

JS



State of New Hampshire
DEPARTMENT OF NATURAL & CULTURAL RESOURCES
OFFICE OF THE COMMISSIONER

172 Pembroke Road Concord, New Hampshire 03301
Phone: 603-271-2411 Fax: 603-271-2629
TDD Access: Relay NH 1-800-735-2964
dnrcr.nh.gov

57



August 29, 2025

Her Excellency, Governor Kelly A. Ayotte
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Natural and Cultural Resources to enter into a **Retroactive** amendment to an existing Master Tax Exempt Equipment Lease Financing Agreement with Flagstar Public Funding Corp (VC# 276761), (formerly Signature Public Funding Corp.), Greenwich, CT, previously approved by Governor and Executive Council on November 10, 2021 item #32E, to correct a scrivener's error of the agreement completion date from December 1, 2024 to December 1, 2025 for what was an approved 4 year term with no other changes to the agreement, effective upon Governor and Executive Council approval.

EXPLANATION

This request is **Retroactive** because it was only recently discovered that an error was made in the requested action of the original Governor and Council request relative to continuity between the approved term of the agreement of 4 years and the actual date range that was presented. The approved start date of this agreement was December 1, 2021 but was scribed in the requested action with an end date of December 1, 2024, an end date that falls one year short of the 4 year term as approved.

For this reason, we are requesting retroactive approval to extend the end date from December 1, 2024 to December 1, 2025. This will allow us to proceed with any machine lease needs that may be identified before December 1, 2025. We typically anticipate such needs particularly for the coming winter season such as a snow groomer or other significant machinery necessary to maintain sufficient operational stewardship of our state reservation system.

The purpose of this agreement is to provide DNCR with financial equipment leasing services so we may as necessary and with all required approvals, enter into term lease to purchase equipment agreements such as snow groomers as well as any other similar types of department division operations machine needs. The Department has utilized an equipment leasing program at Cannon Mountain for the last twenty years which has worked very successfully 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.

Respectfully requested,

(SLS)


Sarah L Stewart, Commissioner

FOR
32E

NOV02'21 AM 8:46 RCVD



STATE OF NEW HAMPSHIRE
DEPARTMENT of NATURAL and CULTURAL RESOURCES
DIVISION of PARKS and RECREATION
172 Pembroke Road Concord, New Hampshire 03301
Phone: (603) 271-3556 Fax: (603) 271-3553
Web: www.nhstateparks.org

October 27, 2021

His Excellency, Governor Christopher T. Sununu
and Honorable Executive Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

1. Pursuant to RSA 6:35, authorize the Department of Natural and Cultural Resources to enter into a Master Tax Exempt Equipment Lease Financing Agreement with Signature Public Funding Corp. (VC# 276761), Greenwich, CT, for the purpose of financing equipment lease to purchase agreements for the department over the next 4 years, effective upon Governor and Executive Council approval through December 1, 2024. 100% Agency Income
2. Authorize the Department of Natural and Cultural Resources (DNCR), Division of Parks and Recreation, Cannon Mountain Ski Area to select as **SOLE SOURCE**, the lease to purchase of a new Prinoth Bison X Tier Snow Groomer in the amount of \$357,178.16 to be used at Cannon Mountain for the purpose of performing necessary annual snow groomer maintenance services as a vital function of mountain ski operations, financed through an equipment lease agreement with Signature Public Funding Corp. as outlined in Requested Action 1, effective upon Governor and Executive Council approval. 100% Agency Income

Funding is available in account Cannon Mountain Operations as follows and pending budget approval for Fiscal Years 2024 and 2025:

03-35-35-351510-37030000-022-500257 – Rents, Leases Other than State

<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>
\$89,294.54	\$89,294.54	\$89,294.54	\$89,294.54

EXPLANATION

In September 2021, an invitation to submit proposals for Tax Exempt Equipment Lease Financing was posted on the Division of Purchase and Property's website. In addition, the Department had forwarded, with assistance of the NH State Treasury, notice of the posting to a list of various financial institutions. Two proposals were received on September 3, 2021. After consultation and review of the proposals with the NH State Treasury office, evaluating based on costs and proposed terms of lease and escrow agreements, Signature Public Funding Corporation (SPFC) was the selected bidder.

The purpose of this agreement is to provide DNCR with financial equipment leasing services so we may as necessary and with all required approvals, enter into term lease to purchase equipment agreements over the next 4 years specifically for a Prinoth Bison X Tier 4 snow groomer as well as any other similar types of department division operations machine needs.

With regard to the second requested action, the Department has utilized an equipment leasing program at Cannon Mountain for the last twenty years which has worked very successfully 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, LLC and Kassbohrer, Inc. sell snow groomers in this part of the country. Cannon's mountain operations team has determined based on knowledge of the industry and hands on experience, that Prinoth grooming vehicles are far superior in performance. 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 fleet. The Prinoth machines have had excellent service records, and the eastern sales and service team, located in Gilmanston, has provided superior service. For these reasons, your approval of the new Prinoth Bison X Tier 4 Snow Groomer by sole source selection is respectfully requested.

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

Per RSA 21-I:19-j, the Department of Administrative Services has reviewed and approved this year's Lease Agreement. A copy of the chapter law governing this process is included for your information.

Per RSA 6:35, the NH State Treasury has reviewed and approved this year's Lease Agreement. A copy of the NH State Treasury Agency Lease Questionnaire approved by the State Treasurer and 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 included for your information.

Approval of this Lease agreement and the Escrow agreement does not entail a financial obligation or pledge to the state. The contractual requirement of the state to make lease payments under the lease agreement shall constitute a current operating expense of the state subject to legislative appropriation. The interest component of the lease payments under this agreement will be tax exempt to the lessor.

Respectfully submitted,

 (SM)

Sarah L. Stewart
Commissioner

STATE OF NEW HAMPSHIRE

Inter-Department Communication

FROM Michael Haley
Assistant Attorney General

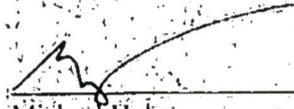
DATE November 1, 2021
AT Department of Justice
Civil Bureau

SUBJECT Tax Exempt Equipment Lease
Financing Agreement

TO Sarah L. Stewart
Commissioner
Department of Natural and Cultural Resources

I have reviewed the attached Tax Exempt Equipment Lease Financing Agreement between Signature Public Funding Corp. and the Department of Natural and Cultural Resources.

I approve the attached agreements as to Form, Substance, and Execution.



Michael Haley
Assistant Attorney General

INDEX TO LEGAL DOCUMENTS
NON-BANK-QUALIFIED, APPROPRIATION-BASED
TAX-EXEMPT MASTER EQUIPMENT LEASE-PURCHASE AGREEMENT
DATED DECEMBER 1, 2021 BY AND BETWEEN
SIGNATURE PUBLIC FUNDING CORP.
And
STATE OF NH – DEPARTMENT OF NATURAL AND CULTURAL RESOURCES (DNCR)

Lease Documents:

Tab 1:	Master Equipment Lease-Purchase Agreement;
Tab 2:	Exhibit A - Equipment Schedule;
Tab 3:	Exhibit B - Acceptance Certificate;
Tab 4:	Exhibit C-1 - Insurance Coverage Request;
Tab 5:	Exhibit C-2 - Self-Insurance Rider (if applicable); Exhibit C-3 - Questionnaire for Self-Insurance (If applicable);
Tab 6:	Exhibit D - Essential Use Certificate;
Tab 7:	Exhibit E - Incumbency Certificate;
Tab 8:	Exhibit F - Form of Opinion of Lessee's Counsel;
Tab 9:	Exhibit G - Reserved;
Tab 10:	Exhibit H - Tax Certificate;
Tab 11:	Exhibit I - Escrow Agreement;
Tab 12:	Exhibit J - Form of Sample Resolution of Lessee;
Tab 13:	UCC-1 - Financing Statement with attached Schedule A;
Tab 14:	Form 8038-G;
Tab 15:	Closing Memorandum/Payment Proceeds Direction; and
Tab 16:	Vendor Invoices, Purchase Agreement;



**SIGNATURE
PUBLIC FUNDING**

SIGNATURE PUBLIC FUNDING CORP.

MASTER LEASE AGREEMENT NO. 500055

This MASTER LEASE AGREEMENT (the "Agreement"), dated as of December 1, 2021 is made and entered into by and between SIGNATURE PUBLIC FUNDING CORP., a New York corporation, as lessor (the "Lessor"), and STATE OF NH – DEPARTMENT OF NATURAL AND CULTURAL RESOURCES (STATE OF NH – DNCR), an agency of the State of NH, which is a political subdivision as defined under the Code, as lessee ("Lessee").

In consideration of the mutual covenants herein contained, the parties hereto agree as follows:

ARTICLE I. DEFINITIONS AND EXHIBITS

Section 1.1. Definitions. The following terms have the meanings specified below.

"Acceptance Certificate" means each Acceptance Certificate delivered by Lessee as part of an Equipment Schedule certifying as to the delivery, installation and acceptance of Equipment.

"Agreement" means this Master Lease Agreement and all Equipment Schedules hereto.

"Agreement Date" means the date first written above.

"Code" means the Internal Revenue Code of 1986, as amended, together with Treasury Regulations promulgated from time to time thereunder.

"Default Rate" means the lesser of 12% per annum; or the maximum rate permitted by law.

"Equipment" means all items of property described in Equipment Schedules and subject to this Agreement.

"Equipment Group" means each group of Equipment listed in a single Equipment Schedule.

"Equipment Schedule" means each sequentially numbered schedule executed by Lessor and Lessee with respect to Equipment Group.

"Escrow Account" means the equipment acquisition account, if any, established by Lessor and Lessee with the Escrow Agent pursuant to the Escrow Agreement.

"Escrow Agent" means the escrow agent and, if applicable, any successor escrow agent identified under the Escrow Agreement for any applicable Lease hereunder.

"Escrow Agreement" means the Escrow Fund and Account Control Agreement, substantially in the form of Exhibit I hereto, or another mutually agreeable form of escrow agreement to be executed by Lessor, Lessee and the Escrow Agent upon the first funding of an Equipment Schedule using the procedure described in Section 2.4.

"Events of Default" means those events described in Section 12.1.

"Fiscal Year" means each 12-month fiscal period of Lessee.

"Funding Date" means, with respect to each Lease, the date Lessor makes payment to the Vendor(s) named in the related Equipment Schedule or reimburses Lessee for the purchase price of the related Equipment Group or, if the procedure described in Section 2.4 is utilized, the date Lessor deposits funds equal to such purchase price into the Escrow Account.

"Interest" means the portion of a Rental Payment designated as and comprising interest as provided in a Payment Schedule.

"Lease" means, with respect to each Equipment Group, this Agreement and the Equipment Schedule relating thereto, which together shall constitute a separate contract between Lessor and Lessee relating to such Equipment Group.

"Lease Date" means, with respect to each Lease, the date so designated in the related Equipment Schedule.

"Lease Term" means, with respect to each Equipment Group, the period during which the related Lease is in effect as specified in Section 3.1.

"Net Proceeds" means any insurance proceeds or condemnation awards paid with respect to any Equipment remaining after payment therefrom of all expenses incurred in the collection thereof.

"Non-Appropriation" means the failure of Lessee, Lessee's governing body, or, if applicable, the governmental entity from

which Lessee obtains its operating and/or capital funds to appropriate money for any Fiscal Year sufficient for the continued payment and/or performance by Lessee of all of Lessee's obligations under this Agreement, as evidenced by the passage of an ordinance or resolution prohibiting Lessee from performing its obligations under this Agreement with respect to any Equipment and/or budget; and from using properly appropriated and/or legally available funds to pay any Rental Payments due under this Agreement during any Fiscal Year.

"Payment Date" means each date upon which a Rental Payment is due and payable as provided in a Payment Schedule.

"Payment Schedule" means the schedule of Rental Payments attached to an Equipment Schedule.

"Principal" means the portion of any Rental Payment designated as and comprising principal as provided in a Payment Schedule.

"Prepayment Price" means the amount so designated and set forth opposite a Payment Date in a Payment Schedule indicating the amount for which Lessee may purchase the related Equipment Group as of such Payment Date after making the Rental Payment due on such Payment Date.

"Rental Payment" means each payment due from Lessee to Lessor on a Payment Date.

"Specifications" means the bid specifications and/or purchase order pursuant to which Lessee has ordered any Equipment from a Vendor.

"State" means the state or commonwealth in which Lessee is situated.

"Vendor" means each of the manufacturers or vendors from which Lessee has ordered or with which Lessee has contracted for the manufacture, delivery and/or installation of the Equipment.

Section 1.2. Exhibits.

Exhibit A: Equipment Schedule including Payment Schedule.

Exhibit B: Acceptance Certificate.

Exhibit C-1: Confirmation of Outside Insurance.

Exhibit C-2: Self-Insurance Rider and Lessor Consent (if applicable).

Exhibit C-3: Questionnaire for Self Insurance (If applicable),

Exhibit D: Essential Use Certificate (unless waived).

Exhibit E: Incumbency Certificate.

Exhibit F: Form of Opinion of Counsel to Lessee.

Exhibit G: Bank-Qualified Designation (if applicable).

Exhibit H: Tax and Arbitrage Certificate.

Exhibit I: Escrow Fund and Account Control Agreement (together with Disbursement request Form).

Exhibit J: Form of Resolution of the Governing Body of Lessee relating to each Lease.

ARTICLE II. -LEASE OF EQUIPMENT

Section 2.1. Acquisition of Equipment. Prior to the addition of any Equipment Group, Lessee shall provide Lessor with a description of the equipment proposed to be subject to a Lease hereunder, including the cost and vendor of such equipment, the expected delivery date and the desired lease terms for such equipment, and such other information as the Lessor may require. If Lessor, in its sole discretion, determines the proposed equipment may be subject to a Lease hereunder, Lessor shall furnish to Lessee a proposed Equipment Schedule relating to the Equipment Group for execution by Lessee and then Lessor. By execution hereof, Lessor has made no commitment to lease any equipment to Lessee.

Section 2.2. Disbursement. Lessor shall have no obligation to make any disbursement to a Vendor or reimburse Lessee for any payment made to a Vendor for an Equipment Group (or, if the escrow procedure described in Section 2.4 hereof is utilized, consent to a disbursement by the Escrow Agent) until five (5) business days after Lessor has received all of the following in form and substance satisfactory to Lessor: (a) a completed Equipment Schedule executed by Lessee; (b) an Acceptance Certificate in the form included with Exhibit B hereto; (c) a resolution or evidence of other official action taken by or on behalf of the Lessee to authorize the acquisition of the Equipment Group on the terms provided in such Equipment Schedule; (d) a Tax Agreement and Arbitrage Certificate in the form of Exhibit H (as applicable) attached hereto; (e) evidence of insurance with respect to the Equipment Group in compliance with Article VII of this Agreement; (f) Vendor invoice(s) and/or bill(s) of sale relating to the Equipment Group, and if such invoices have been paid by Lessee, evidence of payment thereof and evidence of official intent to reimburse such payment as required by the Code; (g) financing statements naming Lessee as debtor and/or the original certificate of title or manufacturer's certificate of origin and title application, if any, for any Equipment which is part of such Equipment Group and is subject to certificate of title laws; (h) a completed and executed Form 8038-G or 8038-GC, as applicable, or evidence of filing thereof with the Secretary of Treasury; (i) an opinion of counsel to the Lessee substantially in the form of Exhibit F hereto, and (j) any other documents or items reasonably

required by Lessor.

Section 2.3. Lease; Possession and Use. Lessor hereby leases the Equipment to Lessee, and Lessee hereby leases the Equipment from Lessor, upon the terms and conditions set forth herein. Lessee shall have quiet use and enjoyment of and peaceably have and hold each Equipment Group during the related Lease Term, except as expressly set forth in this Agreement.

Section 2.4. Escrow Procedure. If Lessor and Lessee agree that the cost of an Equipment Group is to be paid from an Escrow Account: (a) Lessor and Lessee shall execute an Escrow Agreement substantially in the form of Exhibit I or such other form as may be mutually agreeable by the parties thereto; (b) Lessor and Lessee shall execute an Equipment Schedule relating to such Equipment Group; and (c) Lessor shall deposit an amount equal to the cost of the Equipment Group into the Escrow Account. All amounts deposited by Lessor into the Escrow Account shall constitute a loan from Lessor to Lessee secured by proceeds in such Escrow Account and, when such funds are used to acquire the Equipment, shall be repaid by the Rental Payments due under the related Lease.

ARTICLE III. TERM

Section 3.1. Term. This Agreement shall be in effect from the Agreement Date until the earliest of (a) termination under Section 3.2 or (b) termination under Section 12.2; provided, however, no Equipment Schedules shall be executed after any Non-Appropriation or Event of Default. Each Lease with respect to an Equipment Group shall be in effect for a Lease Term commencing upon the Lease Date and ending as provided in Section 3.4.

Section 3.2. Termination by Lessee. In the sole event of Non-Appropriation, this Agreement and each Lease hereunder shall terminate, in whole, but not in part, as to all Equipment effective upon the last day of the Fiscal Year for which funds were appropriated, in the manner and subject to the terms specified in this Article. Lessee may affect such termination by giving Lessor a written notice of termination and by paying to Lessor any Rental Payments and other amounts which are due and have not been paid at or before the end of its then current Fiscal Year. Lessee shall endeavor to give notice of such termination not less than ninety (90) days prior to the end of the Fiscal Year for which appropriations were made, and shall notify Lessor of any anticipated termination. In the event of termination of this Agreement as provided in this Section, Lessee shall comply with the instructions received from Lessor in accordance with Section 12.3. Lessor agrees that it shall not deliberately cause an event of Non-Appropriation so as to permit Lessee to terminate this Agreement or any Lease hereunder in order to acquire any other equipment or obtain funds directly or indirectly to perform essentially the same application for the Equipment is intended.

Section 3.3. Effect of Termination. Upon termination of this Agreement as provided in Section 3.2, Lessee shall not be responsible for the payment of any additional Rental Payments coming due in succeeding Fiscal Years, but if Lessee has not complied with the instructions received from Lessor in accordance with Section 12.3, the termination shall nevertheless be effective, but Lessee shall be responsible for the payment of damages in an amount equal to the amount of the Rental Payments that would thereafter have come due if this Agreement had not been terminated and which are attributable to the number of days after which Lessee fails to comply with Lessor's instructions and for any other loss suffered by Lessor as a result of Lessee's failure to take such actions as required.

Section 3.4. Termination of Lease Term. The Lease Term with respect to any Lease will terminate upon the occurrence of the first of the following events: (a) the termination of this Agreement by Lessee in accordance with Section 3.2; (b) the payment of the Prepayment Price by Lessee pursuant to Article V; (c) an Event of Default by Lessee and Lessor's election to terminate such Lease pursuant to Article XII; or (d) the payment by Lessee of all Rental Payments and all other amounts authorized or required to be paid by Lessee pursuant to such Lease.

ARTICLE IV. RENTAL PAYMENTS

Section 4.1. Rental Payments. The Lessee agrees to pay the Rental Payments due as specified in the Payment Schedule set forth on any Equipment Schedule hereto, the form of which is attached as Exhibit A. A portion of each Rental Payment is paid as interest as specified in the Payment Schedule of each lease, and the first Rental Payment will include Interest accruing from the Funding Date. Lessor is authorized to insert the due date of the first Rental Payment in the Payment Schedule. All Rental Payments shall be paid to Lessor, or to such assignee(s) Lessor has assigned as stipulated in Article XI, at such places as Lessor or such assignee(s) may from time to time designate by written notice to Lessee. Lessee shall pay the Rental Payments with lawful money of the United States of America from moneys legally available therefor.

Section 4.2. Current Expense. The obligations of Lessee, including its obligation to pay the Rental Payments due in any Fiscal Year of a Lease Term, shall constitute a current expense of Lessee for such Fiscal Year and shall not constitute an indebtedness of Lessee within the meaning of the Constitution and laws of the State. Nothing herein shall constitute a pledge by Lessee of any taxes or other moneys (other than moneys lawfully appropriated from time to time by or for the benefit of Lessee for this Agreement and the Net Proceeds of the Equipment) to the payment of any Rental Payment or other amount coming due hereunder.

Section 4.3. Unconditional Rental Payments. Notwithstanding Lessee's right to terminate as provided in Section 3.2, Lessee's obligation to make Rental Payments shall be absolute and unconditional. Also, any other payments required hereunder shall be absolute and unconditional. Lessee shall make these payments when due and shall not withhold any of

these payments pending final resolution of any disputes. The Lessee shall not assert any right of set-off or counterclaim against its obligation to make these payments. Lessee's obligation to make Rental Payments or other payments shall not be abated through accident, unforeseen circumstances, failure of the Equipment to perform as desired, damage or destruction to the Equipment, loss of possession of the Equipment or obsolescence of the Equipment. The Lessee shall be obligated to continue to make payments required of it by this Agreement if title to, or temporary use of, the Equipment or any part thereof shall be taken under exercise of the power of eminent domain.

ARTICLE V. OPTION TO PREPAY

Section 5.1. Option to Prepay. Lessee shall have the option to prepay its obligations under any Lease in whole but not in part on any Payment Date on or after the Prepayment Option Commencement Date for the then applicable Prepayment Price (which may include a prepayment fee) as set forth in the related Payment Schedule, provided there has been no Non-Appropriation or Event of Default.

Section 5.2. Exercise of Option. Lessee shall give notice to Lessor of its intention to exercise its option not less than thirty (30) days prior to the Payment Date on which the option will be exercised and shall pay to Lessor not later than such Payment Date an amount equal to all Rental Payments and any other amounts then due or past due under the related Lease (including the Rental Payment due on the Payment Date on which the option shall be effective) and the applicable Prepayment Price set forth in the related Payment Schedule. In the event that all such amounts are not received by Lessor on such Payment Date, such notice by Lessee of exercise of its option to prepay shall be void and the related Lease shall continue in full force and effect.

Section 5.3. Release of Lessor's Interest. Upon receipt of the Prepayment Price in good funds with respect to any Equipment Group, the Lease with respect to such Equipment Group shall terminate and Lessee shall become entitled to such Equipment Group AS IS, WHERE IS, WITHOUT WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY LESSEE, except that such Equipment Group shall not be subject to any lien or encumbrance created by or arising through Lessor.

ARTICLE VI. REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 6.1. Representations and Warranties of Lessee. Lessee represents and warrants as of the Agreement Date and as of each Lease Date as follows:

(a) Lessee is an agency of the State, which is a political subdivision within the meaning of Section 103(c) of the Code, duly organized and existing under the Constitution and laws of the State, and is authorized under the Constitution and laws of the State to enter into this Agreement, each Lease and the transactions contemplated hereby and thereby, and to perform all of its obligations under this Agreement and each Lease.

(b) The execution and delivery of this Agreement and each Lease have been duly authorized by all necessary action of Lessee's governing body and such action is in compliance with all public bidding and other State and federal laws applicable to this Agreement, each Lease and the acquisition and financing of the Equipment by Lessee.

(c) This Agreement and each Lease have been duly executed and delivered by and constitutes the valid and binding obligation of Lessee, enforceable against Lessee in accordance with their respective terms.

(d) The execution, delivery and performance of this Agreement and each Lease by Lessee shall not (i) violate any State or federal law or local law or ordinance (including, without limitation, any public bidding, open meeting, notice, and procurement requirements), or any order, writ, injunction, decree, or regulation of any court or other governmental agency or body applicable to Lessee, or (ii) conflict with or result in the breach or violation of any term or provision of, or constitute a default under, any note, bond, mortgage, indenture, agreement, deed of trust, lease or other obligation to which Lessee is bound.

(e) There is no action, suit, proceeding, claim, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body pending or, to the best of Lessee's knowledge, threatened against or affecting Lessee, challenging Lessee's authority to enter into this Agreement or any Lease or any other action wherein an unfavorable ruling or finding would adversely affect the enforceability of this Agreement or any Lease.

(f) Lessee will furnish Lessor (i) within [180] days after the end of each Fiscal Year of Lessee, a copy of its audited financial statements for such Fiscal Year, which audited financial statements shall include a balance sheet, a statement of revenues, expenses and changes in fund balances for budget and actual, a statement of cash flows, notes, schedules and any attachments to the financial statements; (ii) no later than 10 days prior to the end of each Fiscal Year (commencing with the current Fiscal Year), a copy of Lessee's current budget or other proof of appropriation for the ensuing Fiscal Year; (iii) promptly after Lessor's written request, a copy of any interim updates or modifications to Lessee's adopted budget and such other information relating to Lessee's ability to continue the Lease Term of each Lease for such Fiscal Year as may be reasonably requested by Lessor; and (iv) promptly, but not later than 30 days after such information is available, after Lessor's written request, such other financial statements and information as Lessor may reasonably request, including, without limitation, any information relating to the measurement and verification of proposed or guaranteed energy savings. The financial statements described in clause (f)(i) shall be accompanied by an unqualified opinion of Lessee's auditor. Credit information relating to Lessee may be disseminated among Lessor and any

of its affiliates and any of their respective successors and assigns. Assuming that the foregoing information is readily publicly available in an on-line format, the Lessee will have been deemed to be in compliance with this provision.

(g) Lessee or Lessee's governing body has appropriated and/or taken other lawful actions necessary to provide moneys sufficient to pay all Rental Payments during the current Fiscal Year, and such moneys will be applied in payment of all Rental Payments due and payable during such current Fiscal Year.

(h) Lessee has an immediate need for, and expects to make immediate use of, the Equipment, which need is not temporary or expected to diminish during the applicable Lease Term. Lessee presently intends to continue each Lease hereunder for its entire Lease Term and to pay all Rental Payments relating thereto.

Section 6.2. Covenants of Lessee. Lessee agrees that so long as any Rental Payments or other amounts due under this Agreement remain unpaid:

(a) Lessee shall not install, use, operate or maintain the Equipment improperly, carelessly, in violation of any applicable law or regulation or in a manner contrary to that contemplated by this Agreement. Lessee shall obtain and maintain all permits and licenses necessary for the installation and operation of the Equipment. Lessee shall not, without the prior written consent of Lessor, affix or install any accessory equipment or device on any of the Equipment if such addition would change or impair the originally intended functions, value or use of such Equipment.

(b) Lessee shall provide Lessor access at all reasonable times to examine and inspect the Equipment and provide Lessor with such access to the Equipment as may be reasonably necessary to perform maintenance on the Equipment in the event of failure by Lessee to perform its obligations hereunder.

(c) Lessee shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or other claim with respect to the Equipment, other than the respective rights of Lessor and Lessee as herein provided. Lessee shall promptly, at its own expense, take such actions as may be necessary duly to discharge or remove any such claim if the same shall arise at any time. Lessee shall reimburse Lessor for any expense incurred by Lessor in order to discharge or remove any such claim.

(d) The person or entity in charge of preparing Lessee's budget will include in the budget request for each Fiscal Year the Rental Payments to become due during such Fiscal Year, and will use all reasonable and lawful means available to secure the appropriation of money for such Fiscal Year sufficient to pay all Rental Payments coming due therein. Lessor acknowledges that appropriation for Rental Payments is a governmental function which Lessee cannot contractually commit itself in advance to perform. Lessee acknowledges that this Agreement does not constitute such a commitment. However, Lessee reasonably believes that moneys in an amount sufficient to make all Rental Payments can and will lawfully be appropriated and made available to permit Lessee's continued utilization of the Equipment in the performance of its essential functions during the applicable Lease Terms.

(e) Lessee shall assure that its obligation to pay Rental Payments is not directly or indirectly secured by any interest in property other than the Equipment, and that the Rental Payments will not be directly or indirectly secured by or derived from any payments of any type or any fund other than Lessee's general purpose fund.

(f) Upon Lessor's request, Lessee shall provide Lessor with current financial statements, budgets, and proof of appropriation for the ensuing Fiscal Year and such other financial information relating to the ability of Lessee to continue this Agreement and each Lease as may be reasonably requested by Lessor.

(g) Lessee shall promptly and duly execute and deliver to Lessor such further documents, instruments and assurances and take such further action as Lessor may from time to time reasonably request in order to carry out the intent and purpose of this Agreement and to establish and protect the rights and remedies created or intended to be created in favor of Lessor hereunder.

Section 6.3. Tax Related Representations, Warranties and Covenants.

(a) *Incorporation of Tax Agreement and Arbitrage Certificate.* As of each Lease Date and with respect to each Lease, Lessee makes each of the representations, warranties and covenants contained in the Tax Agreement and Arbitrage Certificate delivered with respect to such Lease. By this reference each such Tax Agreement and Arbitrage Certificate is incorporated in and made a part of this Agreement.

(b) *Event of Taxability.* If Lessor either (i) receives notice, in any form, from the Internal Revenue Service or (ii) reasonably determines, based on an opinion of independent tax counsel selected by Lessor, that Lessor may not exclude any Interest paid under any Lease from its Federal gross income (each an "Event of Taxability"), the Lessee shall pay to Lessor upon demand (x) an amount which, with respect to Rental Payments previously paid and taking into account all penalties, fines, interest and additions to tax (including all federal, state and local taxes imposed on the Interest due through the date of such event), will restore to Lessor its after-tax yield (assuming tax at the highest marginal tax rate and taking into account the time of receipt of Rental Payments and reinvestment at the after-tax yield rate) on the transaction evidenced by such Lease through the date of such event and (y) as additional Rental Payments to Lessor on each succeeding Payment Date such amount as will maintain such after-tax yield to Lessor.

ARTICLE VII. INSURANCE AND RISK OF LOSS

Section 7.1. Liability and Property Insurance. Lessee shall, at its own expense, procure and maintain continuously in effect during each Lease Term: (a) public liability insurance for death or injuries to persons, or damage to property arising out of or in any way connected to the Equipment sufficient to protect Lessor and/or assigns from liability in all events, with a coverage of not less than \$1,000,000 per occurrence and either \$3,000,000 aggregate for non-titled Equipment or \$5,000,000/ aggregate for titled Equipment unless specified differently in the related Equipment Schedule, and (b) insurance against such hazards as Lessor may require, including, but not limited to, all-risk casualty and property insurance, in an amount equal to the greater of the full replacement cost of the Equipment or the applicable Prepayment Price of each Equipment Group.

Section 7.2. Workers' Compensation Insurance. If required by State law, Lessee shall carry workers' compensation insurance covering all employees on, in, near or about the Equipment, and upon request, shall furnish to Lessor certificates evidencing such coverage throughout the Lease Term.

Section 7.3. Insurance Requirements.

(a) *Insurance Policies.* All insurance policies required by this Article shall be taken out and maintained with insurance companies acceptable to Lessor and shall contain a provision that thirty (30) days prior to any change in the coverage the insurer must provide written notice to the insured parties. No insurance shall be subject to any co-insurance clause. Each insurance policy shall name Lessor and/or its assigns as an additional insured party and loss payee regardless of any breach of warranty or other act or omission of Lessee and shall include a lender's loss payable endorsement for the benefit of Lessor and/or its assigns. Prior to the delivery of Equipment, Lessee shall deposit with Lessor evidence satisfactory to Lessor of such insurance and, prior to the expiration thereof, shall provide Lessor evidence of all renewals or replacements thereof.

(b) *Self Insurance.* With Lessor's prior consent, Lessee may self-insure the Equipment by means of an adequate insurance fund set aside and maintained for that purpose which must be fully described in a letter delivered to Lessor in form acceptable to Lessor.

(c) *Evidence of Insurance.* Lessee shall deliver to Lessor upon acceptance of any Equipment evidence of insurance which complies with this Article VII with respect to such Equipment to the satisfaction of Lessor, including, without limitation, the confirmation of insurance in the form of Exhibit C-1 attached hereto together with Certificates of Insurance, when available, or the Questionnaire for Self-Insurance Rider and Lessor Consent in the form of Exhibit C-2 attached hereto, as applicable.

(d) *Payment and Performance Bond.* If requested by Lessor, which will be solely in circumstances where the Equipment will not be fully delivered and accepted at the time of funding yet partial payment therefor has been or will be made by Lessor or from an Escrow Account, a payment and performance or other type of surety bond and dual obligee rider ("Bond") is required in form and substance and with such insurer as may be required by Lessor, and Lessee will keep such Bond in effect (or require the Vendor to keep such Bond in effect) and provide Lessor with a evidence of such Bond (and any applicable renewals thereof) at all times until the final Acceptance Certificate is delivered to the Lessor. No disbursements from the Escrow Account will be permitted without evidence of such Bond having been delivered to the Lessor.

Section 7.4. Risk of Loss. To the extent permitted by applicable laws of the State, as between Lessor and Lessee, Lessee assumes all risks and liabilities from any cause whatsoever, whether or not covered by insurance relating to any Lease hereunder, for loss or damage to any Equipment and for injury to or death of any person or damage to any property. Whether or not covered by insurance, Lessee hereby assumes responsibility for and agrees to release Lessor from all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses imposed on, incurred by or asserted against Lessor that relate to or arise out of this Agreement, including but not limited to, (a) the selection, manufacture, purchase, acceptance or rejection of Equipment or the ownership of the Equipment, (b) the delivery, lease, possession, maintenance, use, condition, return or operation of the Equipment, (c) the condition of the Equipment sold or otherwise disposed of after possession by Lessee, (d) the conduct of Lessee, its officers, employees and agents, (e) a breach of Lessee of any of its covenants or obligations hereunder, (f) any claim, loss, cost or expense involving alleged damage to the environment relating to the Equipment, including, but not limited to investigation, removal, cleanup and remedial costs, and (g) any strict liability under the laws or judicial decisions of any state or the United States. This provision shall survive the termination of this Agreement. Nothing in this Section 7.4 shall be deemed to obligate Lessee to spend any monies with regards to the matters set forth herein that are not properly appropriated, designated for such purposes (e.g. insurance proceeds, warranty payments, self-insurance, reserve or sinking funds, etc.) and/or otherwise legally available. Nothing herein shall be deemed to (a) create an unconstitutional or illegal obligation on the part of the Lessee and (b) be a waiver of any constitutional or statutory waivers, rights, immunities, or privileges. Any provision or requirement of the Agreement which is determined or to be illegal, invalid, or unconstitutional shall be stricken solely to the extent of such invalidity with the remainder of the provisions of the Agreement to be in full force and effect.

Section 7.5. Destruction of Equipment. Lessee shall provide a complete written report to Lessor immediately upon any loss, theft, damage or destruction of any Equipment and of any accident involving any Equipment. Lessor may inspect the Equipment at any time and from time to time during regular business hours. If all or any part of the Equipment is stolen, lost, destroyed or damaged beyond repair or taken by an exercise of eminent domain ("Damaged Equipment"), Lessee shall within thirty (30) days after such event either: (a) replace the same at Lessee's sole expense with equipment having

substantially similar Specifications and of equal or greater value to the Damaged Equipment immediately prior to the time of the loss occurrence, such replacement equipment to be subject to Lessor's approval; whereupon such replacement equipment shall be substituted in the applicable Lease and the other related documents by appropriate endorsement or amendment, or (b) pay the applicable Prepayment Price of the Damaged Equipment determined as set forth in the related Equipment Schedule. Lessee shall notify Lessor of which course of action it will take within fifteen (15) days after the loss occurrence. If, within forty-five (45) days of the loss occurrence, (a) Lessee fails to notify Lessor, (b) Lessee and Lessor fail to execute an amendment to the applicable Equipment Schedule to delete the Damaged Equipment and add the replacement equipment or (c) Lessee has failed to pay the applicable Prepayment Price, then Lessor may, at its sole discretion, declare the applicable Prepayment Price of the Damaged Equipment, to be immediately due and payable from the Net Proceeds and any other legally available or proper, appropriated funds. The Net Proceeds of insurance with respect to the Damaged Equipment shall be made available by Lessor to be applied to discharge Lessee's obligation under this Section.

ARTICLE VIII. OTHER OBLIGATIONS OF LESSEE

Section 8.1. Maintenance of Equipment. Lessee shall notify Lessor in writing prior to moving the Equipment to another address and shall otherwise keep the Equipment at the address specified in the related Equipment Schedule. Lessee shall, at its own expense, maintain the Equipment in proper working order and shall make all necessary repairs and replacements to keep the Equipment in such condition including compliance with State and federal laws. Any and all replacement parts must be free of encumbrances and liens. All such replacement parts and accessories shall be deemed to be incorporated immediately into and to constitute an integral portion of the Equipment and as such, shall be subject to the terms of this Agreement.

Section 8.2. Taxes. Lessee shall pay all taxes and other charges which are assessed or levied against the Equipment, the Rental Payments, or any part thereof, or which become due during the Lease Term, whether assessed against Lessee or Lessor, except as expressly limited by this Section. Lessee shall pay all utilities and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Equipment, and all special assessments and charges lawfully made by any governmental body that may be secured by a lien on the Equipment. Lessee shall not be required to pay any federal, state or local income, succession, transfer, franchise, profit, excess profit, capital stock, gross receipts, corporate, or other similar tax payable by Lessor, its successors or assigns, unless such tax is made as a substitute for any tax, assessment or charge which is the obligation of Lessee under this Section.

Section 8.3. Advances. If Lessee shall fail to perform any of its obligations under this Article, Lessor may take such action to cure such failure, including the advancement of money, and Lessee shall be obligated to repay all such advances on demand, with interest at the Default Rate from the date of the advance to the date of repayment.

ARTICLE IX. TITLE

Section 9.1. Title. Except as may be modified on any Schedule hereto or solely if and to the extent as required by any laws of the State, during the Lease Term, ownership and legal title of all Equipment and all replacements, substitutions, repairs and modification shall be in Lessee and Lessee shall take all action necessary to vest such ownership and title in Lessee. Lessor does not own the Equipment and by this Agreement and each Lease is merely financing the acquisition of such equipment for Lessee. Lessor has not been in the chain of title of the Equipment, does not operate, control or have possession of the Equipment and has no control over the Lessee or the Lessee's operation, use, storage or maintenance of the Equipment.

Section 9.2. Security Interest. Lessee hereby grants to Lessor a continuing, first priority security interest in and to the Equipment, all repairs, replacements, substitutions and modifications thereto and all proceeds thereof (including without limitation any Net Proceeds, warranty payments and guaranteed energy or other savings payments) and in the Escrow Account (if any) in order to secure Lessee's payment of all Rental Payments and the performance of all other obligations. Lessee hereby authorizes Lessor to prepare and file such financing statements and other such documents to establish and maintain Lessor's valid first priority lien and perfected security interest. Lessee will join with Lessor in executing such documents and will perform such acts as Lessor may request to establish and maintain Lessor's valid first priority lien and perfected security interest. If requested by Lessor, Lessee shall obtain a landlord and/or mortgagee's consent and waiver with respect to the Equipment. If requested by Lessor, Lessee shall conspicuously mark the Equipment, and maintain such markings during the Lease Term, to clearly disclose Lessor's security interest in the Equipment. Upon termination of a Lease through exercise of Lessee's option to prepay pursuant to Article V or through payment by Lessee of all Rental Payments and other amounts due with respect to an Equipment Group, Lessor's security interest in such Equipment Group shall terminate, and Lessor shall execute and deliver to Lessee such documents as Lessee may reasonably request (at the sole cost and expense) to evidence the termination of Lessor's security interest in such Equipment Group.

Section 9.3. Modification of Equipment. Lessee will not, without the prior written consent of Lessor, affix or install any accessory equipment or device on any of the Equipment if such addition will change or impair the originally intended value, function or use of the Equipment.

Section 9.4. Personal Property. Except as permitted by Lessor in writing in connection to any Equipment Schedules, the Equipment is and shall at all times be and remain personal property and not fixtures.

ARTICLE X. WARRANTIES

Section 10.1. Selection of Equipment. Each Vendor and all of the Equipment have been selected by Lessee. Lessor shall have no responsibility in connection with the selection of the Equipment; the ordering of the Equipment, its suitability for the use intended by Lessee, the acceptance by any Vendor or its sales representative of any order submitted, or any delay or failure by such Vendor or its sales representative to manufacture, deliver or install any Equipment for use by Lessee.

Section 10.2. Vendor's Warranties. Lessor hereby assigns to Lessee for and during the related Lease Term, all of its interest, if any, in all Vendor's warranties, guarantees and patent indemnity protection, express or implied issued on or applicable to an Equipment Group, and Lessee may obtain the customary services furnished in connection with such warranties and guarantees at Lessee's expense. Lessor has no obligation to enforce any Vendor's warranties or obligations on behalf of itself or Lessee.

Section 10.3. Disclaimer of Warranties. LESSEE ACKNOWLEDGES THAT THE EQUIPMENT IS OF A SIZE, DESIGN, CAPACITY, AND MANUFACTURE SELECTED BY LESSEE. LESSEE ACKNOWLEDGES THAT IT SELECTED THE EQUIPMENT WITHOUT ASSISTANCE OF LESSOR, ITS AGENTS OR EMPLOYEES. LESSOR IS NOT A MANUFACTURER OF THE EQUIPMENT OR A DEALER IN SIMILAR EQUIPMENT, AND DOES NOT INSPECT THE EQUIPMENT BEFORE DELIVERY TO LESSEE. LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, QUALITY, DURABILITY, SUITABILITY, MERCHANT-ABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY LESSEE OF THE EQUIPMENT, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE EQUIPMENT. IN NO EVENT SHALL LESSOR BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR THE EQUIPMENT OR LESSEE'S USE OF THE EQUIPMENT.

ARTICLE XI. ASSIGNMENT AND SUBLEASING

Section 11.1. Assignment by Lessor. Lessor, with Lessee's consent, which shall not be unreasonably withheld or delayed, may assign and reassign all of Lessor's right, title and/or interest in and to this Agreement or any Lease, including, but not limited to, the Rental Payments and other amounts payable by Lessee and Lessor's interest in the Equipment, in whole or in part to one or more assignees or subassignee(s) by Lessor at any time. No such assignment shall be effective as against Lessee unless and until written notice of the assignment is provided to Lessee. When presented with a notice of assignment, Lessee will acknowledge in writing receipt of such notice for the benefit of Lessor and any assignee. Lessee shall keep a complete and accurate record of all such assignments.

Section 11.2. Assignment and Subleasing by Lessee. Neither this Agreement nor any Lease or any Equipment may be assigned, subleased, sold, transferred, pledged or mortgaged by Lessee.

ARTICLE XII. EVENTS OF DEFAULT AND REMEDIES

Section 12.1. Events of Default Defined. The occurrence of any of the following events shall constitute an Event of Default under this Agreement and each Lease:

- (a) Lessee's failure to pay, within ten (10) days following the due date thereof, any Rental Payment or other amount required to be paid to Lessor (other than by reason of Non-Appropriation).
- (b) Lessee's failure to maintain insurance as required by Article VII.
- (c) With the exception of the above clauses (a) & (b), Lessee's failure to perform or abide by any condition, agreement or covenant for a period of thirty (30) days after written notice by Lessor to Lessee specifying such failure and requesting that it be remedied, unless Lessor shall agree in writing to an extension of time prior to its expiration.
- (d) Lessor's determination that any representation or warranty made by Lessee in this Agreement was untrue in any material respect upon execution of this Agreement or any Equipment Schedule.
- (e) The occurrence of an Event of Taxability and Lessee's failure to comply with the provisions of Section 6.3(b).
- (f) The filing of a petition in bankruptcy by or against Lessee, or failure by Lessee promptly to lift any execution, garnishment or attachment of such consequence as would impair the ability of Lessee to carry on its governmental functions or assignment by Lessee for the benefit of creditors, or the entry by Lessee into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of any adjustment of indebtedness of Lessee, or the dissolution or liquidation of Lessee.

Section 12.2. Remedies on Default. Upon the occurrence of any Event of Default, Lessor shall have the right, at its option and without any further demand or notice to one or more or all of the following remedies:

- (a) Lessor, with or without terminating this Agreement or any Lease, may declare all Rental Payments immediately due and payable by Lessee, whereupon such Rental Payments shall be immediately due and payable, together with interest at the Default Rate, but solely from property appropriated, legally available, or other funds designated for such purposes (e.g. insurance proceeds, warranty payments, self-insurance, reserve or sinking funds, etc.).
- (b) Lessor, with or without terminating this Agreement or any Lease, may repossess any or all of the Equipment by giving Lessee written notice to deliver such Equipment in the manner provided in Section 12.3; or in the event Lessee fails to do so within ten (10) days after receipt of such notice, Lessor may enter upon Lessee's premises where such Equipment is kept and take possession of such Equipment and charge Lessee for all actual and reasonable accrued costs incurred, including reasonable attorneys' fees. Lessee hereby expressly waives any damages occasioned by such repossession except

those resulting from Lessor's gross negligence or willful misconduct. If the Equipment or any portion has been destroyed, Lessee shall pay the applicable Prepayment Price of the destroyed Equipment as set forth in the related Payment Schedule, but solely from properly appropriated, legally available, or other funds designated for such purposes (e.g. insurance proceeds, warranty payments, self-insurance, reserve or sinking funds, etc.). Regardless of the fact that Lessor has taken possession of the Equipment, Lessee shall continue to be responsible for the Rental Payments due during the Fiscal Year.

(c) If Lessor terminates this Agreement and/or any Lease and, in its discretion, takes possession and disposes of any or all of the Equipment, Lessor shall apply the proceeds of any such disposition to pay the following items in the following order: (i) all reasonable and actual costs (including, but not limited to, attorneys' fees) incurred in securing possession of the Equipment; (ii) all reasonable and actual expenses incurred in completing the disposition; (iii) any sales or transfer taxes; (iv) the applicable Prepayment Prices of the Equipment Groups; (v) the balance of any Rental Payments owed by Lessee during the Fiscal Year then in effect; and (vi) interest on any of the foregoing at the Default Rate. Any disposition proceeds remaining after the requirements of Clauses (i), (ii), (iii), (iv), (v) and (vi) have been met shall be paid to Lessee.

(d) Lessor may take any other remedy available, at law or in equity, with respect to such Event of Default, including those sounding in mandamus, specific performance/enforcement, or otherwise requiring Lessee to perform any of its obligations or to pay any moneys due and payable to Lessor, and Lessee shall pay the actual reasonable attorneys' fees and other costs and expenses incurred by Lessor in enforcing any remedy permitted and exercise hereunder together with interest at the Default Rate.

(e) Each of the foregoing remedies is cumulative and may be enforced separately or concurrently. All monetary damages and/or payment remedies set forth in this Section 12, shall be payable solely from properly appropriated, legally available, or other funds designated for such purposes (e.g. insurance proceeds, warranty payments, self-insurance, reserve or sinking funds, etc.). In no event shall the rights and remedies herein constitute a debt, illegal or unconstitutional undertaking of the Lessee or its governing body.

Section 12.3. Return of Equipment; Release of Lessee's Interest. Upon termination of any Lease prior to the payment of all related Rental Payments or the applicable Prepayment Price (whether as result of Non-Appropriation or Event of Default), Lessee shall, within ten (10) days after such termination, at its own expense: (a) perform any testing and repairs required to place the related Equipment in the condition required by Article VIII; (b) if deinstallation, disassembly or crating is required, cause such Equipment to be deinstalled, disassembled and crated by an authorized manufacturer's representative or such other service person as is satisfactory to Lessor; and (c) return such Equipment to a location specified by Lessor, freight and insurance prepaid by Lessee. If Lessee refuses to return such Equipment in the manner designated, Lessor may repossess the Equipment without demand or notice and without court order or legal process and charge Lessee the costs of such repossession. Upon termination of this Agreement in accordance with Article III or Article XII hereof, at the election of Lessor and upon Lessor's written notice to Lessee, full and unencumbered legal title and ownership of the Equipment shall pass to Lessor. Lessee shall have no further interest therein. Lessee shall execute and deliver to Lessor such documents as Lessor may request to evidence the passage of legal title and ownership to Lessor and termination of Lessee's interest in the Equipment.

Section 12.4. Late Charge. Lessor shall have the right to require late payment charge for each Rental or any other amount due hereunder which is not paid within 10 days of the date when due equal to the lesser of 5% of each late payment or the legal maximum. For any Rent Payment and other amount not paid within 30 days of the due date, Lessor shall have the right to resume interest thereof at the Default Rate which shall accrue from the due date. This Section is only applicable to the extent it does not affect the validity of this Agreement.

ARTICLE XIII. MISCELLANEOUS PROVISIONS

Section 13.1. Notices. All written notices to be given under this Agreement shall be given by mail to the party entitled thereto at its address specified beneath each party's signature, or at such address as the party may provide to the other parties hereto in writing from time to time. Any such notice shall be deemed to have been received 72 hours after deposit in the United States mail in registered or certified form, with postage fully prepaid, or, if given by other means, when delivered at the address specified in this Section 13.1.

Section 13.2. Binding Effect. This Agreement and each Lease hereunder shall be binding upon and shall inure to the benefit of Lessor and Lessee and their respective successors and assigns. Specifically, as used herein the term "Lessor" means any person or entity to which Lessor has assigned its right to receive Rental Payments under any Lease.

Section 13.3. Severability. In the event any provision of this Agreement or any Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 13.4. Entire Agreement; Amendments. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous writings, understandings, agreements, solicitation documents and representations, express or implied. This Agreement may be amended or modified only by written documents duly authorized, executed and delivered by Lessor and Lessee.

Section 13.5. Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions, Articles, Sections or Clauses hereof.

Section 13.6. Further Assurances and Corrective Instruments. Lessor and Lessee agree that they will, from time to

time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Equipment hereby leased or intended so to be, or for otherwise carrying out the expressed intention of this Agreement. Lessee hereby authorizes Lessor to file any financing statement or supplements thereto as may be reasonably required for correcting any inadequate description of the Equipment hereby leased or intended so to be, or for otherwise carrying out the expressed intention of this Agreement.

Section 13.7. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

Section 13.8. Usury. It is the intention of the parties hereto to comply with any applicable usury laws; accordingly, it is agreed that, notwithstanding any provisions to the contrary herein or in any Equipment Schedule, in no event shall this Agreement or any Lease hereunder require the payment or permit the collection of Interest or any amount in the nature of Interest or fees in excess of the maximum amount permitted by applicable law. Any such excess Interest or fees shall first be applied to reduce Principal, and when no Principal remains, refunded to Lessee. In determining whether the Interest paid or payable exceeds the highest lawful rate, the total amount of Interest shall be spread through the applicable Lease Term so that the Interest is uniform through such term.

Section 13.9. Lessee's Performance. A failure or delay of Lessor to enforce any of the provisions of this Agreement or any Lease shall in no way be construed to be a waiver of such provision.

Section 13.10. Reserved.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

EXECUTION PAGE OF MASTER LEASE AGREEMENT

LEASE NUMBER 500055

IN WITNESS WHEREOF, Lessor has caused this Agreement to be executed in its corporate name by its duly authorized officer, and Lessee has caused this Agreement to be executed in its name by its duly authorized officer.

STATE OF NH - DPCR,

Lessee

SIGNATURE PUBLIC FUNDING CORP.

Lessor

By: 

Name: Sarah L. Stewart
Title: Commissioner
Date: 11/1/21

Address: 172 Pembroke Rd
Concord NH 03301

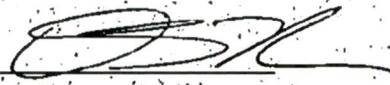
Telephone: 603-271-2411
Facsimile: 603-271-2629

Invoices:

Mail please [30] days prior to: Due date of payment

E-mail please [30] days prior to: Due date of payment

Address: 172 Pembroke Rd Concord NH 03301

By: 

Name: Donald S. Keough
Title: Senior Managing Director
Date: 11/1/21

Address: 600 Washington Avenue, Suite 305
Towson, MD 21204

Telephone: 410-704-0027
Facsimile: 646-927-4005

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. You acknowledge and agree to cooperate with any information that may be requested by us in order to comply with the United States Patriot Act, OFAC and/or BSA regulations. What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

Counterpart No. _____ of two manually executed and serially numbered counterparts. To the extent that this Master Agreement constitutes chattel paper (as defined in the applicable Uniform Commercial Code), no security or ownership interest herein may be created through the transfer or possession of any Counterpart other than Counterpart No. 1.

EXHIBIT A: LEASE SCHEDULE

EQUIPMENT SCHEDULE 008 DATED DECEMBER 1, 2021

This Equipment Schedule 008 dated as of December 1, 2021 ("Equipment Schedule") is made to and part of that certain Master Equipment Lease-Purchase Agreement dated as of December 1 2021 (the "Master Agreement," and together with the Equipment Schedule, the "Lease"), and the terms, conditions and provisions of the Master Agreement (other than to the extent that they relate solely to other Schedules or Equipment listed on other Schedules or if they are expressly superseded in this Equipment Schedule) are hereby incorporated into this Equipment Schedule by reference and made a part hereof. This Lease is a separate and individual instrument of lease.

1. DESCRIPTION OF THE EQUIPMENT:

Equipment shall consist of those units or items of equipment as set forth below and/or as may be accepted by the Lessee and financed hereunder, together with all embedded software, replacements, additions, attachments, substitutions, modifications, upgrades, and improvements thereto, (collectively the "Equipment") pursuant to that "Vendor Contract" (as described below) between each respective "Vendor" and Lessee, which is and financed by this Lease.

<u>Quantity</u>	<u>Equipment Description (with VIN and MSN)</u>	<u>Unit Cost</u>	<u>Total Cost</u>	<u>Vendor Name and Contract/Invoice</u>	<u>Location</u>
1	New Bison Park Tier 4 Snow Groomer	\$349,900	\$349,900	PRINOTH, LLC	264 NH Route 106 Gilmanton, NH 03237 USA
	Closing Costs				
	TOTAL LEASE PROCEEDS:	\$	349,900.00		

2. EQUIPMENT LOCATION: 172 PEMBROKE ROAD, CONCORD, NH 03301.

3. PAYMENT SCHEDULE: The Rental Payments shall be made for the Equipment as follows:

<u>Payment Number</u>	<u>Date Due</u>	<u>Total Rental Payment Due</u>	<u>Interest Component</u>	<u>Principal Component</u>	<u>Prepayment Price*</u>
Loan	12/01/21				
1	12/01/21	89,294.54	0.00	89,294.54	268,423.62
2	12/01/22	89,294.54	3,622.41	85,672.13	180,181.33
3	12/01/23	89,294.54	2,431.57	86,862.97	90,712.47
4	12/01/24	89,294.54	1,224.18	88,070.36	0.00
Grand Totals		357,178.16	7,278.16	349,900.00	

* Assumes that all rental payments and other amounts due on and prior to that date have been paid.

4. INTEREST RATE: 1.39%

5. COMMENCEMENT DATE: December 1, 2021. Interest, if any, accruing from the Commencement Date to the actual date of funding shall be retained by Lessor as additional consideration for entering into this Equipment Schedule.

6. SCHEDULED LEASE TERM: 4 Years.

7. OPTIONAL PREPAYMENT COMMENCEMENT DATE: December 1, 2021.

8. **FISCAL YEAR:** Lessee's current Fiscal Year extends from July 1, 2021.

9. Lessee hereby represents, warrants, and covenants that (i) its representations, warranties, and covenants set forth in the Master Equipment Lease-Purchase Agreement (particularly Paragraph 7 thereof) are true and correct as though made on the date of execution of this Equipment Schedule, and (ii) sufficient funds have been appropriated by Lessee for the payment of all Rental Payments due under this Lease during Lessee's current Fiscal Year. Funds for making Rental Payments are expected to come from the General Fund of the Lessee.

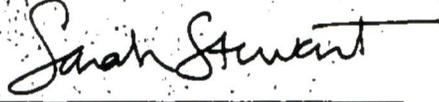
10. **ESSENTIAL USE:** The Equipment will be used by the following governmental agency department for the specific purpose of performing snow grooming operations on Cannon Mountain Ski Area. The Equipment is essential for the functioning of the Lessee and is immediately needed by the Lessee, and such need is neither temporary, nor expected to diminish during the Lease Term. The Equipment will not be used by the Lessee for a period in excess of the Lease Term.

[Signature Pages to Follow.]

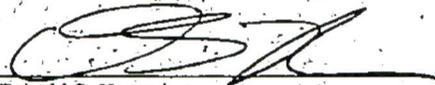
IN WITNESS WHEREOF, LESSOR AND LESSEE HAVE EXECUTED THIS EQUIPMENT SCHEDULE
AS OF THE DAY AND YEAR FIRST WRITTEN ABOVE

STATE OF NH - DNCR,
as Lessee

SIGNATURE PUBLIC FUNDING CORP.,
as Lessor

By: 

Name: Sarah L. Stewart
Title: Commissioner

By: 

Name: Donald S. Keough
Title: Senior Managing Director

Counterpart No. _____ of two manually executed and serially numbered counterparts. To the extent that this Equipment Schedule constitutes chattel paper (as defined in the applicable Uniform Commercial Code), no security or ownership interest herein may be created through the transfer or possession of any Counterpart other than Counterpart No. 1.

EXHIBIT B

ACCEPTANCE CERTIFICATE

The undersigned, as Lessee under Schedule No. 008 dated as of December 1, 2021 (the "Schedule") to that certain Master Equipment Lease-Purchase Agreement dated as of December 1, 2021 (the "Master," and together with the Schedule, the "Lease"), acknowledges receipt in good condition those certain units of the Equipment described in the Lease and more specifically listed on Annex I hereto as of the Acceptance Date set forth below. Capitalized terms used herein without definition shall be given their meaning in the Lease.

1. The units of Equipment listed on Annex I hereto represent a portion of the Equipment listed on the Schedule and to be acquired under the Lease. By its execution hereto, the Lessee represents and warrants that: (1) the Equipment listed on Annex I hereto has been delivered, installed and accepted on the date hereof; and (2) it has conducted such inspection and/or testing of the Equipment listed on Annex I hereto as it deems necessary and appropriate and hereby acknowledges that it unconditionally and irrevocably accepts the Equipment listed in Annex I hereto for all purposes. Lessee confirms that it will commence or continue to make Rental Payments in accordance with the terms of the Lease. Copies of invoices, proof of payment (if applicable), reimbursement resolutions (if applicable), and purchase orders and/or agreement have been attached with Annex I hereto. As applicable, the following documents are attached hereto and made a part hereof: (a) Original Invoice(s) and (b) Copies of Certificate(s) of Ownership, MSOs, or Certificates of Title, designating Lessor as first position lienholder, and (c) any other evidence of filing or documents attached hereto

2. Lessee hereby certifies and represents to Lessor as follows: (i) the representations and warranties in the Lease are true and correct as of the Acceptance Date; (ii) the Equipment is covered by insurance in the types and amounts required by the Lease; (iii) no Event of Default or Non-Appropriation, as those terms are defined in the Lease, and no event that with the giving of notice or lapse of time or both, would become an Event of Default or a Non-Appropriation, has occurred and is continuing on the date hereof; and (iv) sufficient funds have been appropriated by Lessee for the payment of all Rental Payments due under the Lease during Lessee's current Fiscal Year.

3. Lessee hereby authorizes and directs Lessor to fund the acquisition cost of the Equipment by paying, or directing the payment by the Escrow Agent (if applicable) of, the invoice prices to the Vendor(s), in each case as set forth above, or by reimbursing Lessee in the event such invoice prices have been previously paid by Lessee.

IF REQUEST IS FINAL REQUEST, CHECK HERE 4. Final Acceptance Certificate. The undersigned hereby certifies that the items of Equipment described above, together with the items of Equipment described in and accepted by Certificates of Acceptance and Disbursement Requests previously filed by Lessee with Lessor constitute all of the Equipment subject to the Lease. Lessee certifies that upon payment in accordance with paragraph 3 above, or direction to the Escrow Agent (if applicable) to make payment, Lessor shall have fully and satisfactorily performed all of its covenants and obligations under the Lease.

Accepted and certified this 1st day of November, 2021. ("Acceptance Date")

STATE OF NH - DNCR, as Lessee

By: 
Name: Sarah L. Stewart
Title: Commissioner

ANNEX I TO ACCEPTANCE CERTIFICATE

Payee	Vendor/ Manufacturer	Invoice or PO No.	VIN or MSN	Equipment Description	Location	Cost
Prinoth LLC		2021CAN001	TBD	New Bison W Tier 4 Snow Groomer with attachments	CANNON MOUNTAIN FRANCONIA NOTCH STATE PARK, FRANCONIA NH	\$349,900.00

EXHIBIT C-1

INSURANCE CERTIFICATION

In connection with Equipment Schedule 008 dated December 1, 2021 to that certain Master Equipment Lease-Purchase Agreement dated December 1, 2021, STATE OF NH - DNCR, as lessee (the "Lessee") certifies that it has instructed the insurance agent named below (please fill in name, address, and telephone number):

Name of Agent: State of New Hampshire
Contact Person: Shawn Biron
Address: 25 Capital St. Concord, NH 03301
Phone: 603-271-3124
E-mail: _____
to issue: _____

Liability Insurance. Lessee is self-insured with respect to Liability Coverage. Please refer to Exhibit C-2 and its attachment for self-insurance information.

Casualty Insurance. Lessee is required to maintain all risk extended coverage, malicious mischief and vandalism insurance for the Equipment described in the above-referenced Equipment Schedule in an amount not less than the greater of \$349,900.00 or the full replacement cost of the Equipment. Such insurance shall be endorsed to name Signature Public Funding Corp., a wholly-owned subsidiary of Signature Bank, and its successors and assigns as loss payees with respect to such Equipment.

The required insurance should also be endorsed to give Signature Public Funding Corp. at least 30 days prior written notice of the effective date of any material alteration or cancellation of coverage, and an endorsement confirming that the interest of Signature Public Funding Corp. shall not be invalidated by any actions, inactions, breach of warranty or conditions or negligence of Lessee.

Proof of insurance coverage will be provided to Signature Public Funding Corp. prior to and/or commensurate with the December 1, 2021. Proof of coverage will be mailed to: Signature Public Funding Corp., Attn: Tonia Lee at 600 Washington Avenue, Suite 305, Towson, MD 21204 or sent via e-mail to tlee@signatureny.com.

Very truly yours,

STATE OF NH - DNCR, as Lessee

By: 
Name: Sarah L Stewart
Title: Commissioner

EXHIBIT C-2

SELF-INSURANCE RIDER AND LESSOR CONSENT

Signature Public Funding Corp.
600 Washington Avenue, Suite 305
Towson, Maryland 21204

December 8, 2016

Re: Schedule No. 008 dated December 1, 2021 to that certain Master Equipment
Lease-Purchase Agreement dated December 1, 2021 (collectively, the "Lease")

In connection with the above-referenced Lease, STATE OF NH - DNCR, as lessee (the "Lessee") certifies that it participates in an actuarially sound self-insurance program for property damage and public liability risks. The Self-Insurance Questionnaire attached hereto is true and correct, and no Event of Default or Non-Appropriation, as such terms are defined in the Lease, has occurred and is continuing.

The following is attached (check all that apply):

- Letter from risk manager describing self-insurance program
- Other evidence of Lessee's participation in self-insurance program

Signature Public Funding Corp., as lessor (the "Lessor") agrees that the self-insurance program as described by Lessee in this Certificate and the attached Questionnaire and related documents is acceptable in lieu of the coverage for property damage and public liability risks required under the Lease, including §13 of the Master.

STATE OF NH - DNCR,
as Lessee

By: 
Name: Sarah L. Stewart
Title: Commissioner

SIGNATURE PUBLIC FUNDING CORP.,
as Lessor

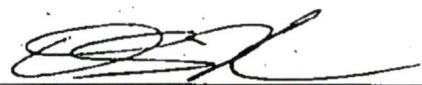
By: 
Name: Donald S. Keough
Title: Senior Managing Director

EXHIBIT C-3

**QUESTIONNAIRE FOR SELF-INSURANCE TO
SELF-INSURANCE RIDER AND LESSOR CONSENT**

To and part of that Self-Insurance Rider and Lessor Consent to Equipment Schedule No. 008 dated as of December 1, 2021 to that certain the Master Lease Agreement dated December 1, 2021 (collectively, the "Lease"). Attached hereto are copies of a self-insurance insurance letter with respect to the liability coverage maintained by Lessee.

EXHIBIT D

ESSENTIAL USE CERTIFICATE

December 1, 2021

Signature Public Funding Corp.
600 Washington Avenue, Suite 305
Towson, Maryland 21204

Re: Equipment Schedule No. 007 dated December 1, 2021 to that certain Master Equipment Lease-Purchase Agreement dated December 1, 2021

I, Sarah L Stewart, appointed, Commissioner of the STATE OF NH – DNCR, as lessee (the "Lessee"), is qualified to answer the questions set forth below regarding the Equipment to be acquired by Lessee in connection with the above-referenced Lease Agreement:

1. **What is the specific use of the Equipment?**

The Prinoth Bison S is a (ski area specific) grooming vehicle designed with extra capability toward specialty grooming and shaping in the event that it'd be used for both grooming and terrain park shaping.

2. **What increased capabilities will the Equipment provide?**

Please see answer #1. This highly advanced grooming vehicle will be used for both standard slope grooming and terrain park / features construction.

3. **Why is the Equipment essential to your ability to deliver governmental services?**

Cannon Mountain Aerial Tramway & Ski Area is the State's primary business (revenue generating) asset within Franconia Notch State Park, which supports the entire New Hampshire State Park System. Top notch grooming of our terrain and slopes is critical to our financial success.

4. **Does the Equipment replace existing equipment?**

This 2021 Prinoth Bison W replaces a 2016 Prinoth Bison W in our grooming fleet. Each of our 4 grooming vehicles is leased for a 4-year period (4 winter seasons). That keeps our maintenance costs low and the residual value high. Leasing has proven far more cost effective than outright ownership to us. From the fifth year of ownership and beyond, the cost of ownership (via maintenance) has been shown to increase significantly, while the residual value to the owner has been shown to decrease significantly.

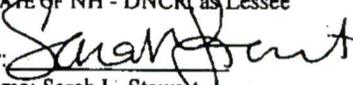
5. **Why did you choose this specific Equipment?**

The Prinoth Bison W 4 is the premier specialty grooming vehicle on the market from North America's leading manufacturer of snow grooming equipment. Prinoth's eastern USA sales and service headquarters is located in Gilmanston, NH (within an hour's drive), and all machines are manufactured in nearby Granby, QC. Prinoth's service and tech support is fantastic, and they hold approximately a 65-70% market share in the eastern USA. Their machines perform very well on Cannon's more challenging terrain. In addition, our entire fleet is Prinoth, our groomers are familiar with Prinoth, our mechanics are factory trained by Prinoth, and our entire parts stock is either Prinoth OEM or Prinoth compatible.

6. **For how many years do you expect to utilize the Equipment?**

Each of our four (4) grooming fleet vehicles (including this one) is leased for four (4) winter seasons / 41 months in total. Each year one vehicle comes off of lease and is replaced with a new one that's four years more technologically advanced (higher capability and better fuel economy).

STATE OF NH - DNCR as Lessee

By: 

Name: Sarah L. Stewart

Title: Commissioner

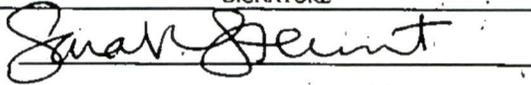
EXHIBIT E

INCUMBENCY CERTIFICATE

I, Sarah L Stewart, do hereby certify that I am the Commissioner of the STATE OF NH-DNCR, which is an agency duly established and validly existing as a political subdivision of the State under the Constitution and laws of the State, and that I have custody of the records of such entity.

I hereby certify that, as of the date hereof, the individuals named below are the duly elected or appointed officers of the State holding the offices set forth opposite their respective names. I further certify that:

- (i) The signatures set opposite their respective names and titles are their true and authentic signatures, and
- (ii) Such officers have the authority on behalf of such entity to:
 - a. Enter into that certain Equipment Schedule No. 008 dated December 1, 2021 to that certain Master Equipment Lease-Purchase Agreement dated December 1, 2021 (collectively, the "Lease Agreement"), between the STATE OF NH, DNCR and Signature Public Funding Corp., as lessor, and
 - b. Execute Certificates of Acceptance, Disbursement Request Forms, and all other certificates documents, and agreements relating to the Lease Agreement

NAME	TITLE	SIGNATURE
Sarah L Stewart	Commissioner	

IN WITNESS WHEREOF, I have duly executed this Certificate on behalf of the STATE OF NH-DNCR.

December 1, 2021


Christopher S Marino, Chief of Administration

EXHIBIT F

OPINION OF LESSEE'S COUNSEL

December 1, 2021

Signature Public Funding Corp.
600 Washington Avenue, Suite 305
Towson, Maryland 21204

Re: Equipment Schedule No. 008 dated December 1, 2021 to that certain
Master Equipment Lease-Purchase Agreement dated December 1, 2021

Ladies and Gentlemen:

As counsel to the State of New Hampshire, Department of Natural and Cultural Resources (the "*Lessee*"), I have examined the Master Equipment Lease-Purchase Agreement dated December 1, 2021 and Equipment Schedule No. 008 thereto dated December 1, 2021 (collectively, the "*Lease Agreement*"), between the Lessee and Signature Public Funding Corp., as lessor ("*Lessor*"), the Disbursement Request Form and Certificate of Acceptance (collectively, the "*Transaction Documents*"), and the proceedings taken by the Governing Body of the Lessee to authorize on behalf of the Lessee the execution and delivery of the Lease Agreement and various certificates delivered in connection therewith. Based upon the foregoing examination and upon an examination of such other documents and matters of law as I have deemed necessary or appropriate, I am of the opinion that:

1. The Lessee is a State Department, which is a body corporate & politic duly established and validly existing as a political subdivision of the State of NH under the Constitution and laws of the State of NH with full power and authority to enter into the Transaction Documents.

2. The Transaction Documents have each been duly authorized, executed, and delivered by the Lessee and are in full compliance with all local, state and federal laws. Assuming due authorization, execution and delivery thereof by Lessor, the Transaction Documents constitute legal, valid, and binding obligations of the Lessee, enforceable against the Lessee in accordance with their respective terms, subject to any applicable bankruptcy, insolvency, moratorium or other laws or equitable principles affecting the enforcement of creditors' rights generally. The execution of the Transaction Documents and the appropriation of monies due under the Lease Agreement will not result in the violation of any constitutional, statutory or limitation relating to the manner, form or amount of indebtedness which may be incurred by the Lessee.

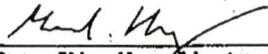
3. No litigation or proceeding is pending or, to the best of my knowledge, threatened to restrain or enjoin the execution, delivery, or performance by the Lessee of the Transaction Documents or in any way to contest the validity of the Transaction Documents, to contest or question the creation or existence of the Lessee or the governing body of the Lessee or the authority or ability of the Lessee to execute or deliver the Transaction Documents or to comply with or perform its obligations thereunder. There is no litigation pending or, to the best of my knowledge, threatened seeking to restrain or enjoin the Lessee from annually appropriating sufficient funds to pay the rental payments or other amounts contemplated by the Lease Agreement. The entering into and performance of the Transaction Documents do not and will not violate any judgment, order, law, or regulation applicable to the Lessee or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest, or other encumbrance upon any assets of the Lessee or on the Equipment (as such term is defined in the Lease Agreement) pursuant to any indenture, mortgage, deed of trust, bank loan or credit agreement, or other instrument to which the Lessee is a party or by which it or its assets may be bound.

H

Agreement.

This opinion may be relied upon by purchasers and assignees of Lessor's interests in the Lease

Respectfully submitted,

 11/1/2021

State of New Hampshire Attorney General

EXHIBIT H

TAX & ARBITRAGE CERTIFICATE

Dated: December 1, 2021

The following certificate is delivered in connection with the execution and delivery of Equipment Schedule No. 008 dated December 1, 2021 to that certain Master Equipment Lease-Purchase Agreement dated December 1, 2021 (collectively, the "Lease Agreement"), entered into between the STATE OF NH-DNCR (the "Lessee") and Signature Public Funding Corp. (the "Lessor"). Capitalized terms used herein have the meanings defined in the Lease Agreement.

Section 1. In General.

1.1. This Certificate is executed for the purpose of establishing the reasonable expectations of Lessee as to future events regarding the financing of certain equipment (the "Equipment") to be acquired by Lessor and leased to Lessee pursuant to and in accordance with the Equipment Schedule executed under the Agreement (together with all related documents executed pursuant thereto and contemporaneously herewith, the "Financing Documents"). As described in the Financing Documents, Lessor shall apply \$349,900.00 (the "Principal Amount") toward the acquisition of the Equipment and closing costs, and Lessee shall make Rental Payments under the terms and conditions as set forth in the Financing Documents.

1.2. The individual executing this Certificate on behalf of Lessee is an officer of Lessee delegated with the responsibility of reviewing and executing the Financing Documents, pursuant to the resolution or other official action of Lessee adopted with respect to the Financing Documents, a copy of which has been delivered to Lessor.

1.3. The Financing Documents are being entered into for the purpose of providing funds for financing the cost of acquiring, equipping and installing the Equipment which is essential to the governmental functions of Lessee, which Equipment is described in the Equipment Schedule.

1.4. Lessee will timely file for each payment schedule issued under the Lease a Form 8038-G (or, if the invoice price of the Equipment under such schedule is less than \$100,000, a Form 8038-GC) relating to such Lease with the Internal Revenue Service in accordance with Section 149(e) of the Internal Revenue Code of 1986, as amended (the "Code").

Section 2. Non-Arbitrage Certifications.

2.1. The Rental Payments due under the Financing Documents will be made with monies retained in Lessee's general operating fund (or an account or subaccount therein). No sinking, debt service, reserve or similar fund or account will be created or maintained for the payment of the Rental Payments due under the Financing Documents or pledged as security therefor.

2.2. There have been and will be issued no obligations by or on behalf of Lessee that would be deemed to be (i) issued or sold within fifteen (15) days before or after the date of issuance of the Financing Documents, (ii) issued or sold pursuant to a common plan of financing with the Financing Documents and (iii) paid out of substantially the same source of funds as, or deemed to have substantially the same claim to be paid out of substantially the same source of funds as, the Financing Documents.

2.3. Lessee does not and will not have on hand any funds that are or will be restricted, segregated, legally required or otherwise intended to be used, directly or indirectly, as a substitute, replacement or separate source of financing for the Equipment.

2.4. No portion of the Principal Amount is being used by Lessee to acquire investments which produce a yield materially higher than the yield realized by Lessor from Rental Payments received under the Financing Documents.

2.5. The Principal Amount does not exceed the amount necessary for the governmental purpose for which the Financing Documents were entered into. Such funds are expected to be needed and fully expended for payment of the costs of acquiring, equipping and installing the Equipment.

2.6. Lessee does not expect to convey, sublease or otherwise dispose of the Equipment, in whole or in part, at a date which is earlier than the final Payment Date under the Financing Documents.

Section 3. Disbursement of Funds; Reimbursement to Lessee.

3.1 It is contemplated that the entire Principal Amount will be used to pay the acquisition cost of Equipment to the Vendors or manufacturers thereof or for any financial advisory or closing costs, provided that, if applicable, a portion of the principal amount may be paid to Lessee as reimbursement for acquisition cost payments already made by it so long as the conditions set forth in Section 3.2 below are satisfied.

3.2. Lessee shall not request that it be reimbursed for Equipment acquisition cost payments already made by it unless each of the following conditions have been satisfied:

(a) Lessee adopted a resolution or otherwise declared its official intent in accordance with Treasury Regulation § 1.150-2 (the "Declaration of Official Intent"), wherein Lessee expressed its intent to be reimbursed from the proceeds of a borrowing for all or a portion of the cost of the Equipment, which expenditure was paid to the Vendor not earlier than sixty (60) days before Lessee adopted the Declaration of Official Intent;

(b) The reimbursement being requested will be made by a written allocation before the later of eighteen (18) months after the expenditure was paid or eighteen (18) months after the items of Equipment to which such payment relates were placed in service;

(c) The entire payment with respect to which reimbursement is being sought is a capital expenditure, being a cost of a type properly chargeable to a capital account under general federal income tax principles; and

(d) Lessee will use any reimbursement payment for general operating expenses and not in a manner which could be construed as an artifice or device under Treasury Regulation § 1.148-10 to avoid, in whole or in part, arbitrage yield restrictions or arbitrage rebate requirements.

Section 4. Use and Investment of Funds; Temporary Period.

4.1. Lessee has incurred or will incur, within six (6) months from the date of issuance of the Financing Documents, binding obligations to pay an amount equal to at least five percent (5%) of the Principal Amount toward the costs of the Equipment. An obligation is not binding if it is subject to contingencies within Lessee's control. The ordering and acceptance of the items of Equipment will proceed with due diligence to the date of final acceptance of the Equipment.

4.2. An amount equal to at least eighty-five percent (85%) of the Principal Amount will be expended to pay the cost of the Equipment by the end of the three-year period commencing on the date of this Certificate. No portion of the Principal Amount will be used to acquire investments that do not carry out the governmental purpose of the Financing Documents and that have a substantially guaranteed yield of four (4) years or more.

4.3. (a) Lessee covenants and agrees that it will rebate an amount equal to excess earnings on the Principal Amount deposited under the Escrow Agreement to the Internal Revenue Service if required by, and in accordance with, Section 148(f) of the Code, and make the annual determinations and maintain the records required by and otherwise comply with the regulations applicable thereto. Lessee reasonably expects to cause the Equipment to be acquired by December 1, 2021.

(b) Lessee will provide evidence to Lessor that the rebate amount has been calculated and paid to the Internal Revenue Service in accordance with Section 148(f) of the Code unless (i) the entire Principal Amount is expended on the Equipment by the date that is the six-month anniversary of the Financing Documents or (ii) the Principal Amount is expended on the Equipment in accordance with the following schedule: At least fifteen percent (15%) of the Principal Amount and interest earnings thereon will be applied to the cost of the Equipment within six months from the date of issuance of the Financing Documents; at least sixty percent (60%) of the Principal Amount and interest earnings thereon will be applied to the cost of the Equipment within 12 months from the date of issuance of the Financing Documents; and one hundred percent (100%) of the Principal Amount and interest earnings thereon will be applied to the cost of the Equipment prior to eighteen (18) months from the date of issuance of the Financing Documents.

(c) Lessee hereby covenants that (i) Lessee is a governmental unit with general tax powers; (ii) the Lease is not a "private activity bond" under Section 141 of the Code; and (iii) at least ninety-five percent (95%) of the Principal Amount is used for the governmental activities of Lessee.

Section 5. Escrow Account.

Intentionally omitted for Schedule 01.

Section 6. No Private Use; No Consumer Loan.

6.1. Lessee will not exceed the private use restrictions set forth in Section 141 of the Code. Specifically, Lessee will not permit more than 10% of the Principal Amount to be used for a Private Business Use (as defined herein) if, in addition, the payment of more than ten percent (10%) of the Principal Amount plus interest earned thereon is, directly or

indirectly, secured by (i) any interest in property used or to be used for a Private Business Use or (ii) any interest in payments in respect of such property or derived from any payment in respect of property or borrowed money used or to be used for a Private Business Use.

6.2 In addition, if both (A) more than five percent (5%) of the Principal Amount is used as described above with respect to Private Business Use and (B) more than five percent (5%) of the Principal Amount plus interest earned thereon is secured by Private Business Use property or payments as described above, then the excess over such five percent (5%) (the "Excess Private Use Portion") will be used for a Private Business Use related to the governmental use of the Equipment. Any such Excess Private Use Portion of the Principal Amount will not exceed the portion of the Principal Amount used for the governmental use of the particular project to which such Excess Private Use Portion is related. For purposes of this paragraph

6.3, "Private Business Use" means use of bond proceeds or bond financed-property directly or indirectly in a trade or business carried on by a natural person or in any activity carried on by a person other than a natural person, excluding, however, use by a state or local governmental unit and excluding use as a member of the general public.

6.4. No part of the Principal Amount or interest earned thereon will be used, directly or indirectly, to make or finance any loans to non-governmental entities or to any governmental agencies other than Lessee.

Section 7. No Federal Guarantee.

7.1. Payment of the principal or interest due under the Financing Documents is not directly or indirectly guaranteed, in whole or in part, by the United States or an agency or instrumentality thereof.

7.2. No portion of the Principal Amount or interest earned thereon shall be (i) used in making loans the payment of principal or interest of which are to be guaranteed, in whole or in part, by the United States or any agency or instrumentality thereof, or (ii) invested, directly or indirectly, in federally insured deposits or accounts if such investment would cause the financing under the Financing Documents to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

Section 8. Miscellaneous.

8.1. Lessee shall keep a complete and accurate record of all owners or assignees of the Financing Documents in form and substance satisfactory to comply with the registration requirements of Section 149(a) of the Code unless Lessor or its assignee agrees to act as Lessee's agent for such purpose.

8.2. Lessee shall maintain complete and accurate records establishing the expenditure of the Principal Amount and interest earnings thereon for a period of five (5) years after payment in full under the Financing Documents.

8.3. To the best of the undersigned's knowledge, information and belief, the above expectations are reasonable and there are no other facts, estimates or circumstances that would materially change the expectations expressed herein.

8.4. The Lessee confirms and acknowledges that its true and correct tax identification number is: 02-6000618 and full, true and correct legal name is "STATE OF NH - DPCR." Lessee confirms that it is located in County of Merrimack, State of NH.

8.5 The Lessee has adopted, by resolution, separate written procedures regarding ongoing compliance with federal tax requirements necessary to keep, ensure and maintain the interest portions of the Rental Payments under the Financing Documents as excluded from Lessor's gross income for federal income tax purposes, and will, on an annual basis, conduct an audit of the Financing Documents to ensure compliance with such procedures.

IN WITNESS WHEREOF, this Tax & Arbitrage Certificate has been executed on behalf of Lessee as of December 1, 2021.

STATE OF NH - DPCR

By: 
Name: Sarah L Stewart
Title: Commissioner

EXHIBIT I:

ESCROW FUND AND ESCROW AGREEMENT—NOT APPLICABLE

RESOLUTION/EVIDENCE OF AUTHORITY
TO BE PROVIDED BY THE LESSEE, PURSUANT TO ITS STATUTORY APPROVAL PROCESS

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 SIGNATURE PUBLIC FUNDING CORP. is a New York Profit Corporation registered to transact business in New Hampshire on June 10, 2015. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 727451

Certificate Number : 0005461663



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 29th day of October A.D. 2021.

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

William M. Gardner
Secretary of State



STATE OF NEW HAMPSHIRE

Charles M. Arlinghaus
Commissioner

Department of Administrative Services
Division of Risk and Benefits
State House Annex, Room 412
25 Capitol St., Concord NH 03301

Catherine A. Keane
Deputy Commissioner

Joseph B. Bouchard
Assistant Commissioner

Joyce I. Pitman
Director, Risk & Benefits

January 19, 2021

RE: The State of New Hampshire's Self-Insurance Program and Automobile Liability Insurance Coverage

To Whom It May Concern:

The purpose of this letter is to describe the State of New Hampshire's self-insurance program and automobile liability insurance coverage. This letter may be presented to individuals requesting information about the State's general liability self-insurance program, workers' compensation self-insurance program, or automobile liability insurance coverage.

General Liability Self-Insurance Program

The State of New Hampshire (State) does not maintain liability insurance coverage for the general operations of its agencies. Instead, the State has elected to self-insure for general liability exposures. Any liability or costs incurred by the State arising from loss or damage to a third-party would be handled as a general obligation of the State. Per RSA 541-B:14, I, all claims arising out of any single incident against any agency for damages in tort actions is limited to an award not to exceed \$475,000 per claimant and \$3,750,000 per any single incident.

Workers' Compensation Self-Insurance Program

All State employees are covered under the State's self-funded workers' compensation program. The State's third party administrator for workers' compensation claims is Cross Insurance TPA, Inc., with contract effective through July 1, 2022.

Automobile Liability Insurance Coverage

The State maintains automobile liability coverage through Chubb Insurance. The policy provides liability limits for bodily injury coverage of \$250,000 per person/\$500,000 per accident and property damage coverage of \$100,000 per accident.

Please do not hesitate to contact Risk and Benefits at (603) 271-3180 if you have any questions concerning this letter.

THE STATE OF NEW HAMPSHIRE

By: _____

Name: Joyce I. Pitman

Title: Director of Risk and Benefits

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.

NH State Treasury Agency Lease Questionnaire

CHAPTER 6 STATE TREASURER AND STATE ACCOUNTS

State Leases

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-c, 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. *(emphasis added)*

Please review RSA 6:35 to familiarize yourself with the statutory requirements for State of New Hampshire lease transactions. In order to provide a brief overview of the asset and financing arrangement, please submit responses for 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.

2. Has the financing schedule been submitted to the 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 State Treasurer has determined that the 1.37% IRR to the lender is reasonable and there is 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, Michael Haley, Assistant Attorney General at the AGO, and Gary Lunetta at DAS, have both reviewed and approved the lease agreement. Attorney Haley may be contacted at 603-271-6771; and Gary Lunetta may be contacted at 603-271-3606.

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 & 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 required.

4. 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.

The agency has provided to bond counsel all information necessary to complete IRS Form 8038-G. Bond counsel will provide a signature copy of the form to the state treasurer who will sign off upon confirmation of G&C approval and return form to bond counsel for filing with the IRS.

Submitted by: Christopher S Marino

Position Title/Agency: Chief of Administration, Department of Natural and Cultural Resources

Phone/Email: Christopher.s.marino@dncr.nh.gov

Date: October 27, 2021

Reviewed/Approved:

Monica M. Ziegler
State Treasury

Date: 10/27/2021

SPFC Lease IRR Sched update

date	funding	payment	interest	principal	balance
12/1/2021	349,900.00				349,900.00
12/1/2021		89,294.54	\$0.00	89,294.54	
12/1/2022		89,294.54	\$3,622.41	85,672.13	
12/2/2023		89,294.54	\$2,431.57	86,862.97	
12/1/2024		89,294.54	\$1,224.18	88,070.36	
	349,900.00	357,178.16	7,278.16	349,900.00	

12/1/2021	349,900.00
12/1/2021	(89,294.54)
12/1/2022	(89,294.54)
12/2/2023	(89,294.54)
12/1/2024	(89,294.54)
	1.39% IRR

TITLE I

THE STATE AND ITS GOVERNMENT

CHAPTER 21-I

DEPARTMENT OF ADMINISTRATIVE SERVICES

Fleet Efficiency and Redistribution

Section 21-I:19-j

21-I:19-j Agreements to Lease-Purchase Vehicles Authorized. – Any agency, as defined in RSA 21-G:5, III, may, with the prior written approval of the department of administrative services, enter into an agreement to rent, lease, or lease-purchase vehicles from any outside vendor, or to rent or lease vehicles from any other state agency or department.

Source: 2017, 156:92, eff. July 1, 2017.



STATE OF NEW HAMPSHIRE
DEPARTMENT of NATURAL and CULTURAL RESOURCES
OFFICE OF THE COMMISSIONER

172 Pembroke Road, Concord, New Hampshire 03301
Phone: 271-2411 Fax: 271-2629
TDD ACCESS: Relay NH 1-800-735-2964

October 21, 2021

To: Department of Administrative Services, Division of Purchasing and Procurement

Re: Request for Approval - RSA 21-I:19-j, Agreements to Lease-Purchase Vehicles Authorized

Requested Action

Pursuant to RSA 21-I:19-j, Agreements to Lease-Purchase Vehicles Authorized, the Department of Natural and Cultural Resources (DNCR) is requesting written approval to enter into an agreement of a lease to purchase of a Prinoth Bison X Snow Groomer.

Purpose and Use Explanation

We are seeking to procure a snow groomer to be operated solely at Cannon Mountain for the purpose of performing necessary annual snow groomer maintenance services as a vital function of mountain ski operations, financed through an equipment lease agreement with Signature Public Funding Corp. The following specific questions and answers are included with the lease agreement and explain in further detail purpose and use.

- 1. What is the specific use of the Equipment?** The Prinoth Bison X is a (ski area specific) grooming vehicle designed with extra capability toward specialty grooming and shaping in the event that it'd be used for both grooming and terrain park shaping.
- 2. What increased capabilities will the Equipment provide?** Please see answer #1. This highly advanced grooming vehicle will be used for both standard slope grooming and terrain park / features construction.
- 3. Why is the Equipment essential to your ability to deliver governmental services?** Cannon Mountain Aerial Tramway & Ski Area is the State's primary business (revenue generating) asset within Franconia Notch State Park, which supports the entire New Hampshire State Park System. Top notch grooming of our terrain and slopes is critical to our financial success.
- 4. Does the Equipment replace existing equipment?** This 2021 Prinoth Bison X replaces a 2016 Prinoth Bison W in our grooming fleet. Each of our 4 grooming vehicles is leased for a 4-year period (4 winter seasons). That keeps our maintenance costs low and the residual value high. Leasing has proven far more cost effective than outright ownership to us. From the fifth year of ownership and beyond, the cost of ownership (via maintenance) has been shown to increase significantly, while the residual value to the owner has been shown to decrease significantly.

5. **Why did you choose this specific Equipment?** The Prinoth Bison X is the premier specialty grooming vehicle on the market from North America's leading manufacturer of snow grooming equipment. Prinoth's eastern USA sales and service headquarters is located in Gilmanton, NH (within an hour's drive), and all machines are manufactured in nearby Granby, QC. Prinoth's service and tech support is fantastic, and they hold approximately a 65-70% market share in the eastern USA. Their machines perform very well on Cannon's more challenging terrain. In addition, our entire fleet is Prinoth, our groomers are familiar with Prinoth, our mechanics are factory trained by Prinoth, and our entire parts stock is either Prinoth OEM or Prinoth compatible.

6. **For how many years do you expect to utilize the Equipment?** Each of our four (4) grooming fleet vehicles (including this one) is leased for four (4) winter seasons. Each year one vehicle comes off of lease and is replaced with a new one that's four years more technologically advanced (higher capability and better fuel economy).

Business Justification

Historically, DNCR has managed its snow grooming maintenance operations through the use of a rotating snow groomer fleet using machine leasing and more recently, lease to own as part of its maintenance management and maintenance cost management strategy for over 20 years. The following outlines business justification as the basis for our strategy:

- o New Grooming vehicle ownership is almost unheard of in our industry these days.
- o We still handle the normal maintenance through our factory trained technicians, though the standard warranty applies on all cats for parts and workmanship;
- o New Grooming vehicle ownership is almost unheard of in our industry these days.
- o The cost of leasing this highly specialized grooming cat will hit our operating line at approx. \$89K each year, as opposed to approx. \$436K as a single purchase payment (that we don't have);
- o Each other grooming cat hits our operating line at approx. \$85-90K annually, as opposed to massive one-time capital hits as described above;
- o We'd have to own a grooming cat for far longer than the 4-year lease turnaround to make it pay off;
- o The longest lease period recommended by the leading manufacturer (Prinoth) is a 2-cycle / 4-year lease (total of 8 years);
- o After 8 years of leasing, grooming cats are sold at a fraction of their original value, typically by smaller "mom-n-pop" ski areas, or as specialty use machines (see below);
- o The break-even point on leasing (when it goes the other way financially) is that fifth year; and
- o After the 5-year mark, the residual value of the cat (market resale) drops exponentially, while the cost of maintenance increases exponentially.

Finally, with the lease agreement we are seeking approval for through Signature Public Finance, we will own the vehicle at the end of the 4 year lease. The residual value estimated to be approximately \$80k at the end of the lease period will allow us to defray the cost of lease agreements going forward, further improving cost to value. Ownership of the machine is outlined within the Master Lease as follows Per Article IX, Sections 9.1 through 9.4 of the Master lease as follows:

ARTICLE IX. TITLE

Section 9.1. Title. Except as may be modified on any Schedule hereto or solely if and to the extent as required by any laws of the State, during the Lease Term, ownership and legal title of all Equipment and all replacements,

substitutions, repairs and modification shall be in Lessee and Lessee shall take all action necessary to vest such ownership and title in Lessee. Lessor does not own the Equipment and by this Agreement and each Lease is merely financing the acquisition of such equipment for Lessee. Lessor has not been in the chain of title of the Equipment, does not operate, control or have possession of the Equipment and has no control over the Lessee or the Lessee's operation, use, storage or maintenance of the Equipment.

Section 9.2. Security Interest. Lessee hereby grants to Lessor a continuing, first priority security interest in and to the Equipment, all repairs, replacements, substitutions and modifications thereto and all proceeds thereof (including without limitation any Net Proceeds, warranty payments and guaranteed energy or other savings payments) and in the Escrow Account (if any) in order to secure Lessee's payment of all Rental Payments and the performance of all other obligations. Lessee hereby authorizes Lessor to prepare and file such financing statements and other such documents to establish and maintain Lessor's valid first priority lien and perfected security interest. Lessee will join with Lessor in executing such documents and will perform such acts as Lessor may request to establish and maintain Lessor's valid first priority lien and perfected security interest. If requested by Lessor, Lessee shall obtain a landlord and/or mortgagee's consent and waiver with respect to the Equipment. If requested by Lessor, Lessee shall conspicuously mark the Equipment, and maintain such markings during the Lease Term, to clearly disclose Lessor's security interest in the Equipment. Upon termination of a Lease through exercise of Lessee's option to prepay pursuant to Article V or through payment by Lessee of all Rental Payments and other amounts due with respect to an Equipment Group, Lessor's security interest in such Equipment Group shall terminate, and Lessor shall execute and deliver to Lessee such documents as Lessee may reasonably request (at the sole cost and expense) to evidence the termination of Lessor's security interest in such Equipment Group.

Section 9.3. Modification of Equipment. Lessee will not, without the prior written consent of Lessor, affix or install any accessory equipment or device on any of the Equipment if such addition will change or impair the originally intended value, function or use of the Equipment.

Section 9.4. Personal Property. Except as permitted by Lessor in writing in connection to any Equipment Schedules, the Equipment is and shall at all times be and remain personal property and not fixtures.

The following Exhibit as included in the Master lease outlines the payment schedule that will be included as part of the contract for this lease. **Note that this table reflect the final agreed upon interest rate of 1.39% and total amount of payment that we will be submitting for approval to the Governor and Executive Council. This submission is final and replaces any prior approved versions.**

EXHIBIT A: LEASE SCHEDULE

EQUIPMENT SCHEDULE 001 DATED DECEMBER 1, 2021

This Equipment Schedule 001 dated as of December 1, 2021 ("Equipment Schedule") is made to and part of that certain Master Equipment Lease-Purchase Agreement dated as of December 1, 2021 (the "Master Agreement," and together with the Equipment Schedule, the "Lease"), and the terms, conditions and provisions of the Master Agreement (other than to the extent that they relate solely to other Schedules of Equipment listed on other Schedules or if they are expressly superseded in this Equipment Schedule) are hereby incorporated into this Equipment Schedule by reference and made a part hereof. This Lease is a separate and individual instrument of lease.

1. DESCRIPTION OF THE EQUIPMENT:

Equipment shall consist of those units or items of equipment as set forth below and/or as may be accepted by the Lessee and financed hereunder, together with all embedded software, replacements, additions, attachments, substitutions, modifications,

upgrades, and improvements thereto (collectively the "Equipment") pursuant to that "Vendor Contract" (as described below) between each respective "Vendor" and Lessee, which is and financed by this Lease.

<u>Quantity</u>	<u>Equipment Description (with VIN and MSN)</u>	<u>Unit Cost</u>	<u>Total Cost</u>	<u>Vendor Name and Contract/Invoice</u>	<u>Location</u>
1	New Bison Park Tier 4 Snow Groomer	\$349,900	\$349,900	PRINOTH, LLC	264 NH Route 106 Gilmanton, NH 03237 USA
	Closing Costs				
	TOTAL LEASE PROCEEDS:	\$	349,900.00		

2. **EQUIPMENT LOCATION:** 172 PEMBROKE ROAD, CONCORD, NH 03301.

3. **PAYMENT SCHEDULE:** The Rental Payments shall be made for the Equipment as follows:

<u>PAYMENT NUMBER</u>	<u>DATE DUE</u>	<u>TOTAL RENTAL PAYMENT DUE</u>	<u>INTEREST COMPONENT</u>	<u>PRINCIPAL COMPONENT</u>	<u>PREPAYMENT PRICE*</u>
Loan					
1	12/1/2021	\$89,294.54	\$0.00	\$89,294.54	\$268,423.62
2	12/1/2022	\$89,294.54	\$3,622.41	\$85,672.13	\$180,181.33
3	12/1/2023	\$89,294.54	\$2,431.57	\$86,862.97	\$90,712.47
4	12/1/2024	\$89,294.54	\$1,224.18	\$88,070.36	\$0.00

Grand Totals		\$357,178.16	\$7,278.16	\$349,900	
---------------------	--	---------------------	-------------------	------------------	--

* Assumes that all rental payments and other amounts due on and prior to that date have been paid.

4. **INTEREST RATE:** 1.39 %

5. **COMMENCEMENT DATE:** December 1, 2021. Interest, if any, accruing from the Commencement Date to the actual date of funding shall be retained by Lessor as additional consideration for entering into this Equipment Schedule.

6. **SCHEDULED LEASE TERM:** 4 Years.

7. **OPTIONAL PREPAYMENT COMMENCEMENT DATE:** December 1, 2021.

8. **FISCAL YEAR:** Lessee's current Fiscal Year extends from July 1, 2021.

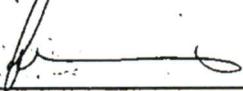
9. Lessee hereby represents, warrants, and covenants that (i) its representations, warranties, and covenants set forth in the Master Equipment-Lease-Purchase Agreement (particularly Paragraph 7 thereof) are true and correct as though made on the date of execution of this Equipment Schedule, and (ii) sufficient funds have been appropriated by Lessee for the payment of all Rental Payments due under this Lease during Lessee's current Fiscal Year. Funds for making Rental Payments are expected to come from the General Fund of the Lessee.

10. **ESSENTIAL USE:** The Equipment will be used by the following governmental agency department for the specific purpose of: performing snow grooming operations on Cannon Mountain Ski Area. The Equipment is essential for the

functioning of the Lessee and is immediately needed by the Lessee, and such need is neither temporary, nor expected to diminish during the Lease Term. The Equipment will not be used by the Lessee for a period in excess of the Lease Term.

Attached is a history of approvals that have been provided in prior years since 2015 for your review. Please let us know if you need any further information so we may obtain your written approval for this vehicle lease.

Respectfully requested,



Christopher S. Marino
Chief of Administration, DNCR

R



DN: cn=Colin Capelle, ou=Bureau
of Purchase & Property, ou=Fleet
Management,
email=Colin.S.Capelle@das.nh.gov,
c=US
Date: 2021.11.01 15:18:04 -04'00'

Colin S. Capelle, Administrator II
Administrator II, DAS-DPSS

Date

Approved,



DN: cn=Gary S. Lunetta, ou=Department
of Administrative Services, ou=Division
of Procurement Support Services,
email=Gary.S.Lunetta@das.nh.gov,
c=US
Date: 2021.11.01 13:20:54 -04'00'

Gary S. Lunetta
Director, DAS-DPSS

Date

SALES AGREEMENT



Nº: 2021CAN001 DATE: June 8, 2021

- Rocky Mountain Branch Office
2746 Seaber Drive Bldg B
Grand Junction CO USA 81506
Tel.: (970) 242-7150
Fax: (970) 241-6722
- Far West Branch Office
2620 East 5th Street
Reno NV USA 89512
Tel.: (775) 359-7517
Fax: (775) 359-7725
- Intermountain Branch Office
2565 Decker Lake Lane, Suite 3
West Valley City UT USA 84119
Tel.: (801) 364-8266
Fax: (801) 364-8275
- Eastern USA Branch Office
264 NH Route 106
Gilmanton, NH USA 03237
Tel.: (603) 267-7840
Fax: (603) 267-7843

Purchaser Legal Name: **DCNR (Cannon Mountain)** Tel.: (603) 823-8800 Fax: ()
 Contact: **John DeVivo** Customer #: **2007811/1014291**
 Complete address: **172 Pembroke Rd, Concord, NH 03301**
 Ship to: **Cannon Mountain, 250 Tramway Dr, Franconia, NH 03580 (1014291)**
 E-Mail address: **jdevivo@dred.state.nh.us**

EQUIPMENT AND ACCESSORIES DESCRIPTION (if more space needed, continue on Attachment A)						
QTY	NEW USED	MODEL	SERIAL NO.	DESCRIPTION	UNIT PRICE	TOTAL PRICE
1	NEW	BISON X T4F	TBD	NEW BISON X TIER 4 SNOW GROOMER	\$349,900.00	\$349,900.00
				Equipped with 88" MASTER climber tracks		
				PARK blade, premium POSIFLEX 68er, center seat,		
				Instructor seat, LED lights, rear cover		
TOTAL PRICE: \$						349,900.00

DESCRIPTION OF TRADE-IN EQUIPMENT AND OPTION(S) (if more space needed, continue on Attachment A)							
QTY	NEW USED	MODEL	SERIAL NO.	YEAR	HOURS	DESCRIPTION	TRADE-IN VALUE
							\$
TOTAL TRADE-IN VALUE: \$							

TOTAL PRICE	\$ 349,900.00	ADDRESS WHERE EQUIPMENT WILL BE DELIVERED:
FREIGHT	\$ INCLUDED	CANNON MOUNTAIN
SALES and USE TAXES	\$ N/A	260 TRAMWAY DR
NET SELLING PRICE	\$ 349,900.00	FRANCONIA, NH 03580
**TRADE-IN VALUE TO BE CONFIRMED FOLLOWING EVALUATION (TIVER)	\$ ()	ADDRESS FROM WHICH EQUIPMENT WILL BE SHIPPED:
SALES and USE TAXES	\$ ()	PRINOTH
TOTAL TRADE-IN AMOUNT	\$ ()	264 NH ROUTE 106
		GILMANTON, NH 03237
► TOTAL AMOUNT DUE	\$ 349,900.00	
CASH DUE AT TIME OF DELIVERY OR BY A FINANCIAL INSTITUTION	\$ 349,900.00	DELIVERY DATE: November 15, 2021

Additional Information:
 Full payment due at delivery or by a financial institution.
 Vehicle warranty - 12 months or 1200 hours on complete vehicle; 24 months or 1200 hours on powertrain components, whichever comes first.
 Caterpillar engine warranty - 24 months or 3000 hours, whichever comes first.
 Caterpillar extended engine warranty - 80 months/6000 hours platinum package.
 10% parts discount.
 Lease/purchase subject to approval by the NH Executive Council.

PRINOTH LLC (VENDOR) AND PURCHASER AGREE TO THE "TERMS AND CONDITIONS" FROM STATE OF NEW HAMPSHIRE FORM P-07. ONLY

DATED this _____ day of _____, 20____.

PRINOTH LLC

James Egan Sales Representative
 (print name) (title)

By: _____

DATED this 6 day of July, 20 21.

STATE OF NEW HAMPSHIRE (DCNR)

Christopher S. Marino, Chief of Administration
 (print name) (title)

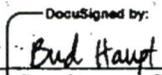
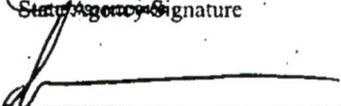
By: _____

Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS**I. IDENTIFICATION.**

1.1 State Agency Name Department of Natural and Cultural Resources		1.2 State Agency Address 172 Pembroke Road, Concord NH 03301	
1.3 Contractor Name Prinoth, LLC		1.4 Contractor Address 264 NH Route 106 Gilmanton, NH 03237	
1.5 Contractor Phone Number 603-267-7840	1.6 Account Number N/A	1.7 Completion Date November 15, 2021	1.8 Price Limitation N/A (See Exhibit C)
1.9 Contracting Officer for State Agency Christopher S. Marino, Chief of Administration		1.10 State Agency Telephone Number 603-271-2387	
1.11 Contractor Signature  DocuSigned by: Date: 6/16/2021		1.12 Name and Title of Contractor Signatory Bud Haupt CFO	
1.13 State Agency Signature  Date: 7/6/21		1.14 Name and Title of State Agency Signatory Christopher S. Marino, Chief of Administration	
1.15 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: N/A Director, On:			
1.16 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By: N/A On:			
1.17 Approval by the Governor and Executive Council (if applicable) G&C Item number: N/A G&C Meeting Date:			

2. SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT B which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.17, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.13 ("Effective").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds affected by any state or federal legislative or executive action that reduces, eliminates or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope for Services provided in EXHIBIT B, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to reduce or terminate the Services under this Agreement immediately upon giving the Contractor notice of such reduction or termination. The State shall not be required to transfer funds from any other account or source to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT C which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete

compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all applicable statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal employment opportunity laws. In addition, if this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all federal executive orders, rules, regulations and statutes, and with any rules, regulations and guidelines as the State or the United States issue to implement these regulations. The Contractor shall also comply with all applicable intellectual property laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3. The Contractor agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

Contractor Initials DS
BH
Date 6/16/2021

8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely cured, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 give the Contractor a written notice specifying the Event of Default and set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 give the Contractor a written notice specifying the Event of Default, treat the Agreement as breached, terminate the Agreement and pursue any of its remedies at law or in equity, or both.

8.3. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

9. TERMINATION.

9.1 Notwithstanding paragraph 8, the State may, at its sole discretion, terminate the Agreement for any reason, in whole or in part, by thirty (30) days written notice to the Contractor that the State is exercising its option to terminate the Agreement.

9.2 In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall, at the State's discretion, deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT B. In addition, at the State's discretion, the Contractor shall, within 15 days of notice of early termination, develop and

submit to the State a Transition Plan for services under the Agreement.

10. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

10.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

10.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

10.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.

12.1 The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice, which shall be provided to the State at least fifteen (15) days prior to the assignment, and a written consent of the State. For purposes of this paragraph, a Change of Control shall constitute assignment. "Change of Control" means (a) merger, consolidation, or a transaction or series of related transactions in which a third party, together with its affiliates, becomes the direct or indirect owner of fifty percent (50%) or more of the voting shares or similar equity interests, or combined voting power of the Contractor, or (b) the sale of all or substantially all of the assets of the Contractor.

12.2 None of the Services shall be subcontracted by the Contractor without prior written notice and consent of the State. The State is entitled to copies of all subcontracts and assignment agreements and shall not be bound by any provisions contained in a subcontract or an assignment agreement to which it is not a party.

13. INDEMNIFICATION. Unless otherwise exempted by law, the Contractor shall indemnify and hold harmless the State, its officers and employees, from and against any and all claims, liabilities and costs for any personal injury or property damages, patent or copyright infringement, or other claims asserted against the State, its officers or employees, which arise out of (or which may be claimed to arise out of) the acts or omission of the

BT

Contractor, or subcontractors, including but not limited to the negligence, reckless or intentional conduct. The State shall not be liable for any costs incurred by the Contractor arising under this paragraph 13. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and continuously maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 commercial general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate or excess; and

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 10.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than ten (10) days prior to the expiration date of each insurance policy. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("*Workers' Compensation*").

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. The Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

17. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no such approval is required under the circumstances pursuant to State law, rule or policy.

18. CHOICE OF LAW AND FORUM. This Agreement shall be governed, interpreted and construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party. Any actions arising out of this Agreement shall be brought and maintained in New Hampshire Superior Court which shall have exclusive jurisdiction thereof.

19. CONFLICTING TERMS. In the event of a conflict between the terms of this P-37 form (as modified in EXHIBIT A) and/or attachments and amendment thereof, the terms of the P-37 (as modified in EXHIBIT A) shall control.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional or modifying provisions set forth in the attached EXHIBIT A are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire agreement and understanding between the parties, and supersedes all prior agreements and understandings with respect to the subject matter hereof.

STATE OF NEW HAMPSHIRE
DEPARTMENT OF NATURAL AND CULTURAL RESOURCES
DIVISION OF PARKS AND RECREATION
CANNON MOUNTAIN SKI AREA

FY 2021 SNOW GROOMER BUILD

EXHIBIT A

There are no additional or special provisions to this contract.

EXHIBIT B

Scope of Work

The purpose of this contract is for the Prinoth, LLC to provide the State with the all labor, materials and equipment required to build a Bison X Tier 4 Snow Groomer to be leased by Cannon Mountain, Franconia NH, to include the following:

- a) 66" MASTER climber tracks steel tracks with ice caulks and premium belting;
- b) 12-way PARK blade with quick mount and side cutter extensions;
- c) Premium Posiflex tiller;
- d) Long rear lift frame;
- e) Center seat;
- f) Instructor seat;
- g) LED lighting package;
- h) Rear cover;
- i) Rear view camera;
- j) Snow fenders;
- k) Solid rubber tires;
- l) Heated side windows, windshield and mirrors;
- m) Rexroth drive system, and
- n) Caterpillar C9.3 406ho Tier 4F electronic engine.

EXHIBIT C

There are no funds used in this agreement. The State authorizes Prinoth, LLC to proceed with the construction of a snow groomer as specified in Exhibit B. Authorization for financing the lease of the machine is contingent upon Governor and Executive Council approval and will be submitted separately at a later date.

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 PRINOTH LLC is a Delaware Limited Liability Company registered to transact business in New Hampshire on October 05, 2004. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 490862

Certificate Number: 0005384108



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed

the Seal of the State of New Hampshire,

this 21st day of June A.D. 2021.

A handwritten signature in black ink, appearing to read "Wm Gardner".

William M. Gardner

Secretary of State

Limited Partnership or LLC Certification of Authority

I, **Bud Haupt**, hereby certify that I am a Partner, Member or Manager
(Name)

of **PRINOTH LLC** a limited liability partnership under RSA 304-B or limited
(Name of Partnership or LLC)

liability company under RSA 304-C.

I certify that I am authorized to bind the partnership or LLC.

I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person listed above currently occupies the position indicated and that they have full authority to bind the partnership or LLC.

DATED: 6/30/21

DocuSigned by:
ATTEST: [Signature] CFO
(Name and Title)

Amber Mark

**Amber Mark
Notary Public
New Hampshire
My Commission Expires 6-21-2022**

Client#: 124471

LEITPOMA

ACORD™

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
6/16/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer any rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Propel Insurance Seattle Commercial Insurance 601 Union Street, Suite 3400 Seattle, WA 98101-1371	CONTACT NAME: Karen Robinson	
	PHONE (A/C, No, Ext): 800 499-0933 FAX (A/C, No): 866 577-1326 E-MAIL ADDRESS: karen.robinson@propelinsurance.com	
INSURED Prinoth LLC 2746 Seeber Drive, Bldg "A" Grand Junction, CO 81506	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A : Allianz Global Risks US Insurance Co.	35300
	INSURER B :	
	INSURER C :	
	INSURER D :	
	INSURER E :	

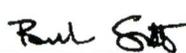
COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> \$500,000 SIR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			USL01645121	04/01/2021	04/01/2022	EACH OCCURRENCE \$2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$100,000 MED EXP (Any one person) \$5,000 PERSONAL & ADV INJURY \$2,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COM/OP AGG \$2,000,000 \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y/N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below			N/A			PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Evidence of Insurance

CERTIFICATE HOLDER NH Department of Natural and Cultural Resources 172 Pembroke Road Concord, NH 03301	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE 

© 1986-2015 ACORD CORPORATION. All rights reserved.



PRINLLC-01

KASSEYC

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
6/30/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Home Loan & Investment Company 205 North 4th Street Grand Junction, CO 81501	CONTACT NAME: Nichole Truitt PHONE (A/C, No, Ext): FAX (A/C, No): (970) 243-3914 E-MAIL ADDRESS: nicholet@hllic.com
	INSURER(S) AFFORDING COVERAGE
INSURED Prinoth LLC 2746 Seaber Dr Building B Grand Junction, CO 81506	INSURER A: Technology Insurance Company NAIC # 42376
	INSURER B:
	INSURER C:
	INSURER D:
	INSURER E:
	INSURER F:

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS

DISR LTR	TYPE OF INSURANCE	ADDL RSD	SUBR YVR	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GENL AGGREGATE LIMIT APPLIES PER <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea. occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMPROP AGG \$ \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> Hired AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea. accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	TWC4001908	7/1/2021	7/1/2022	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

RECEIVED

JUL 06 2021

DNCS

CERTIFICATE HOLDER NH Department of Natural and Cultural Resources 172 Pembroke Road Concord, NH 03301	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
--	--