35-351510-37030000-022-500257	Rents-Leases OTS	\$81,530	\$80,860	\$80,860	\$80,860

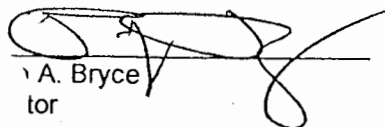
EXPLANATION

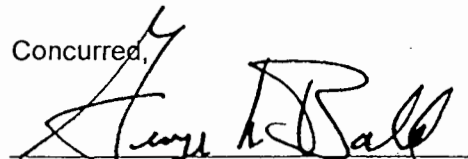
A master 4-year lease agreement to provide a fleet of updated groomers for Cannon was first approved by the Governor and Executive Council on November 10, 1999, Item #66. That lease, then with Bombardier Capital, Inc., provided the option to replace older groomers and keep three used groomers each year. Although that agreement expired in 2003, we have continued the same program with Prinoth, Inc. on an annual basis with the approval of Governor and Executive Council.

This fleet rotation program has worked very successfully for Cannon Mountain by continually providing an up-to-date fleet of groomers, and by reducing maintenance costs and capital outlay for outright purchases. Currently, there are only two vendors, Prinoth, Inc. (formally known as Bombardier) and Pisten Bully that sell snow groomers in this part of the country. Cannon determined years ago that the Pisten Bully cannot be operated safely on Cannon's narrow and steep trails because they are awkward to maneuver and much heavier than the Prinoth groomers. In addition, the mechanics at Cannon are fully trained to service Prinoth groomers which have had excellent service records. The Department has been using this program for twelve years so far and would like to continue to do so by leasing the vehicle described in Schedule #04, therefore **sole source** approval is being requested.

The Attorney General's Office has reviewed and approved the Schedule #04 and related documents as to form and substance, and will sign said documents following execution by the parties (IFSC and DRED) upon approval by Governor and Executive Council.

Respectfully submitted,

  
A. Bryce  
tor

Concurred,  
  
George M. Bald  
Commissioner



Item # 101 11/17/10

STATE OF NEW HAMPSHIRE  
DEPARTMENT of RESOURCES and ECONOMIC DEVELOPMENT  
DIVISION of PARKS and RECREATION

172 Pembroke Road P.O. Box 1856 Concord, New Hampshire 03302-1856  
PHONE: (603) 271-3556 FAX: (603) 271-3553 E-MAIL: nhparks@dred.state.nh.us  
WEB: www.nhstateparks.org

October 12, 2010

His Excellency Governor, John H. Lynch  
and Honorable Executive Council  
State House  
Concord, N.H. 03301

REQUESTED ACTION

Authorize the Department of Resources and Economic Development (DRED), Division of Parks and Recreation, Cannon Mountain to enter into **SOLE SOURCE** addition of Schedules #02 and #03 to the previously approved Master Lease Equipment Agreement No. 09-169 with International Financial Services Corporation (IFSC) (VC# 204372), Libertyville, IL in the total amount of \$391,000. These two additional Schedules are for a 4-year lease period for one Prinoth Bison snow groomer and one Prinoth Trooper snowmaking support vehicle, from November 17, 2010 to April 15, 2014. The Governor and Executive Council originally approved the Master Lease Equipment Lease Agreement No. 09-169 and Schedule #01 on December 9, 2009, Item #46. 100% Ski Area Funds

Funding is available in account titled, Cannon Mountain, as follows and pending budget approval for FY 2012, 2013 and 2014:

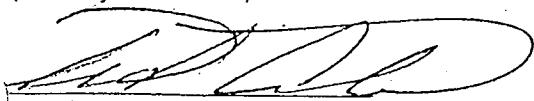
	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY 14</u>
35-35-351510-37030000-022-500257 Rents - Leases	\$98,125	\$97,625	\$97,625	\$97,625
Other than State				

EXPLANATION


A master 4-year lease agreement to provide a fleet of updated groomers for Cannon was first approved by the Governor and Executive Council on November 10, 1999, Item #66. That lease, then with Bombardier Capital, Inc., provided the option to replace older groomers and keep three used groomers each year. Although that agreement expired in 2003, we have continued the same program with Prinoth, Inc. on an annual basis with the approval of Governor and Executive Council. This fleet rotation program has worked very successfully for Cannon Mountain by continually providing an up-to-date fleet of groomers, and by reducing maintenance costs and capital outlay for outright purchases. Currently, there are only two vendors, Prinoth, Inc. (formally known as Bombardier) and Pisten Bully that sell snow groomers in this part of the country. Cannon determined years ago that the Pisten Bully cannot be operated safely on Cannon's narrow and steep trails because they are awkward to maneuver and much heavier than the Prinoth groomers. In addition, the mechanics at Cannon are fully trained to service Prinoth groomers which have excellent service records. The Department has been using this program for eleven years and would like to continue to do so by leasing the two vehicles described in Schedules #02 and #03, therefore, sole source approval is being requested.

The Attorney General's Office has reviewed and approved the draft Schedules #02 and #03, and related documents, as to form and substance, and will sign said documents following execution by the parties (IFSC and DRED) following approval by Governor and Executive Council.

Respectfully submitted,

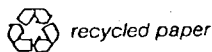
  
Justin

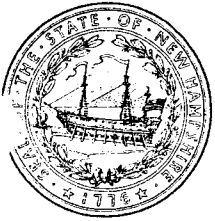
Concurred

  
George M. Bald  
Commissioner

TA/GMB/gl

TDD ACCESS: RELAY NH 1-800-735-2964





STATE OF NEW HAMPSHIRE  
DEPARTMENT of RESOURCES and ECONOMIC DEVELOPMENT  
DIVISION of PARKS and RECREATION

172 Pembroke Road P.O. Box 1856 Concord, New Hampshire 03302-1856  
PHONE: (603) 271-3556 FAX: (603) 271-3553 E-MAIL: nhparks@dred.state.nh.us  
WEB: www.nhstateparks.org

November 19, 2009

The Honorable Governor John H. Lynch  
And Honorable Executive Council  
State House  
Concord, N.H. 03301

**REQUESTED ACTION**

Authorize the Department of Resources and Economic Development, Division of Parks & Recreation Cannon Mountain to enter into a **SOLE SOURCE** lease agreement with **International Financial Services Corporation** (VC 204372) of **Libertyville, IL** in the amount of \$235,508.00 for a four (4) year lease for one Prinoth snow groomer from December 15, 2009 to April 15, 2013.

Funding is available in account, **Cannon Mountain**, as follows pending budget approval.

	<u>FY 10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>
35-35-351510-3703017-022-500257 Rents & Leases	\$59,252.00	\$58,752.00	\$58,752.00	\$58,752.00

**EXPLANATION**

A master four year agreement to provide a fleet of updated groomers for Cannon was approved at Governor & Executive Council on November 10, 1999, item #66. That lease with Prinoth (formerly Bombardier) via leasing company Alter Moneta, provided for one new groomer and three used groomers each year, with a new groomer provided in return for the oldest used one. The agreement expired in 2003, but we have continued the program on an annual basis with the approval of Governor and Council, with the last approval being November 18, 2009 (item #26) for the balance of the agreement with Alter Moneta for Cannon's three used groomers. This year we were advised that Alter Moneta would not be doing any leases inside the United States. Consequently, Prinoth has set up their leasing company as International Financial Services Corporation. This agreement is for this season's new groomer.

This program has worked very successfully for Cannon Mountain by continually providing an up to date fleet of groomers, reducing maintenance costs, and capital outlays for outright purchases. The Department wants to continue to use this program on an annual basis. There are only two vendors Prinoth Inc., and Pisten Bully that sell snow groomers in this part of the country. Cannon determined years ago the Pisten Bully cannot be operated safely on Cannon's narrow and steep trails because they are awkward to maneuver and much heavier than the Prinoth groomers. In addition, the mechanics at Cannon are fully trained to service Prinoth groomers, which have excellent service record, and since we have been on this program for ten years: every groomer in our fleet have initially been received as new at Cannon. Consequently we seek your approval to continue this program on a sole-source basis.

Respectfully submitted,

Concur,

Ted Austin  
Director

George M. Bald  
Commissioner

TA/GMB/gi

**INTERNATIONAL FINANCIAL SERVICES CORPORATION**  
1113 S. Milwaukee Avenue, Suite 301  
Libertyville, IL 60048  
PHONE: 800-258-3531 FAX: 847-549-0119

**MASTER EQUIPMENT LEASE AGREEMENT NO. 09-169**

**LESSEE:** STATE OF NEW HAMPSHIRE DIVISION OF PARKS AND RECREATION  
CANNON MOUNTAIN AERIAL TRAMWAY & SKI AREA  
Franconia Notch State Park  
Franconia, NH 03580

**CONTACT:** Gail Lehoullier, Financial Officer

**PHONE:** (603) 823-8800

1. Subject to the terms and conditions contained herein, Lessor hereby leases to Lessee, and Lessee leases from Lessor, the items of personal property (which, together with any replacement parts, additions, substitutions, repairs or accessories now or hereafter incorporated in or affixed to it, hereinafter referred to collectively as the "Equipment", which Lessee confirms is being leased and will be used solely for commercial or business purposes (and not for consumer, personal, family or household purposes) described more fully in an equipment schedule (hereafter "Equipment Schedule") executed by Lessor and Lessee that specifically incorporates the terms and conditions of this Master Equipment Lease Agreement by reference (any such Equipment Schedule hereinafter referred to as a "Lease").

Each Equipment Schedule shall be considered a separate independent and enforceable lease. An executed counterpart of this Master Equipment Lease Agreement (including any supplements, addenda or riders hereto) or xerographic copy hereof, together with an executed Equipment Schedule, shall be the original of the lease for the Equipment described on such Equipment Schedule and together they constitute and shall be referred to herein as the "Lease" with respect to such Equipment. To the extent that this Lease constitutes chattel paper, as such term is defined in the Uniform Commercial Code of the applicable jurisdiction, no security interest in this Lease may be created through the transfer of possession of any counterpart other than a photocopy of the Master Equipment Lease Agreement marked "Copy" and the Equipment Schedule marked "Original". All other executed counterparts of the Equipment Schedule shall be marked "Duplicate".

2. With respect to each Lease, the term of each Lease (the "Entire Term") shall commence upon the Commencement Date and shall continue for the number of months (plus any partial month, if the Commencement Date is other than the first day of a month) stated in such Equipment Schedule. Lessee authorizes Lessor to insert such Commencement Date, provided that such date shall not be earlier than the date of delivery to Lessee of all or a substantial part of the Equipment.

3. The total rent for the Entire Term of each Lease is equal to the monthly rent payment multiplied by the number of months as both are stated in the Equipment Schedule (plus a pro-rata portion of one month's rent, if the Commencement Date is other than the first day of a month). Lessee agrees to pay the total rent in monthly installments, in advance, each in such stated amount (except, in the event the commencement date is other than the first day of a month, the first installment shall be a pro-rata portion of such amount), commencing on the Commencement Date and continuing on the first day of each month thereafter. The "Advance Rentals" stated in the Equipment Schedule shall be paid by Lessee prior to Lessor's acceptance of the Equipment Schedule, and shall be applied to such rental installments as stated therein. In the event the term of this Lease does not commence for any reason whatsoever, the Advance Rentals shall be retained by Lessor not as a penalty but as liquidated damages to cover Lessor's Administrative expenses in processing the application for the Equipment Schedule. Payment of all rentals and other amounts payable hereunder shall be made to Lessor at its above stated address or as it shall otherwise designate in writing. THIS MASTER EQUIPMENT LEASE AGREEMENT AND EACH EQUIPMENT SCHEDULE EXECUTED BY LESSEE IN CONNECTION HERewith IS IRREVOCABLE AND MAY NOT BE CANCELED, TERMINATED OR REVOKED BY LESSEE DURING THE TERM THEREOF FOR ANY REASON WHATSOEVER.

4. LESSEE REPRESENTS THAT IT HAS SELECTED THE EQUIPMENT PRIOR TO HAVING REQUESTED LESSOR TO PURCHASE THE SAME FOR LEASING TO LESSEE, AND LESSEE AGREES THAT LESSOR HAS NOT MADE AND MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE, DIRECTLY OR INDIRECTLY, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING (WITHOUT LIMITATION) LESSOR'S TITLE TO OR THE SUITABILITY OF THE EQUIPMENT, ITS DURABILITY, ITS FITNESS FOR ANY PARTICULAR PURPOSE, ITS MERCHANTABILITY, ITS CONDITION, ITS CAPACITY, ITS OPERATION, ITS PERFORMANCE, ITS DESIGN, ITS MATERIALS, ITS WORKMANSHIP AND/OR ITS QUALITY AND AS BETWEEN LESSEE AND LESSOR OR LESSOR'S ASSIGNEE, LESSEE LEASES THE EQUIPMENT "AS IS". LESSEE REPRESENTS THAT ALL THE EQUIPMENT SPECIFIED AND LEASED BY LESSEE IN ALL SCHEDULES IS STANDARDIZED WITHIN ITS INDUSTRY AND FURTHER THAT ITS COMMERCIAL VALUE IS NOT CONTINGENT UPON USE BY THE LESSEE.

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LESSOR AND LESSOR'S ASSIGNEE SHALL NOT BE LIABLE TO LESSEE OR ANY THIRD PARTY FOR ANY LOSS DAMAGE, INJURY OR EXPENSE OF ANY KIND OR NATURE CAUSED DIRECTLY OR INDIRECTLY BY ANY OF THE EQUIPMENT OR THE USE OR MAINTENANCE THEREOF OR ANY DEFECT THEREIN, THE FAILURE OF OPERATION THEREOF, OR ANY REPAIR, SERVICE OR ADJUSTMENT THERETO, OR BY ANY DELAY OR FAILURE TO PROVIDE ANY THEREOF OR BY ANY INTERRUPTION OR SERVICE OR LOSS OF USE THEREOF OR FOR ANY LOSS OF BUSINESS OR DAMAGE WHATSOEVER AND HOWSOEVER CAUSED, INCLUDING (WITHOUT LIMITATION) ANY LOSS OF ANTICIPATORY PROFITS OR ANY OTHER INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES, NOR SHALL LESSOR BE LIABLE FOR ANY DAMAGES WHICH MAY BE ASSESSED AGAINST LESSEE IN ANY ACTION FOR INFRINGEMENT OF ANY UNITED STATES PATENT, TRADEMARK OR COPYRIGHT. LESSOR MAKES NO WARRANTY AS TO THE TREATMENT OF THIS LEASE FOR TAX OR ACCOUNTING PURPOSES, OR AS TO THE COMPLIANCE OF THE EQUIPMENT WITH APPLICABLE GOVERNMENT REGULATIONS OR REQUIREMENTS, WHICH SHALL BE THE SOLE RESPONSIBILITY OF THE SELLER NAMED IN THE EQUIPMENT SCHEDULE AND/OR MANUFACTURER OF THE EQUIPMENT. NO REPRESENTATION OR WARRANTY AS TO THE EQUIPMENT OR ANY OTHER MATTER BY SELLER SHALL BE BINDING ON LESSOR NOR SHALL THE BREACH OF SUCH RELIEVE LESSEE OF, OR IN ANY WAY AFFECT, ANY OF LESSEE'S OBLIGATIONS TO LESSOR AS SET FORTH HEREIN. Lessee agrees to look solely to the manufacturer or the carrier of the Equipment ("Seller") (which are solely responsible for supplying Lessee with all literature and manuals respecting the Equipment) for any claim arising from any defect, breach of warranty, failure or delay in delivery, misdelivery or inability to use the Equipment for any reason whatsoever and Lessee's obligations to Lessor hereunder shall not in any manner be affected thereby, including (without limitations) Lessee's obligations to pay Lessor all rent and other amounts payable under this Lease.

5. Lessee and Lessor agree and acknowledge that it is the intent of both parties that in the event Article 2A of the Uniform Commercial Code ("UCC") is deemed to be applicable to this Lease; this Lease shall qualify as a statutory finance lease under the UCC. Lessee acknowledges and agrees that Lessee has selected both: (1) the Equipment; and (2) the supplier from whom Lessor is to purchase the Equipment. Lessee acknowledges that Lessor has not participated in any way in Lessee's selection of the Equipment or of the supplier, and Lessor has not selected, manufactured or supplied the Equipment. **LESSEE IS ADVISED THAT IT MAY HAVE RIGHTS UNDER THE CONTRACT EVIDENCING THE LESSOR'S PURCHASE OF THE EQUIPMENT FROM THE SUPPLIER CHOSEN BY LESSEE AND THAT LESSEE SHOULD CONTACT THE SUPPLIER OF THE EQUIPMENT FOR A DESCRIPTION OF ANY SUCH RIGHTS.** Lessor agrees to order the Equipment from Seller but shall not be liable for specific performance or damages if, for any reason Seller delays or fails to fill such order. Lessor has no obligation to install the Equipment. Lessee acknowledges that Lessor is not the manufacturer or a supplier or a dealer of the Equipment and that Lessor has not recommended Seller to Lessee. Lessee hereby waives any claim against Lessor with respect to negligence or strict liability in the design, construction or manufacture of the Equipment.

This Lease shall constitute an Equipment Lease Agreement and nothing herein shall be construed as conveying to Lessee any right, title or interest in any of the Equipment.

6. Lessee shall accept the Equipment upon its delivery and authorizes Lessor to insert herein the serial numbers and any additional description of the items of Equipment so delivered. Unless Lessee gives Lessor and Seller written notice of each defect or other proper objection to any item of Equipment within five (5) days after delivery thereof, it shall be conclusively presumed that the Equipment was duly delivered and unconditionally accepted by Lessee. If Lessee wrongfully refuses delivery of any item of Equipment for any reason whatsoever, then and in that event, Lessee agrees to pay the price invoiced to Lessor by Seller, or if such payment is not made, Lessee indemnifies and holds Lessor harmless from and against, and agrees to protect and (at Lessor's option) to defend Lessor at Lessee's sole expense against (with counsel acceptable to Lessor), any claim or liability and damage by Seller with reference to such item of Equipment. Upon such payment, the applicable Lease shall terminate as to such item of Equipment only, and the rental thereunder shall be proportionately adjusted. Lessor shall not be responsible for the failure of the purchase order to contain any description, specification, term, or condition with respect to any item Leased hereunder, or its delivery, assembly or installation not set forth herein.

7. Lessee shall keep the Equipment within the United States at the "Location" of Equipment stated in the Equipment Schedule or, if none is specified, at Lessee's above-stated address within the United States, and Lessee shall not remove any of the Equipment therefrom without Lessor's prior written consent.

8. Lessee shall use the Equipment in a careful manner and shall at all times, at its sole expense, keep and maintain the Equipment in good working condition, order, repair and appearance and comply with all laws, ordinances, regulations or requirements of any governmental authority, official, board or department relating to its installation, possession, use or maintenance. Lessee shall not make any alterations, additions or improvements to the Equipment, which are not readily removable without causing damage to or reducing the value of the Equipment. All alterations, additions, or improvements not readily removable shall become property of the Lessor. Lessee agrees to cause the Equipment to be maintained by the original manufacturer's maintenance program or by independent agents certified by the original manufacturer or by Lessor.

Officer's Initials for Lessee: DT

Lessee at its expense shall keep all equipment current with the seller's latest safety, mechanical and software enhancements/ upgrades offered or recommended. At the end of this lease, lease schedule or any renewal hereto, if the Lessee does not purchase the equipment or enter into a renewal with the Lessor, any fees, charges or assessments of any kind whatsoever charged by the original manufacturer or their agent to re-certify, refurbish, or update the equipment to qualify the equipment for a resale, renewal lease, rental, or new maintenance or service agreement, shall be borne by the original Lessee. Any electronic / electrical / digital waste or scrap fees or any other taxes, charges, or fees assessed on the disposal of any of the equipment under the lease, shall be borne by the Lessee.

9. The Equipment is, and shall at all times remain, the property of the Lessor and Lessee shall have no right, title or interest therein or thereto except as expressly set forth herein. Upon Lessor's request, Lessee shall affix and keep in a prominent place on each item of Equipment such labels, plates and/or other markings indicating that the Equipment is owned by Lessor as Lessor shall specify. Lessor shall have the right during normal hours, upon reasonable prior notice to Lessee, to enter upon the premises where the Equipment is located in order to inspect, observe or remove the Equipment or to otherwise protect Lessor's interest. No invoice of Seller to Lessee shall, at any time, be deemed to have passed title to any of the Equipment to Lessee. Lessee hereby irrevocably and unconditionally assigns to Lessor all of Lessee's rights (but not its obligations) under any invoice or purchase order relating to the Equipment. Lessee shall not change or remove any insignia, label, plate or lettering that is on the Equipment at the time of delivery thereof, or that is thereafter placed thereon, indicating Lessor's ownership thereof. Except as may otherwise be provided by any written purchase or renewal option duly executed by Lessor, Lessee shall have no right to purchase or otherwise acquire title to or ownership of any of the Equipment or to extend the term of this Lease.

10. The Equipment shall be and remain personal property notwithstanding the manner in which it may be attached or affixed to realty. Lessee represents, warrants and covenants that, unless Lessee owns the premises in which the Equipment is to be located and such premises are not subject to any mortgage or lease, Lessee shall provide to Lessor, within ten (10) days following the execution by Lessee of a Lease, with a waiver from each landlord and/or mortgagee of the premises in which the Equipment is to be located of any rights which such landlord and/or mortgagee may have in respect of any of the Equipment (including, but not limited to, claims against the Equipment by reason of accession or distraint, or that the Equipment constitutes a fixture affixed to real property) and to procure for Lessor, in form acceptable to Lessor, such documents with respect to such waiver as Lessor may reasonably request.

11. In the event Article 2A of the UCC is deemed to be applicable to this Lease, Lessee hereby agrees to waive any and all rights and remedies given by Section 2A-508 through 2A-522 of the UCC, including but not limited to the right to: reject the Lease and Equipment; cancel the Lease; revoke acceptance of the Equipment; "cover" by making any purchase or lease of Equipment in substitution for property due from Lessor; grant a security interest in the Equipment in its possession and control for any reason; recover damages under such UCC-2A sections for any breach of warranty and/or seek remedies of specific performance, replevin or the like for any Equipment. In addition, to the extent permitted by applicable law, Lessee also hereby waives any rights now or hereafter conferred by statute or otherwise which may require Lessor to sell, lease or otherwise use any Equipment in mitigation of Lessor's damages or which may otherwise limit or modify any of Lessor's rights or remedies.

12. Lessee shall bear the entire risk of loss, theft, destruction of or damage to the Equipment or any part thereof from any cause whatsoever during the term of this Lease and thereafter until redelivery to a location designated by Lessor, and shall not be relieved of the obligation to pay the total rent or any other obligation hereunder because of any such occurrence. In the event of damage to any of Equipment, Lessee, at its sole expense and at the option of Lessor, shall immediately place the same in good condition and repair. If Lessor determines that any of Equipment is lost, stolen or destroyed or damaged beyond repair, Lessee, at its sole expense and at the option of Lessor, shall (a) replace the same with like equipment in good condition and repair, or (b) acquire Lessor's interest in such item of Equipment by paying Lessor in cash (in addition to any other amount due hereunder) the unpaid balance of the total rent for the unexpired term hereof attributed to such item of Equipment with the future rent being discounted to its present value at a discount rate of 3% per annum as of the date of payment, plus Lessor's residual value as may be allocated to such Equipment.

13. Lessee shall, as its expense, keep the Equipment fully insured in favor of Lessor against loss, fire, theft, damage or destruction from any cause whatsoever in an amount not less than the greater of (a) the total rent hereunder, plus Lessor's residual value as may be allocated to such Equipment, or (b) the full replacement cost of the Equipment without consideration for depreciation. Lessee shall also provide such additional insurance against injury, loss or damage to persons or property arising out of the use or operation of the Equipment as is customarily maintained by owners of like property, with companies satisfactory to Lessor. Each policy shall provide that, as to the interest or coverage of Lessor or Lessor's assignee, the insurance afforded thereby shall not be suspended, forfeited, or in any manner prejudiced by any default or by any breach of warranty condition, or covenant on the part of Lessee. Lessor, at its option, may apply any proceeds of such insurance to replace or repair such Equipment and/or to Lessee's obligations hereunder. If Lessee shall fail to provide any such insurance or, within ten (10) days after Lessor's request therefor, shall fail to deliver the policies or certificates thereof to Lessor, then Lessor, at its option, shall have the right to procure such insurance and to add the full

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cost thereof to the rent payment next becoming due, which Lessee agrees to pay as additional rent. The amount of such insurance shall be sufficient so that neither Lessor nor Lessee will be considered a co-insurer. Lessee also shall carry public liability insurance, both personal injury and property damage covering the Equipment. All such insurance shall be in form, issued by such insurance companies and be in such amounts as shall be satisfactory to Lessor, and shall provide that losses, if any, shall be payable to Lessor as "loss payee", and all such liability insurance shall include Lessor as an "additional insured". Lessee shall pay the premiums for such insurance and deliver to Lessor satisfactory evidence of the insurance coverage required hereunder. Each insurer shall agree, by endorsement upon the policy or policies issued by it or by independent instrument furnished to Lessor, that it will give Lessor at least ten (10) days prior written notice of the effective date of any alteration or cancellation of such policy, and that Lessor's coverage under such policy shall not be affected by any default, misrepresentation or other breach by Lessor or Lessee under this Lease or such policy. Lessee hereby irrevocably appoints Lessor as Lessee's attorney-in-fact to make claim for, receive payments of and execute and endorse all documents, checks or drafts received in payment for loss or damage under any such insurance policy. In any event, Lessee shall be liable for any loss, damage, expense or costs suffered or incurred by Lessor relating to or in any manner pertaining to this Lease, the Equipment or the use or operation of the Equipment.

14. Lessee covenants and agrees at all times to keep the Equipment free and clear of all levies, liens and encumbrances, and to pay all charges, taxes and fees that may now or hereafter be imposed upon the ownership, leasing, rental, sale, purchase, possession or use of the Equipment (except taxes on or measured by Lessor's income) and shall give Lessor immediate written notice of any of the foregoing and hereby indemnifies Lessor against any loss caused thereby. If any of same shall remain unpaid when due, Lessor may pay same and add such payment to the rent payment next becoming due, as additional rent. Lessee shall execute and deliver to Lessor upon Lessor's request such further instruments, financing statements and documents containing such other assurances as Lessor deems necessary or advisable for the confirmation or perfection of Lessor's rights hereunder or to otherwise effectuate the intents of this Lease.

15. Lessee shall and does hereby indemnify and save Lessor, its officers, employees, agents, servants, successors and assigns, harmless from any and all liabilities (including, without limitation, negligence, tort and strict liability), damages, expenses, claims, actions, proceedings, judgments, settlements, losses, liens, and obligations (each, an "Indemnified Claim"), including (without limitation) counsel fees and costs, arising out of the ordering, purchase, delivery, rejection, non-delivery, ownership, selection, possession, leasing, renting, financing, operation (regardless of where, how and by whom operated), control, use condition (including but not limited to latent and other defects, whether or not discoverable by Lessee), maintenance, delivery, transportation, storage, repair, return or other disposition of the Equipment, any claims arising under federal, state or local environmental protection and hazardous substance clean up laws and regulations and any claims of patent, trademark or copyright infringement or, in the event that Lessee shall be in default hereunder, arising out of the condition of any item of Equipment sold or disposed of after use by Lessee, including (without limitation) claims for injury to or death of persons and for damage to property. The indemnities and obligations herein provided shall continue in full force and effect notwithstanding the expiration, termination or cancellation of this Lease for any reason whatsoever and irrespective of whether Lessor ever accepts this Lease. Lessee shall give Lessor prompt written notice of any Indemnified Claim and, at Lessor's sole option, shall defend Lessor against any Indemnified Claim at Lessee's sole expense with counsel selected by Lessor. Lessee is an independent contractor and nothing contained herein shall authorize Lessee or any other person to operate any item of Equipment so as to incur any liability or obligation for or on behalf of Lessor.

**16. LESSEE SHALL NOT ASSIGN, PLEDGE, MORTGAGE OR OTHERWISE TRANSFER OR ENCUMBER ANY OF ITS RIGHTS UNDER THIS MASTER EQUIPMENT LEASE AGREEMENT, ANY EQUIPMENT SCHEDULE OR IN THE EQUIPMENT OR ANY PART THEREOF, NOR SUBLET, ANY PART THEREOF, NOR PERMIT ITS USE BY ANYONE OTHER THAN LESSEE AND ITS REGULAR EMPLOYEES, WITHOUT LESSOR'S PRIOR WRITTEN CONSENT. ANY SUCH PURPORTED TRANSFER, ASSIGNMENT OR OTHER ACTION WITHOUT LESSOR'S WRITTEN CONSENT SHALL BE VOID.** Lessor may, without notice, transfer or assign this Master Equipment Lease Agreement or any Equipment Schedule or any interest therein and may mortgage, pledge, encumber or transfer any of its right or interest in and to same or any part thereof and, without limitation, each assignee, transferee and mortgagee shall have the right to further transfer or assign its interest. Each such assignee, transferee, mortgagee and Pledgee shall have all of the rights (but none of the obligations) of Lessor under this Lease, and Lessee hereby acknowledges notice of Lessor's intended assignment of Lessor's interest in this Lease and, upon such assignment, Lessee agrees not to assert against any of such transferee, assignee, mortgagee or Pledgee any defense, claim, counterclaim or set-off that Lessee may have against Lessor, whether arising under this Lease transaction or otherwise. Any assignee of Lessor's rights under this Lease shall be considered a third party beneficiary of all of Lessee's representations, warranties, and obligations hereunder to Lessor. Lessee agrees that after receipt by Lessee of written notice of an assignment from Lessor or from Lessor's assignee, all rent and other amounts which are then and thereafter due under this Lease shall be paid un-conditionally to such Assignee at

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the place of payment designated in such notice. Lessee acknowledges that any assignment of Lessor's interest would neither materially change the Lessee's obligations hereunder nor materially increase the burden or risk imposed on the Lessee under this Lease. Lessee further acknowledges that an assignment by the Lessor of its interest hereunder will be permitted even if the assignment would deem to materially affect the Lessee's interest.

17. As used in this Lease, the term "Event of Default" shall mean any one or more of the following: (a) the failure by Lessee to make any payment within ten (10) days when due hereunder or the failure by an Obligor (as hereinafter defined) to pay when due any of the Liabilities (as hereinafter defined); (b) the failure by an Obligor to observe or perform (i) any other agreement or obligation to be observed or performed hereunder or under any agreement, document or instrument delivered to Lessor by on or behalf of any Obligor or otherwise relating to any of the Liabilities (collectively, the "Other Documents"), or (ii) any other obligation of an Obligor to Lessor; (c) any representation or warranty made by or on behalf of any Obligor in this Lease or in any of the Other Documents shall at any time prove to have been incorrect or untrue when made; (d) the making by an Obligor of any misrepresentation to Lessor or the failure on the part of an Obligor to disclose to Lessor any material fact in connection with this Lease or otherwise, either contemporaneously herewith or at any time prior to subsequent to the execution hereof; (e) the breach by an Obligor of any warranty contained herein or in any Other Documents, including, without limitation, Lessee's failure to obtain or maintain any insurance required by Lessee hereunder; (f) a default in the payment of any indebtedness owed to any individual or entity other than Lessor, or a default in the performance or observance of the terms of any agreement, document or instrument pursuant to which such indebtedness was created, secured or guaranteed, the effect of which default is to cause or permit the holder of any such indebtedness to cause the same to be due prior to its stated maturity (whether or not such default is waived by the holder thereof); (g) the failure of an Obligor to pay, withhold, collect or remit when asserted or due any tax, assessment or other sum payable with respect to the Equipment or any security for any of the Liabilities (including, without limitation, any premium on any insurance policy with respect to any of the Equipment or any security for any of the Liabilities, or any insurance policy assigned to Lessor as security for any of the Liabilities), or the making of any tax assessment against any Obligor by the United States or any state or local government; (h) the entry of a judgment against an Obligor or any attachment, levy or execution against any property of an Obligor, or the condemnation or seizure of any part of any property of an Obligor by any governmental authority or court at the instance of such governmental authority; (i) the death of an Obligor, if an individual, or the death of any individual member of an Obligor, if a partnership or joint venture; (j) the change in control, management, ownership, or operations of the Obligor, or the suspension of the usual business of an Obligor, or the dissolution, liquidation or other termination of existence of the Obligor, or the adoption of any resolution for the dissolution, liquidation or other termination of existence of an Obligor, or the sale of material assets of an Obligor; (k) the failure of an Obligor (or any admission in writing by an Obligor of its inability) to generally pay its debts as they become due or the insolvency or business failure of an Obligor; (l) the filing of an application for appointment of trustee, custodian or receiver for any Obligor or of any part of an Obligor's property, or an assignment for the benefit of creditors by an Obligor, or the making or sending of notice of any intended bulk transfer by an Obligor; (m) the filing of a petition in bankruptcy by or against an Obligor, or the commencement by or against an Obligor of any proceeding under any bankruptcy or insolvency law or statute, or any law or statute relating to the relief of debtors or arrangement of debt, readjustment of indebtedness, reorganization, receivership or compositions, or the extension of indebtedness; or (n) such a change in the condition or affairs (financial or otherwise) of an Obligor as shall, in sole opinion of Lessor, increase Lessor's risk with respect to this Lease, the Equipment or any of the Liabilities or any security therefore. Upon the occurrence of an Event of Default, then, at Lessor's option, and at any time, the entire unpaid total rent for the balance of the Entire Term, with the future rents being discounted to its present value at a discount rate of 3% as of the date of payment or judgment, whichever occurs first, hereof shall be at once due and payable and/or Lessor may, without demand or legal process, terminate this Lease and enter upon the premises where the Equipment is located, take possession of and remove same, and exercise any one or more of the following rights and remedies, without liability to Lessee therefore and without affecting Lessee's obligations hereunder; (i) sell, lease or otherwise dispose of the Equipment or any part thereof at one or more public or private sales, leases or other dispositions, at wholesale or retail, for such consideration, on such terms, for cash or on credit, as Lessor may deem advisable, on at least (10) days' prior notice to Lessee of any public sale or of the time after which private sale, lease or other disposition may be made (which notice Lessee acknowledges is reasonable); and/or (ii) retain the Equipment or any part thereof, crediting Lessee with the then reasonable rental value thereof for the balance of the Entire Term of this Lease, and/or (iii) require Lessee to assemble all Equipment at Lessee's sole expense, for Lessor's benefit, at a place reasonably designated by Lessor; and/or (iv) pursue any other remedy granted by an existing or future document executed by Lessee or by law. Lessee agrees to pay all Lessor's expenses, including (but not limited to) the costs of repossession, storing, repairing and preparing Equipment for sale or lease, commissions payable in connection with any such sale or lease, and reasonable attorney's fees if an attorney shall be consulted. The net proceeds realized from any such sale, lease

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or other disposition or the exercise of any other remedy, after deducting there from an amount equal to the anticipated residual value of the Equipment (discounted to its present value as of the date of default at a discount rate of 3% per annum) and all expenses (which amount shall be retained by Lessor), shall be applied toward payment of the discounted unpaid rentals hereunder through the end of the Entire Term of the Lease (discounted to its present value as of the date of default at a discount rate of 3% per annum) any other amounts due hereunder, with Lessee to remain liable for any deficiency. Any amount due Lessor under this Section 17 shall be deemed liquidated damages for the breach hereof and not a penalty. All rights and remedies of Lessor shall be cumulative and not alternative and are in addition to any other remedies provided by law. Lessor's failure to exercise or delay in exercising any right or remedy shall not be construed as a waiver thereof, nor shall a waiver on one occasion be construed to bar the exercise of any right or remedy on a future occasion.

For purposes of this Lease, (a) the term "Obligor" shall mean Lessee and any guarantor, Pledgor or hypothecator, and any other party liable for any of the Liabilities of Lessee in addition to Lessee, and (b) the term "Liabilities" shall mean all liabilities and obligations of any kind of all Obligors (or any partnership, joint venture or other group of which an Obligor is a member) to Lessor whether (i) for the account of Lessor, or as agent for others, (ii) acquired directly or indirectly by Lessor from Lessee or otherwise, (iii) absolute or contingent, joint or several, secured or unsecured, liquidated or un-liquidated, due or not due, contractual or tortuous or now existing or hereinafter arising, or (iv) incurred by an Obligor as principal, surety, endorser, guarantor or otherwise, and including without limitation all expenses and attorney's fees, incurred by Lessor in connection with any such liabilities or obligations or any security therefore.

18. Whenever any rental or other amount payable to Lessor by Lessee hereunder is not paid within ten (10) days of such payments due date, Lessee agrees to pay Lessor, on demand, as liquidated damages and not as a penalty; (a) with respect to rental payments, (as a fee to offset Lessor's collection and administrative expenses) the greater of twenty-five dollars (\$25.00) or ten percent (10%) of the overdue amount to the extent permitted by applicable law. Such amount(s) shall be payable in addition to all amounts payable by Lessee as a result of exercise of any of the remedies herein provided. Lessee agrees to also reimburse Lessor for any expenses (including Lessor's attorney's fees and costs) arising out of or caused by the Lease.

19. Lessee agrees that this Lease is irrevocable for the Entire Term, that Lessee's obligations under this Lease are absolute and unconditional and shall continue without abatement and regardless of any disability of Lessee to use the Equipment or any part thereof because of any reason including, but not limited to war, act of God, governmental regulations, strike, loss, damage, destruction, obsolescence, failure of or delay in delivery, failure of the Equipment to operate properly, termination by operation of law or any other cause. Lessee warrants that the application, statements and credit or financial information submitted by it to Lessor are true and correct and made to induce Lessor to enter into this Lease and to order the Equipment from Seller. Lessee agrees to provide to Lessor audited financial statements and quarterly internal statements using Generally Accepted Accounting Principles. Lessee warrants that this Lease has been duly authorized, executed and delivered by Lessee, and constitutes the legal, valid and binding obligation of Lessee, enforceable in accordance with its terms, and that no provision of this Lease is inconsistent with Lessee's charter, by-laws, or any loan or credit agreement or other instrument to which Lessee is a party or by which Lessee or its property may be bound or affected or conflict with any applicable law, rule or regulation, and no claim, action or suit is pending or has been threatened that would adversely affect Lessee's ability to enter into or perform its obligations under this Lease. Lessee shall not change its name or its address without providing Lessor with at least thirty (30) days prior written notice thereof.

20. Lessee warrants covenants and agrees that upon expiration or termination of this Lease and any renewal hereof, with respect to any item of Equipment, Lessee shall, at its expense, return such Equipment in the same condition as received by delivering same to Lessor or to a place designated by Lessor within the continental United States. **HOLDOVER:** If the Lessee does not return the equipment at the end of the lease or pay the appropriate purchase option (if any) without prior approval from Lessor, the Lessor at its election may extend the Lease for one year intervals at double the initial rent per month. De-installation and return of the equipment shall be performed by mechanics and technicians then currently trained and qualified by the original manufacturer and/or approved by Lessor in conformance with the manufacturers' original specification. All accessories, including but not limited to interconnect cabling, wiring, instruction manuals, spare parts shall be returned in good working order. Lessee acknowledges that failure to return the equipment as specified above will result in partial or total loss for which Lessee shall be responsible.

21. Lessee further agrees that upon expiration of this Lease it shall pay promptly all costs, expenses and obligations of every kind and nature relating to the Equipment which may arise or become due during the term of this Lease, whether or not specifically mentioned herein. No rental or other sums payable by Lessee pursuant to this Lease shall be subject to set-off, deduction, counterclaim, abatement, recoupement, or reduction, nor shall this Lease terminate, nor shall Lessee be entitled to any credit against such rental or other sums for any reason whatsoever, including, but not in any way limited to,

Officer's Initials for Lessee: DT

any damage to or destruction of the Equipment or any item thereof, any limitation, restriction, deprivation or prevention of, or any interference with Lessee's use of the Equipment or any item thereof, whether the sale shall be lawful or unlawful, any dispossession of Lessee from the Equipment or any item thereof by title paramount or otherwise, the requisition or taking by statute or by exercise of the power of eminent domain or other governmental authority or otherwise, or by injunction or by any private person, of the Equipment or any item thereof, the prohibition of Lessee's business in whole or in part, whether pursuant to law or otherwise or any reason whether similar or dissimilar to the foregoing.

**22. LESSEE HEREBY AGREES THAT ALL ACTIONS OR PROCEEDINGS ARISING DIRECTLY OR INDIRECTLY FROM OR IN CONNECTION WITH THIS LEASE SHALL BE LITIGATED ONLY IN THE STATE AND COUNTY OF LESSOR'S PRINCIPAL PLACE OF BUSINESS OR SUCH OTHER FORUM AS LESSOR SHALL ELECT.** Lessee consents to the jurisdiction and venue of the foregoing courts and consents that any process or notice of motion or other application to either of such courts or a judge thereof may be served inside or outside the state of Lessor's principal place of business by registered or certified mail, return receipt requested, directed to Lessee at its address set forth in this Lease (and service so made shall be deemed complete, five (5) days after the same has been posted as aforesaid) or by the personal service, or in such other manner as may be permissible under the rules of such courts. Lessee appoints each and every officer of Lessor as agent for the purpose of accepting service of any process within the state of Lessor's principal place of business, subject only to the condition that the officer promptly mails a copy of that process to Lessee at its address for notices hereunder.

**23. EACH OF THE PARTIES HEREBY UNCONDITIONALLY WAIVE ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF, DIRECTLY OR INDIRECTLY, THIS AGREEMENT, ANY RELATED DOCUMENTS, ANY DEALINGS BETWEEN LESSEE AND LESSOR RELATING TO THE SUBJECT MATTER OF THIS TRANSACTION OR ANY RELATED TRANSACTIONS, AND/OR THE RELATIONSHIP THAT IS BEING ESTABLISHED BETWEEN LESSEE AND LESSOR. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT (INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS). THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THE WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT, OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THIS TRANSACTION OR ANY RELATED TRANSACTION, IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.**

**24. THIS SECTION DOES NOT APPLY IF LESSOR HAS AGREED IN WRITING TO PASS THE INVESTMENT TAX CREDIT (ITC) AND DEPRECIATION TO LESSEE.** If, as to any Equipment, under any circumstances and for any reason whatsoever, except through the fault of the Lessor, Lessor shall lose or shall not have the right to claim, or there shall be disallowed or recaptured (collectively a "loss") (1) any portion of the maximum ITC, allowable under the Internal Revenue Code of 1954, as amended, for new property with a useful life equivalent to the lease term for such Equipment; or (2) any portion of the claimed depreciation deductions for such Equipment, based on the cost thereof, Lessee agrees to pay Lessor upon demand an amount which, in the reasonable opinion of Lessor, will cause Lessor's after tax net yield in respect of such Equipment to equal the net yield that Lessor would have received if Lessor had not suffered such loss.

**25. THIS LEASE SHALL BE CONSTRUED UNDER THE LAWS OF THE STATE OF LESSOR'S PRINCIPAL PLACE OF BUSINESS, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAW OR CHOICE OF LAW.** This Lease shall not become effective until accepted by Lessor at its above-described office, and upon such acceptance shall, subject to Section 16 hereof, inure to and bind the parties, their successors, legal representatives and assigns. No provision hereof that may be construed as unenforceable shall in any way invalidate any other provision hereof, all of which shall remain in full force and effect. All representations, warranties, indemnities and agreements of Lessee contained in this Lease shall survive and continue in full force and effect notwithstanding termination or expiration of this Lease.

**26. Any notice to a party hereunder shall be deemed given when mailed to said party by certified mail, return receipt requested at its address set forth herein or such other address as either may designate for itself in such notice to the other.** Whenever the sense of this agreement requires, words in the singular shall be deemed to include the plural and words in the plural shall be deemed to include the singular. If more than one Lessee is named herein the liability of each shall be joint and several. This agreement constitutes the entire mutual understanding of the parties regarding the within subject matter and may not be modified except in writing, signed by the party against whom such modification is asserted. Lessee shall have no option or other rights to purchase or otherwise acquire title to or ownership of any of the Equipment unless such option is set expressly forth in writing signed by a duly authorized officer of the Lessor. Upon the request of Lessor, Lessee shall at any time and from time to time after the execution and delivery of the Lease, execute and deliver such further

Officer's Initials for Lessee: DS

documents and do such further acts as Lessor may reasonably request in order fully to effect the purposes of this Lease, and any assignment hereof. Notwithstanding Lessee's acknowledgment, if any, that this is a "true lease", Lessee hereby authorizes Lessor, at its option and as contemplated by Section 9-408 of the UCC or otherwise, to file financing statements covering the Equipment signed only by Lessor for Lessee, and agrees to pay Lessor the actual fee for such filing, recording or stamp fees or taxes arising from the filing or recording of any such instrument or statement. In the event a court with competent jurisdiction rules that this Lease is a secured transaction governed by usury laws and that the interest rate charged under this Lease exceeds the maximum rate of interest allowed by applicable law, then the effective rate of interest hereunder shall be automatically reduced to the maximum lawful rate allowable under the applicable usury laws.

27. NONE OF THE PROVISIONS OF THIS LEASE CAN BE AMENDED, MODIFIED OR WAIVED EXCEPT IN WRITING SIGNED BY THE LESSEE AND LESSOR.

LESSOR:

INTERNATIONAL FINANCIAL  
SERVICES CORPORATION

Signature: Christie Deering

Title: Funding Coordinator

Date Accepted: December 22, 2009

LESSEE:

STATE OF NEW HAMPSHIRE DIVISION OF  
PARKS AND RECREATION  
CANNON MOUNTAIN AERIAL TRAMWAY & SKI  
AREA

The undersigned warrants that he is a duly Authorized  
Corporate officer, partner or proprietor of the above named  
Lessee.

Signature: Diana Townsend

Diana Townsend  
Title: Interim Business Administrator

Date: ~~December 10, 2009~~ December 22, 2009

Approved as to form, substance and execution

Signature: [Signature]  
Attorney General's Office

Date: ~~December 10, 2009~~ December 22, 2009