

## **Memorandum of Agreement**

This memorandum, issued this \_\_\_ day of January 2005, sets forth an Operating Agreement by and between the Belknap County Convention (Legislative Delegation) of the County of Belknap (hereinafter referred to as the “County” and the Gunstock Area Commission, incorporated by NH Laws of 1959 as a body politic and agency of the County of Belknap, (hereinafter referred to as the “Commission”), for the operation of facilities known as Gunstock and or the Gunstock Recreation Area (hereinafter referred to as “Gunstock” or the “Area”) located in the town of Gilford, County of Belknap, New Hampshire.

Background:

- The County owns the recreational facility known as Gunstock, located in the town of Gilford, New Hampshire
- The State of New Hampshire, through the NH Laws of 1959 (as amended) created the Gunstock Area Commission to operate, maintain, develop, improve and promote Gunstock and to further the public interest thereby.
- The County and Commission have, in the process of developing Gunstock, used some federal outdoor recreation funding from the Land and Water Conservation Fund Program administered by the United States Department of Interior, National Park Service.
- The County and the Commission have, in developing and maintaining Gunstock, used some funding through other grants and subsidies issued by the United States of America and the State of New Hampshire.
- The County and the Commission each recognizes its continuing obligation under Section 6(f)(3) of the Land and Water Conservation Fund act and related federal and state regulations and project agreements to make parts of Gunstock available in perpetuity for public outdoor recreation use.
- It is the desire of the County and the Commission to continue the development of summer and winter recreational opportunities at Gunstock for the benefit of the public.
- The County and the Commission wish to clarify and agree to the privileges and obligations of the parties in continuing operation of Gunstock by the Commission.
- The County and the Commission wish to renew and restate the Memorandum of Agreement dated May 16, 2000.

THEREFORE, following a review and evaluation process the Belknap County Convention and the Gunstock Area Commission agree to the provisions of this memorandum as follows:

1. The Commission will make an annual payment of \$150,000 to the County, payable on or before March 31 of each year of this agreement. In addition, the Commission will make an annual payment within five (5) working days of receipt of the audited financial statements of the Commission based on the following schedule:

5% of Gross Income from: \$6,000,000 to \$6,500,000

7.5% of Gross Income from: \$6,500,001 to \$7,000,000

10% of Gross Income over: \$7,000,001

Gross income for purposes of annual payment due shall be the gross income as reported on the "Comparative Statements of Operations" contained in the audited financial statements of the Gunstock Area Commission for the fiscal year most recently completed prior to the payment date.

The purpose of this payment shall be to reduce the amount to be raised by taxes for funding of the budget of Belknap County, and shall be derived from operating receipts through the operation of Gunstock.

2. Payment of principal and interest on notes and bonds issued as part of the Capital Improvement Plan of 1985, specifically set forth in Appendix A attached hereto and a part hereof, shall continue to be included in the annual budget of the county, in a manner consistent with the Memorandum of Agreement of May 2000, beginning with the county's 2006 annual budget. Any new notes or bonds requested by the Commission, and/or any short term borrowing made in anticipation of revenues, shall be issued pursuant to NH Laws of 1959 Chapter 399:15, after review and public hearings as required by statute, and upon the affirmative vote of two-thirds of the Belknap County Convention present and voting. Any such new notes, and any existing notes or loans not specifically outlined in Appendix A shall be payable through the operating receipts of Gunstock.
3. On or before the 30<sup>th</sup> day of June each year, the Commission shall submit to the County at a public hearing an annual operating plan, including a schedule of proposed days and hours of operation of the ski area, and a description of the types of recreational activities available to the public, and the operational and financial status as to the year completed and the plans for the year ahead.
4. The Commission shall prepare a Master Development Plan (MDP) covering operations, facility and site improvements and strategic plans for Gunstock by June 30, 2006. The

Commission's proposed MDP shall be submitted to the County at a public hearing. After the public hearing, the final MDP shall embody the long term goals for the Commission and the County for the continued operation of Gunstock. The MDP shall include, but not be limited to, plans for expanding the ski trail network, construction and/or replacement of lifts, construction or renovation of lodges or other facilities, improvement or expansion of snowmaking capabilities, improvements to the campground and other summer operations, upgrading or modifying infrastructure, including power, water, sewage disposal, and other such improvements or modifications that are appropriate for the recreational use of Gunstock. The MDP shall be updated every five years.

5. The commission shall complete site improvements in accordance with the MDP. Plans for significant site improvements shall be submitted as part of the Annual Operating Plan. The Commission shall bear the cost of all renovations and improvements from the operating receipts and shall ensure that they are done in a good and workmanlike manner and in compliance with all applicable laws.
6. The Commission shall maintain Gunstock in first class condition, and shall undertake all maintenance of the facilities, lifts, trails, slopes, ponds, waterways, buildings, structures, roadways, and other appurtenances, and shall be responsible for litter pickup, trash disposal, cleaning, housekeeping and sanitation within each building and on all grounds within the premises, and shall make provision for said maintenance as part of its annual operating plan and MDP.
7. The Commission shall allow public access to Gunstock for recreational and park activities, and, as part of its Annual Operating Plan and MDP, designate areas accessible to residents and visitors of Belknap County at no fee for picnicking, hiking, and recreation.
8. It is hereby re-affirmed that the Gunstock Area Commission, acting with the Area manager, bear the primary responsibility for the success of this operating agreement; and further, that the County Convention bears the ultimate responsibility to the taxpayers of the County.
9. If a failure by Gunstock to make the minimum payment to the County occurs for two consecutive years, this Memorandum of Agreement shall be amended, waived, or discharged, after a public hearing, upon the approval of the Belknap County Convention.

10. Except for the provisions of Paragraph 9 herein, this memorandum shall be in effect as of January 1, 2006, and shall remain in effect until December 31, 2010, at which time it may be renewed and/or renegotiated by the parties.

11. Except for the provisions of Paragraph 9 herein, this memorandum may otherwise be amended, waived, or discharged by an instrument in writing signed by the parties hereto and only after approval of the Belknap County Convention following a public hearing.

IN WITNESS WHEREOF, the parties have executed this Operating Agreement in duplicate as of the day and year written first above.

\_\_\_\_\_ BY: \_\_\_\_\_  
Witness

\_\_\_\_\_ Its: \_\_\_\_\_  
GUNSTOCK AREA COMMISSION  
BY: \_\_\_\_\_  
Witness

Its: \_\_\_\_\_

## Appendix A - Notes and Bonds Issued as part of Capital Improvement Projects

### Bonds to be included in Belknap County Budget

	Issue Date	Retirement Date	Principal as of January 1, 2001	Principal as of 1-Jan-06
1. Thirteen Year Refunding Bonds - Fleet Sec. Inc	3/26/1993	2005	\$3,285,000	\$ -
2. Twenty Year Bonds - Citizens Bank	9/1/1987	2007	\$350,000	\$ 100,000
3. Twenty Year Bonds - Citizens Bank	7/15/1988	2008	\$400,000	\$ 150,000
4. Twenty Year Note - Meredith Village S. Bank	7/9/1990	2010	\$197,500	\$ 98,750
5. Eighteen Year Bonds - NH Mun. Bond Bank	12/19/1991	2010	\$900,000	\$ 450,000

### Bonds to be included in Gunstock Budget

1. Twenty Year Note - First NH Bank(Citizens)	7/3/1984	2004	\$61,059	\$ -
2. Twenty Year Bonds - State of NH	9/22/1994	2013	\$32,320	\$ 19,888
3. Twenty Year Bonds - Village Bank and Trust	2/3/1999	2019	\$237,500	\$ 175,000
4. Twenty Year Bonds - Laconia Savings Bank	2/3/1999	2019	\$95,000	\$ 70,000
5. Seventeen Year Bonds -	5/15/2003	2020	\$0	\$ 3,575,000

**Bond Payments as described in MOA commencing with the 2001 Belknap County Budget, renewed as of January 1, 2006 according to the following schedule:**

Payments per Calendar Year	County Portion*			Gunstock Portion**		
	Principal	Interest	Total	Principal	Interest	Total
2001	804,750	282,835	1,087,585	36,986	19,075	56,061
2002	834,750	237,856	1,072,606	36,986	17,386	54,372
2003	864,750	190,251	1,055,001	36,986	15,699	52,685
2004	894,750	140,104	1,034,854	30,045	14,035	44,080
2005	934,750	87,190	1,021,940	244,986	141,563	386,549
2006	209,750	52,584	262,334	244,986	136,465	381,451
2007	209,750	37,753	247,503	244,986	128,392	373,378
2008	159,750	22,830	182,580	244,986	120,320	365,306
2009	109,750	11,685	121,435	244,986	112,266	357,252
2010	109,750	4,290	114,040	244,986	104,175	349,161
2011	0	0	0	244,986	96,103	341,089
2012	0	0	0	244,986	88,030	333,016
2013	0	0	0	269,986	79,969	349,955
2014	0	0	0	267,500	71,485	338,985
2015	0	0	0	267,500	62,488	329,988

\*County portion listed above would be reduced by amount of annual Gunstock payment (\$150,000 minimum)

\*\*Gunstock Portion does not include equipment loans and leases

Shaded area indicates years covered under proposed renewal of MOA