

PEASE DEVELOPMENT AUTHORITY
Thursday, August 13, 2015

BOARD AGENDA

Time: 8:00 a.m.
Place: 55 International Drive, Pease International Tradeport
Portsmouth, New Hampshire

AGENDA

- I. Call to Order (Bald)
- II. Acceptance of Minutes:* June 15, 2015
- III. Public Comment
- IV. Old Business
- V. Golf Committee Report* (Bohenko)
 - A. Report
 1. Pease Golf Course Clubhouse Kitchen Modifications*
 - B. Approvals
 1. PDA Golf Course – Tractor* (Preston)
- VI. Finance
 - A. Financial Reports
 1. Operating Results for Nine Month Period Ending June 30, 2015*
 2. Nine Month Cash Flow Projections to April 30, 2016*
- VII. Licenses/Easements/Rights of Way/Options
 - A. Approvals
 1. Georgia-Pacific Gypsum, LLC – ROE Extension* (Lamson)
- VIII. Leases
 - A. Reports
 1. Pioneer New Hampshire LLC*
 2. 200 International LP*
 3. Two International Group, LLC*
 - B. Approvals
 1. Port City Air, Inc. – Hangar 229 Lease Agreement* (Bohenko)
 2. Port City Air Leasing, Inc. – Multi-Hangar Lease Amendment* (Allard)
 3. Port City Air, Inc. – Fuel Farm Lease Amendment* (Loughlin)
- IX. Signs
 - A. Approvals
 1. Andover Healthcare, Inc. – 130 International Drive* (Torr)
 2. Loftware, Inc. – 249 Corporate Drive* (Preston)
 3. IPSUMM, Inc. – 68 New Hampshire Avenue* (Lamson)
- X. Contracts/Agreements
 - A. Reports*
 1. Fishnet Media, LLC – Golf Course Website
 2. Four Seasons Fence – Perimeter Fence Pedestrian Gate

3. CR Gray – Welcome Signs
4. Honeywell Building Solutions – Camera Parts

XI. Executive Director’s Reports/Approval

A. Reports

1. Golf Course Operations
2. Airport Operations
 - a. Skyhaven Airport
 - b. PSM
 - c. Noise Line Report
 - (1) June, 2015*
 - (2) July, 2015*

B. Approvals

1. Allegiant Air – Marketing* (Preston)
2. Bills for Legal Services* (Loughlin)

XII. Division of Ports and Harbors

A. Reports

1. Port Advisory Council
2. Capital Budget Overview Committee – Expenditure Report*
3. Commercial Mooring for Hire Permit*
4. Commercial Mooring Transfer*

B. Approvals

1. Pda 700 – Conditional Approval* (Bohenko)
2. Bills for Legal Services* (Torr)

XIII. Special Events - Report*

1. Pedals for Paws – Bike Ride (August 22, 2015)
2. Bottomline Technologies – 5k Road Race (Sept. 12, 2015)

XIV. New Business

- | | | |
|------------------------|-------------------|----------------|
| XV. Upcoming Meetings: | Finance Committee | Sept. 14, 2015 |
| | Board Meeting | Sept. 17, 2015 |

All Meetings begin at 8 a.m. unless otherwise posted

XVI. Directors’ Comments

XVII. Adjournment

XVIII. Press Questions

- * Related Materials Attached
- ** Related Materials Previously Sent
- *** Related Materials will be provided under separate cover
- + Materials to be distributed at Board Meeting
- Confidential Materials

**PEASE DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS MEETING
MINUTES**

Monday, June 15, 2015

Presiding: George M. Bald, Chairman
Present: Robert A. Allard, Treasurer; John P. Bohenko; Margaret F. Lamson; Peter J. Loughlin, Vice
Chairman; Robert F. Preston and Franklin G. Torr
Attending: David R. Mullen, PDA Executive Director; Lynn Marie Hinchee, PDA General Counsel; PDA
staff members; and members of the public.

I. Call to Order

Chairman Bald called the meeting to order at 8:08 a.m. in the Board conference room at 55 International Drive, Pease International Tradeport, Portsmouth, New Hampshire.

II. Acceptance of Board Meeting Minutes: May 21, 2015

Director Lamson moved and Director Allard seconded that **The Pease Development Authority Board of Directors hereby accept the Minutes of the May 21, 2015 Board meeting.** Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.

III. Public Comment

There were no comments from the public.

IV. Old Business

No old business was brought before the Board.

V. Finance

A. Financial Reports

1. Operating Results for the Ten Month Period Ending April 30, 2015

Mr. Canner reported on the status of PDA FY 2015 finances for the ten month period ending April 30, 2015, including operating revenues and expenses. Operating revenues are slightly under budget and operating expenses are under budget by approximately 6.2%. At the fiscal year end, operating revenues are expected to be in line with the budget and operating expenses will be below budget by approximately 5% due, in part, to under spending in the legal and marketing accounts. Operating income year to date is approximately \$1.8 million and will be used to fund capital improvements and debt services. Mr. Canner reviewed the variances in budget items including: fee revenues; fuel sales at Skyhaven Airport and Division of Ports and Harbors; increased personnel due to seasonal hiring; increased electricity consumption; and reduced costs of professional services. The Balance Sheet shows that the debt structure has reduced since June 30, 2014. The fixed debt with the Provident Bank was paid in full. Mr. Canner reviewed how PDA will use the Provident line of credit to finance ongoing projects. Mr. Canner reviewed the variances in cash balances and capital improvement projects costs. Since its transfer to PDA, PDA has funded approximately \$2 million to Skyhaven Airport and expects to receive \$600,000 in FAA grant funds by August 1, 2015.

A review of the Business Units Analysis showed that rounds of golf played at the Golf Course have increased by 32% and bar and grill sales have increased by 26% from the same period last year. Simulators' revenues also exceeded last season's revenues. The Division of Ports and Harbors ("DPH") operating revenue is approximately \$153,000 in excess of operating expenses and its deficit is being reduced.

2. Nine Month Cash Flow Projections to February 29, 2016

Mr. Canner reviewed PDA cash flow projections for the nine month period ending February 29, 2016. PDA expects to spend approximately \$3.2 million in non-grant funded projects and \$2.3 million in grant related projects. Mr. Canner reviewed the debt structure and funding plan for the projects through the use of the revolving line of credit. Non-grant funded projects include bathroom and roof renovations at the Airport Terminal and street lighting. Mr. Canner reviewed the debt structure as of May 30, 2015. Director Lamson asked if the GSA account payable affected the financial statement. Mr. Canner reported that in April, 2015, GSA signed a lease retroactive to October, 2014 and has paid six months' rent and will be billed in arrears on July 1 for the April – June rent.

A. Approvals

1. PDA Golf Course – Tractor

Lynn Hinchee, General Counsel, reported that due to discrepancies in the bid specifications, the item is removed from the Agenda and will be presented at the August Board meeting.

2. PDA Golf Course Sweeper/Vacuum

Director Preston moved and Director Allard seconded that The PDA Board of Directors hereby authorizes the Executive Director to enter into a contract with AOK Turf Equipment, Inc. of Coventry, RI, to purchase a multi-function sweeper/vacuum for use by the Pease Golf Course in a total amount not to exceed \$33,295.00; all in accordance with the memorandum from Scott DeVito, PGA General Manager, dated June 11, 2015 attached hereto. Discussion: None. Disposition: Resolved by unanimous vote; motion carried.

3. Information Technology Upgrade

Director Bohenko moved and Director Lamson seconded that The PDA Board of Directors hereby authorizes the Executive Director to enter into a contract with SHI International Corp. ("SHI") of Somerset, NJ, to purchase Microsoft Office 2013, a computer software application upgrade, in a total amount not to exceed \$17,485.00; all in accordance with the memorandum from Irv Canner, Director of Finance, dated June 8, 2015 attached hereto.

In accordance with the provisions of RSA 12:G:8, VIII, the Board justifies the waiver of the RFP requirement for the purchase of the software program based on the following:

1. SHI is a vendor selected by the State of New Hampshire in accordance with its procurement regulations.

Note: Roll call vote required. Discussion: None. Disposition: Resolved by unanimous roll call vote; motion carried.

4. Proposed FY 2016 Operating and Maintenance (O & M) Budget and FY 2017 – FY 2018 O & M Forecast

Director Torr moved and Director Preston seconded that The Pease Development Authority Board of Directors approves of and accepts the proposed FY2016 Operations and Maintenance ("O&M") Budget and FY 2017 - FY 2018 O&M Forecast in substantially the same form as attached hereto. Discussion: Mr.

Canner reviewed the budget process, the various components and planning assumptions used to create the proposed O & M budget including:

- Differences in current legal services fees and projected legal fees for outside counsel fees related to long term lease revisions
- Division of Ports and Harbors future revenues
- Fuel sales revenues and the affect of fishing industry regulations and fuel price increase on revenue
- Collaborative budget process and how CPI affects future revenue assumptions
- Revenue increments
- Variance in expenses and efforts to maintain increases in expenses to no more than 2.5%
- Overspending of net operating income for capital improvement projects from 2010 through 2015
- Review of business units to grow revenues and reduce expenses
- Budget planning assumptions, including labor costs
- Skyhaven Airport hangar revenues and anticipated annual losses
- Skyhaven Airport operations and maintenance costs; affect of grant funds on cash flow
- Pease Golf Course revenues and expenses; net cash flow and impact of capital improvements
- Reduction of Tradeport operating income due to use of funds to support other areas, such as airports and administrative costs
- Impact of net cash flow on business units
- Management of PDA debt (excluding COP waste management) to zero debt in 2016 and 2017
- FAA/State/and Military funding of Airport Improvements resulting in a cost to PDA of approximately \$600,000

Chairman Bald asked if PDA sought to obtain grants to improve lighting and reduce electricity costs, would the budget allow for such projects. David Mullen, Executive Director, reported that PDA has checked on replacement of lights at the Airport with LED lighting. FAA has not approved the use of the lights for the runway. Director Allard has found that upfront costs for LED lighting are very expensive and the return on the investment was small. Mr. Mullen reported that the payback analysis for PDA has shown that it would be a three year return. Mr. Canner reported that PDA has aggressively shopped its electric supplier contracts. Chairman Bald informed the Board that the State has grant programs for various types of entities to make electrical improvements.

Director Preston asked if PDA can spend funds to maintain the Golf Course under FAA regulations. Attorney Hinchee advised the Board that PDA has taken the position that PDA can spend money to maintain an existing asset that is providing revenue. PDA believes that FAA transferred the Golf Course to PDA to generate revenue for the Airport and that the Golf Course will not continue to generate revenue if it is not maintained. Maintenance includes replacing capital equipment when equipment becomes non-operational or obsolete. PDA is unique in that the Golf Course was transferred with the Airport.

Director Preston asked if PDA has determined if the Golf Course as a standalone business could pay for improvements to the clubhouse kitchen. Mr. Canner reported that golf course revenues would support the Golf Course for a period of time, but would be insufficient on its own to pay for future improvements including the anticipated irrigation upgrade in 2022. Director Preston felt if the Golf Course was generating enough gross revenues that it should start contributing to its capital investments. Attorney Hinchee informed the Board that PDA has been advised that if PDA took 100% of the Golf Course revenue going forward and amortized the capital improvements, the question would be how many years would it take before PDA realizes any revenue from the Golf Course. Director Preston felt that PDA should make the improvements to maintain the Golf Course and that monies spent have been in the best interest of the PDA. PDA has an obligation to maintain a positive asset.

Director Bohenko confirmed that an analysis of Golf Course revenues spent in support of the Tradeport during the early development of the Tradeport was done.

Director Loughlin felt that rounds of golf played have increased due to improvements to the clubhouse and the pleasant atmosphere of the Golf Course facility. The improvements need to be made to maintain the Golf Course.

Attorney Hinchee reported that the FAA is not challenging monies spent on the Golf Course specifically. There is concern that Golf Course has generated approximately \$2 million in revenues and PDA has spent \$8 million for improvements leaving negative impact of \$6 million and now there is consideration of spending more money that will take three more years to recoup. Would this be a prudent business decision.

Mr. Mullen informed the Board that substantial improvements had to be made to the Golf Course. PDA must determine its wants versus its needs. Operational improvements to the kitchen at an estimated cost of about \$200,000 need to be made, but there is no justification for kitchen expansion. Mr. Mullen discussed the possible ramifications to Grill 28 operations if the kitchen expansion is not done.

Director Allard felt that investing in Golf Course as a separate entity is not a good investment; however, investing in the Golf Course as a business unit of the PDA is a good investment. The Golf Course facility is important part to attracting businesses and employees to the Tradeport. The Golf Course was given to PDA by the FAA as an overall part of the PDA and is a critical entity. PDA was also given Skyhaven Airport, which continues to operate at a loss, but PDA has turned it around to be able to manage the operational costs. PDA should do the right thing and spend the \$200,000 on the needed improvements.

In response to Chairman Bald's question, Mr. Canner reviewed the process to spend money on a capital process or consulting services, including amortization of costs, and restructure the budget to maintain cash flow and debt structure.

Director Bohenko asked if there is a process to divest PDA of the Golf Course, what would happen to the cash payment, and would the FAA allow PDA to sell the Golf Course if the cash was used for the betterment of the Tradeport.

Attorney Hinchee reported that the Board would have to determine that it is in the best interest of the PDA to sell the Golf Course. FAA has a release process that would require a cost benefit analysis that shows PDA is better off with a lump sum of revenue than a long term revenue stream. Two appraisals need to be done and the property would have to be sold at fair market value. The property would be sold with FAA restrictions regarding airport development.

Director Bohenko would like to start the process of looking at what divestiture and bringing in a lump sum of cash would mean to the Tradeport.

Director Preston disagreed with Director Bohenko and reported the Legislature has suggested selling the Golf Course with the proceeds going into the State's general fund.

Attorney Hinchee clarified that due to FAA regulations, the proceeds could not go into the State's general fund; the proceeds would have to be used for the Airport. The FAA's position is that PDA should generate whatever revenues possible without spending any money. FAA's job is to support aviation activities. The fair market value of the Golf Course needs to be determined first.

Chairman Bald requested Attorney Hinchee present a memorandum to the Board outlining the process to sell a property on the Tradeport to allow the Board to make an informed decision about selling the Golf Course.

Director Loughlin agreed with Chairman Bald's request and Director Bohenko's sentiments, but he is concerned with the valuation of the Golf Course.

Director Bohenko felt that there is a need to review the Golf Course's revenues and expenditures. Director Preston disagreed with starting the process.

Director Torr requested that the estimated costs for a market appraisal of the Golf Course be included in the memorandum. He also thanked the Chairman for allowing an open discussion about the budget.

Director Lamson felt that it was a good opportunity for the entire Board to participate in the budget discussions. Director Bohenko confirmed that the costs to appraise the Golf Course will be included in the budget. Director Bohenko stated that he is not suggesting that the Golf Course be sold, but it is an option that PDA needs to explore as part of the budget process. Disposition: Resolved by unanimous vote; motion carried.

VI. Leases

A. Approvals

1. Lonza Biologics, Inc. – Land Use Controls Interpretation

Director Loughlin moved and Director Torr seconded that **WHEREAS, the Pease Development Authority has duly enacted a zoning regulations in accordance with the requirements of RSA ch. 12-G and rules adopted by the Authority for the adoption or amendment of land use controls; and**

WHEREAS, pursuant to Part 315.01 (d) of the Authority's Zoning Regulations the PDA Board retains the power to make the final decision regarding the applicability, interpretation and enforcement of its zoning regulations and any other land use controls; and

WHEREAS Part 308 of the Authority's regulations states in part; "Above ground storage facilities shall not exceed a capacity of 2,000 gallons per facility."

NOW, THEREFORE, the Authority does hereby resolve to formally adopt the following interpretation of its Zoning Regulations in effect at the Pease International Tradeport as follows;

The Authority finds and has determined that it is reasonable to establish that Part 308 only be applied to facilities that have the potential for spills; and that Part 308.02(c) be interpreted that above ground storage facilities containing petroleum products or other hazardous substances that present a spill risk shall not exceed a capacity of 2000 gallons per facility. Note: 5 Affirmative Votes are required. Discussion: Maria Stowell, Manager – Engineering, reported that Lonza is working on an interior expansion that has led to exterior renovations in its utility yard. Lonza maintains tanks for compounds and elements, such as nitrogen and carbon dioxide, that when exposed to the atmosphere turn to gas and would not spill. Staff is requesting that such tanks not be limited to the 2,000 gallon capacity. Part 308 does not apply to such tanks and it is appropriate to modify the tank capacity. Disposition: Resolved by unanimous roll call vote; motion carried

2. Lonza Biologics, Inc. – Concept Plan Approval

Director Allard moved and Director Preston seconded **The Pease Development Authority Board of Directors hereby approves of the Lonza Biologics, Inc. ("Lonza") Concept Plan for the Cell Therapy (CT) expansion project at Lonza's premises located at 101 International Drive, including:**

1. Concept plan to upgrade the site for the CT expansion project;

2. Variance application to be referred to the City of Portsmouth's Board of Adjustment that would allow above ground storage facilities in excess of 2000 gallons, contrary to Part 308.02(c)
3. A second International Drive access to the site provided that the access meets the requirements of PDA's Land Use Controls and is favorably recommended by the City;
4. A waiver of Parts 405.03(a)(4)(b) and (c) of the PDA Site Plan Regulations, allowing Lonza to construct parking without the required landscape islands; and
5. Contract employee temporary parking on the Iron parcel;

all in accordance with the terms and conditions set forth in the memorandum of Maria J. Stowell, P.E., Manager - Engineering, dated June 5, 2015 attached hereto. Discussion: Ms. Stowell reported that Lonza is doing work in its utility yard in support of its interior expansion project and variances for Lonza's fuel tanks that exceed 2,000 gallons are needed. Paul Fleming, of Lonza Biologics, gave a brief presentation on the building expansion needed so that the Cell and Gene Therapy project related to dry age-related macular degeneration can go forward. The current expansion will use about 20% of the building space. The second expansion for another project will use about 50% of the space. Lonza expects that both projects will add a total of 150 new jobs. Mr. Fleming gave further explanation of the CT process and the anticipated results. The CT project is in Phase 2b and the expansion will allow the project to move into third phase. The project is expected to be presented to the FDA in 2017 for approval.

Patrick Crimmins, Engineer, of Tighe & Bond, reviewed the parking located on the industrial side of the building that is buffered by a line of trees. If a parking island was put in during this phase of the expansion, it would be damaged during the second expansion. Director Loughlin expressed his concern in setting a precedent if the waiver of landscape islands is granted, but is comfortable with landscaping.

Chairman Bald noted that Lonza is very important to the Tradeport and the State. Lonza has created over 1,000 jobs. Chairman Bald and Mr. Mullen met with Lonza to review the project. Lonza's presence on the Tradeport and its work gives the Tradeport and the State attention in the biotech industry. Lonza continues to recruit UNH students to work at Lonza. Chairman Bald on behalf of the Board and the State, thanked Lonza for its business and its commitment to the Tradeport and the State. Disposition: Resolved by unanimous vote; motion carried.

3. Galileo RMF, LLC – 139 Flightline Road Concept Plan

Director Bohenko moved and Director Allard seconded that The Pease Development Authority Board of Directors hereby approves of the Concept Plan submitted by Galileo RMF, LLC attached hereto for the premises located at 139 Flightline Road; on all terms and conditions set forth in the memorandum of Maria J. Stowell, P.E., Manager - Engineering, dated June 8, 2015 attached hereto. Discussion: Ms. Stowell reported that Galileo wants to make minor changes to the building and site review approval is not required. Changes include adding a ramp to the front of the building and changing the doors. Disposition: Resolved by unanimous vote; motion carried.

4. Redhook Ale Brewery – 1 Redhook Way Concept Plan

Director Lamson moved and Director Torr seconded that The Pease Development Authority Board of Directors hereby approves of the Concept Plan submitted by Redhook Ale Brewery for the installation of a co-generation system at the premises located at 1 Redhook Way; subject to the stipulations and all terms and conditions set forth in the memorandum of Maria J. Stowell, P.E., Manager - Engineering, dated June 9, 2015 attached hereto. Discussion: Ms. Stowell informed the Board that Redhook has a pretreatment facility for brewery waste prior to sending it to the wastewater treatment plant. Methane gas is a byproduct of the pretreatment process. Instead of burning off the gas, the co-generation system will allow the gas to be captured and used to generate electricity. Disposition: Resolved by unanimous vote; motion carried.

VII. Contracts/Agreements

A. Approvals

1. Hoyle Tanner & Associates – Contract Change Order

Director Loughlin moved and Director Lamson seconded that The Pease Development Authority Board of Directors approves of and authorizes the Executive Director to execute Modification No. 1 for the PSM Runway Rehabilitation Project - Facility Needs Analysis contract with Hoyle, Tanner & Associates in a total amount of \$22,700; all otherwise in accordance with the memorandum of Maria J. Stowell, P.E., Manager of Engineering dated June 8, 2015 attached hereto. Discussion: Director Lamson confirmed that this contract is part of the runway rehabilitation project. Disposition: Resolved by unanimous vote; motion carried

VIII. Executive Director's Reports/Approvals

A. Reports

1. 25 Year Pease Economic Impact

Mr. Mullen presented the economic impact report prepared by Russ Thibeau of Applied Economic Research on the economic impact of the Pease International Tradeport since its inception in 1990, including:

- 9,540 people work on the Tradeport (an increase of approximately 4,590 jobs)
- 14,400 regional jobs including Tradeport and indirect jobs were created
- Annual wages paid to Tradeport employees are approximately \$584 million (tripled since 2002)
- Regional wages including jobs supported by Tradeport activity are approximately \$725 million
- Annual Business and Meals/Rental taxes paid to the State is approximately \$16 million
- Annual PILOT revenues and Municipal Services Fees (which is equal to 13% of the City's tax base) paid to the City of Portsmouth is approximately \$6 million
- Approximately 4.5 million square feet of space is completed/under construction and approved with approximately 60 acres left for development
- Tradeport businesses include: manufacturing and technology; government services; educational facilities; health services; restaurants; hotel; and aviation and aerospace.

Mr. Mullen reported that the Spaulding Highway/Arboretum Drive entrance is expected to open in September/October, 2015. The improvements to the Dover side of the Sullivan bridge are expected to be completed in 2020.

Director Preston noted that Bill Bartlett (as state Senate President), Director Torr (as state republican Senate leader) and he (as state democratic Senate leader) worked in the State Legislature to establish the legislation to establish the Pease Development Authority and he is extremely proud of their efforts and the Tradeport. Director Loughlin noted that Pease has had a very positive impact on the regional economy. Director Bohenko reported that there are 14,000 jobs between the Tradeport and the Portsmouth Naval Shipyard with \$1.2 billion in payroll.

Chairman Bald commented that a lot of people worked very hard to make the Tradeport happen, it took time and patience. The City of Portsmouth, particularly the school system, was deeply affected by the Air Base's closure and times were hard. The Board of Directors had a vision for the Tradeport and stayed true to the vision. Pease has received national recognition for its redevelopment. Chairman Bald thanked Director Loughlin for "being the conscience of Pease" for the landscaping. Director Loughlin is very impressed with the landscaping around the south entrance area. Director Lamson said she was very pleased with the new multi-use path and how it is being used. Chairman Bald thanked all members of the Board, past and present, for their efforts.

2. Golf Course Operations

Scott DeVito, PGA General Manager, reported on the activities at the Pease Golf Course. Two tournaments will be held bringing tournament rounds of golf played to a record high of 3,500 for the FY 2015. Staff is working on media and e-mail advertising programs. Golfing activity has been steady since the opening of the course. In response to Director Allard, Mr. DeVito informed the Board that the question of how to gain access to water sources and the use of water tanks still needs to be addressed. Director Lamson commended Mr. DeVito for being a “good ambassador” for the Golf Course. Mr. DeVito commended the golf course staff for all of their efforts.

3. Airport Operations

Bill Hopper, Airport Manager, reported on aviation activities.

a) Skyhaven Airport (“DAW”)

The Wings and Wheels event was held on Saturday, June 13th with approximately 5,000 people attending. The proceeds will go Gerry’s Food Pantry in Rochester, New Hampshire.

b) Portsmouth International Airport at Pease (“PSM”)

Passenger enplanements have exceeded 10,000. Allegiant Airlines will begin routes to Punta Gorda, Florida in November, 2015 instead of waiting until February, 2016.

c) Noise Line Report

Mr. Hopper reported that the PDA Noise Line received a total of 25 inquiries in May. Twenty-two inquiries dealt with helicopter activities and three inquiries were related to fixed wing aircraft activity.

B. Approvals

1. Bills for Legal Services

Director Preston moved and Director Torr seconded that **The Pease Development Authority Board of Directors authorizes the Executive Director to expend funds in the total amount of \$9,052.87 for legal services rendered to the Pease Development Authority by:**

- | | | |
|----|-------------------------|------------|
| 1. | Anderson & Kreiger, LLP | \$9,052.87 |
| | Through April 30, 2015 | |

Discussion: In response to Director Preston, Attorney Hinchee reported that the legal services that make up the bills are kept confidential to protect the attorney work product privilege. Disposition: Resolved by unanimous vote; motion carried .

IX. Division of Ports and Harbors

A. Division Director’s Reports

1. Piscataqua Maritime Commission – Waiver of Wharfage & Dockage

Geno Marconi, Division Director, reported that in accordance with the “Delegation to Executive Director: Consent and Approval for Waiver of Wharfage, Dockage and Related Fees for Qualified Non-Profit

Organizations Using Facilities of the Division of Ports and Harbors”, wharfage and dockage fees for the use of the Portsmouth Commercial Fish Pier by the Piscataqua Maritime Commission during the visit of historic sailing vessels beginning July 22, 2015 were waived. Director Loughlin approved the waiver.

2. TIGER Grant Application 2015/Bridge Work

Mr. Marconi reported that for the seventh time, he submitted a TIGER grant application for \$13.26 million for the restoration, rehabilitation, and expansion of the Market Street Terminal pier. A total of four maritime applications from various areas were submitted.

Mr. Marconi reported that work on the Sarah Long Bridge replacement is going well. Cianbro Corp. is using a portion of the Market Street Terminal for staging for the bridge and for work at the Portsmouth Naval Shipyard.

B. Approvals

1. Concession Transfer

Director Allard moved and Director Loughlin seconded that **The Pease Development Authority Board of Directors hereby approves of and authorizes:**

- a. **the sale of the Rye Harbor Lobster Pound concession building located at the Rye Harbor Marine Facility from Arthur Splaine to Nathan Hanscom; and**
- b. **the assignment of the Right of Entry issued to Arthur Splaine dba Rye Harbor Lobster Pound to Nathan Hanscom dba Rye Harbor Lobster Pound;**

all in accordance with the memorandum of Geno Marconi, Division Director, dated June 9, 2015 attached hereto. Discussion: None. **Disposition:** Resolved by unanimous vote; motion carried

2. Bills for Legal Services

Director Torr moved and Director Lamson seconded that **The Pease Development Authority Board of Directors authorizes the Executive Director to expend funds in the total amount of \$1,073.00 for legal services rendered to the Division of Ports and Harbors by:**

- 1. **Sheehan Phinney Bass + Green** **\$1,073.00**
Through April 30, 2015

Discussion: None. Disposition: Resolved by unanimous vote; motion carried

X. New Business

No new business was brought before the Board.

XI. Upcoming Meetings:

Chairman Bald reported that the following upcoming meetings are scheduled:

Port Committee	July 2, 2015 at Market Street Terminal
Board of Directors Meeting	August 20, 2015

All Board and Committee meetings begin at 8 a.m. unless otherwise posted. Chairman Bald reported that he will not be able to attend the August 20th Board meeting.

XII. Directors' Comments

Director Bohenko inquired about the status of PDA purchasing the Oak Street property back from the Government Services Administration ("GSA"). Attorney Hinchee reviewed the process to purchase the property and reported that PDA has explored the possibility of taking back the property through rent credits for the 31/32 Rochester Avenue premises. GSA indicated that it has no interest in selling the property. Fair market value would need to be established and PDA would have to pay fair market value.

XIII. Adjournment

Director Allard moved and Director Loughlin seconded to **adjourn the Board meeting**. Discussion: None. Disposition: Resolved by unanimous vote; motion carried. Meeting adjourned at 9:56 a.m.

XIV. Press Questions

No members of the Press attended the meeting.

Respectfully submitted,



David R. Mullen
Executive Director/Secretary

PEASE DEVELOPMENT AUTHORITY
Wednesday, August 12, 2015

GOLF COMMITTEE AGENDA

Time: 8:00 a.m.
Place: 200 Grafton Road, Pease International Tradeport
Portsmouth, New Hampshire


AGENDA

- I. Call to Order (Bohenko)
- II. Acceptance of Minutes: December 17, 2014*
- III. Public Comment
- IV. Old Business
 - A. Reports
 1. Memorandum re FAA Real Property Release Process*
 2. Clubhouse Modifications Update *
- V. New Business
 - A. Approvals
 1. Golf Course Tractor* (Preston)
- VI. Adjournment
- VII. Press Questions

- * Related Materials Attached
- ** Related Materials Previously Sent
- *** Related Materials will be provided under separate cover
- + Materials to be distributed at Committee Meeting
- Confidential Materials

MEMORANDUM

To: PDA Board of Directors

From: David R. Mullen, Executive Director 

Date: August 6, 2015

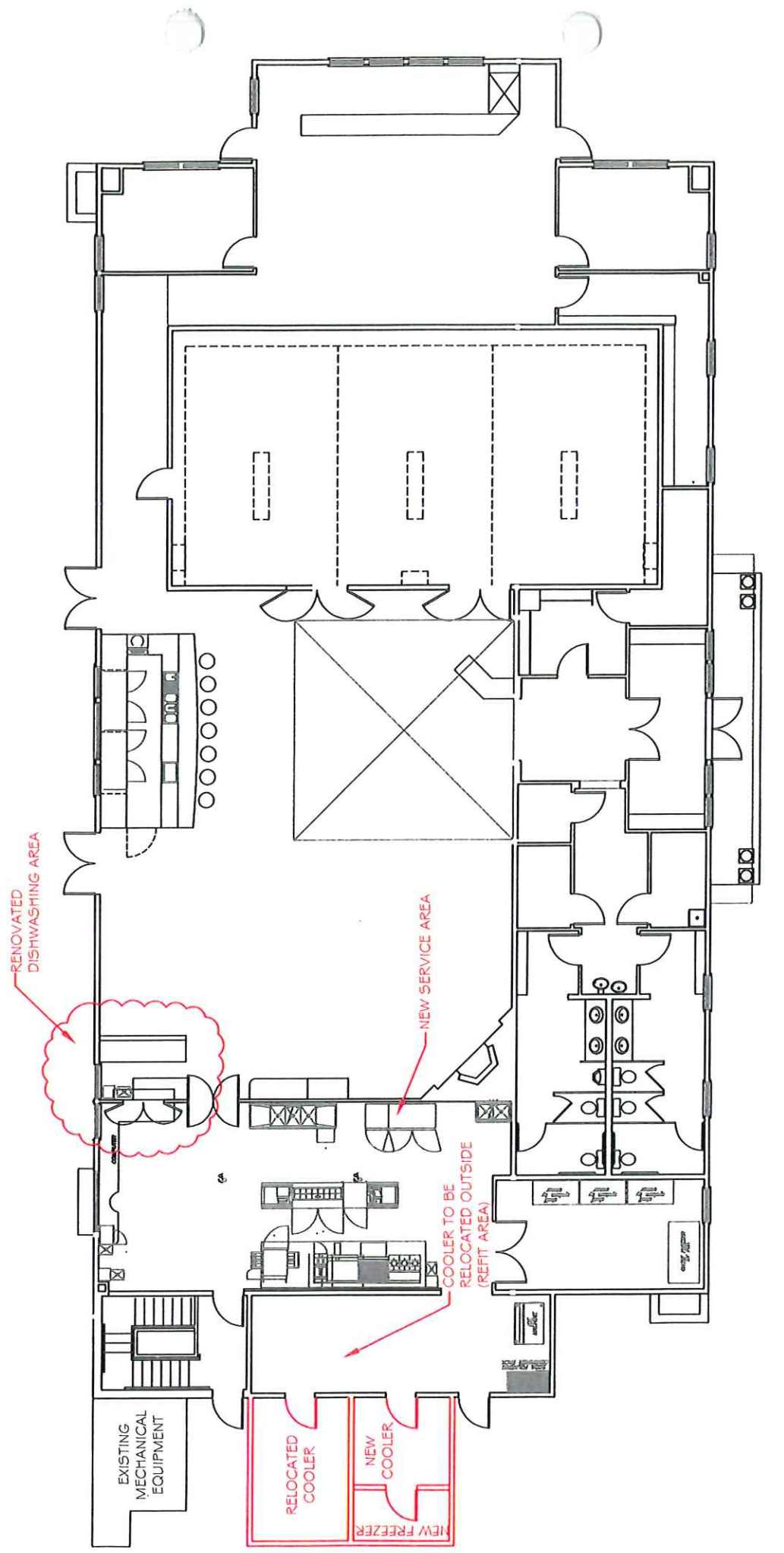
Subject: Pease Golf Course Clubhouse Kitchen Project

In May, the project to expand the clubhouse was suspended in order to review compliance concerns. As a result of the review, we are now proposing to reduce the scope of work to eliminate any building use expansion and to include only adding a new freezer/cooler area located off the east end of the building, relocating the dishwashing function so as not to interfere with food preparation and serving, and re-purposing the existing freezer/cooler and dishwashing areas. (See attached.) John Tinios concurs with the new layout and has indicated that if the proposed plan is implemented, he would be willing to continue providing food services for the restaurant for a period of three years, plus one option year.

We recently met with the project team (including John Tinios, the project architect and the selected construction manager) to discuss the implementation of the new scope. A set of engineered drawings are needed to permit, bid, and construct the work. Once bidding is completed we will have a definitive project cost. In the meantime, working with the construction manager, we are contemplating a budget estimate of \$225,000 to complete the work described. The estimate includes design, permitting, bidding, construction, construction phase engineering services, owner furnishings, and a contingency.

Design work on the revised scope is continuing. The scope change has delayed the schedule and as a result we do not have a construction Guaranteed Maximum Price from the construction manager. We will have this information for the Board meeting in September, and at that time we will be seeking approval to proceed to the construction phase.

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PROPOSED CONCEPT FLOOR PLAN

INSERT ITEM V.A.2

MOTION

Director Preston:

In consideration of Pease Development Authority (PDA) making improvements to the kitchen at the Pease Golf Course Clubhouse to improve operational efficiencies and in accordance with the recommendation of the PDA Golf Committee, the Board of Directors hereby authorizes the Executive Director to enter into an Amendment No. 3 to the Food and Beverage Service Concession Agreement at Pease Golf Course with Galley Hatch Restaurant, Inc., d/b/a Grill 28 on the following terms and conditions:

1. Extend the Agreement for a period of three years commencing November 1, 2016 through October 31, 2019 with the applicable fee on gross sales being set at 17% for the entire three year time period;
2. Include one (1) one (1) year option to extend the Agreement from November 1, 2019 through October 31, 2020 on the same terms and conditions as years 2016 through 2019.
3. Delete Galley Hatch's early termination rights effective immediately through October 31, 2019 but reinstate the right on terms and conditions set forth in Amendment No. 2 to the Agreement for the Option period; and
4. All other terms and conditions of the Agreement, except as otherwise amended, remaining in full force and effect.

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COPY

AMENDMENT NO. 2

FOOD AND BEVERAGE MANAGEMENT SERVICE CONCESSION AGREEMENT
AT
PEASE GOLF COURSE

Owner: Pease Development Authority ("PDA")

Concessionaire: Galley Hatch Restaurant, Inc. d/b/a Grill 28

Contract Date: April 1, 2009

WHEREAS Galley Hatch Restaurant, Inc. ("Grill 28") assumed the Food and Beverage Service Concession Agreement at Pease Golf Course (the "Agreement") by virtue of an assignment from Galley Hatch Catering Services, Inc. dated March 14, 2012.

WHEREAS Grill 28 has requested an extension of its Agreement and PDA has agreed to the same.

NOW THEREFORE PDA and Grill 28 and agree to enter into this Amendment No. 2 to the Agreement subject to the following terms and conditions:

1. Section 1 of the Agreement is amended to extend the term of the Agreement by three (3) years from November 1, 2013 through October 31, 2016. Grill 28 is also granted two (2) one (1) year options to extend the Agreement which options may be exercised by providing PDA with a least six (6) months advance written notice. Paragraph two of Section 1 of the Agreement is deleted in its entirety.

Notwithstanding the foregoing, Grill 28 may elect to terminate this agreement after year two (2) upon providing six (6) months advance written notice subject to the condition that the proposed termination date does not occur during Pease Golf Course's peak season defined as May 1 through September 30th of any given year thereafter.

2. Sections 2 and 3 of the Agreement are amended to authorize Grill 28 to adjust menu pricing at the Pease Golf Course Clubhouse as of November 1, 2013 subject to PDA's review and approval which shall not be unreasonably withheld.

3. Section 5 of the Agreement is amended to incrementally increase the percentage of Grill 28's gross revenues paid to PDA in accordance with the schedule set forth in Exhibit 1 of this Agreement. Payments will continue as scheduled in the Agreement with incremental payment adjustments being applied when gross sales increase from one level to another in the twelve month reporting period ending October 31st. By way of example if gross sales in the year November 1, 2013 through October 31, 2014 equal \$1,650,000 the percentage of gross sales paid to PDA would be calculated as follows:

COPY

<u>Gross Sales</u>	<u>Fee%</u>	<u>Commission</u>
0 to \$1,250,000	16.25% (of 1,250,000)	203,125
1,250,001 to 1,500,000	16.50% (of 250,000)	41,250
1,500,001 to 1,650,000	16.75% (of 150,000)	25,125

Under this example in the 11/1/2014 through October 31, 2015 year, the 16.75 % rate would remain applicable from the first dollar earned upward with the result being that once a higher percentage is being applied the prevailing percentage rate will never be lowered but only increase as gross sales increase above the next threshold of \$1,751,000 and so forth seriatim.

4. All other terms and conditions of the Agreement shall remain in full force and effect and continue to be binding upon the Parties.

In Witness Whereof, PDA and Grill 28 have agreed to the aforementioned amendments to the Agreement made effective November 1, 2013.

Pease Development Authority

Witness: Marie S. Alley

David R. Mullen
David R. Mullen, Executive Director

Date: 11/14/13

Galley Hatch Restaurant, Inc.

Witness: [Signature]

John Jenkins
By: JOHN JENKINS

Its: PRESIDENT

Date: 11/14/2013

COPY

EXHIBIT 1

INCREMENTAL FEE SCHEDULE

A rate of 16.25 % will remain in effect through October 31, 2013. Thereafter the applicable percentage amounts shall be as follows.

<u>Gross Sales</u>	<u>Fee %</u>
0,000,000 to 1,250,000	16.25
1,250,001 to 1,500,000	16.50
1,500,001 to 1,750,000	16.75
1,750,001 to 2,000,000	17.00
2,000,001 to 2,250,000	17.25
2,250,001 to 2,500,000	17.50
2,500,001 to 2,750,000	17.75
2,750,001 to 3,000,000	18.00
3,000,001 to 3,250,000	18.25
3,250,001 to 3,500,000	18.50
3,500,001 to 3,750,000	18.75
3,750,001 and greater	19.00

MOTION

Director Preston:

In accordance with the recommendation of the Pease Golf Committee, the PDA Board of Directors hereby authorizes the Executive Director to enter into a contract with James R. Rosencrantz & Sons, Inc. of Kensington, NH, for the purchase and delivery of a diesel tractor for use by the Pease Golf Course Maintenance Department in a total amount not to exceed \$34,750.00; all in accordance with the memorandum from Scott DeVito, PGA General Manager, dated August 4, 2015 attached hereto.

N:\RESOLVES\GolfTractor0815.wpd

MEMORANDUM

To: David R. Mullen, Executive Director *DM*

From: Scott DeVito, PGA General Manager

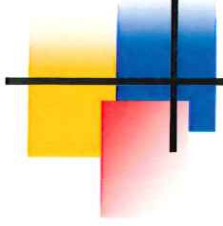
Date: August 4, 2015

Subject: Request to purchase a Diesel Tractor

This is a request to purchase a diesel tractor. The purchase has been proposed as part of the FY2016 golf course capital budget. The equipment was advertised July 13 & 14 in the Manchester Union Leader, and July 14 & 15 with Seacoast Media Group.

There were seven companies that requested the RFP. Responses were opened on Monday, August 3, 2015 at the PDA main office. James R. Rosencrantz & Sons, Inc. Route 107, Kensington, NH 03827, returned the low bid of \$34,750.00. The pricing includes delivery to the golf course maintenance department.

Thank you for your consideration in this matter.



FY 2015 FINANCIAL REPORT FOR THE TWELVE MONTH PERIOD ENDING JUNE 30, 2015 *(PRELIMINARY)*



**BOARD OF DIRECTORS MEETING
AUGUST 13, 2015**



CONSOLIDATED STATEMENT OF REVENUES AND EXPENSES ² FOR THE TWELVE MONTH PERIOD ENDING JUNE 30, 2015 AND 2014

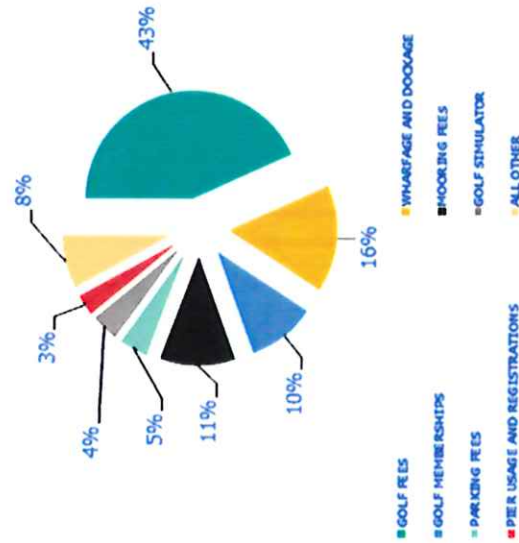
(\$ 000's)

	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	\$ VARIANCE	PRIOR YEAR TO DATE ACTUAL	YEAR TO YEAR VARIANCE	CURRENT YEAR BUDGET
FY 2015 BUDGET VARIANCE ANALYSIS						
▪ OPERATING REVENUES- LOWER BY 0.2%	13,870	13,903	(33)	13,198	672	13,903
▪ LOWER THAN ANTICIPATED RENTAL INCOME OFFSET BY:						
▪ INCREASED GOLF FEES- DUE TO INCREASE IN ROUNDS PLAYED / WEATHER.	5,951	5,851	100	5,694	257	5,851
▪ HAMPTON HARBOR AND PORTSMOUTH FISH PIER FUEL SALES ARE LESS THAN BUDGETED.	2,276	2,464	(188)	2,582	(306)	2,464
▪ INCREASED CONCESSION REVENUES FROM HIGHER GRILL 28 SALES.	737	766	(29)	1,221	(484)	766
	958	825	133	872	86	825
▪ OPERATING COSTS- LOWER BY 3.7%	197	321	(124)	218	(21)	321
▪ UNDERRUNS IN LEGAL, MARKETING AND FUEL PROCUREMENT EXPENSES OFFSET HEAVY WINTER SEASON AND KWH PRICE ESCALATION AND CONSUMPTION.	279	416	(137)	258	21	416
▪ INDIRECT LABOR ALLOCATION TO BUILDINGS AND FACILITIES NOT BUDGETED.	1,107	1,301	(194)	1,188	(81)	1,301
▪ NONOPERATING (INCOME) AND EXPENSES	11,505	11,944	(439)	12,033	(528)	11,944
▪ INCREASED SHORT TERM BORROWINGS TO SUPPORT CONSTRUCTION RELATED ACTIVITIES- PSM AND SKYHAVEN	2,365	1,959	406	1,165	1,200	1,959
	125	92	33	128	(3)	92
	6,221	6,364	(143)	5,991	230	6,364
	(3,981)	(4,497)	516	(4,954)	973	(4,497)
OPERATING REVENUES (PAGE #3)						
OPERATING EXPENSES						
PERSONNEL SERVICES AND BENEFITS (PAGE #4 AND #5)						
BUILDINGS AND FACILITIES MAINTENANCE						
GENERAL AND ADMINISTRATIVE						
UTILITIES (PAGE #6)						
PROFESSIONAL SERVICES (PAGE #6)						
MARKETING AND PROMOTION						
ALL OTHER (PAGE #6)						
OPERATING INCOME						
NONOPERATING (INCOME) AND EXPENSE (PAGE #7)						
DEPRECIATION						
NET OPERATING INCOME						

CONSOLIDATED OPERATING REVENUES FOR THE TWELVE MONTH PERIOD ENDING JUNE 30, 2015 AND 2014

(\$ 000's)

FEE REVENUES YEAR TO DATE



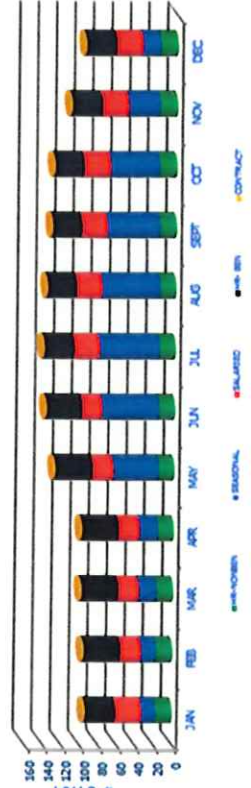
	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	\$ VARIANCE	PRIOR YEAR TO DATE ACTUAL	YEAR TO YEAR VARIANCE	CURRENT YEAR BUDGET
RENTAL OF FACILITIES	9,167	9,233	(66)	8,825	342	9,233
FEE REVENUES (SEE CHART)	2,959	2,567	392	2,506	453	2,567
FUEL SALES (SEE CHART)	904	1,085	(181)	981	(77)	1,085
CONCESSION REVENUE	302	214	88	230	72	214
GOLF MERCHANDISE	203	175	28	173	30	175
ALL OTHER- NET	335	629	(294)	483	(148)	629
	13,870	13,903	(33)	13,198	672	13,903

	SALES	COGS	NET MARGIN
SKYHAVEN AIRPORT	78	70	8
PORTSMOUTH FISH PIER	511	448	63
RYE HARBOR	170	149	21
HAMPTON HARBOR	145	130	15
	904	797	107

CONSOLIDATED PERSONNEL SERVICES FOR THE TWELVE MONTH PERIOD ENDING JUNE 30, 2015

STAFF ANALYSIS

	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	\$ VARIANCE	PRIOR YEAR TO DATE ACTUAL	SAL	HR/ BEN	HR/ NON	SE	CON	JUN MONTH END	MAY MONTH END	APR MONTH END
WAGES												
BENEFITED	3,633	3,624	9	2,971	5	-	1	50	-	56	49	21
NONBENEFITED	683	640	43	689	3	1	-	-	-	4	4	4
OVERTIME	246	193	53	222	3	7	4	2	-	16	17	17
ACCRUED VACATION AND SICK	(17)	-	(17)	426	-	-	2	-	-	2	2	3
TRANSFER OUT	4,544	4,457	87	4,308	1	15	-	-	-	16	16	18
	(773)	(729)	(44)	(555)	1	1	-	-	-	2	2	2
	3,771	3,728	43	3,753	1	10	10	10	1	32	28	23
					21	39	17	62	2	141	131	101
FRINGE BENEFITS												
HEALTH INSUR	968	1,211	(243)	988		2	1	-	-	3	3	3
RETIREMENT	468	565	(97)	463		3	1	-	-	4	4	4
FICA	334	341	(7)	314		2	3	-	1	6	6	6
DENTAL	61	91	(30)	63								
ALL OTHER	392	134	258	150								
TRANSFER OUT	2,223	2,342	(119)	1,978								
	(43)	(219)	176	(37)								
	2,180	2,123	57	1,941								
	5,951	5,851	100	5,694								



PEASE DEVELOPMENT AUTHORITY ORGANIZATION CHART (CURRENT)

BOARD OF DIRECTORS

David Mullen
Executive Director

Liz LaCava
Admin Assistant

Liz Labonte
Human Resource Manager

Bill Bartlett
Director of Operations

Scott Devito
Golf Course General Manager

Lynn Hinchee
General Counsel

Irv Canner
Director of Finance

Geno Marconi
Director of Port

Joe McPherson
Resource Manager

Al Weston
Maintenance Manager

Bill Hopper
Airport Manager

John Anaetias
Equipment Operator

Francis Frank
Equipment Operator

Ed
Equipment Operator

Bob Oxx
Equipment Operator

Todd Kneeland
Pavements

Al Norton
Pavements

Jim Thurlow
Pavements

Ed McLaughlin
Grounds

Dane Kirkwood
Facilities

Dave Curtis
Building Services

Johannie Joplin
Building Services

George Welch
Electrician

Tony Gradi
Assistant Electrician

Ken Conley
Mechanic

OPEN
Assistant Mechanic

Beth DeMaine
Admin Assistant

Ed Pottberg
Security Coordinator

Sandra McDonough
Ops Specialist

Eric Burgess
Ops Specialist

Tom Bourne
Ops Specialist

OPEN
Ops Specialist

Andrew Pomeroy
Operations Supervisor

Ryan Malone
Ops Specialist

Zach Boasberg
Ops Specialist

Wayne Merritt
Ops Specialist

Elton Chea
Course Superintendent

Dave Arnold
Mechanic

Ryan Caron
Grounds

Tim Riese
PGA Golf Pro

OPEN
Assistant PGA Golf Pro

Mark Gardner
Deputy General Counsel

Marie Aleksey
Paralegal

Ron Jodz
Senior Accountant

Jess Patterson
IT System Administrator

Anita Censabells
Payroll Accountant

Sue Coleman
Accounting Specialist

Pat Gradi
Admin Assistant

Tracy Shattuck
Chief Harbor Master

Grant Nichols
Deputy Chief Harbor Master

Lana Larochelle
Admin Assistant

Dan Pollinger
Security

Kevin Hanlon
Harbor Master

Judy Dubois
Admin Assistant

OPEN
Operations Manager

Whit Anderson
Maintenance

Robin Page
Admin Assistant

Tom Seiler
Security

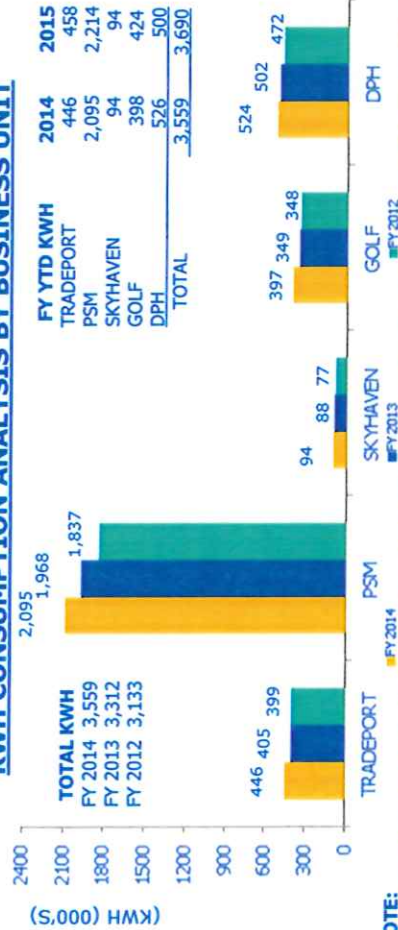
NOTE:
1, EXCLUDES, NON-BENEFITED EMPLOYEES, CONTRACT AND SEASONAL EMPLOYEES.

CONSOLIDATED OTHER OPERATING EXPENSES FOR THE TWELVE MONTH PERIOD ENDING JUNE 30, 2015

(\$ 000's)

UTILITIES	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	PRIOR YEAR DATE ACTUAL	CURRENT YEAR BUDGET	PROFESSIONAL SERVICES	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	PRIOR YEAR DATE ACTUAL	CURRENT YEAR BUDGET
ELECTRICITY	530	412	454	412	LEGAL	23	110	49	110
WASTE DISPOSAL	153	171	182	171	INFORMATION TECHNOLOGY	102	74	92	74
NATURAL GAS AND OIL	107	122	107	122	AUDIT	55	62	56	62
PROPANE	60	62	70	62	ALL OTHER- NET	17	75	21	75
WATER	<u>108</u>	<u>58</u>	<u>59</u>	<u>58</u>		<u>197</u>	<u>321</u>	<u>218</u>	<u>321</u>
	958	825	872	825					

KWH CONSUMPTION ANALYSIS BY BUSINESS UNIT



NOTE: PSNH INCREASED USAGE CHARGE FROM 7.1 CENTS/ KWH TO 9.5 CENTS/ KWH IN JANUARY 2013. PDA CURRENTLY HAS OUTSOURCED ACTIVITY AT A RATE OF 6.9 CENTS/ KWH FOR THE 15 MONTH PERIOD JULY 1, 2013 THROUGH SEPTEMBER 30, 2014. COMMENCING NOVEMBER 1, 2014 THE PDA HAS LOCKED INTO A FIXED RATE OF 9.7 CENTS/ KWH FOR A 26 MONTH PERIOD THROUGH NOVEMBER 2016.

CONSOLIDATED NONOPERATING (INCOME) EXPENSE FOR THE TWELVE MONTH PERIOD ENDING JUNE 30, 2015

(\$ 000's)

	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	PRIOR YEAR TO DATE DATE ACTUAL	CURRENT YEAR BUDGET	
INTEREST EXPENSE	130	99	136	99	
INTEREST INCOME AND OTHER	(4)	(7)	(2)	(7)	
(GAIN) / LOSS ON SALE OF ASSETS	(1)	-	(6)	-	
	<u>125</u>	<u>92</u>	<u>128</u>	<u>92</u>	

	YEAR TO DATE	FISCAL BUDGET
PROVIDENT BANK	99	68
CITY OF PORTSMOUTH	31	31
TOTAL	<u>130</u>	<u>99</u>

NOTE:
1. SEE PAGE #15 FOR FURTHER INFORMATION REGARDING THE PDA CURRENT DEBT STRUCTURE AND CURRENT INTEREST RATES.

CONSOLIDATED STATEMENT OF NET POSITION

(\$ 000's)

ASSETS	JUN 30		CASH AND INVESTMENTS AT JUNE 30, 2015	
	2015	2014	UNRESTRICTED	RESTRICTED
CURRENT ASSETS				
CASH AND INVESTMENTS	1,257	1,444		
ACCOUNTS RECEIVABLE- NET	1,420	2,035		
INVENTORIES	338	360	871	-
PREPAID INSURANCE	133	174	12	-
TOTAL CURRENT ASSETS	<u>3,148</u>	<u>4,013</u>	893	-
RESTRICTED ASSETS				
CASH AND INVESTMENTS	876	703		
ACCOUNTS RECEIVABLES	995	936	144	-
TOTAL RESTRICTED ASSETS	<u>1,871</u>	<u>1,639</u>	144	-
CAPITAL ASSETS				
LAND	7,521	7,499	56	-
CONSTRUCTION IN PROCESS (PAGES #10-#14)	11,046	7,261	-	449
OTHER CAPITAL ASSETS- NET	55,105	59,519	-	330
TOTAL CAPITAL ASSETS	<u>73,672</u>	<u>74,279</u>	-	779
TOTAL ASSETS	<u>78,691</u>	<u>79,931</u>	1,257	876
LIABILITIES				
ACCOUNTS PAYABLE AND ACCRUED EXPENSE	2,376	3,630		
UNEARNED REVENUE	477	544		
REVOLVING DEMAND NOTE	2,750	2,000		
LONG TERM LIABILITIES (PAGE #15)				
DUE WITHIN 1 YEAR	129	642		
DUE IN MORE THAN 1 YEAR	465	1,665		
TOTAL LIABILITIES	<u>6,197</u>	<u>8,481</u>	144	-
NET POSITION				
NET INVESTMENT IN CAPITAL ASSETS	70,275	69,972		
RESTRICTED FOR: REVOLVING LOAN FUND	1,153	1,136		
HARBOR DREDGING AND PIER MAINTENANCE	389	443		
FOREIGN TRADE ZONE	57	59		
UNRESTRICTED	620	(160)	121	-
TOTAL NET POSITION	<u>72,494</u>	<u>71,450</u>	1,257	876

SUMMARY OF INTERGOVERNMENTAL RECEIVABLES AS OF JUNE 30, 2015

(\$ 000's)

PROJECT NAME	APPROVAL DATE	TOTAL PROJECT	GRANT AWARD	EXPENDED TO DATE	PDA SHARE	RECEIVED TO DATE	BALANCE DUE PDA	AMOUNT SUBMITTED
TRADEPORT MULTI-USE PATH	11-20-08	802	642	1,170	(234)	618	318	312
TRADEPORT BUILDING DEMO AT 80 ROCHESTER	12-21-11	800	400	759	(380)	291	88	-
PSM NOISE EXPOSURE MAP UPDATE (FAA #52)	05-31-12	162	150	161	(12)	149	-	-
PSM PAVEMENT AND DRAINAGE RESTORATION (FAA #54)	07-03-12	105	97	99	(8)	91	-	-
PSM AIRPORT MARKING AND SIGNAGE (FAA #55)	08-28-12	448	414	422	(32)	346	44	-
PSM RUNWAY DEMAND LENGTH ANALYSIS	04-16-13	78	74	76	(4)	64	8	-
PSM ASR CONSTRUCTION PROJECT	04-16-13	3,461	3,288	1,682	(84)	1,494	104	100
PSM PAVEMENT AND DRAINAGE	11-06-13	1,310	1,244	1,105	(55)	987	63	58
PSM OBSTRUCTION REMOVAL / PERMITTING AND DESIGN		-	-	2	(2)	-	-	-
PSM RUNWAY 16-34 PRE-DESIGN		-	-	2	(2)	-	-	-
PSM OBSTRUCTION MITIGATION DESIGN (FAA #49)	05-23-11	318	318	279	-	245	34	-
SKYHAVEN RUNWAY 15-33 R,M,L & S (SBG 05-2012)	06-18-14	3,790	3,601	3,224	(146)	2,763	315	-
SKYHAVEN TAXILANE PAVEMENT AND DRAINAGE		-	-	11	(11)	-	-	-
SKYHAVEN RUNWAY DESIGN AND RECON (SBG 04-2012)	09-04-13	567	539	508	(25)	472	11	-
DPH RYE FLOATING DOCK REPLACEMENT				78	(76)	2	-	-
DPH FEMA CAMERA INSTALLATION AT NEWCASTLE PIER				25	4	-	21	21
DPH FACILITY SECURITY OFFICER TRAINING				15	-	-	15	15
DPH SEABROOK / HAMPTON DREDGING				1,651	(109)	1,537	35	-
DPH SOUTH ACCESS BRIDGE REPLACEMENT				384	-	384	-	-
DPH HAMPTON HARBOR PIER RENOVATIONS				1,599	(3)	1,513	83	83
DPH WATER QUALITY IMPROVEMENT- 555 MARKET STREET				1,923	(925)	998	-	-
DPH TIGER GRANT APPLICATION				3	-	-	3	3

SUMMARY OF CONSTRUCTION WORK IN PROGRESS AS OF JUNE 30, 2015

(\$ 000's)

PROJECT NAME	BALANCE AT 06-30-14	CURRENT YEAR EXPENDITURES	TRANSFER TO PLANT IN SERVICE	NET CURRENT YEAR CHANGE	BALANCE AT 06-30-15
PORTSMOUTH AIRPORT					
OBSTRUCTION MITIGATION DESIGN (FAA #49)	238	41	-	41	279
NOISE EXPOSURE MAP UPDATE (FAA #52)	148	13	161	(148)	-
PAVEMENT AND DRAINAGE RESTORATION (FAA #54)	-	2	2	-	-
RUNWAY DEMAND AND LENGTH ANALYSIS (SBG 1601)	70	6	-	6	76
ASR CONSTRUCTION PROJECT (SBG 1602)	1,089	593	-	593	1,682
AIRFIELD MARKING AND SIGNAGE (FAA #55)	8	14	10	4	12
PAVEMENT AND DRAINAGE RESTORATION (SBG 1603)	596	509	-	509	1,105
PSM OBSTRUCTION PERMITTING AND DESIGN	2	-	-	-	2
JFE RUNWAY 16-34 PRE-DESIGN	2	-	-	-	2
AIRPORT OPERATIONS SOFTWARE / SERVER	5	20	25	(5)	-
TSA FACILITIES PROJECT	55	3	58	(55)	-
2015 CHEVY K2500 PICK-UP TRUCK	-	41	41	-	-
PSM SIGN ENTRANCE	-	5	-	5	5
PSM TERMINAL BATHROOM RENOVATIONS	-	4	-	4	4
	2,213	1,251	297	954	3,167

SUMMARY OF CONSTRUCTION WORK IN PROGRESS AS OF JUNE 30, 2015

(CONTINUED):

(\$ 000's)

<u>PROJECT NAME</u>	BALANCE AT 06-30-14	CURRENT YEAR EXPENDITURES	TRANSFER TO PLANT IN SERVICE	NET CURRENT YEAR CHANGE	BALANCE 06-30-15
SKYHAVEN AIRPORT					
RUNWAY DESIGN AND RECONSTRUCTION (SBG 04-2012)	485	23	-	23	508
TAXILANE PAVEMENT AND DRAINAGE (SBG05-2012)	-	11	-	11	11
RUNWAY 15-33 RECONSTRUCT-MARKING AND SIGNAGE (SBG 05-2012)	-	<u>3,225</u>	-	<u>3,225</u>	<u>3,225</u>
	<u>485</u>	<u>3,259</u>	-	<u>3,259</u>	<u>3,744</u>
MAINTENANCE	-	-	-	-	-
ADMINISTRATION	-	-	-	-	-
COMPUTER SERVER UPGRADE	-	<u>62</u>	-	<u>62</u>	-

SUMMARY OF CONSTRUCTION WORK IN PROGRESS AS OF JUNE 30, 2015

(CONTINUED):

(\$ 000's)

PROJECT NAME	BALANCE AT 06-30-14	CURRENT YEAR EXPENDITURES	TRANSFER TO PLANT IN SERVICE	NET CURRENT YEAR CHANGE	BALANCE AT 06-30-15
GOLF COURSE					
COURSE IRRIGATION / DRAINAGE IMPROVEMENTS	1	10	11	(1)	-
PARKING LOT RENOVATIONS	18	2	20	(18)	-
CLUBHOUSE EXPANSION (DESIGN ONLY)	7	46	-	46	53
PATIO EXPANSION	13	15	28	(13)	-
SIMULATOR EQUIPMENT	-	7	7	-	-
TURBO 27 TOW BEHIND MOWER	-	7	7	-	-
2 H25 ALL WEATHER HD TELEVISIONS	-	7	7	-	-
DIGITAL DINING SOFTWARE	-	11	11	-	-
GOLF WEBSITE UPGRADE	-	6	-	6	6
GREEN MASTER MOWERS (2)	-	24	24	-	-
	<u>39</u>	<u>135</u>	<u>115</u>	<u>20</u>	<u>59</u>

SUMMARY OF CONSTRUCTION WORK IN PROGRESS AS OF JUNE 30, 2015

(CONTINUED):

(\$ 000's)

<u>PROJECT NAME</u>	BALANCE AT 06-30-14	CURRENT YEAR EXPENDITURES	TRANSFER TO PLANT IN SERVICE	NET CURRENT YEAR CHANGE	BALANCE AT 06-30-15
TRADEPORT					
MULTI-USE PATH	633	537	1,170	(633)	-
LAND IMPROVEMENT AND BUILDING DEMO (80 ROCHESTER)	6	4	10	(6)	-
ROUNDABOUT- BUILDING #90	8	-	-	-	8
ROOF RENOVATIONS- 55 INTERNATIONAL DRIVE	24	150	174	(24)	-
CORPORATE DRIVE RIGHT TURN LANE	-	2	2	-	-
	<u>671</u>	<u>693</u>	<u>1,356</u>	<u>(663)</u>	<u>8</u>

SUMMARY OF CONSTRUCTION WORK IN PROGRESS AS OF JUNE 30, 2015

(CONTINUED):

(\$ 000's)

<u>PROJECT NAME</u>	BALANCE AT 06-30-14	CURRENT YEAR EXPENDITURES	TRANSFER TO PLANT IN SERVICE	NET CURRENT YEAR CHANGE	BALANCE AT 06-30-15
DIVISION OF PORTS AND HARBORS					
WATER QUALITY IMPROVEMENT	1,870	53	-	53	1,923
HAMPTON HARBOR DESIGN AND RENOVATIONS	1,583	16	-	16	1,599
RYE FLOATING DOCK REPLACEMENT	15	1	-	1	16
SOUTH ACCESS BRIDGE REPLACEMENT	384	-	-	-	384
CAMERAS- NEWCASTLE PIER	-	25	-	25	25
MARKET STREET TRUCK SCALE REPLACEMENT	-	103	-	103	103
FACILITY SECURITY OFFICER TRAINING	-	15	-	15	15
TIGER GRANT APPLICATION	-	3	-	3	3
	<u>3,852</u>	<u>216</u>	<u>-</u>	<u>216</u>	<u>4,068</u>
TOTAL	<u>7,260</u>	<u>5,616</u>	<u>1,830</u>	<u>3,786</u>	<u>11,046</u>

LONG TERM LIABILITIES AS OF JUNE 30, 2015

(\$ 000's)

SCHEDULE OF DEBT SERVICE REPAYMENT

DEBT HOLDER / INTEREST RATE	CURRENT PORTION	LONG TERM PORTION	TOTAL AMOUNT DUE	FISCAL YEAR	THE PROVIDENT BANK @ 3.46%	THE PROVIDENT BANK @ 3.11%	CITY OF PORTS NH @ 4.50%	TOTAL DEBT
PROVIDENT BANK @ 3.46%	-	-	-	2015	209	291	116	616
PROVIDENT BANK @ 3.11%	-	-	-	2016	142	302	116	560
CITY OF PORTSMOUTH-WATER POLLUTION CONTROL NOTE @ 4.50%	116	465	581	2017	-	309	116	425
				2018	-	317	116	433
				2019	-	-	116	116
				2020	-	-	117	117
TENANT ADVANCES (LONZA)	13	-	13	PAID IN FY 2015	351	1,219	697	2,267
TOTAL	129	465	594		(351)	(1,219)	(116)	(1,686)
				TOTAL	=	=	=	581

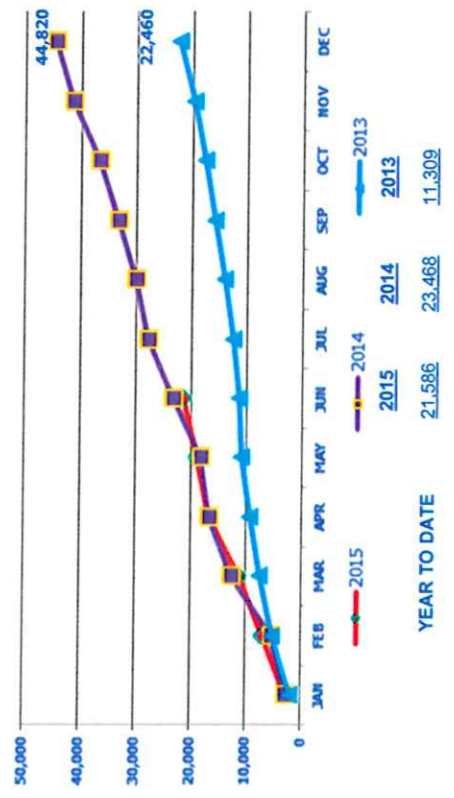
STATEMENT OF OPERATIONS FOR THE TWELVE MONTH PERIOD ENDING JUNE 30, 2015 PORTSMOUTH AIRPORT

(\$ 000's)

	YEAR TO DATE ACTUAL	PRIOR YEAR TO DATE ACTUAL	YEAR TO DATE ACTUAL	FISCAL YEAR BUDGET
OPERATING REVENUES	<u>904</u>	<u>903</u>	<u>1</u>	<u>865</u>
OPERATING EXPENSES				
PERSONNEL SERVICES AND BENEFITS	858	829	29	916
BUILDINGS AND FACILITIES MAINTENANCE	1,056	1,015	41	1,362
GENERAL AND ADMINISTRATIVE	174	177	(3)	180
UTILITIES	422	359	63	335
PROFESSIONAL SERVICES	-	-	-	-
MARKETING AND PROMOTION	16	17	(1)	23
ALL OTHER	-	-	-	-
OPERATING INCOME	<u>2,526</u>	<u>2,397</u>	<u>129</u>	<u>2,816</u>
NONOPERATING (INCOME) AND EXPENSE	<u>(1,622)</u>	<u>(1,494)</u>	<u>(128)</u>	<u>(1,951)</u>
DEPRECIATION AND AMORTIZATION	<u>3,846</u>	<u>3,825</u>	<u>21</u>	<u>4,060</u>
NET OPERATING INCOME	<u>(5,468)</u>	<u>(5,319)</u>	<u>(149)</u>	<u>(6,011)</u>

	YEAR TO DATE ACTUAL	PRIOR YEAR TO DATE ACTUAL	FISCAL YEAR BUDGET
OPERATING REVENUES			
FACILITIES RENT	538	554	560
CARGO AND HANGARS	154	134	154
CONCESSION REVENUES	14	6	4
FEE REVENUES	140	151	97
ALL OTHER	58	58	50
	<u>904</u>	<u>903</u>	<u>865</u>

ENPLANEMENT DATA



STATEMENT OF OPERATIONS FOR THE TWELVE MONTH PERIOD ENDING JUNE 30, 2015 SKYHAVEN AIRPORT

(\$ 000's)

	YEAR TO DATE ACTUAL	PRIOR YEAR DATE ACTUAL	YEAR TO DATE ACTUAL	FISCAL YEAR BUDGET	YEAR TO DATE ACTUAL	PRIOR YEAR DATE ACTUAL	YEAR TO DATE ACTUAL	FISCAL YEAR BUDGET
OPERATING REVENUES	211	269	(58)	262				
CARGO AND HANGARS	132	143		140				
FUEL SALES	78	125		120				
ALL OTHER	1	1		2				
	<u>211</u>	<u>269</u>		<u>262</u>				
OPERATING EXPENSES								
PERSONNEL SERVICES AND BENEFITS	50	47	3	39				
BUILDINGS AND FACILITIES MAINTENANCE	122	105	17	96				
GENERAL AND ADMINISTRATIVE	36	44	(8)	38				
UTILITIES	37	37	-	29				
PROFESSIONAL SERVICES	5	5	-	6				
MARKETING AND PROMOTION	-	-	-	-				
ALL OTHER- FUEL	70	97	(27)	90				
	<u>320</u>	<u>335</u>	<u>(15)</u>	<u>298</u>				
OPERATING INCOME	(109)	(66)	(43)	(36)				
NONOPERATING (INCOME) AND EXPENSE								
DEPRECIATION AND AMORTIZATION	232	250	18	275				
NET OPERATING INCOME	(341)	(316)	(25)	(311)				

(\$,000 \$)

	CURRENT MONTH	YEAR TO DATE	TOTAL YEAR	YTD AVE PRICE
GALLONS OF FUEL SOLD				
FY 2015	2,730	15,831	15,831	\$ 4.90
FY 2014	2,665	22,838	22,638	\$ 5.54

	OPERA	CAPITAL EXPEND	DEBT REPAY	GRANT FUNDS	TOTAL
NET CASH FLOW					
FY 2015	(109)	(3,259)	-	2,834	(534)
FY 2014	(68)	(557)	-	450	(175)
FY 2013	(81)	(106)	-	-	(187)
FY 2009-2012	(418)	(419)	(100)	318	(619)
	<u>(676)</u>	<u>(4,341)</u>	<u>(100)</u>	<u>3,602</u>	<u>(1,515)</u>

(\$ 000's)

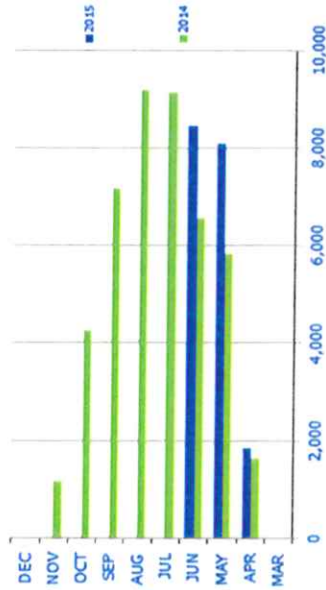
STATEMENT OF OPERATIONS FOR THE TWELVE MONTH PERIOD ENDING JUNE 30, 2015 TRADEPORT

(\$ 000's)

	YEAR TO DATE ACTUAL	PRIOR YEAR TO DATE ACTUAL	YEAR TO YEAR VARIANCE	FISCAL YEAR BUDGET
OPERATING REVENUES				
RENTAL OF FACILITIES	7,733	7,545	188	7,827
INTEREST INCOME ON LOANS	92	86	6	60
	<u>7,825</u>	<u>7,631</u>	<u>194</u>	<u>7,887</u>
OPERATING EXPENSES				
PERSONNEL SERVICES AND BENEFITS	-	-	-	-
BUILDINGS AND FACILITIES MAINTENANCE	334	343	(9)	364
GENERAL AND ADMINISTRATIVE	51	528	(477)	64
UTILITIES	154	168	(14)	175
PROFESSIONAL SERVICES	-	9	(9)	10
MARKETING AND PROMOTION	-	20	(20)	20
ALL OTHER	84	94	(10)	120
	<u>623</u>	<u>1,162</u>	<u>(539)</u>	<u>753</u>
OPERATING INCOME	7,202	6,469	733	7,134
NONOPERATING (INCOME) AND EXPENSE	(1)	(3)	2	(3)
DEPRECIATION AND AMORTIZATION	1,006	958	48	1,017
NET OPERATING INCOME	<u>6,197</u>	<u>5,514</u>	<u>683</u>	<u>6,120</u>

KEY GOLF COURSE BENCHMARKING DATA AS OF JUNE 30, 2015

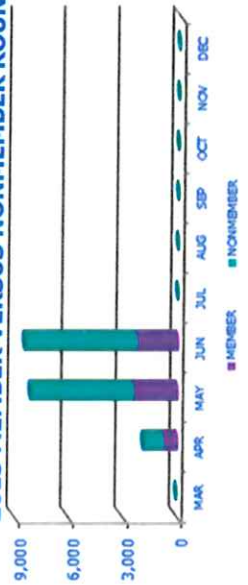
ROUNDS OF GOLF PLAYED



	2012	2013	2014	2015
SEASON	51,001	32,728	44,942	9,926
SEASON (YTD)				9,926

ROUNDS PLAYED	51,001	32,728	44,942	9,926
RAIN DAYS	48	49	58	21

2015 MEMBER VERSUS NONMEMBER ROUNDS



2015 YTD ROUNDS

MEMBER	5,663
NONMEMBER	12,710
TOTAL	18,373

2014 YTD ROUNDS

MEMBER	5,612
NONMEMBER	8,416
TOTAL	14,028

	FY 2015	FY 2014
GOLF SIMULATOR REVENUES	\$ -	\$ 285
JULY	\$ -	\$ 285
AUGUST	-	35
SEPTEMBER	-	20
OCTOBER	2,102	1,883
NOVEMBER	12,929	12,839
DECEMBER	16,600	17,141
JANUARY	25,580	24,680
FEBRUARY	21,984	23,438
MARCH	25,425	26,047
APRIL	13,439	8,206
MAY	-	196
JUNE	927	240
	\$ 118,986	\$ 115,010

	FY 2015	FY 2014
BAR AND GRILL GROSS SALES	\$ 164,577	\$ 134,339
JULY	\$ 164,577	\$ 134,339
AUGUST	168,895	126,688
SEPTEMBER	157,632	106,735
OCTOBER	113,012	84,490
NOVEMBER	72,858	67,358
DECEMBER	95,487	68,224
JANUARY	71,415	61,398
FEBRUARY	67,945	59,814
MARCH	84,329	68,207
APRIL	97,307	86,823
MAY	160,133	124,765
JUNE	169,876	123,880
	\$ 1,423,466	\$ 1,112,721

CLUB/ COURSE FUNCTIONS	FY 2012 ACTUAL	FY 2013 ACTUAL	2014 YTD
GROUPS 12-40	\$ 22,271	\$ 10,020	\$ 41,222
TOURNAMENT PLAY	135,225	109,210	172,152
LEAGUES	101,517	112,420	114,398
FOOD AND ROOM FEES	117,013	152,389	230,824

STATEMENT OF OPERATIONS FOR THE TWELVE MONTH PERIOD ENDING JUNE 30, 2015 PORT AUTHORITY OF NEW HAMPSHIRE (UNRESTRICTED)

(\$ 000's)

	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	PRIOR YEAR TO DATE ACTUAL	YEAR TO YEAR VARIANCE	FISCAL YEAR BUDGET	OPERATING REVENUES	YEAR TO DATE ACTUAL	YEAR TO DATE BUD	PRIOR YEAR TO DATE ACTUAL	YEAR TO YEAR VARIANCE	FISCAL YEAR BUDGET
OPERATING REVENUES	<u>2,572</u>	<u>2,816</u>	<u>2,605</u>	<u>(33)</u>	<u>2,816</u>	FACILITY RENTALS	601	538	444	157	538
OPERATING EXPENSES						CONCESSION REVENUE	9	5	2	7	5
PERSONNEL SERVICES AND BENEFITS	1,344	1,311	1,159	185	1,311	FEE REVENUE					
BUILDINGS AND FAC AND MAINTENANCE	225	272	373	(148)	272	MOORING FEES	333	350	344	(11)	350
GENERAL AND ADMINISTRATIVE	104	119	118	(14)	119	PARKING	126	150	145	(19)	150
UTILITIES	154	166	173	(19)	166	REGISTRATIONS	151	165	194	(43)	165
PROFESSIONAL SERVICES	16	18	17	(1)	18	WHARF / DOCK	<u>385</u>	<u>190</u>	<u>344</u>	<u>41</u>	<u>190</u>
MARKETING AND PROMOTION	2	2	3	(1)	2	FUEL SALES	<u>995</u>	<u>855</u>	<u>1,027</u>	<u>(32)</u>	<u>855</u>
ALL OTHER - FUEL	727	888	803	(76)	888	ALL OTHER	827	965	855	(28)	965
	<u>2,572</u>	<u>2,776</u>	<u>2,646</u>	<u>(74)</u>	<u>2,776</u>	TOTAL	<u>2,572</u>	<u>2,816</u>	<u>2,605</u>	<u>(33)</u>	<u>2,816</u>
OPERATING INCOME	-	40	(41)	41	40	BUSINESS UNIT ANALYSIS					
NONOPERATING (INCOME) AND EXPENSE	(1)	-	(1)	-	-	HAMPTON HARBOR	217	292	538	1,023	484
DEPRECIATION AND AMORTIZATION	603	550	541	62	550	RYE HARBOR	256	256	564	678	438
NET OP INCOME	<u>(602)</u>	<u>(510)</u>	<u>(581)</u>	<u>(21)</u>	<u>(510)</u>	MARKET STREET	<u>(90)</u>	<u>36</u>	<u>(26)</u>	<u>345</u>	<u>46</u>
						ADMIN					<u>(311)</u>

STATEMENT OF OPERATIONS FOR THE TWELVE MONTH PERIOD ENDING JUNE 30, 2015 PORT AUTHORITY OF NEW HAMPSHIRE (RESTRICTED)

	YEAR TO DATE ACTUAL	PRIOR YEAR TO DATE ACTUAL	YEAR TO YEAR VARIANCE	FISCAL YEAR BUDGET	FOREIGN TRADE ZONE	YEAR TO DATE ACTUAL	PRIOR YEAR TO DATE ACTUAL	YEAR TO YEAR VARIANCE	FISCAL YEAR BUDGET
HARBOR DREDGING									
OPERATING REVENUES	114	125	(11)	122		9	5	4	15
OPERATING EXPENSES									
PERSONNEL SERVICES AND BENEFITS	-	-	-	-					-
BUILDINGS AND FACILITIES MAINTENANCE	21	349	(328)	-					-
GENERAL AND ADMINISTRATIVE	-	-	-	-		2	1	1	1
UTILITIES	-	-	-	(5)					-
PROFESSIONAL SERVICES	-	-	-	-					-
MARKETING AND PROMOTION	-	-	-	-		10	7	3	9
ALL OTHER	-	-	-	-					-
OPERATING INCOME	21	349	(328)	(5)		12	8	4	10
NONOPERATING (INCOME) AND EXPENSE	93	(224)	317	127		(3)	(3)	-	5
DEPRECIATION AND AMORTIZATION	13	13	-	13					-
NET OPERATING INCOME	80	(237)	317	114		(3)	(3)	-	5

(\$ 000's)

STATEMENT OF OPERATIONS FOR THE TWELVE MONTH PERIOD ENDING JUNE 30, 2015 PORT AUTHORITY OF NEW HAMPSHIRE (RESTRICTED)

(CONTINUED)

(\$ 000's)

	YEAR TO DATE ACTUAL	PRIOR YEAR TO DATE ACTUAL	YEAR TO YEAR VARIANCE	FISCAL YEAR BUDGET
REVOLVING LOAN FUND				
OPERATING REVENUES	<u>37</u>	<u>39</u>	<u>(2)</u>	<u>39</u>
OPERATING EXPENSES				
PERSONNEL SERVICES AND BENEFITS	-	-	-	-
BUILDINGS AND FACILITIES MAINTENANCE	-	-	-	-
GENERAL AND ADMINISTRATIVE	3	-	3	-
UTILITIES	-	-	-	-
PROFESSIONAL SERVICES	17	21	(4)	25
MARKETING AND PROMOTION	-	-	-	-
ALL OTHER	-	-	-	-
OPERATING INCOME	<u>20</u>	<u>21</u>	<u>(1)</u>	<u>25</u>
NONOPERATING (INCOME) AND EXPENSE	17	18	(1)	14
DEPRECIATION AND AMORTIZATION	-	-	-	-
NET OPERATING INCOME	<u>17</u>	<u>18</u>	<u>(1)</u>	<u>14</u>

	BALANCE AT 06-30-2015	BALANCE AT 06-30-2014	BALANCE AT 06-30-2013
REVOLVING LOAN FUND RECONCILIATION			
CASH BALANCES			
GENERAL FUNDS	330	158	154
RESTRICTED FUNDS	43	43	43
LOANS OUTSTANDING	<u>373</u>	<u>201</u>	<u>197</u>
CURRENT LONG TERM	115 666	126 809	107 814
	<u>781</u>	<u>935</u>	<u>921</u>
	<u>1,154</u>	<u>1,136</u>	<u>1,118</u>
CAPITAL UTILIZATION RATE- %	<u>67.7</u>	<u>82.3</u>	<u>82.4</u>
FUND DEFICIENCY- %	<u>(7.3)</u>	<u>-</u>	<u>-</u>

PEASE DEVELOPMENT AUTHORITY STATEMENT OF NET POSITION

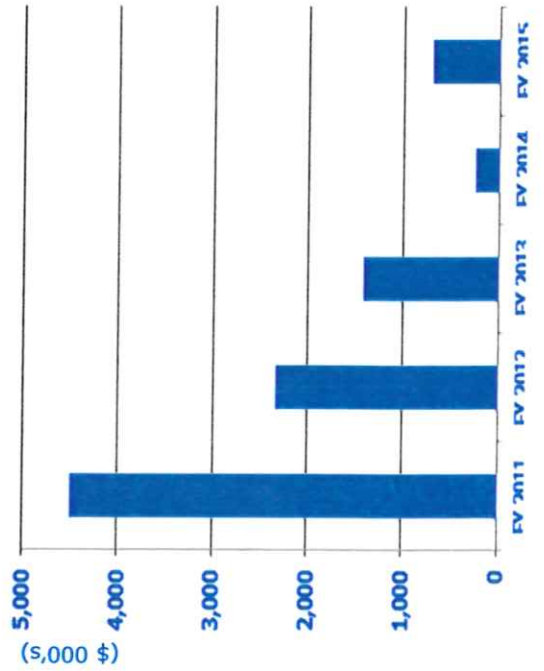
(EXCLUDING PORT AUTHORITY OF NEW HAMPSHIRE)

(\$ 000's)

DISCUSSION AND ANALYSIS

- CONTINUED FINANCIAL OBLIGATION TO SUPPORT NONGRANT RELATED CAPITAL PROJECTS AND DEBT REPAYMENT.
- REVENUE ESCALATION / CPI HAS BEEN EXCEEDED BY COST ESCALATION RELATIVE TO LABOR AND FRINGE BENEFITS.

NET UNRESTRICTED POSITION



	JUN 30 2015	JUN 30 2014
ASSETS		
<u>CURRENT ASSETS</u>		
CASH AND INVESTMENTS	967	1,031
ACCOUNTS RECEIVABLE- NET	1,197	1,757
INVENTORIES	286	272
PREPAID INSURANCE	<u>125</u>	<u>160</u>
TOTAL CURRENT ASSETS	2,575	3,220
<u>RESTRICTED ASSETS</u>		
CASH AND INVESTMENTS	-	-
ACCOUNTS RECEIVABLES	-	-
TOTAL RESTRICTED ASSETS	=	=
<u>CAPITAL ASSETS</u>		
LAND	7,144	7,122
CONSTRUCTION IN PROCESS	6,977	3,410
OTHER CAPITAL ASSETS- NET	<u>47,368</u>	<u>51,166</u>
TOTAL CAPITAL ASSETS	61,489	61,698
TOTAL ASSETS	64,064	64,918
LIABILITIES		
ACCOUNTS PAYABLE AND ACCRUED EXPENSE	1,647	2,682
UNEARNED REVENUE	230	290
REVOLVING DEMAND NOTE	2,750	2,000
LONG TERM LIABILITIES		
DUE WITHIN 1 YEAR	129	642
DUE IN MORE THAN 1 YEAR	465	1,665
TOTAL LIABILITIES	5,221	7,279
<u>NET POSITION</u>		
NET INVESTMENT IN CAPITAL ASSETS	58,092	57,391
RESTRICTED FOR: REVOLVING LOAN FUND	-	-
HARBOR DREDGING AND PIER MAINTENANCE	-	-
FOREIGN TRADE ZONE	-	-
UNRESTRICTED	751	248
TOTAL NET POSITION	58,843	57,639

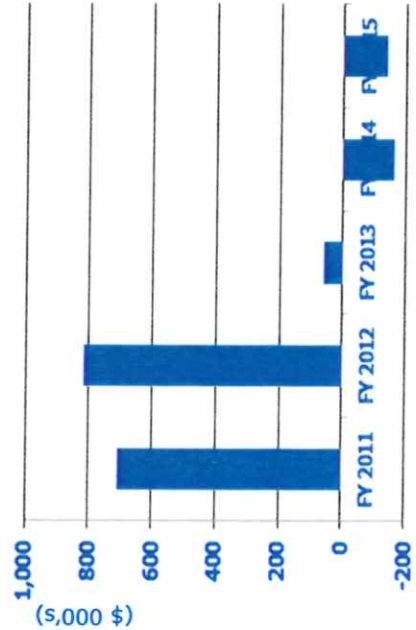
PORT AUTHORITY OF NEW HAMPSHIRE STATEMENT OF NET POSITION- UNRESTRICTED FUNDS

(\$ 000's)

DISCUSSION AND ANALYSIS

- CONTINUED FINANCIAL OBLIGATION TO SUPPORT UNREIMBURSED CAPITAL PROJECTS HAS DETERIORATED FINANCIAL STRUCTURE AND MAY REQUIRE REDUCTION IN SERVICES.
- \$ 1.9 MILLION IN STORM WATER MANAGEMENT SYSTEM MODIFICATION AND IMPROVEMENT PROJECT COSTS IN PAST THREE FISCAL YEARS. THE PIER EXPANSION FUND HAS PROVIDED \$1.0 MILLION IN MONIES WHILE \$0.9 MILLION HAS BEEN ABSORBED BY UNRESTRICTED FUND BALANCES.

NET UNRESTRICTED POSITION



	JUN 30 2015	JUN 30 2014
ASSETS		
<u>CURRENT ASSETS</u>		
CASH AND INVESTMENTS	290	413
ACCOUNTS RECEIVABLE- NET	223	271
INVENTORIES (FUEL)	52	88
PREPAID INSURANCE	8	14
TOTAL CURRENT ASSETS	<u>573</u>	<u>786</u>
<u>CAPITAL ASSETS</u>		
LAND	377	377
CONSTRUCTION IN PROCESS	3,582	3,450
OTHER CAPITAL ASSETS- NET	7,538	8,141
TOTAL CAPITAL ASSETS	<u>11,497</u>	<u>11,968</u>
TOTAL ASSETS	<u>12,070</u>	<u>12,754</u>
LIABILITIES		
ACCOUNTS PAYABLE AND ACCRUED EXPENSE	464	694
UNEARNED REVENUE	247	254
TOTAL LIABILITIES	<u>711</u>	<u>948</u>
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	11,497	11,968
RESTRICTED FOR:		
UNRESTRICTED	(138)	(162)
TOTAL NET POSITION	<u>11,359</u>	<u>11,806</u>

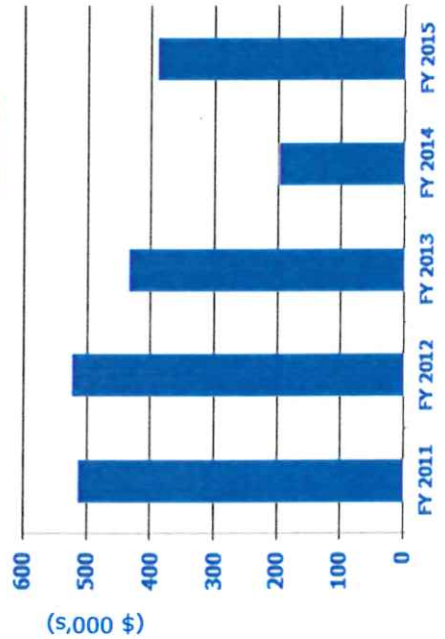
PORT AUTHORITY OF NEW HAMPSHIRE STATEMENT OF NET POSITION- HARBOR DREDGING

(\$ 000's)

DISCUSSION AND ANALYSIS

- CONTINUED FINANCIAL OBLIGATION TO SUPPORT UNREIMBURSED CAPITAL PROJECTS FOR PORT OPERATIONS.
- - FY 2011- HAMPTON HARBOR \$140
 - FY 2012- SEABROOK / HAMPTON \$200
 - FY 2013- TURNING BASIN \$90
 - FY 2014- TURNING BASIN \$98
 - FY 2015
 - GROUND TRUCK SCALE \$120
 - GENERAL PIER REPAIRS \$50
 - SEABROOK / HAMPTON \$13

NET RESTRICTED POSITION



	JUN 30 2015	JUN 30 2014
ASSETS		
<u>RESTRICTED ASSETS</u>		
CASH AND INVESTMENTS	449	443
ACCOUNTS RECEIVABLES	204	7
TOTAL RESTRICTED ASSETS	653	450
<u>CAPITAL ASSETS</u>		
LAND	-	-
CONSTRUCTION IN PROCESS	487	401
OTHER CAPITAL ASSETS- NET	199	212
TOTAL CAPITAL ASSETS	686	613
TOTAL ASSETS	1,339	1,063
LIABILITIES		
ACCOUNTS PAYABLE AND ACCRUED EXPENSE	264	253
TOTAL LIABILITIES	264	253
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	686	613
RESTRICTED FOR:		
HARBOR DREDGING AND PIER MAINTENANCE	389	197
TOTAL NET POSITION	1,075	810

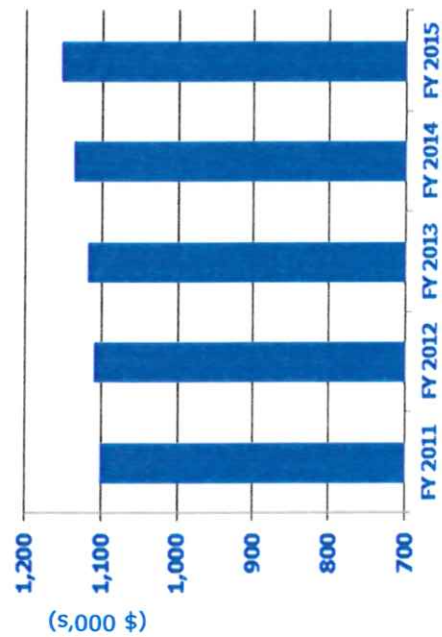
PORT AUTHORITY OF NEW HAMPSHIRE STATEMENT OF NET POSITION- REVOLVING LOAN FUND

(\$ 000's)

DISCUSSION AND ANALYSIS

- STEADY STATE WITH NO INDICATION OF ANY FINANCIAL CHALLENGES RELATIVE TO THE FUND BALANCE.
- CURRENT ECONOMIC ENVIRONMENT DOES HOWEVER CHALLENGE THE DEMAND FOR FUTURE LOANS.

NET RESTRICTED POSITION



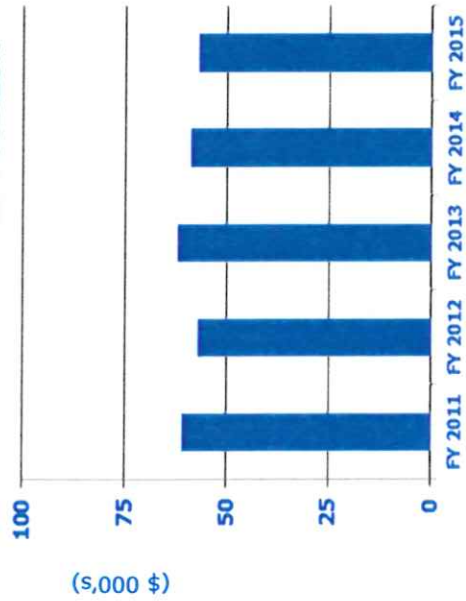
<u>ASSETS</u>	JUN 30 2015	JUN 30 2014	<u>LIABILITIES</u>	JUN 30 2015	JUN 30 2014
<u>RESTRICTED ASSETS</u>			ACCOUNTS PAYABLE AND ACCRUED EXPENSE	1	1
CASH AND INVESTMENTS	373	201	TOTAL LIABILITIES	<u>1</u>	<u>1</u>
ACCOUNTS RECEIVABLES	<u>781</u>	<u>936</u>	<u>NET POSITION</u>		
TOTAL RESTRICTED ASSETS	<u>1,154</u>	<u>1,137</u>	NET INVESTMENT IN CAPITAL ASSETS	-	-
			RESTRICTED FOR: REVOLVING LOAN FUND	1,153	1,136
TOTAL ASSETS	1,154	1,137	TOTAL NET POSITION	1,153	1,136

PORT AUTHORITY OF NEW HAMPSHIRE STATEMENT OF NET POSITION- FOREIGN TRADE ZONE

(\$ 000's)

- **DISCUSSION AND ANALYSIS**
- STEADY STATE WITH NO INDICATION OF FINANCIAL CHALLENGES.
- CURRENT WESTINGHOUSE RECEIVABLE DELINQUENT BY GREATER THAN 90 DAYS.

NET RESTRICTED POSITION



	JUN 30 2015	JUN 30 2014	JUN 30 2015	JUN 30 2014
ASSETS				
<u>RESTRICTED ASSETS</u>				
CASH AND INVESTMENTS	54	59		
ACCOUNTS RECEIVABLES	10	-		
TOTAL RESTRICTED ASSETS	64	59		
<u>CAPITAL ASSETS</u>				
LAND	-	-		
CONSTRUCTION IN PROCESS	-	-		
OTHER CAPITAL ASSETS- NET	-	-		
TOTAL CAPITAL ASSETS	-	-		
TOTAL ASSETS	64	59		
LIABILITIES				
ACCOUNTS PAYABLE AND ACCRUED EXPENSE	7	-		
UNEARNED REVENUE	-	-		
	Z	-		
TOTAL LIABILITIES	-	-		
<u>NET POSITION</u>				
NET INVESTMENT IN CAPITAL ASSETS	-	-		
RESTRICTED FOR:				
FOREIGN TRADE ZONE	57	59		
TOTAL NET POSITION	57	59		

CASH FLOW PROJECTIONS FOR THE NINE MONTH PERIOD ENDING APRIL 30, 2016

(EXCLUDING THE DIVISION OF PORTS AND HARBORS)



**BOARD OF DIRECTORS MEETING
AUGUST 13, 2015**

PEASE DEVELOPMENT AUTHORITY CASH FLOW SUMMARY OVERVIEW AUGUST 1, 2015 TO APRIL 30, 2016

(\$ 000's)

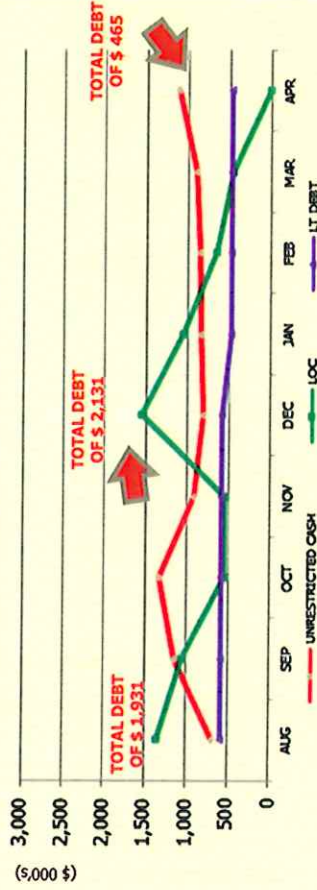
	AMOUNT
OPENING FUND BALANCE	<u>601</u>
SOURCES OF FUNDS	
TRADEPORT RELATED BILLINGS	6,460
FEDERAL / STATE GRANT AWARDS	2,298
GOLF COURSE FEE AND CONCESSION REVENUES	1,040
PORTSMOUTH AIRPORT	420
SKYHAVEN AIRPORT HANGAR AND FUEL REVENUES	161
MUNICIPAL SERVICE FEE (COP)- NET	1,174
EXTERNAL BANK WORKING CAPITAL- NET	<u>(1,750)</u>
	<u>9,803</u>
USES OF FUNDS	
EMPLOYEE WAGES AND BENEFITS	(3,800)
CAPITAL EXPENDITURES- NON GRANT RELATED	(1,897)
CAPITAL EXPENDITURES- GRANT RELATED	(2,233)
OPERATING EXPENSES	(1,235)
LONG TERM DEBT RETIREMENT	(116)
	<u>(9,281)</u>
NET CASH FLOW	<u>522</u>
CLOSING FUND BALANCE	<u>1,123</u>

DISCUSSION

THE PDA WILL CONTINUE TO NEED TO FURTHER UTILIZE IT'S SHORT TERM LINE OF CREDIT WITH THE PROVIDENT BANK TO PRIMARILY FINANCE PROJECTED GRANT RELATED CAPITAL EXPENDITURES.

CURRENT SENSITIVITIES TOWARD FUTURE PROJECTIONS INCLUDE 1) RECEIPT OF FEDERAL / STATE GRANT AWARDS, 2) ACCURACY OF CAPITAL EXPENDITURE FORECAST AND 3) TRADEPORT REVENUE STREAMS .

PROJECTED CASH AND DEBT BALANCES



TOTAL FUND BALANCES	BALANCE AT 08-01-2015	BALANCE AT 06-30-2015
PDA UNRESTRICTED	601	871
PDA DESIGNATED	65	65
DPH UNRESTRICTED	273	200
DPH DESIGNATED	121	121
DPH RESTRICTED	868	876
TOTAL	1,928	2,133

PEASE DEVELOPMENT AUTHORITY STATEMENT OF CASH FLOW AUGUST 1, 2015 TO APRIL 30, 2016

(\$ 000's)

	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	TOTAL
OPENING FUND BALANCE	601	689	1,146	1,338	912	811	845	860	903	601
SOURCES OF FUNDS										
GRANT AWARDS (SEE PAGE #8)	169	312	790	55	260	510	105	-	97	2,298
TRADEPORT RELATED BILLINGS	700	735	715	725	700	700	725	725	735	6,460
MUNICIPAL SERVICE FEE (COP)	205	208	355	205	208	355	205	208	355	2,304
GOLF COURSE	240	215	175	175	50	35	35	40	75	1,040
PORTSMOUTH AIRPORT	45	45	50	45	45	50	45	45	50	420
SKYHAVEN AIRPORT	22	22	20	18	16	15	15	15	18	161
WORKING CAPITAL RLOC- NET	(400)	(300)	(500)	-	1,000	(500)	(400)	(200)	(450)	(1,750)
	<u>981</u>	<u>1,237</u>	<u>1,605</u>	<u>1,223</u>	<u>2,279</u>	<u>1,165</u>	<u>730</u>	<u>833</u>	<u>880</u>	<u>10,933</u>
USE OF FUNDS										
EMPLOYEE WAGES AND BENEFITS	415	405	475	405	410	415	420	435	420	3,800
CAPITAL- NONGRANT (SEE PAGES #5-#7)	20	170	478	339	250	350	50	150	90	1,897
CAPITAL- GRANT RELATED (SEE PAGE #4)	348	90	340	795	275	125	140	90	30	2,233
OPERATING EXPENSES	110	115	120	110	315	125	105	115	120	1,235
MUNICIPAL SERVICE FEE (COP)	-	-	-	-	1,130	-	-	-	-	1,130
LONG TERM DEBT RETIREMENT (SEE PAGES #9-#10)	-	-	-	-	-	116	-	-	-	116
	<u>893</u>	<u>780</u>	<u>1,413</u>	<u>1,649</u>	<u>2,380</u>	<u>1,131</u>	<u>715</u>	<u>790</u>	<u>660</u>	<u>10,411</u>
NET CASH FLOW	88	457	192	(426)	(101)	34	15	43	220	522
CLOSING FUND BALANCE	689	1,146	1,338	912	811	845	860	903	1,123	1,123

PEASE DEVELOPMENT AUTHORITY PROJECTED CAPITAL EXPENDITURES AUGUST 1, 2015 TO APRIL 30, 2016

(\$ 000's)

	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	TOTAL
GRANT REIMBURSEMENT										
PORTSMOUTH AIRPORT										
OBSTRUCTION MITIGATION- PHASE II	30	30	50	30	30	50	50	50	-	320
SNOW REMOVAL EQUIPMENT **	-	15	-	465	-	-	-	-	-	480
IDENTIFICATION MANAGEMENT SYSTEM**	40	35	30	30	25	50	50	-	-	260
ASR CONSTRUCTION (SBG 1602)	-	-	-	-	-	-	-	-	-	-
PAVEMENT AND DRAINAGE (SBG 1603)	-	-	-	-	-	-	-	-	-	-
SKYHAVEN AIRPORT										
RUNWAY CONSTRUCTION	278	-	150	250	200	-	-	-	-	878
TAXILANE PAVEMENTS (DESIGN) **	-	10	15	20	20	25	40	40	30	200
TRADEPORT										
MULTI USE PATH (GRAFTON DRIVE SECTION ONLY)	-	-	-	-	-	-	-	-	-	-
MULTI USE PATH (ROUTE #33)	-	-	95	-	-	-	-	-	-	95
TOTAL GRANT	348	90	340	795	275	125	140	90	30	2,233

NOTE:
** PENDING BOARD APPROVAL

PEASE DEVELOPMENT AUTHORITY PROJECTED CAPITAL EXPENDITURES AUGUST 1, 2015 TO APRIL 30, 2016

(\$ 000's)

(CONTINUED):

	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	TOTAL
<u>NONGRANT REIMBURSEMENT</u>										
TRADEPORT										
TERMINAL SIGN GUIDES (ROADWAYS) **	-	-	-	-	25	50	-	-	-	75
AIRPORT HIGHWAY SIGNAGE **	-	-	25	75	-	-	-	-	-	100
AIRPORT ENTRANCE SIGN- EXETER STREET**	-	-	-	-	-	-	-	-	-	-
STORM WATER TREATMENT **	-	50	-	-	-	-	-	-	-	50
NORTH ENTRANCE WELCOME SIGN **	-	-	-	-	-	-	-	-	-	-
BUILDING DEM- 53 DURHAM **	-	-	-	-	50	-	-	-	-	50
UNDERGROUND STREET LIGHTING **	-	25	75	-	-	-	-	-	-	100
SIDEWALKS- PEDESTRIAN FACILITIES**	-	-	50	25	-	-	-	-	-	75
DRAINAGE DITCHES **	-	20	-	-	-	-	-	-	-	20
SURFACE TRANSPORTATION PLAN **	-	-	-	25	-	-	-	-	-	25
WASTE WATER TREATMENT PLANT STUDY	=	=	=	=	=	=	=	=	=	=
	=	95	150	125	75	50	=	=	=	495

NOTE:
** PENDING BOARD APPROVAL

PEASE DEVELOPMENT AUTHORITY PROJECTED CAPITAL EXPENDITURES AUGUST 1, 2015 TO APRIL 30, 2016

(\$ 000's)

(CONTINUED):

	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	TOTAL
<u>NONGRANT REIMBURSEMENT</u>										
SKYHAVEN AIRPORT										
HANGAR I RENOVATIONS (DESIGN) **	=	=	=	=	=	=	=	=	=	=
ADMINISTRATION										
COMPUTERS / PRINTERS / SOFTWARE / SERVERS / TELECOMMUNICATIONS **	=	=	20	=	=	=	=	60	=	80
GOLF COURSE										
KITCHEN MODIFICATIONS **	-	-	-	50	125	50	-	-	-	225
TRACTOR **	-	35	-	-	-	-	-	-	-	35
FUEL TANK PAD **	-	-	50	-	-	-	-	-	-	50
CLUBHOUSE FACILITY EXPANSION	-	-	-	-	-	-	-	-	-	-
SWEEPER / VACUUM	-	25	-	-	-	-	-	-	-	25
	=	60	50	50	125	50	=	=	=	335

NOTE:
** PENDING BOARD APPROVAL

PEASE DEVELOPMENT AUTHORITY PROJECTED CAPITAL EXPENDITURES AUGUST 1, 2015 TO APRIL 30, 2016

(\$ 000's)

(CONTINUED):

NONGRANT REIMBURSEMENT (CONTINUED):	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	TOTAL
PORTSMOUTH AIRPORT										
BATHROOM RENOVATIONS **	20	15	100	45	-	-	-	-	-	180
AIRFIELD RUNWAY RELAMPING (LEED) **	-	-	78	-	-	-	-	-	-	78
ROOF REPLACEMENT TERMINAL BUILDING **	-	-	-	-	50	200	50	-	-	300
REROOFING OF HUT # 7 AND #8 **	-	-	50	-	-	-	-	-	-	50
SECURITY ACCESS SYSTEM REPLACEMENT**	-	-	-	50	-	-	-	-	-	50
NEW SECURITY DOORS- P1**	-	-	-	10	-	-	-	-	-	10
	<u>20</u>	<u>15</u>	<u>228</u>	<u>105</u>	<u>50</u>	<u>200</u>	<u>50</u>	<u>=</u>	<u>=</u>	<u>668</u>
MAINTENANCE										
HVAC SYSTEM UPGRADE- 7 LEE STREET **	-	-	15	-	-	-	-	40	-	55
VEHICLE FLEET- DUMP BODY **	-	-	-	30	-	-	-	-	-	30
OVERHEAD DOOR- INCINERATOR PLANT **	-	-	-	7	-	-	-	-	-	7
LOADER PLOW- ARTIC **	-	-	-	22	-	-	-	-	-	22
FORKLIFT REPLACEMENT **	-	-	15	-	-	-	-	-	-	15
BUILDING INFRASTRUCTURE **	-	-	-	-	-	-	-	50	-	50
75 ROCHESTER- FIRE ALARM **	-	-	-	-	-	-	-	-	90	90
SIDEWALK PLOW / SWEEPER**	-	-	-	-	-	-	-	-	-	-
VEHICLE FLEET REPLACEMENT **	-	-	-	-	-	50	-	-	-	50
	-	-	30	59	-	50	-	90	-	319
TOTAL NONGRANT	<u>20</u>	<u>170</u>	<u>478</u>	<u>339</u>	<u>250</u>	<u>350</u>	<u>50</u>	<u>150</u>	<u>90</u>	<u>1,897</u>

NOTE:
** PENDING BOARD APPROVAL

PEASE DEVELOPMENT AUTHORITY PROJECTED RECEIPT GRANT AWARDS AUGUST 1, 2015 TO APRIL 30, 2016

(\$ 000's)

	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	TOTAL
PORTSMOUTH AIRPORT										
OBSTRUCTION MITIGATION- PHASE I	-	-	45	-	-	-	-	-	-	45
OBSTRUCTION MITIGATION- PHASE II	-	-	-	55	-	-	105	-	-	160
SNOW REMOVAL EQUIPMENT **	-	-	-	-	-	455	-	-	-	455
IDENTIFICATION MANAGEMENT SYSTEM**	-	-	95	-	-	55	-	-	97	247
ASR CONSTRUCTION (SBG 1602)	100	-	-	-	-	-	-	-	-	100
PAVEMENT AND DRAINAGE (SBG 1603)	58	-	-	-	-	-	-	-	-	58
SKYHAVEN AIRPORT										
RUNWAY REHAB DESIGN AND RECON	11	-	-	-	-	-	-	-	-	11
RUNWAY CONSTRUCTION	-	-	650	-	175	-	-	-	-	825
TRADEPORT										
MULTI USE PATH (GRAFTON DRIVE SECTION ONLY)	-	312	-	-	-	-	-	-	-	312
MULTI USE PATH (ROUTE #33)	=	=	=	=	85	=	=	=	=	85
TOTAL GRANT	169	312	790	55	260	510	105	=	97	2,298

PEASE DEVELOPMENT AUTHORITY

SCHEDULED OF LONG TERM DEBT RETIREMENT
AUGUST 1, 2015 TO APRIL 30, 2016

(PRINCIPAL + INTEREST)

(\$ 000's)

	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>TOTAL</u>
CITY OF PORTSMOUTH- WASTE WATER TREATMENT PLANT	-	-	-	-	-	116	-	-	-	116
	=	=	=	=	=	<u>116</u>	=	=	=	<u>116</u>

MOTION

Director Lamson:

The Pease Development Authority Board of Directors hereby authorizes the Executive Director to execute an extension to the Right of Entry with Georgia-Pacific Gypsum, LLC consistent with the FAA letters of approval dated April 8 and July 21, 2015 (attached) for use of a portion of the North Apron to store trailers. The Right of Entry shall be extended for a period of six (6) months beginning October 5, 2015 through April 5, 2016 on the same terms and conditions set forth in the Right of Entry dated March 31, 2015 attached hereto.

N:\RESOLVES\GeorgiaPacificExt0815.wpd



U.S. Department
of Transportation
**Federal Aviation
Administration**

Federal Aviation Administration
New England Region

12 New England Executive Park
Burlington, MA 01803

July 21, 2015

Mr. Kim W. Hopper, A.A.E.
Airport Manager
Pease International Development Authority
55 International Drive
Portsmouth, NH 03801

Dear Mr. Hopper:

We have received your email request dated July 10, 2015 to request a six (6) month extension for Georgia Pacific's continued use of the North Apron, which is designated for aviation use. The Federal Aviation Administration (FAA) New England Region gave approval for Georgia Pacific to use a portion of the North Apron for a staging area for trucks during emergency repairs to their facility in letter dated April 8, 2015 (attached).

Based on a review of the information in your email together with the information previously submitted, we will grant an additional six (6) months to the original timeframe. The revised not to exceed date is April 8, 2016. All terms and conditions contained in the original written request to the FAA (attached) must be adhered to including a rental rate that is fair market value for non-aeronautical activities. Should any issue arise that interferes with the use by aeronautical users, the North Apron must be returned to its primary purpose within thirty (30) days.

If you have any questions, please contact Jorge Panteli, Airport Compliance Specialist, at jorge.panteli@faa.gov.

Sincerely,

Mary T. Walsh
Manager, Airports Division

CC: Carol Niewola, PE, CM, Senior Aviation Planner, NHDOT
Tracey McInnis, FAA



U.S. Department
of Transportation
**Federal Aviation
Administration**

Federal Aviation Administration
New England Region

12 New England Executive Park
Burlington, MA 01803

April 8, 2015

Mr. Kim W. Hopper, A.A.E.
Airport Manager
Pease International Development Authority
55 International Drive
Portsmouth, NH 03801

Dear Mr. Hopper:

Pease International Development Authority submitted a written request on March 30, 2015, to use a portion of the North Apron for a staging area for trucks during emergency repairs at a nearby facility. The North Apron is designated aeronautical property.

The temporary interim use of the North Apron is appropriate for a not-to-exceed period of six (6) months. The space would otherwise not be used. All terms and conditions contained in the written request to the FAA must be adhered to including a rental rate that is fair market value for non-aeronautical activities. Should any issue arise that interferes with the use by aeronautical users, the North Apron must be returned to its primary purpose within thirty (30) days.

If you have any questions, please contact Thomas Vick, Airport Compliance Specialist, at thomas.vick@faa.gov.

Sincerely,

ORIGINAL SIGNED BY:

Mary T. Walsh
Manager, Airports Division

March 31, 2015

Georgia-Pacific Gypsum LLC
133 Peachtree St NE
8th Floor
Atlanta, GA 30303
Attn: A.F. Jasnic

**Re: Right of Entry for Use of Portion of North Apron
Pease International Tradeport, Portsmouth, NH**

Dear Mr. Jasnic:

This Right of Entry will authorize the Georgia-Pacific Gypsum LLC. (Georgia-Pacific) and/or any agents or contractors to enter upon a portion of the North Apron ("Premises") (see Exhibit A) and shall be valid from April 6, 2015 through October 4, 2015 for the purpose of conducting, at its sole risk, the staging of 40 tractor trailers more or less that can be safely parked on the Premises and for no other use without the express written consent of the Pease Development Authority ("PDA"). The use, occupation and maintenance of the Premises shall be: (a) without cost or expense to the PDA; (b) subject to the general supervision and approval of the PDA; and (c) subject to such rules and regulations as the PDA may prescribe from time to time. This Right of Entry shall terminate at midnight on October 4, 2015.

1. Georgia-Pacific understands and acknowledges that this Right of Entry; (a) allows only temporary use of the facilities; (b) is granted on a non-exclusive basis; and (c) may be revoked at will by PDA or terminated at will and that PDA need not state a reason for any such revocation or termination. The use of the Premises shall be orderly and efficient, shall not constitute a nuisance and shall not cause disruption to other Airport activities.

2. Georgia-Pacific's agreement herein that any use of the Premises is at its sole risk and that its signature below constitutes its agreement to assume full responsibility for any and all risk of loss or damage to property and injury or death to persons by reason of or incident to its entry or the entry by any of its employees, agents or contractors upon the premises and/or the exercise of any of the authorities granted herein. Georgia-Pacific expressly waives all claims against the PDA for any such loss, damage, personal injury or death caused by or occurring as a consequence of Georgia-Pacific's use of the Premises or the conduct of activities or the performance of responsibilities under this authorization. Georgia-Pacific further agrees to indemnify, save, hold harmless, and defend the PDA, its officers, board members, agents and employees, from and against all suits, claims, demands or actions, liabilities, judgements, costs and attorney's fees arising out of Georgia-Pacific's use of the Premises or any activities conducted or undertaken in connection with or pursuant to this authorization.

3. PDA shall not be responsible for damages to property or injuries to persons which may arise from or be attributable or incident to the condition or state or repair of the Premises, or the use and occupation thereof, or for damages to the property or injuries to the person of Georgia-Pacific's officers, agents, servants or employees, or others who may be on the Premises at their invitation or the invitation of any one of them.

Frank Jasnic
Georgia-Pacific Gypsum LLC
March 31, 2015
Page 2

4. a. Georgia-Pacific agrees to provide PDA with satisfactory evidence that Georgia-Pacific's insurance covers Georgia-Pacific and any of its agent and/or contractors for the operations designated in the terms of this Right of Entry. Said insurance shall include: a) comprehensive general liability insurance to a limit of not less than Two Million Dollars (\$2,000,000), naming the PDA as additional insured; b) automobile liability insurance coverage in the amount of \$1,000,000.00; and c) workers' compensation coverage to statutory limits.

b. Each such policy or certificate therefor issued by the insurer shall contain (i) a provision that no act or omission of any employee, officer or agent of Georgia-Pacific which would otherwise result in forfeiture or reduction of the insurance therein provided shall affect or limit the obligation of the insurance company to pay the amount of any loss sustained, (ii) an agreement by the insurer that such policy shall not be canceled without at least thirty (30) days prior written notice by registered mail to PDA, (iii) provide that the insurer shall have no right of subrogation against the PDA and (iv) a provision that any liability insurance coverage required to be carried shall be primary and non-contributing with respect to any insurance carried by PDA.

c. In the event Georgia-Pacific is unable to provide satisfactory evidence of insurance for any of its agents and/or contractors, then, in that event, any agent or contractor of Georgia-Pacific not insured by Georgia-Pacific, shall provide PDA with satisfactory evidence of insurance as required in paragraphs 4.a. and b. above.

5. Georgia-Pacific understands and acknowledges that it shall coordinate with the PDA Airport Management Department for use of the Premises.

6. Georgia-Pacific covenants and agrees that at no time during the use of the North Apron shall trailers be placed within 200 feet of the area utilized by the National Guard.

7. Georgia-Pacific agrees to pay PDA a user's fee in the amount of Three Thousand Eight Hundred Eleven and 50/100 Dollars (\$3,811.50) per month, pro rated, for each month that the Premises are used. On the first day of each month during the term of this Right of Entry, PDA will bill Georgia-Pacific for the user's fee incurred during the previous month.

8. Georgia-Pacific hereby acknowledges that vehicles will enter and exit the Premises through Gate 12. Access to Gate 12 must be arranged in advance through the PDA Airport Operations Department (603) 433-6536.

9. Georgia-Pacific acknowledges and agrees that it will be responsible for snow removal that is needed for its operations. Snow removal operations must meet the requirements of PDA Airport Operations and will not impede aircraft operations or the operations of other airfield tenants. Georgia-Pacific acknowledges that because there is no stormwater discharge permit in the Right of Entry Area, no deicing chemicals or salt will be used or permitted on the Airport Operations Area ("AOA"). Georgia-Pacific further acknowledges that if sand is needed, Georgia-Pacific shall make arrangements with the PDA Maintenance Division for the purchase of FAA-grade sand. Only FAA-grade sand supplied by the PDA Maintenance Division will be permitted to be used.

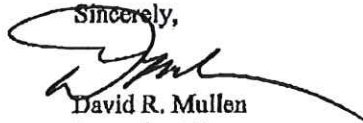
Frank Jasnic
Georgia-Pacific Gypsum LLC
March 31, 2015
Page 3

10. This Right of Entry is subject to the receipt of a written FAA Determination that the project: a) poses no hazard to air navigation and b) is determined to be compliant with the airports federal obligations and assurances. This determination requires the applicant to file FAA Form 7460-1 "Notice of Proposed Construction or Alteration" with the FAA at least 45 days prior to the proposed project start date.

11. The North Apron is part of the Airport Security Identification Display Area ("SIDA"). Designated representatives of the Georgia-Pacific will be required to obtain security badges and qualify as escorts in order for representatives, employees and agents of the Georgia-Pacific to gain access to and remain on the North Apron. While in the SIDA, escort procedures per the requirements of the Pease International Airport Security Program must be met. Prior to accessing the North Apron, all persons providing SIDA escort must undergo verification of their criminal history for the past ten (10) years, attend a training class that is offered no more than once every two weeks and pay any applicable fees. Information regarding escort requirements can be obtained by calling the Airport Operations Department at (603) 433-6536, Monday through Friday, 8:00 a.m. to 5:00 p.m. No representative, employee or agent of the Georgia-Pacific will be allowed in the SIDA without escorts meeting the requirements of the Pease International Airport Security Program

Please indicate by your signature or the signature of a duly authorized representative, the consent of the Georgia-Pacific to the terms of this Right of Entry and return the same to me before testing begins.

Sincerely,



David R. Mullen
Executive Director


Agreed and accepted this 3rd day of APRIL, 2015

~~The Georgia-Pacific LLC~~
GEORGIA-PACIFIC GYPSUM LLC

By: Brent H. Tough
Duly Authorized

cc: William Hopper, Airport Operations Manager
Mark H. Gardner, Deputy General Counsel

MEMORANDUM

To: Pease Development Authority Board of Directors
From: David R. Mullen, Executive Director 
Date: August 13, 2015
Re: Sublease between Pioneer New Hampshire, LLC and Various Tenants

In accordance with the "Delegation to Executive Director: Consent, Approval of Sub-sublease Agreements" adopted by the Board on August 8, 1996, I am pleased to report that PDA has approved of subleases between Pioneer New Hampshire, LLC ("Pioneer") and

- a. Lonza Biologics, Inc.
110 Corporate Drive
5,535 square feet (Suite 2)
Base Term: Month to Month
General Office Use
- b. ASCA, Inc. (manufacturer of architectural sun control devices/sushades)
112 Corporate Drive
2,000 square feet (Suite 1A)
Base Term: Three years
General Office Use

The Delegation to Executive Director: Consent, Approval of Subleases provides that;

"A Sublease Agreement subject to this delegation of authority shall not be consented to, approved or executed unless all of the following conditions are met:

1. The use of the Subleased Premises associated with the sublease is permitted under the original Lease;
2. The sublease is consistent with the terms and conditions of the original Lease;
3. The original Lessee remains primarily liable to Lessor to pay rent and to perform all other obligations to be performed by Lessee under the original Lease; and
4. The proposed Sublessee is financially and operationally responsible."

Conditions one through three have been met. As to condition four, PDA relies on Pioneer's continued primary liability for payment of rent and other obligations pursuant to the PDA/Pioneer Lease.

The Delegation to Executive Director: Consent, Approval of Sub-sublease Agreements also requires the consent of one member of the PDA Board of Directors. In this instance, Director Lamson was consulted and granted her consent.

MEMORANDUM

To: Pease Development Authority Board of Directors
From: David R. Mullen, Executive Director *DRM*
Date: August 13, 2015
Re: Sublease between 200 International, Limited Partnership and Tradeport Counseling and Mediation Associates

In accordance with the "Delegation to Executive Director: Consent, Approval of Sub-sublease Agreements" adopted by the Board on August 8, 1996, I am pleased to report that PDA has approved of a sublease between 200 International, Limited Partnership ("200ILP") and Tradeport Counseling and Mediation Associates ("TCM") for 1,896 square feet (Suite 157) for a period of five years, effective August 1, 2015. TCM will use the premises for general business offices.

The Delegation to Executive Director: Consent, Approval of Subleases provides that:

"A Sublease Agreement subject to this delegation of authority shall not be consented to, approved or executed unless all of the following conditions are met:

1. The use of the Subleased Premises associated with the sublease is permitted under the original sublease;
2. The sublease is consistent with the terms and conditions of the original Lease;
3. The original Lessee remains primarily liable to Lessor to pay rent and to perform all other obligations to be performed by Lessee under the original Lease; and
4. The proposed Sublessee is financially and operationally responsible.

Conditions one through three have been met. As to condition four, PDA relies on 200ILP's continued primary liability for payment of rent and other obligations pursuant to the PDA/200ILP Sublease.

The Delegation to Executive Director: Consent, Approval of Sub-sublease Agreements also requires the consent of one member of the PDA Board of Directors. In this instance, Director Lamson was consulted and granted her consent.

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MEMORANDUM

To: Pease Development Authority Board of Directors

From: David R. Mullen, Executive Director 

Date: August 13, 2015

Re: Sublease between Two International Group, LLC and Advanced Patient Advocacy, LLC

In accordance with the "Delegation to Executive Director: Consent, Approval of Sub-sublease Agreements" adopted by the Board on August 8, 1996, I am pleased to report that PDA has approved of a sublease between Two International Group, LLC ("TIG") and Advanced Patient Advocacy, LLC at 2 International Drive. The Sublease for 20,314 square feet is for a base term of five years. Advanced Patient Advocacy, LLC works with hospitals and patients to secure insurance coverage and payments for healthcare issues and will use the Subleased Premises for general business offices.

The Delegation to Executive Director: Consent, Approval of Subleases provides that:

"A Sublease Agreement subject to this delegation of authority shall not be consented to, approved or executed unless all of the following conditions are met:

1. The use of the Subleased Premises associated with the sublease is permitted under the original sublease;
2. The sublease is consistent with the terms and conditions of the original Lease;
3. The original Lessee remains primarily liable to Lessor to pay rent and to perform all other obligations to be performed by Lessee under the original Lease; and
4. The proposed Sublessee is financially and operationally responsible.

Conditions one through three have been met. As to condition four, PDA relies on TIG's continued primary liability for payment of rent and other obligations pursuant to the PDA/TIG Lease.

The Delegation to Executive Director: Consent, Approval of Sub-sublease Agreements also requires the consent of one member of the PDA Board of Directors. In this instance, Director Lamson was consulted and granted her consent.

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MOTION

Director Bohenko:

The Pease Development Authority Board of Directors hereby approves of and authorizes the Executive Director to complete negotiations and enter into Lease Agreement with Port City Air, Inc. (or its nominee) for Hangar 229; all in accordance with the memorandum of David R. Mullen, Executive Director, dated July 30, 2015 attached hereto.

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MEMORANDUM

To: Pease Development Authority Board of Directors
From: David R. Mullen, Executive Director *DRM*
Re: Port City Air, Inc. / Hangar 229 Lease
Date: July 30, 2015

Effective September 1, 2015, Port City Air, Inc. (PCA) and PDA have agreed to enter into a twenty (20) year lease (the "Lease") for Hangar 229 which also includes a right of first refusal (RFR) to continue leasing the premises at the end of the Lease term. As is typical with RFR's, PCA will be required to submit a proposal that is at least equal to or better than any third party proposal which may be made at the end of the Lease term. For frame of reference purposes, Hangar 229 is immediately adjacent to Hangar 227 and the Fuel Farm. The use the facility will be for the support of PCA's FBO operations.

As a condition of entering into the Lease, PCA has agreed to invest \$500,000 in mutually agreed upon capital improvements to the Hangar within the first four (4) years of the Lease. The Lease also requires that the proposed improvement work be identified and a schedule set for the completion of the work prior to entering into the Lease. Furthermore, the Lease requires PCA to place the \$500,000 in an escrow fund as a guarantee that the funds will be available for the proposed work. The Building Area Rent for Hangar 229 begins at \$0.75 per square foot and escalates over the term of the Lease in incremental amounts up to \$2.00 per square foot in year seven (7). Thereafter rent increases pursuant to CPI adjustments (subject to caps) through year twenty (20).

At the August 13, 2015 meeting of the Board I will be seeking authorization to complete the negotiation of the terms of an agreement and to enter into a Lease for Hangar 229 with Port City Air, Inc. or nominee on terms and conditions substantially similar to those set forth in the attached draft.

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DRAFT

LEASE
BETWEEN
PEASE DEVELOPMENT AUTHORITY
AS
"LESSOR"
AND
PORT CITY AIR, INC. [or nominee]
AS
"LESSEE"

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EXHIBITS TO LEASE

EXHIBIT

- 1 - QUITCLAIM DEEDS AND EXHIBITS
- 2 - FEDERAL FACILITIES AGREEMENT
- 3 - LANDING FEE AND PARKING FEE REPORTS
- "A" PLANS DESIGNATING THE LEASED PREMISES
- "B" MINIMUM STANDARDS FOR COMMERCIAL AND NONCOMMERCIAL
GENERAL AVIATION OPERATORS
- "B-1" RESTRICTIONS ON CERTAIN AIRCRAFT OPERATIONS
- "C" IMPROVEMENT / REPAIR WORK - HANGAR 229
- "C -1" ESCROW AGREEMENT
- "D" SUMMARY OF LEASE PROVISIONS REQUIRED BY THE FEDERAL
AVIATION ADMINISTRATION
- "E" LIST OF ENVIRONMENTAL LAWS AND REGULATIONS
- "F" CERTIFICATE OF CORPORATE GOOD STANDING/EXISTENCE

LEASE

THIS LEASE ("Lease") is made by and between the PEASE DEVELOPMENT AUTHORITY ("Lessor" or "PDA") and PORT CITY AIR, INC. of 104 Grafton Drive, Portsmouth, NH 03801("Lessee"). (Lessor and Lessee may be referred to jointly as the "Parties.")

RECITALS

A. Lessor is an agency of the State of New Hampshire established pursuant to RSA ch. 12-G, "Pease Development Authority," and is authorized to enter into this Lease pursuant to the provisions contained therein.

B. In 1992, Lessor commenced its acquisition of fee title to portions of the former Pease Air Force Base hereinafter designated Premises I and Premises II from the United States of America ("Government or Air Force") by public benefit transfer (*i.e.* transfer without consideration) pursuant to the general authority contained in 49 U.S.C. Sections 47151-47153 and other applicable provisions of law. (Together, Premises I and Premises II constitute the entirety of the Pease International Tradeport (the "Airport" or "Pease").) The terms of such acquisition are set forth in an Amended Application for Public Benefit Transfer executed by Lessor ("Application") and accepted by the Air Force on April 14, 1992 (the "Acceptance"), as the same have been subsequently amended by Amendment No. 1 dated March 24, 1994 and executed June 27, 1997 ("Amendment No. 1"). (The Application, as amended by Amendment No. 1 may be referred to as the "Amended Application.") The Amended Application was approved December 12, 1995 and confirmed March 18, 1997 and the Air Force executed an acceptance of the Amended Application on June 26, 1997 ("Acceptance II"). (The Acceptance and Acceptance II may be referred to collectively as the "Acceptances".) Pending final disposition of the Airport in accordance with the terms of the Amended Application and Acceptances, the Lessor and Air Force entered into a Lease on April 14, 1992 for the Airport District, a Supplement No. 1 thereto dated August 4, 1992, a Supplement No. 2 thereto dated July 15, 1993, a Supplement No. 3 thereto dated June 27, 1997, and a Supplement No. 4 thereto dated October 15, 2003 (collectively the "Master Lease").

C. By Quitclaim Deed (and Exhibits A - G, inclusive) made and entered into on October 15, 2003 and Quitclaim Deed dated September 16, 2005 (the "Deeds"), the Government, acting by and through the Secretary of the Air Force did grant to PDA the land and improvements located in the City of Portsmouth, Town of Newington and Town of Greenland, as contemplated by the Master Lease, Application and Acceptances, and which deed dated September 16, 2005 included the Leased Premises. The Parties acknowledge that the Deeds impose certain requirements on Lessee with respect to leases which are addressed in the terms and conditions of this Lease. Copies of the Deeds are attached to this Lease as Exhibit 1.

D. The Parties acknowledge that a Federal Facilities Agreement ("FFA") required under Section 120 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601 *et seq.* has been entered into by the Air Force, the New Hampshire Department of Environmental Services ("NHDES") and the United States

Environmental Protection Agency ("EPA") regarding certain contamination at Pease and that this FFA also imposes certain requirements upon Lessor and Lessee which are addressed in the terms and conditions of this Lease. A copy of the FFA is attached to this Lease as Exhibit 2. Unless the context refers specifically to the document constituting Exhibit 2, the term FFA shall include any amendments to said document.

E. Lessee is a New Hampshire corporation and is registered to do business in the State with a principal place of business at 104 Grafton Drive, Portsmouth, NH 03801.

NOW, THEREFORE, in consideration of the covenants herein contained and other valuable consideration, the receipt of which is hereby acknowledged, Lessor and Lessee hereby agree as follows:

ARTICLE 1.

PREMISES

1.1 Description of Leased Premises

Lessor, for and in consideration of the rents and covenants herein specified to be paid and performed by Lessee, hereby leases to Lessee, hereby leases to Lessee, and Lessee hereby hires from Lessor, the land, buildings and other facilities and improvements located in the Airport Zone commonly known as Hangar 229 located at 12 Aviation Avenue, Portsmouth, NH consisting of 28,400 sq. ft. which premises are more particularly described on the plans attached as Exhibit A (the "Leased Premises" or the "Premises").

Excluded from the Leased Premises are property or other rights obtained by a utility supplier from the Lessor pursuant to a Lease or other agreement in connection with the provision of utility lines and or utility services at the airport.

In connection with its Lease, Lessee shall have the non-exclusive right to use a certain apron area consisting of 43,560 square feet of floating ramp space immediately adjacent to Hangar 229, as may be assigned and adjusted from time by Lessor and which area shall not be part of the Leased Premises, for aircraft movement and parking in support of the permitted uses set forth herein.

1.2 Easements - Rights-of-Way

This Lease is subject to existing easements and rights-of-way of record and to (i) the Utility Sublease and License Agreement dated July 31, 1992 by and between PDA and Public Service Company of New Hampshire ("PSNH"); (ii) the utility Sublease and License Agreement dated March 23, 1995 by and between PDA and New England Telephone and Telegraph Company ("NETEL"); (iii) the Wastewater Disposal and Water Service Facilities Sublease and License Agreement dated as of January 1, 1993 and amended July 1, 1998 by and between PDA and the City of Portsmouth ("COP") and (iv) and to the Pipeline Easement and Transfer Agreement dated August 12, 1998 by and between PDA, Portland Natural Gas Transmission System and Maritimes & Northeast Pipeline, LLC.

The Government reserves for the use and benefit of the public, an aviation easement and a right of way for the free and unobstructed passage of aircraft in the airspace above the surface of the Airport, together with the right to cause in such airspace such sound, vibrations, fumes, dust, fuel particles, and all other effects as may be caused by the operation of aircraft, now known or hereafter used, for the navigation through or flight in the said airspace, and for use of said airspace for landing on, taking off from, or operating on the Airport.

The Government reserves a no cost right of access for purposes of environmental investigation, response or other corrective action, as required by CERCLA Section

120(h)(3)(A)(iii), the FFA, and as otherwise set forth in Article 25 of this Lease.

1.3 General Rights of Access.

Subject to the provisions and additional restrictions set forth in Article 9 and other pertinent provisions of this Lease, Lessee shall have in common with other authorized Airport users the right to use the entrances, exits and roadways designated by Lessor for common use at the Airport. Lessee shall also have in common with other airfield users the right to use the runway, taxiways and available common apron areas of the Airport.

The rights of Lessee under this Section 1.3 shall be subordinate to Lessor's rights to manage the Airport and other common areas and roadways, which rights shall include, without limitation, the right to impose reasonable rules and regulations relating to use of the Airport common areas and roadways and the right to add, delete, alter or otherwise modify the designation and use of all Airport facilities and parking areas, entrances, exits, roadways and other areas of the Airport, to the extent all of the foregoing are not part of the Leased Premises; provided, however, that Lessee shall continue at all times to have reasonable access to and use of the Leased Premises and the runway, taxiways, and available common apron areas.

The rights of Lessee or any of its employees, contractors, subcontractors, agents, servants or invitees to access, by ground vehicle or otherwise, restricted or controlled areas or the flightline area shall be subject to the training and security requirements set forth in the Portsmouth International Airport at Pease Certification Manual as the same may be from time to time amended.

Lessee shall comply with all federal, state and local laws, rules and regulations which apply to the conduct of the uses contemplated under this Lease, including, without limitation, rules and regulations promulgated by Lessor. Lessee shall pay to Lessor an amount equal to all fines levied by any governmental body against Lessor for any breach of applicable requirements by Lessee or any of its employees, contractors, subcontractors, agents, servants or invitees.

1.4. Airport Access

Lessee acknowledges that it will be responsible for the payment of all fines imposed by the FAA and/or TSA arising or incurred as a result of the improper use of or access by Lessee's officers, employees, agents, customers, vendors, guests, or invitees to Portsmouth International Airport at Pease and its SIDA.

END OF ARTICLE 1

ARTICLE 1A.

REQUIRED IMPROVEMENTS BY LESSEE

1A.1. In consideration of the rent rates negotiated for the Base Term and in order to induce Lessor to enter into this Lease, Lessee has agreed that it will undertake and continue with due diligence and at its sole expense improvements to the Premises totaling not less than Five Hundred Thousand & 00/100 (\$500,000.00) Dollars. The specific elements of construction are to be decided prior to signing the Lease and set forth and described in Exhibit C. Lessee agrees that all improvement work will be completed within four years of the effective date of this Lease. Lessee shall establish an escrow account to fund said improvements which funds will be held and disbursed in accordance with an escrow agreement which is attached hereto and incorporated herein as Exhibit C-1. Lessee acknowledges that PDA's willingness to enter into this Lease is contingent upon Lessee establishing a satisfactory schedule for the improvement of the Premises, acceptable to PDA and consistent with the terms and conditions set forth above.

Lessee shall be solely responsible for the development of plans and specifications for any proposed renovations at the Premises and for making any required submission and obtaining any necessary approval, including subdivision approval, in accordance with the provisions of the PDA Land Use Controls. PDA agrees to use its best efforts (without obligation on the part of PDA to incur any expenses) to assist Lessee in such process.

END OF ARTICLE 1A.

ARTICLE 1B.

RIGHT OF FIRST REFUSAL

1.B.1. Upon the expiration or termination of the Lease, Lessee shall have certain rights of first refusal to lease the Premises identified on Exhibit A (which parcel may be referred to as the "RFR Area"). Lessee's rights of first refusal shall commence upon the receipt by PDA of a bona fide offer from a third party to lease all or a portion of the RFR Area upon terms and conditions acceptable to PDA ("Third Party Offer"). PDA shall provide Lessee with a copy of any Third Party Offer and Lessee shall have thirty (30) days from its receipt of the copy of the Third Party Offer to deliver to PDA written notice of Lessee's intent to lease the RFR Area on the same terms and conditions as set forth in the Third Party Offer ("RFR Exercise Notice"), provided, however, that Lessee's use of RFR Area shall be limited to the uses permitted under Article 9 of this Lease. In order to be valid Lessee's RFR Exercise Notice must not be limited to financial terms and conditions but must also include all other terms and conditions of the Third Party Offer, including without limitation, a schedule and description of jobs to be created, if included in the Third Party Offer. Alternately, Lessee's RFR Exercise Notice may include other non-financial terms that provide PDA with the same or greater (as determined solely by PDA) benefits than the non-financial terms set out in the Third Party Offer. At the same time Lessee provides PDA with its RFR Exercise Notice, Lessee shall provide PDA with a schedule reasonably acceptable to PDA establishing deadlines for completing any necessary improvements to the RFR Area and for initiating and maintaining active use of the RFR Area. A schedule for design, construction, commencement of Lessee's use, and job creation shall be reflected in any Lease agreement covering RFR Area with appropriate sanctions in event of Lessee's breach of its scheduled commitments. PDA and Lessee shall exercise best efforts and cooperate in good faith to conclude a lease for RFR Area within sixty (60) days following receipt by PDA of the RFR Exercise Notice.

The development of RFR Area shall be at Lessee's sole expense and sole risk and PDA makes no warranty or representation in respect to RFR Area and undertakes no obligations to make any repairs or improvements to RFR Area. Any warranty, representation or commitment made by PDA to a third party that is a condition of the Third Party Offer, shall also be made to Lessee in connection with the exercise by Lessee of its rights of first refusal under this Section 1.B.1. Any agreement of the Parties regarding the lease of RFR Area shall include, without limitation, provisions applicable to Alterations, as set forth in Articles 15 and 25 of this Lease, and any applicable provisions of the Airport Transfer Documents.

Notwithstanding any other provisions of this Lease, Lessee shall have no right of first refusal, option or other right to RFR Area (and PDA shall be free to use, lease or otherwise transfer such area as it deems appropriate) upon the occurrence of any of the following events: (i) the failure of Lessee to exercise its right in accordance with the terms of this Article 1.B; (ii) the expiration or termination of this Lease; or (iii) the failure of the Parties to reach an appropriate agreement concerning the development of RFR Area within the required period (or any extension thereof mutually acceptable to the Parties) after exercising best efforts in good faith to conclude such agreement.

Notwithstanding any other provision of this Lease, Lessee shall have no rights with respect to RFR Area if a Default (as that term is defined in Section 18.1) by Lessee occurs.

END OF ARTICLE 1.B.

ARTICLE 2

CONDITION OF LEASED PREMISES

2.1 Lessee acknowledges that it has inspected the Leased Premises, including all buildings, improvements and other facilities thereon, as of the date of execution of this Lease and that it has determined that the said Leased Premises are in good and tenantable condition. Lessee accepts said Leased Premises in their present condition and without any representation or warranty by Lessor as to the condition of said Leased Premises or as to the use or occupancy which may be made thereof and without obligation on the part of the Lessor to make any alterations, repairs or additions to said Leased Premises that has not been fully set forth in this Lease. Further, Lessor shall not be responsible for any latent or other defect or change of condition in said Leased Premises, and the rent hereunder shall in no event be withheld or diminished on account of any such defect in said Leased Premises nor any such change in its condition, nor, except as provided herein, for any damage occurring thereto.

END OF ARTICLE 2

ARTICLE 3.

TERM

3.1 This Lease shall be effective upon execution and shall continue for a base term of five (5) years ("Base Term") which term shall commence on September 1, 2015 ("Term Commencement Date"). Lessee is also granted three (3) five (5) year options to extend the Lease (hereinafter referred to as Option Terms 1, 2 and 3). The Base Term and all option periods shall not extend beyond twenty (20) years from the Term Commencement Date. Any extension of the term through exercise of an option shall be upon the same terms and conditions applicable to the Base Term, provided that rental rates shall escalate as provided in Article 4 (and any other applicable provision addressing rental rates).

3.2 As a condition precedent to the exercise by Lessee of any of its options to extend the term of this Lease, Lessee shall give a written notice ("Option Notice") to Lessor of its exercise of each such option at least twelve (12) months prior to the end of the Base Term or any applicable Extension Period. As an additional condition precedent to exercising the option for Option Term 1, Lessee shall have completed all of the improvement and repair work it has agreed to undertake within the time frames specified and referenced in Article 1.A. 1 and Exhibit C of this Lease.

3.3 The options to extend the term hereby granted may not be exercised at any time during which Lessee is in default under any of the terms of this Lease, and, at the election of Lessor, shall not be effective if any default occurs after the exercise of such option and before the expiration of the applicable term, it being the intent of the Parties that the options granted hereby may not be exercised or become effective at a time when a default by Lessee exists under this Lease.

3.4 Unless the context clearly indicates otherwise when used in this Lease the phrase "term of this Lease" shall mean the Base Term plus any duly exercised allowable extensions thereof.

END OF ARTICLE 3

ARTICLE 4.

BUILDING AREA RENT - MUNICIPAL SERVICES FEE - LANDING FEES & PARKING FEES

4.1 Lessee shall pay to Lessor building area rent ("Building Area Rent") at the following annual rates for the areas of the Leased Premises described in Section 1.1:

Year 1	\$.75 sq. ft.	\$21,300.00 per annum
Year 2	\$.75 sq. ft.	\$21,300.00 per annum
Year 3	\$1.00 sq. ft.	\$28,400.00 per annum
Year 4	\$1.25 sq. ft.	\$35,500.00 per annum
Year 5	\$1.50 sq. ft.	\$42,600.00 per annum

Option Term 1

Year 6	\$1.75 sq. ft.	\$49,700.00 per annum
Year 7	\$2.00 sq. ft.	\$56,800.00 per annum

Year 8 An annual payment equal to Year 7's rent plus a CPI adjustment measured from immediately prior to the beginning of Year 1 through end of Year 7

Year 9 An annual payment equal to the rent paid in Year 8 plus an adjustment equal to the lesser of CPI or 3%

Year 10 An annual payment equal to the rent paid in Year 9 plus an adjustment equal to the lesser of CPI or 3%

Option Term 2

Years 11 -15 An annual payment equal to the previous year's rent plus an annual adjustment equal to the lesser of 3% or CPI and not to exceed 12% in years 11-15

Option Term 3

Years 16 -20

An annual payment equal to the previous year's rent plus an annual adjustment equal to the lesser of 3% or CPI and not to exceed 12% in years 16-20

4.2 The Building Area Rent due under Section 4.1 shall commence upon the Term Commencement Date. The annual Building Area Rent shall be payable in each case in equal monthly installments of one twelfth thereof in advance on the first day of each month without offset in lawful money of the United States at the office of Lessor at the Airport or at such other address as Lessor may hereafter designate. In addition, Lessee agrees to pay when due, such other amounts that may be required to be paid as additional rent. Lessee's rent obligation for any fractional portion of a calendar month at the beginning or end of the term of this Lease shall be a similar fraction of the rental due for an entire month.

4.3 As of each Adjustment Date (as hereinafter defined), the Building Area Rent shall be adjusted as provided in Section 4.4 to reflect changes in the Consumer Price Index for All Urban Consumers applicable to the Boston area (all items 1982 - 1984 = 100) published by the United States Department of Labor, Bureau of Labor Statistics (the "Index").

4.4 On the first day following the expiration of the seventh year of the term of this Lease and on the first day of each year thereafter (individually an "Adjustment Date" and collectively the "Adjustment Dates"), Building Area Rent shall be subject to adjustment for the remainder of the term of this Lease as follows:

For the first adjustment (commencing on the first day following the expiration of the seventh year of the term of this Lease or September 1, 2022), the basis for computing such adjustment shall be the Index most recently published prior to the beginning of the first year of the term – September 1, 2010 ("Beginning Index"). If the Index most recently published prior to the first Adjustment Date ("Extension Index") has increased over the Beginning Index, the Building Area Rent for the one-year period commencing as of such first Adjustment Date shall be the result obtained by multiplying the annual Building Area Rent in effect on the day of the Adjustment Date (i.e. the annual rental for year seven by a fraction, the numerator of which is the Extension Index and the denominator of which is the Beginning Index).

(2) Subject to the rent caps set forth in Section 4.1 for all subsequent adjustments, the Building Area Rent shall be adjusted in the same manner as that for the first adjustment; provided, however, that the rental base shall be the rental in effect just prior to the then applicable Adjustment Date, the Extension Index for the preceding period shall be the Beginning Index and the Extension Index shall be the index most recently published prior to the then applicable Adjustment Date. On each Adjustment Date, the Parties shall execute an acknowledgment reflecting the new rent. Failure to execute such an acknowledgment shall not

affect either the validity of this Lease or the effective date of any adjustment to the rent hereunder.

(3) If for any Adjustment Date the Index most recently published prior to the Adjustment Date has not increased over, or has decreased from, the Beginning Index for that period, no escalation in rent shall be required on that Adjustment Date, and the rent shall remain at its then current rate until the next Adjustment Date.

If the Index is changed in any manner, including without limitation, a change in the base year, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the term of this Lease, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised. If the Parties shall be unable to agree upon a successor index, the Parties shall refer the choice of a successor index to arbitration in accordance with the rules of the American Arbitration Association.

4.5 [RESERVED]

4.6 The Building Area Rent payable hereunder shall be net to Lessor, free and clear of any and all Impositions (as defined in Section 5.1), or expenses of any nature whatsoever in connection with the Premises. The Parties agree that, except as expressly provided herein, all costs, expenses and charges of every kind and nature relating to the Leased Premises which may be attributed to, or become due during the initial or any renewal term of this Lease, shall constitute additional rent to be paid by Lessee and, upon failure of Lessee to pay any such costs, expenses or charges, Lessor shall have the same rights and remedies as otherwise provided in this Lease for the failure of Lessee to pay rent. It is the intention of the Parties that Lessee shall in no event be entitled to any abatement or reduction in rent payable hereunder, except as expressly provided herein. Any present or future law to the contrary shall not alter the agreement of the Parties.

4.7 Municipal Services Fee. In addition to the Building Area Rent required to be paid under the terms of this Lease, Lessee shall also pay to Lessor, as additional rent, a municipal services fee in accordance with the Municipal Services Agreement by and between the City of Portsmouth, the Town of Newington and the Pease Development Authority effective July 1, 1998. This fee is for fire, police and roadway services provided by or on behalf of Lessor at the Airport and will be subject to increases each year only to the extent the cost to Lessor of providing such services increases. The municipal services fee shall be paid quarterly in advance at the times and in the fashion provided for the payment of Building Area Rent. To the extent the Leased Premises are subject to municipal taxation, and provided such municipal taxes include the costs of the provision of fire, police and roadway services, Lessee may offset against any fee paid to Lessor the portion of such municipal taxes as are attributable to fire, police and roadway services, and Lessor shall have no further obligation to provide such services. For so long as municipal taxes are imposed against the Leased Premises, or on Lessee for all three of fire, police and roadway services and Lessor either has no obligation to provide such services (or ceases to

provide such services), the municipal services fee required to be paid under this Lease shall terminate

In the event the Leased Premises, or any portion thereof, are removed from the Airport District, Lessee shall make payments in lieu of taxes to the appropriate municipality in accordance with the provisions of RSA 12-G:14, II (or any successor statute) regarding taxation by a municipality of property that is within the boundaries of Pease, but outside the Airport District.

Any tax, fee or payment in lieu of tax imposed for the provision of fire, police, public works or other municipal services shall be considered an Imposition under Article 5 of this Lease.

4.8. Landing Fees. Unless waived, for all non-based aircraft operations involving aircraft over 12,500 pounds or for any aircraft involved in revenue producing operations arising out of or in connection with Lessee's use of the Leased Premises at the Airport, Lessee shall collect and pay to Lessor or its designated agent a landing fee, at rates established from time to time by Lessor ("Landing Fee"). As of the anticipated Term Commencement Date, the current Landing Fee is \$.85 per 1000 pounds of Weight. As used herein, "Weight" shall mean the FAA's maximum gross certified landing weight for each particular aircraft type of all aircraft landed, whether empty or loaded.

4.9. Parking Fees. For all aircraft operations arising out of or in connection with Lessee's use of the Leased Premises at the Airport, Lessee shall collect and pay to Lessor or its designated agent, a parking fee ("Parking Fee") for Aircraft parked outside of the Leased Premises (to include the floating apron area) at the Airport for any period exceeding twenty-four (24) hours following landing. As of the projected Term Commencement Date, the current Parking Fee is \$.35 per square foot per annum.

4.10. Landing and Parking Fee Reports and Payments. Landing fees and aircraft parking fees shall be assessed in accordance with Exhibit 3 attached hereto and incorporated herein by reference (or such other landing fee and/or aircraft parking fee schedule(s) as may from time to time be adopted by Lessor in its sole discretion). During the term of this Lease, Lessee shall account for and pay the required landing fees and airport parking fees for use of ramp and other airfield areas designated by Lessor for aircraft parking purposes. The full amount required to be collected, without offset or deduction, shall be paid to Lessor within twenty-five (25) days after the end of each calendar quarter, along with a report detailing by aircraft type and weight all aircraft utilizing the Airport, the dates of such use and parking and landing fees which are due and payable.

END OF ARTICLE 4

ARTICLE 5

IMPOSITIONS

5.1 During the term of this Lease, Lessee shall pay when due, all taxes, charges, excises, license and permit fees, assessments, and other governmental charges, general and special, ordinary and extraordinary, unforeseen, as well as foreseen, of any kind and nature whatsoever, which during the term of this Lease are assessed or imposed upon or become due and payable or a lien upon: (i) the Leased Premises or any part thereof or any personal property, equipment or other facility used in the operation thereof; or (ii) the rent or income received from subtenants or licensees; or (iii) any use or occupancy of the Leased Premises; or (iv) this transaction or any document to which Lessee is a party creating or transferring an estate or interest in the Leased Premises (all of which taxes, charges, excises, fees, assessments and other governmental charges are hereinafter collectively referred to as "Impositions"). If, by law, any such Imposition is payable, or may at the option of Lessee be paid in installments, Lessee may pay the same together with any accrued interest on the unpaid balance of such Imposition in installments as the same respectively become due and before any fine, penalty, interest or cost may be added thereto for the nonpayment of any such installment and interest. Any Imposition relating to a fiscal period of the taxing authority a part of which period is included prior to the commencement of the term of this Lease, shall be prorated as between Lessor and Lessee so that Lessee shall pay only the portion thereof attributable to any period during the term of this Lease.

5.2 Lessee covenants to furnish to Lessor within fourteen (14) days of receipt of a written request from Lessor, official receipts of the appropriate taxing authority, or other proof satisfactory to Lessor, evidencing the payment thereof.

5.3 Lessee shall have the right before any delinquency occurs to contest or object to the amount or validity of any such Imposition by appropriate legal proceedings. This right shall not be deemed or construed in any way as relieving, modifying or extending Lessee's covenant to pay any such Imposition at the time and in the manner in this Article, unless Lessee shall have obtained a stay of such proceedings. Lessor shall not be required to join in any such proceedings unless it shall be necessary for it to do so in order to prosecute such proceedings and Lessor shall have been fully indemnified to its satisfaction against all costs and expenses in connection therewith. Lessor shall not be subjected to any liability for the payment of any costs or expenses (including attorneys' and expert witness fees) in connection with any such proceedings brought by Lessee, and Lessee covenants to indemnify and save Lessor harmless from any such costs or expenses.

5.4 As between the Parties, Lessee alone shall have the duty of attending to, making or filing any declaration, statement or report which may be provided or required by law as the basis of or in connection with the determination, equalization, reduction or payment of any and every Imposition which is to be borne or paid or which may become payable by Lessee under the provisions of this Article, and Lessor shall not be or become responsible to Lessee therefor, nor for the contents of any such declaration, statement or report. END OF ARTICLE 5

ARTICLE 6

SURRENDER OF LEASED PREMISES

6.1 On the expiration or termination of this Lease, Lessee shall surrender to Lessor the Leased Premises, including all buildings and improvements on the Leased Premises whether Leased to or otherwise owned by Lessee, broom clean and in good order, condition and repair, reasonable wear and tear excepted, together with all alterations, decorations, additions and improvements that may have been made in, to or on the Leased Premises, except that Lessee shall be allowed to remove its personal property or any improvements made by Lessee at its sole expense that can be removed without damage to any buildings, facilities or other improvements to the Leased Premises. The Leased Premises, including the buildings and improvements thereon, shall be delivered free and clear of all subtenancies, liens and encumbrances, other than those, if any, permitted hereby or otherwise created or consented to by Lessor, and, if requested to do so, Lessee shall execute, acknowledge and deliver to Lessor such instruments of further assurance as in the opinion of Lessor are necessary or desirable to confirm or perfect Lessor's right, title and interest in and to the Leased Premises including said building and improvements. On or before the end of the Lease term, Lessee shall remove all of Lessee's personal and other property allowed to be removed hereunder, and all such property not removed shall be deemed abandoned by Lessee and may be utilized or disposed of by Lessor without any liability to Lessee. Lessee's obligation under this Article 6 shall survive the expiration or termination of this Lease.

END OF ARTICLE 6

ARTICLE 7

INSURANCE

7.1

A. Risk of Loss. Lessee shall bear all risk of loss or damage to the Leased Premises, including any building(s), improvements, fixtures or other property thereon, arising from any causes whatsoever.

B. Insurance. During the entire period this Lease shall be in effect, the Lessee at its expense will carry and maintain:

(1) Property insurance coverage against loss or damage by fire and lightning and against loss or damage or other risks embraced by coverage of the type now known as the broad form of extended coverage (including but not limited to riot and civil commotion, vandalism, and malicious mischief and earthquake) in an amount not less than 100% of the full replacement value of the buildings, building improvements, improvements to the land, and personal property on the Leased Premises. The policies of insurance carried in accordance with this Section shall contain a "Replacement Cost Endorsement". Such full replacement cost shall be determined from time to time, upon the written request of Lessor, but not more frequently than once in any twenty-four (24) consecutive calendar month period (except in the event of substantial changes or alterations to the Premises undertaken by Lessee as permitted under the provisions hereof) by written agreement of Lessor and Lessee, or if they cannot agree within thirty (30) days of such request, by an insurance consultant, appraiser, architect or contractor who shall be mutually and reasonably acceptable to Lessor and Lessee. Any such determination by a third party shall be subject to approval by Lessor and Lessee, which approval shall not be unreasonably withheld. The insurance maintained in this Section shall be adjusted to one hundred percent (100%) of the new full replacement cost consistent with the approved determination.

(2) Comprehensive general liability insurance, including but not limited to general operation and airport liability and/or airport general liability insurance endorsed for hangar-keeping and products and completed operations liability insurance, on an "occurrence basis" against claims for "personal injury", including without limitation, bodily injury, death or property damage, occurring upon, in or about the Leased Premises including any buildings thereon and the ramp area and adjoining sidewalks, streets, and passageways, such insurance to afford immediate minimum protection at the time of the Term Commencement Date, and at all times during the term of this Lease, to a limit of not less than five million (\$5,000,000) dollars per occurrence with respect to damage to property and five million (\$5,000,000) dollars, per occurrence with respect to bodily injury or death to any one or more persons and with no deductible or such deductible amount as may be approved by Lessor. Such insurance shall also include coverage against liability for bodily injury or property damage arising out of the acts or omissions by or on behalf of Lessee, or any other person or organization, or involving any owned, non-owned, Leased or hired automotive equipment (if such coverage is not provided by a separate policy under 7.B. (4)) in connection with Lessee's activities.

(3) Workers' compensation and employer's liability insurance in an amount and form which meets all applicable requirements of the labor laws of the State of New Hampshire, as amended from time to time, and which specifically covers the persons and risks involved in this Lease.

(4) Automobile liability insurance in amounts approved from time to time by Lessor, but not less than one million dollars (\$1,000,000) combined single limit for owned, hired and non-owned automobiles.

7.2 All policies of insurance required to be carried under this Article shall be effected under valid and enforceable policies, in such forms and amounts as may, from time to time, be required under this Lease, issued by insurers of recognized responsibility which are authorized to transact such insurance coverage in the State of New Hampshire, and which have been approved in writing by Lessor, which approval shall not be withheld unreasonably. The policies of insurance required in Sections 7.1B. (2) and (4) shall be for the mutual benefit of Lessee and the Lessor with the Lessor named as additional insured. The policy required in Section 7.1B. (1) shall name Lessor as loss payee. Upon the execution of this Lease (and thereafter not less than fifteen (15) days prior to the expiration date of each policy furnished pursuant to this Article) Lessee shall provide a copy of the original of each policy required to be furnished pursuant to this Article (or, with the consent of Lessor, which consent shall not be unreasonably withheld a certificate of the insurer reasonably satisfactory to Lessor which sets forth evidence of all requisite coverages) bearing a notation evidencing the payment of the premium or accompanied by other evidence reasonably satisfactory to Lessor of such payment, shall be delivered by Lessee to Lessor.

7.3 All policies of insurance shall provide for loss thereunder to be adjusted and payable to Lessor or Lessee in accordance with the terms of this Lease, including, but not limited to, Articles 16 and 16 A of this Lease.

7.4 Each such policy or certificate therefor issued by the insurer shall to the extent obtainable contain (i) a provision that no act or omission of Lessee, or any employee, officer or agent of Lessee, which would otherwise result in forfeiture or reduction of the insurance therein provided shall affect or limit the obligation of the insurance company to pay the amount of any loss sustained, (ii) an agreement by the insurer that such policy shall not be canceled without at least thirty (30) days prior written notice by registered mail to Lessor and to any Mortgagee, (iii) provide that the insurer shall have no right of subrogation against Lessor, and (iv) a provision that any liability coverage required to be carried shall be primary and noncontributing with respect to any insurance carried by the Lessor.

The insurance requirements herein are minimum requirements for this Lease and in no way limit the indemnity covenants contained in this Lease agreement. On the insurance policies that Lessor is named as an additional insured, Lessor shall be an additional insured to the full limits of the liability coverage purchased by Lessee even if those limits of liability are in excess of those required by the terms of this Lease.

7.5 All policies of insurance required to be maintained by Lessee shall have attached thereto

the Lender's Loss Payable Endorsement, or its equivalent, or a loss payable clause acceptable to Lessor, for the benefit of any Mortgagee, but the right of any Mortgagee to the payment of insurance proceeds shall at all times be subject to the provisions of this Lease with respect to the application of the proceeds of such insurance.

7.6 Lessee shall observe and comply with the requirements of all policies of insurance at any time in force with respect to the Leased Premises and Lessee shall also perform and satisfy the requirements of the companies writing such policies so that at all times companies of good standing reasonably satisfactory to Lessor shall be willing to write or to continue such insurance. Lessee shall, in the event of any violations or attempted violations of the provisions of this Section 7.6 by a subtenant, take steps, immediately upon knowledge of such violation or attempted violation, to remedy or prevent the same as the case may be.

7.7 Any insurance provided for in this Lease may be effected by a policy or policies of blanket insurance or may be continued in such form until otherwise required by Lessor; provided, however, that the amount of the total insurance allocated to the Leased Premises shall be such as to furnish in protection the equivalent of separate policies in the amounts herein required, and provided further that in all other respects, any such policy or policies shall comply with the other provisions of this Lease. In any such case it shall not be necessary to deliver the original of any such blanket policy to Lessor, but Lessee shall deliver to Lessor and to any Mortgagee a certificate or duplicate of such policy in form and content acceptable to Lessor.

7.8 Over the term of this Lease and any extensions thereof, Lessor reserves the right to request increases in mandatory insurance coverage limits for each respective coverage area required under this Lease as the same may be appropriate, commercially reasonable and prudent in view of then existing conditions and circumstances. Lessor agrees to provide Lessee with a thirty (30) day written notice when making any request for an increase in required insurance coverage limits.

END OF ARTICLE 7

ARTICLE 8

LESSOR'S RIGHT TO PERFORM LESSEE'S COVENANTS

8.1 If Lessee shall at any time fail to pay when due any Imposition or other charge or to pay for or maintain any of the insurance policies required under Article 7, or to make any other payment or perform any other act on Lessee's part required by this Lease, then Lessor, after ten (10) days written notice to Lessee (or, in case of any emergency, without notice, or with such notice as may be reasonable under the circumstances) and without waiving or releasing Lessee from any obligation of Lessee hereunder, may (but shall not be required to):

- (i) pay such Imposition or other charge, or
- (ii) pay for and maintain such insurance policies, or
- (iii) make such other payment or perform such other act on Lessee's part to be made or performed as provided in this Lease, and may enter upon the Leased Premises for such purpose and take all such action as may be deemed or appropriate by Lessor to correct such failure of Lessee.

8.2 All sums so paid by Lessor and all costs and expenses incurred by Lessor in connection with the performance of any such act (together with interest thereon at the rate specified in Section 26.1 from the respective date(s) of Lessor's making of each such payment or incurring of each cost or expenses) shall constitute additional rent payable by Lessee under this Lease and shall be paid by Lessee to Lessor on demand.

END OF ARTICLE 8

ARTICLE 9

USE OF LEASED PREMISES

9.1 The purposes for which Lessee may use the Leased Premises are for a lease to a Full Service Fixed Base Operator ("FBO"), a flight kitchen, the storage and maintenance of ground support equipment and aircraft to include office use in connection with such duly authorized FBO activity based at the Airport. Lessee shall not use, or permit to be used, the Leased Premises for any other purpose without the prior express written consent of Lessor. Lessor's consent shall be subject to the execution of an appropriate agreement which shall include a provision requiring the payment of established fees and charges that may be applicable to any such additional uses consented to by Lessor. Lessee is prohibited from any use of the Leased Premises not specifically granted in this Section 9.1.

9.2 Lessee recognizes that the uses authorized in Section 9.1 are not granted on an exclusive basis and that Lessor may enter into leases or other agreements with other tenants or users at areas of the Airport other than the Leased Premises for similar, identical, or competing uses. No provision of this Lease shall be construed as granting or authorizing the granting of an exclusive right which is forbidden by 49 USC §40103(e), as the same may be amended from time to time.

9.3 Lessee agrees that it will keep the Premises in a neat, clean and orderly condition and shall be responsible for trash removal in accordance the provisions of Chapters 300 through 500 of the Pease Development Authority ("PDA") Zoning Requirements, Site Plan Review Regulations and Subdivision Regulations (collectively the "Land Use Controls") and such other rules and regulations from time to time promulgated, provided that Lessee shall not be bound by any such rules and regulations until such time as it receives a copy thereof. Lessee agrees to cause trash receptacles to be emptied and trash removed at Lessee's sole cost and expense.

9.4 Lessee warrants that prior to engaging in any permitted use, it will hold all certificates, permits, licenses or other entitlements required by federal, state or local laws in order to allow Lessee to conduct the permitted uses hereunder, and that the same are and will be kept current, valid and complete. Lessee further warrants that it shall at all times abide by and conform with all terms of the same and that it shall give immediate notice to Lessor of any additions, renewals, amendments, suspensions or revocations. In the use and occupation of the Leased Premises and the conduct of such business thereon, Lessee, at its sole cost and expense, shall promptly comply with all present and future laws, ordinances, orders, rules, regulations and requirements of all federal, state and municipal governments, courts, departments, commissions and boards, any national, state or local Board of Fire Underwriters, or any other body exercising functions similar to those of any of the foregoing.

9.5 Lessee shall have the right to contest by appropriate proceedings diligently conducted in good faith, without cost or expense to Lessor, the validity or application of any law, ordinance, order, rule, regulation or requirement of the nature referred to in this Article. If compliance with any such law, ordinance, order, rule, regulation or requirement may be delayed on the basis of an

order from a court of competent jurisdiction pending the prosecution of any such proceeding without the incurrence of any lien, charge or liability of any kind against the Leased Premises or Lessee's interest therein and without subjecting Lessor to any liability, civil or criminal, for failure so to comply therewith, Lessee may delay compliance therewith consistent with such court order. Even if such lien, charge or civil liability would be incurred by reason of any such delay, Lessee may, with the prior written consent of Lessor, contest as aforesaid and delay as aforesaid, provided that such contest or delay does not subject Lessor to criminal liability, damages or expense and provided that Lessee: (I) furnishes to Lessor security, reasonably satisfactory to Lessor, against any loss or injury by reason of such contest or delay; and (ii) prosecutes the contest with due diligence.

Lessor shall not be required to join in any proceedings referred to in this Section unless the provisions of any applicable laws, rules or regulations at the time in effect shall require that such proceedings be brought by and/or in the name of Lessor and Lessor determines that such action is in its best interests, in which event Lessor shall join in the proceedings, or permit the same to be brought in its name, if Lessee shall pay all expenses in connection therewith.

9.6 Lessee may not perform aircraft maintenance work within the Leased Premises, except such work that is allowed by applicable building codes. Washing of aircraft outside the facility is prohibited. Washing of aircraft inside the Facility may only be performed if the Facility is constructed in such a way as to accommodate this function (i.e., all building code and environmental rules shall be complied with). De-icing of aircraft may only be performed in designated areas of the Airport as specified, from time to time, by Lessor.

9.7 Responsibility for compliance with all federal, state and local laws as required by this Article rests exclusively with the Lessee. The Lessor assumes no enforcement or supervisory responsibility except with respect to matters committed to its jurisdiction and authority.

9.8 Lessee's use of the Leased Premises shall be orderly and efficient and shall not cause any disruptions to other airport activities. Lessee shall not cause or maintain any nuisance on the Leased Premises. Lessee shall conduct all of its activities hereunder in an environmentally responsible manner.

9.9 Lessee shall have the right to obtain supplies or services from suppliers, vendors or contractors of its own choice at the Leased Premises, provided that Lessor reserves the right to prohibit persons from engaging in "aeronautical activities" (as defined in Advisory Circular AC 150/5190-2A of the Federal Aviation Administration) or the provision of ground transportation services at the Airport except in accordance with concession contracts or operating agreements entered into between Lessor and said persons.

9.10 Lessee's use of the Leased Premises shall be subject to its compliance with the Minimum Standards for Commercial and Non-Commercial General Aviation Operators set forth in Exhibit B as the same are, from time to time, amended .

9.11 Lessee acknowledges that Lessor is subject to certain restrictions on the use of the Airport

Property in accordance with Paragraph V.B of the Deed. Notwithstanding any other provision of this Lease, the Lessee shall also comply with and be subject to all other restrictions and conditions of the Deed to the extent applicable to the Leased Premises.

END OF ARTICLE 9

ARTICLE 9(A)

LESSOR SERVICES

9A.1. Lessor shall provide fire, crash crew, and security services to Lessee in connection with its use of the Leased Premises and with its use, in common with others, of the Airport to the same extent as such services are provided to other tenants and users of the Airport. Crash crew will be provided only at levels required by federal aviation regulations applicable to the Airport. The costs for such services shall be allocated to Lessee on the same basis and rates as set forth in Section 4.7. Notwithstanding any other provision of this Lease, Lessor shall be free to establish such terms and conditions as it deems appropriate in its capacity as proprietor of the Airport for the use of any areas of the Airport outside of the Leased Premises, provided, however, that Lessee shall have reasonable access to the Leased Premises.

END OF ARTICLE 9(A)

ARTICLE 9B.

RESTRICTIONS ON CERTAIN AIRCRAFT OPERATIONS

9B.1. Lessee acknowledges that PDA is considering the promulgation of proprietary regulations that will include certain restrictions on aircraft operations. Notwithstanding the adoption of any such proprietary regulations, Lessee agrees to be bound by the restrictions relating to aircraft operations (as distinct from the administrative provisions) of Exhibit B-1 "Proprietary Land Use Control Regulations for Aircraft Operations within the Airport Zone of the Pease International Tradeport" attached hereto and incorporated herein by reference.

9B.2. Within fifteen days following the end of each calendar month, Lessee shall file with the PDA a report specifying any operations conducted by it in turbojet aircraft subject to restriction as set forth in Exhibit B-1 during the 11 p.m. to 6 a.m. period for preceding month by date, time, aircraft type.

9B.3. Individual landings and/or takeoffs in turbojet aircraft which may otherwise be subject to restriction may be exempted by determination of the PDA Executive Director if Lessee establishes to the satisfaction of the PDA Executive Director through the filing of a report supplied on a form or forms approved by the PDA that one or more of the exemptions set forth in Article III of the Proprietary Land Use Control Regulations for Aircraft Operations within the Airport Zone of the Pease International Tradeport are applicable.

Lessee shall submit the required report within twenty-one (21) days of the occurrence of any one of the above events. On a monthly basis, the PDA Executive Director shall provide a report on all exemptions to the PDA Board of Directors.

9B.4. The agreement of Lessee in this Article 9B constitutes a voluntary agreement in accordance with the provisions of 14 CFR Part 161. In the event the restrictions set forth in Section 9B.1 are contained in any regulation promulgated by PDA in its capacity as airport proprietor, the airport proprietary regulations shall control. Nothing herein contained shall be construed to preclude the application to Lessee's operations at the Airport of any other airport proprietary regulations promulgated by PDA during the term of this Lease.

END OF ARTICLE 9B.

ARTICLE 10

LIENS

10.1 During the term of this Lease, Lessee shall not permit to remain, and shall promptly discharge, at its cost and expense, all liens, encumbrances and charges upon the Leased Premises or any part thereof; provided, that the existence of any mechanics', laborers', materialmen's, suppliers' or vendors' liens or rights thereto shall not constitute a violation of this Article if payment is not yet due under the applicable contract. Lessee shall, however, have the right to contest with due diligence the validity or amount of any lien or claimed lien, if Lessee shall give to Lessor such security as Lessor may reasonably require to insure payment thereof and prevent any sale, foreclosure or forfeiture of Lessee's interest in the Leased Premises or any portion thereof by reason of such nonpayment. On final determination of the lien or claim for lien, Lessee shall immediately pay any judgment rendered with all proper costs and charges and shall have the lien released or judgment satisfied at Lessee's own expense, and if Lessee shall fail to do so, Lessor may at its option pay any such final judgment and clear the Leased Premises therefrom. If Lessee shall fail to contest with due diligence the validity or amount of any such lien or claimed lien, or to give Lessor security as hereinabove provided, Lessor may, but shall not be required to, contest the validity or amount of any such lien or claimed lien or settle or compromise the same without inquiring into the validity of the claim or the reasonableness of the amount thereof.

10.2 Should any lien be filed against the Leased Premises or should any action of any character affecting the title thereto be commenced, Lessee shall give to Lessor written notice thereof as soon as notice of such lien or action comes to the knowledge of Lessee.

END OF ARTICLE 10

ARTICLE 11

REPAIRS AND MAINTENANCE

11.1. Lessee covenants and agrees, throughout the term of this Lease, without cost to Lessor, to take good care of the Leased Premises and related improvements, including sidewalks, fences, curbs, parking or apron areas designated for Lessee's exclusive use, and to keep the same in good order and condition, and shall promptly at Lessee's own cost and expense, make all necessary repairs, internal and external, structural and nonstructural, ordinary as well as extraordinary, foreseen as well as unforeseen, to keep the Leased Premises, including the roof and related improvements in safe, clean and sanitary condition. Notwithstanding the foregoing, in the event major structural repairs are required to be made to the Leased Premises, but specifically excluding such repairs as Lessee has agreed to undertake and perform hereunder, either Party may, without penalty, request an early termination of that portion of the Lease which pertains to the hangar which requires such major structural repair work.

Lessee's obligation hereunder shall also include grounds maintenance and restoration and snow removal from the Leased Premises including any parking areas designated for Lessee's exclusive use. Lessee shall also be responsible for snow removal in the 48,560 square foot floating ramp area immediately adjacent to Hangar 229. All such repairs made by Lessee shall be at least equal in quality and class to the original work and shall comply with the provisions of Article 15 of this Lease. Lessee shall keep and maintain all portions of the Leased Premises and the parking areas and fences adjoining the same in a clean and orderly condition, free of accumulation of dirt and rubbish. When used in this Article, the terms "repairs" shall include replacements or renewals when necessary.

END OF ARTICLE 11

ARTICLE 12

RIGHT OF LESSOR TO INSPECT AND REPAIR

12.1 Lessee will permit Lessor and its authorized agents and representatives to enter the Leased Premises at all reasonable times and upon reasonable notice for the purpose of: (I) inspecting the same; and (ii) making any necessary repairs and performing any other work that may be necessary by reason of Lessee's failure to comply with the terms of this Lease within ten (10) days after written notice from Lessor, unless an emergency situation (as determined in Lessor's sole discretion) requires earlier action by Lessor. Nothing herein shall imply any duty upon the part of Lessor to do any such work and performance thereof by Lessor shall not constitute a waiver of Lessee's default in failing to perform the same. Lessor may during the progress of such work keep and store in or on the Leased Premises all necessary materials, tools, supplies and equipment. Lessor shall not be liable for inconvenience, annoyance, disturbance, loss of business or other damage of Lessee by reason of making such repairs or the performance of any such work, on or account of bringing materials, tools, supplies or equipment into or through the Leased Premises during the course thereof and the obligations of Lessee under this Lease shall not be affected thereby. Nothing herein shall limit the provisions of Article 8.

12.2 Lessee acknowledges that from time to time Lessor may undertake construction, repair or other activities related to the operation, maintenance and repair of the Airport which will require temporary accommodation by Lessee. Lessee agrees to accommodate Lessor in such matters, even though Lessee's own activities may be inconvenienced or partially impaired, and Lessee agrees that no liability shall attach to Lessor, its members, employees or agents by reason of such inconvenience or impairment, unless such activities of Lessor hereunder are performed in a negligent manner.

12.3 Lessee shall allow any agency of the United States, its officers, agents, employees and contractors to enter upon the Leased Premises for any purposes not inconsistent with Lessee's quiet use and enjoyment, including but not limited to the purpose of inspection. Notwithstanding the preceding sentence, in the event the Government (or any agency having a right of entry under the Deed and/or the FFA determines that immediate entry is required for safety, environmental, operations or security purposes it may effect such entry without prior notice. The Lessee shall have no claim against Lessor or against the United States or any officer, agent, employee or contractor thereof on account of any such entries.

END OF ARTICLE 12

ARTICLE 13

GENERAL INDEMNIFICATION BY LESSEE

13.1 In addition to any other obligation of Lessee under this Lease to indemnify, defend and hold harmless Lessor, Lessee agrees to indemnify, defend and hold harmless Lessor against and from any and all claims, judgments, damages, penalties, fines, assessments, costs and expenses, liabilities and losses (including, without limitation, diminution in value of the Premises, damages for the loss or restriction on the use of the Premises, sums paid in settlement of claims, attorneys' fees, consultants' fees and experts' fees) resulting or arising during the term of this Lease:

(1) from any condition of the Premises (except as otherwise set forth in Article 25), including any building structure or improvement thereon;

(2) from any breach or default on the part of Lessee in the performance of any covenant or agreement on the part of Lessee to be performed pursuant to the terms of this Lease, or from any act or omission of Lessee, or any of its agents, contractors, servants, employees, Lessees, licensees or invitees; or

(3) from any accident, injury, death, loss or damage whatsoever caused to any person or property occurring during the term of this Lease, on or about the Leased Premises (including ramp and parking areas), or upon the land, streets, curbs or parking areas adjacent thereto.

Notwithstanding the preceding provisions of this Section 13.1 Lessee shall be under no obligation to PDA in respect to such matters included in items (1) through (3) above in existence prior to the effective date of this Lease or caused by the negligence of PDA, its officers, agents or employees, its assigns, agents, contractors, servants or employees.

In the event that any action or proceeding is brought against Lessor by reason of any matter for which Lessee has hereby agreed to indemnify, defend, or hold harmless Lessor, Lessee, upon notice from Lessor, covenants to resist or defend such action or proceeding with counsel acceptable to Lessor.

13.2 The term "Person" as used in this Article and Article 25 shall include individuals, corporations, partnerships, governmental units and any other legal entity entitled to bring a claim, action or other demand or proceeding on its own behalf or on behalf of any other entity.

END OF ARTICLE 13

ARTICLE 14

UTILITIES

14.1 Lessee acknowledges the locations and termini of existing utility lines relative to the location of the Leased Premises and agrees to extend the existing lines to the boundary of the Leased Premises (in cooperation with the utility providers) as may be necessary to install service connections to the proposed facilities. The utility lines shall have the capacities existing as of the Term Commencement Date which Lessee acknowledges are sufficient to enable Lessee to obtain for the buildings at the Leased Premises, as of the date of commencement of Lessee's activities, sufficient water, electricity, telephone and sewer service. Lessee shall not at any time overburden or exceed the capacity of the mains, feeders, ducts, conduits, or other facilities by which such utilities are supplied to, distributed in or serve the Leased Premises. If Lessee desires to install any equipment which shall require additional utility facilities or utility facilities of a greater capacity than the facilities provided, such installation shall be subject to Lessor's prior written approval of Lessee's plans and specifications therefor, which approval shall not be unreasonably withheld. Lessor's approval shall be contingent upon the review and approval of the associated utility provider. If such installation is approved by Lessor and if Lessor agrees to provide any additional facilities to accommodate Lessee's installation, Lessee agrees to pay Lessor, in advance and on demand, the cost for providing such additional utility facilities or utility facilities of greater capacity.

Lessor also reserves the right to run such utility lines as it deems necessary in connection with the development of the Airport to, from, or through the Leased Premises, provided, however, that Lessor in exercising such reserved right shall provide reasonable prior notice and the opportunity to confer with Lessee and shall exercise reasonable efforts to avoid or minimize interference with use of the Leased Premises. Lessee agrees that in the event that the proposed facilities impact existing utilities, Lessee shall remove or relocate the lines at Lessee's sole expense. Determination of the method for removal or relocation shall be by Lessor in conjunction with the affected utility.

Lessor, at its sole discretion, shall have the right from time to time, to alter the method and source of supply of the above enumerated utilities to the Leased Premises and Lessee agrees to execute and deliver to Lessor such documentation as may be required to effect such alteration. Lessee agrees to pay all charges for the above enumerated utilities supplied by Lessor, public utility or public authority, or any other person, firm or corporation.

Lessor shall have the option to supply any of the above enumerated utilities to the Leased Premises. If Lessor shall elect to supply any of such utilities to the Leased Premises, Lessee will purchase its requirements for such services tendered by Lessor, and Lessee will pay Lessor, within ten (10) days after mailing by Lessor to Lessee of statements therefor, at the applicable rates determined by Lessor from time to time which Lessor agrees shall not be in excess of the public utility rates for the same service, if applicable, to other aviation tenants at the Airport. If Lessor so elects to supply any of such utilities, Lessee shall execute and deliver to Lessor, within ten (10) days after request therefor, any documentation reasonably required by Lessor to effect

such change in the method of furnishing of such utilities.

14.2 Lessor shall not be responsible for providing any meters or other devices for the measurement of utilities supplied to the Leased Premises. Lessee shall install or make application and arrange for the installation of all such meters or other devices and shall also procure, or cause to be procured, without cost to Lessor, any and all necessary permits, licenses or other authorizations required for the lawful and proper installation and maintenance upon the Leased Premises of wires, pipes, conduits, tubes and other equipment and appliances required to supply any such service upon the Leased Premises, and Lessee shall be solely responsible for and promptly pay, as and when the same become due and payable, all charges for water, sewer, electricity, gas, telephone and any other utility used or consumed in the Leased Premises and supplied by Lessor, any public utility or authority or any other person, firm or corporation.

14.3 All work and construction under this Article shall comply with the provisions of Article 15 of this Lease applicable to construction work.

14.4 Lessee (and any sublessee or assignee of Lessee) shall be solely responsible for obtaining at its sole cost and expense any sewage or stormwater discharge permits as may be required for its operations under this Lease (or any Lease or assignment). Lessee (and any sublessee or assignee of Lessee) shall be required to comply with any and all land use control regulations promulgated by Lessor and any and all federal, state and local requirements and standards concerning stormwater discharges and discharges to sewage treatment works, including, without limitation, any pre-treatment requirements.

END OF ARTICLE 14

ARTICLE 15

ALTERATIONS - SIGNS

15.1 Lessee shall not place or construct any improvements, changes, structures, alterations or additions (cumulatively referred to in this Article as "Alterations") in, to or upon the Leased Premises without Lessor's written consent. Unless Lessee is subject to an earlier notice requirement under the Lessor's land use controls or other applicable requirements with respect to the information required under this section, any request for Lessor's consent shall be made upon sixty (60) days written notice and shall be accompanied by preliminary engineering or architectural plans or, if consented to by Lessor, working drawings. If Lessor grants its consent all such work shall be done at Lessee's sole cost and expense, subject, in all cases, to the following covenants:

(1) All work and Alterations shall be done in compliance with all applicable governmental regulations, codes, standards or other requirements, including fire, safety and building codes and Land Use Regulations promulgated by Lessor and with the provisions of Article 25 of this Lease. This obligation shall include compliance with all applicable provisions of the FFA, including obligations imposed upon Lessor in respect to construction and construction related work.

(2) All Alterations shall be of such a character as not to materially reduce the value and usefulness of any of the buildings or other improvements below their value and usefulness immediately before such Alteration. All work performed hereunder shall be performed in a good and workmanlike manner, shall conform to drawings and specifications approved by Lessor and shall not be disruptive of the overall operation the Airport. All contractors engaged by Lessee to perform such work shall employ labor that can work in harmony with all elements of labor at the Airport.

(3) During the period of construction of any Alterations, Lessee or any contractor, subcontractor or Lessee of Lessee shall maintain or cause to be maintained the following insurance:

(i) The comprehensive general liability and automobile liability insurance provided for in Section 7.1.B. (2) and (4) shall be maintained for the limits specified thereunder and shall provide coverage for the mutual benefit of Lessor and Lessee as named insured in connection with any Alteration permitted pursuant to this Article 15;

(ii) Property and fire and any other applicable insurance provided for in Article 7 which if not then covered under the provisions of existing policies shall be covered by special endorsement thereto in respect to any Alteration, including all materials and equipment therefor incorporated in, on or about the Leased Premises (including excavations, foundations, and footings) under a broad form all risks builder's risk completed value form or equivalent thereof; and

(iii) Workers' compensation insurance covering all persons employed in connection with the work and with respect to whom death or bodily injury claims could be asserted against Lessor, Lessee or the Leased Premises, with statutory limits as then required under the laws of the State of New Hampshire.

The provisions of all applicable Sections of Article 7 of this Lease shall apply to all insurance provided for in this Section.

(4) Lessee shall provide Lessor with MYLAR as-built drawings when any Alteration authorized hereunder is completed.

15.2 Lessee may erect and maintain suitable signs only within the Leased Premises and upon receiving the prior written approval of Lessor. Lessee shall submit drawings of proposed signs and information on the number, size, type, and location, all of which Lessor may review for harmony and conformity with the overall structure and architectural and aesthetic setting of the Leased Premises and the Airport as well as with Lessor's own land use control regulations and may approve or disapprove accordingly.

15.3 The Lessee, its Lessees and assignees shall not conduct any excavation, digging, drilling or other disturbance of areas denoted as "Use Restriction Zones" on Exhibit C of the Deed.

15.4 Notwithstanding any other provision of this Lease, the right of Lessee to place or construct Alterations in, to or upon the Leased Premises shall be subject to Paragraph B of the Deed.

15.5 In addition to the requirements to provide notice to Lessor under this Article 15 in respect to any Alteration, Lessee shall also provide notice to the Air Force, EPA and NHDES in the same manner and to the extent required of Lessor under the Deed and/or the FFA.

END OF ARTICLE 15

ARTICLE 16

DESTRUCTION AND RESTORATION

16.1 In the event any portion of the Leased Premises, including any building(s), parking or apron areas or other improvements or facilities located on the Leased Premises, (but excluding movable trade fixtures, furniture and equipment), shall be damaged by fire or other casualty to the extent of fifty percent (50%) or less, as determined solely and reasonably by the Lessor, such damage shall be repaired by Lessee as promptly as possible and at Lessee's expense so as to restore the same as nearly as possible to the condition prior to such damage. In discharging this obligation Lessee may utilize available insurance in accordance with the provisions of Section 16.4 and Section 16.5 and shall perform such work in accordance with Section 16.6.

16.2 In the event of damage to or destruction of any portion or component of the Leased Premises, including any building(s) or other improvements or facilities on the Leased Premises (but excluding movable trade fixtures, furniture and equipment) by fire or other casualty, to an extent greater than fifty percent (50%), as determined solely and reasonably by the Lessor, the Lessee shall have the election either to terminate this Lease in accordance with Section 16.3 as it relates to the damaged portions or to repair and restore the damaged portions in accordance with Sections 16.4 and 16.5.

16.3 In the event the Lessee elects to terminate this Lease as allowed in Section 16.2, it shall provide written notice of such termination to Lessor within thirty (30) days following the occurrence of such damage or destruction, which termination shall be effective on the third day following the date of receipt of such notice. In such event, the proceeds received from any applicable policy of insurance shall be applied first to removing any debris and restoring the site to a condition satisfactory to the Lessor, and second to any sums owed by Lessee to the Lessor. Any balance remaining from any insurance proceeds shall then be apportioned between the Lessor and Lessee as follows:

First, to Lessor an amount equal to the unamortized balance of Leasehold improvements made at Lessor's expense calculated on a straight line basis over the useful life of said improvement.

Second, to Lessee an amount equal to the unamortized balance of Leasehold improvements made at Lessee's expense calculated on a straight line basis over the useful life of said improvement.

16.4 In the event the Lessee shall elect to repair and restore the damaged premises in accordance with 16.2, it shall provide written notice of such election to Lessor within thirty (30) days following the occurrence of such damage or destruction. In the event Lessee elects to repair the damage or destruction or fails to exercise its option to terminate herein, Lessee shall promptly repair and restore the damaged property to its condition immediately prior to the occurrence of the fire or other cause. All insurance proceeds shall be endorsed by Lessee and held by the Lessor and shall be paid out from time to time as the repair/restoration work progresses as follows:

(a) Lessee shall give a written request for payment to the Lessor which shall be accompanied by a verified statement from Lessee setting forth that the sum then requested either has been paid by the Lessee or is justly due to contractors, subcontractors, materialmen, engineers, architects, or other persons who have rendered services or furnished materials for certain work. Such statement shall give a description of such services and materials, shall list the several amounts so paid or due to each of such persons, shall state the fair value of such work at the date of the requisition, and shall state that no part of such expenditures has been or is being made the basis for any other request for payment. Such statement shall state also that except for the amounts listed therein, there is no outstanding indebtedness known to Lessee after due inquiry, which is then due for labor, wages, materials, supplies, or services in connection with such work which, if unpaid, might become the basis of a vendor's, mechanic's, laborer's, materialman's, or similar lien upon such work or upon the Leased Premises.

(b) Within twenty-one (21) days after the receipt of such statement from Lessee, the Lessor shall out of the fund held by the Lessor pay to the person(s) named in such statement the respective amounts stated in such statement to be due to them, or shall pay to the Lessee the amount stated in such certificate to have been paid by the Lessee; provided, however, that such payments shall not exceed in amount the fair value of the relevant work as stated in such certificate.

16.5 All insurance money paid on account of any damage or destruction (less the actual cost, fees and expenses, if any, incurred by Lessor in connection with the adjustment of the loss, which costs, fees and expenses shall be paid to Lessor) shall be applied, to the payment of the cost of the aforesaid restoration, repairs, replacement, rebuilding or alterations, including the cost of demolition and temporary repairs and for the protection of property pending the completion of permanent restoration, repairs, replacements, rebuilding or alterations (all of which temporary repairs, protection of property and permanent restoration, repairs, replacement, rebuilding or alterations are hereinafter collectively referred to as the "restoration"). Such insurance money shall be endorsed by Lessor, Lessee, and, if applicable, any Leasehold Mortgagee, and held and applied in accordance with the terms of this Article.

Notwithstanding any other provisions of this Lease, any insurance proceeds received by the Lessor shall not be required to be paid out if at the time of the request for payment from Lessee, Lessee is in default in the performance of any term of this Lease as to which notice of default has been given and which has not been remedied within the time specified for remedying the same.

16.7 All repair/restoration work under this Article shall comply with the provisions of Article 15 of this Lease applicable to construction work.

16.8 Except as otherwise expressly provided in this Article, no destruction of, or damage to the Leased Premises or any part thereof by fire or any other cause shall permit Lessee to surrender this Lease or shall relieve Lessee from its obligations to pay the full Building Area Rent, and additional rent payable under this Lease or from any of its other obligations under this Lease, and Lessee waives any rights now or hereafter conferred upon it by statute or otherwise to quit or

surrender this Lease or the Leased Premises or any suspension, diminution, abatement or reduction of rent on account of any such destruction or damage other than as allowed under this Article.

END OF ARTICLE 16

ARTICLE 16(A)

EMINENT DOMAIN

16A.1. In the event that there is a taking by eminent domain of the whole of the Leased Premises, this Lease shall terminate and the entire damages attributable to the land area shall accrue to Lessor, and that portion of the damages attributable to the capital improvements or buildings shall be divided between Lessor and Lessee in the same priority and on the same basis as the allocation of damages under Section 16.3 relating to Leasehold improvements. Any remaining balance from damages shall be payable to Lessor.

16A.2. In the event that there is a taking by eminent domain of a portion of the Leased Premises, then this Lease shall terminate as to the portion taken and the amount of the damages attributable to the area taken shall be apportioned between Lessor and Lessee in the same manner as set forth in Section 16A.1. In the event that the taking shall not be of the entire Leased Premises, but the part of the Leased Premises remaining shall not be reasonably sufficient and suitable for Lessee's use and occupancy for the purposes permitted hereunder, then Lessee may terminate this Lease forthwith. If Lessee so determines and terminates this Lease, the damages attributable for improvements made by Lessee at its expense shall be divided between Lessor and Lessee as follows: Lessee will receive that amount equal to the unamortized balance of any such improvements made by Lessee at its sole expense calculated over their useful life on a straight line basis.

In the event of such partial taking and an election by Lessee not to terminate this Lease as herein provided, the total amount of damages shall accrue to Lessor, and the rental paid by Lessee shall be reduced in the proportion which the area of the portion taken bears to the area demised under the provisions hereof.

16A.3. Notwithstanding any other provision of this Lease, in the event of a temporary taking (i.e., 2 years or less) this Lease shall not terminate but shall resume at the expiration of the period within which the taking authority exercises dominion of the area subject to the temporary taking, provided, however, that in such event Lessee shall be under no obligation to pay rent and shall be allowed to share in any damages to the extent that the award reflects the fair rental value of the property taken and such value exceeds the established rental, including all applicable charges, required to be paid by Lessee to Lessor under this Lease.

END OF ARTICLE 16(A)

ARTICLE 17

DEFAULT BY LESSOR

17.1 The occurrence of the following events shall constitute a default and breach of this Lease by Lessor:

The failure by Lessor to observe or perform any covenant required to be observed or performed by it where such failure continues for thirty (30) working days after written notice thereof by Lessee to Lessor, provided that if the default is such that the same cannot reasonably be cured within such 30-day period, Lessor shall not be deemed to be in default if it shall have commenced the cure and thereafter diligently prosecutes the same to completion.

17.2 In the event of any such default by Lessor, Lessee may elect among any of the following remedies:

1. termination of this Lease;
2. a rental abatement based on the degree of uninhabitability (as determined by agreement of the Parties) of the Leased Premises caused by Lessor's default but only for the period that such default remains in effect;
3. subject to available legal and factual defenses,
 - a decree or order of a court of competent jurisdiction compelling specific performance by Lessor of its obligations under the Lease;
 - a decree or order by a court of competent jurisdiction restraining or enjoining the breach by Lessor of any of its obligations under the Lease;
4. to the extent allowed by law, the right to undertake to cure Lessor's default, in which event Lessor shall pay Lessee the reasonable costs incurred in such undertaking, provided that such cost does not exceed the value of the rental payments to Lessor due under this Lease for any one year period. Notwithstanding any other provision of this Lease, this right to undertake to cure Lessor's default shall not extend beyond the Leased Premises and shall not be exercised in any way that causes disruption or interference with the overall operation of the Airport.

END OF ARTICLE 17

ARTICLE 18

DEFAULT BY LESSEE

18.1 The occurrence of any of the following events shall constitute a default and breach of this Lease by Lessee:

A. The failure by Lessee to pay when due the Building Area Rent or additional rent or to make any other payment required to be made by Lessee to Lessor hereunder where such failure continues for seven (7) working days after written notice thereof by Lessor to Lessee.

B. The abandonment or vacation of the Leased Premises by Lessee while in breach or default of any provision of this Lease or that lasts for 14 days or more.

C. The failure by Lessee to observe and perform any other provision of this Lease (including without limitation compliance with federal, state and local laws and regulations) to be observed or performed by Lessee, where such failure continues for thirty (30) working days after written notice thereof by Lessor to Lessee; provided that if the nature of such default is such that the same cannot reasonably be cured within such thirty-day period, Lessee shall not be deemed to be in default if Lessee shall within such period commence such cure and thereafter diligently prosecute the same to completion.

D. The making by Lessee of any general assignment for the benefit of creditors; the filing by or against a Lessee of a petition to have Lessee adjudged a bankrupt or of a petition for reorganization or arrangement under any law relating to bankruptcy where possession is not restored to Lessee within thirty (30) days; or the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Leased Premises or of Lessee's interest in this Lease, where such seizure is not discharged within thirty (30) days.

E. The failure to commence and complete construction of the Facility in accordance with the schedule set forth in Article 1.A.1. of this Lease unless the Parties mutually agree to an extension of said deadlines.

18.2 In the event of any Default by Lessee, Lessor shall have the option to terminate this Lease and all rights of Lessee hereunder by giving written notice of such intention to terminate in the manner specified herein, or Lessor may elect among any one or more of the following remedies without limiting any other remedies available to Lessor:

- (1) subject to available legal and factual defenses,
 - a decree or order of a court of competent jurisdiction compelling specific performance by Lessee of its obligations under the Lease;
 - a decree or order by a court of competent jurisdiction restraining or enjoining the breach by Lessee of any of its obligations under the Lease;

and

- (2) to the extent allowed by law, the right to undertake to cure Lessee's default, in which event Lessee shall pay Lessor the reasonable costs incurred in such undertaking, provided that such cost does not exceed the value of the rental payments to Lessor due under this Lease for the year in which such default occurs. Except for emergency conditions, Lessor shall provide Lessee with two (2) business days prior written notice of its intent to exercise the right to undertake to cure Lessee's default. In the event Lessee commences to cure such default within this two (2) day period and diligently prosecutes the same to completion, Lessor shall refrain from exercising the right to undertake its own cure of Lessee's default.

In the event that Lessor shall elect to so terminate this Lease, then Lessor may recover from Lessee:

- (i) any unpaid rent up to the effective date of termination; plus
- (ii) any other amount necessary to compensate Lessor for all the detriment proximately caused by Lessee's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom including the discounted value of the rental payments to Lessor under the full term of this Lease not otherwise offset by rentals realized from a subsequent Lease with a third party, including a sublessee provided by Lessee and reasonably acceptable to Lessor; plus
- (iii) such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable New Hampshire law.

18.3 In the event of any such default by Lessee, Lessor shall also have the right, with or without terminating this Lease, to reenter the Leased Premises and remove all persons and property from the Leased Premises to the extent allowed under New Hampshire law. Such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of Lessee. Under no circumstances shall Lessor be held liable in damages or otherwise by reason of any such reentry or eviction or by reason of the exercise by Lessor of any other remedy provided in this Article. All property of Lessee which is stored by Lessor may be redeemed by Lessee within thirty (30) days after Lessor takes possession upon payment to Lessor in full of all obligations then due from Lessee to Lessor and of all costs incurred by Lessor in providing such storage. If Lessee fails to redeem such property within this thirty (30) day period, Lessor may sell the property in any reasonable manner, and shall apply the proceeds of such sale actually collected first against the costs of storage and sale and then against any other obligation due from Lessee.

18.4 In the event of the vacation or abandonment of the Leased Premises by Lessee for seven (7) days or in the event that Lessor shall elect to reenter as provided in Section 18.3 or shall take

possession of the Leased Premises pursuant to any provision of New Hampshire law or pursuant to any notice provided by law, then if Lessor does not elect to terminate this Lease as provided in Section 18.2, Lessor may from time to time, without terminating this Lease, either recover all rental as it becomes due or relet the Leased Premises or any part thereof for such terms and conditions as Lessor in its sole discretion may deem advisable, including the right to make alterations and repairs to the Leased Premises. In the event that Lessor shall elect to relet, then rentals received by Lessor from such reletting shall be applied: first, to the payment of any indebtedness other than rent due hereunder from Lessee to Lessor; second, to the payment of any cost of such reletting; third, to the payment of the cost of any alterations and repairs to the Leased Premises; fourth, to the payment of rent due and unpaid hereunder; and the residue, if any, shall be held by Lessor and applied in payment of future rent as the same may become due and payable hereunder. Should the amount of rental received from such reletting during any month which is applied to the payment of rent be less than that required to be paid during that month by Lessee under this Lease, then Lessee shall pay such deficiency to Lessor immediately upon demand by Lessor. Such deficiency shall be calculated and paid monthly. Lessee shall also pay to Lessor, as soon as ascertained, any costs and expenses incurred by Lessor in such reletting or in making such alterations and repairs not covered by the rentals received from such reletting.

18.5 The various rights and remedies reserved to Lessor, including those not specifically described under this Lease, shall be cumulative, and, except as otherwise provided by New Hampshire statutory law in force and effect at the time of the execution of this Lease, Lessor may pursue any or all of such rights and remedies, whether at the same time or otherwise.

18.6 No delay or omission of Lessor to exercise any right or remedy shall be construed as a waiver of any such right or remedy or of any default by Lessee.

18.7 Notwithstanding any other provision of this Lease in the event the breach by Lessee in the reasonable opinion of Lessor affects or is likely to affect the efficient operation of the Airport or give rise to public safety concerns, in addition to any other remedy it may have under this Lease, Lessor shall also be entitled (but shall not be obligated) to take whatever actions is deemed necessary by Lessor to abate or cure such situation and Lessee shall reimburse Lessor for all costs incurred by Lessor in taking such action.

END OF ARTICLE 18

ARTICLE 19

DELEGATION - ASSIGNMENT - SUBLEASES - MORTGAGES

19.1 Delegation. Lessee shall not have the right to delegate any of its responsibilities or obligations under this Lease.

19.2 Assignment. Lessee may, without the approval of Lessor, assign its rights under this Lease to a related corporation or entity as long as Lessee retains at least fifty-one percent (51%) controlling interest in such related corporation. All other assignments shall be subject to approval of Lessor, which approval shall not be withheld unreasonably.

19.3 Subleases. Lessee may not enter into any sublease of the entire Leased Premises without Lessor's prior written approval. Any request for Lessor's approval shall be made at least thirty (30) days prior to the commencement of such tenancy and shall provide detailed information concerning the identity and financial condition of the proposed Lessee and the terms and conditions of the proposed sublease. Lessor shall not unreasonably withhold its consent to such sublease if: (1) the use of the Leased Premises associated with any sublease(s) is permitted under Article 9, (2) the sublease(s) are consistent with the terms and conditions of this Lease; provided, however, that Lessee may rent the subleased area at rentals deemed appropriate by Lessee, (3) Lessee remains primarily liable to Lessor to pay rent and to perform all other obligations to be performed by Lessee under this Lease, and (4) the proposed sublessee is financially and operationally responsible. Subject to reasonable cost allocation, in the event the rent for the Subleased Premises exceeds the rental charged to Lessee under Article 4, Lessee shall remit fifty percent (50%) of such excess to Lessor upon receipt by Lessee; provided, however, that any rental received by Lessee during a period in which no rental is due to Lessor shall be paid in its entirety to Lessor. The preceding provision with respect to excess rental income shall only be applicable to the entirety of the Premises and not the subletting of portions of hangar and related interior space. Notwithstanding the foregoing, any subletting of hangar and related interior space shall be subject to subsections (1), (2) and (3) above and the Minimum Standards for Commercial and Non-Commercial General Aviation Operators. Additionally, Lessee shall require each tenant or hangar occupant to carry liability insurance, name PDA as an additional insured and provide insurance coverage that is otherwise consistent with the requirements for insurance set forth in Section 7.4 of this Lease. Lessee agrees to provide PDA with copies of all hangar use agreements and leases for review before the effective date of such agreements or leases.

Lessor acknowledges that Lessee intends to enter into a sublease agreement with Port City Air, Inc., an authorized Full Service Fixed Base Operator located at 104 Grafton Drive, Portsmouth, NH 03801 ("PCA/FBO"). PCA/FBO will operate the Premises consistent with the Minimum Standards set forth in Exhibit B. Lessor consents to such leasing, subject to review and approval of the Sublease by Lessor and approval of the escrow agreement ("Escrow Agreement") to provide funding for the Required Improvements defined in Article 1A, Section 1A.1 of this Lease, which approval shall not be unreasonably withheld or delayed.

19.4 Continuing Liability of Lessee. No subletting, assignment or transfer, whether Lessor's consent is required or otherwise given hereunder, shall release Lessee's obligations or alter the primary liability of Lessee to pay the rent and to perform all other obligations to be performed by Lessee hereunder. The acceptance of rent by Lessor from any other person shall not be deemed to be a waiver by Lessor of any provision hereof. Consent to one assignment or subletting shall not be deemed consent to any subsequent assignment or subletting. If any assignee of Lessee or any successor of Lessee defaults in the performance of any of the terms hereof, Lessor may proceed directly against Lessee without the necessity of exhausting remedies against such assignee or successor. If Lessee assigns this Lease, or sublets all or a portion of the Leased Premises, or requests the consent of Lessor to any assignment or subletting, or if Lessee requests the consent of Lessor for any act that Lessee proposes to do, then Lessee shall pay Lessor's reasonable processing fee and reimburse Lessor for all reasonable attorneys' fees incurred in connection therewith. Any assignment or subletting of the Leased Premises that is not in compliance with the provisions of this Article 19 shall be void and shall, at the option of Lessor, terminate this Lease.

19.5 Bankruptcy. If a petition is filed by or against Lessee for relief under Title 11 of the United States Code, as amended (the "Bankruptcy Code"), and Lessee (including for purposes of this Section Lessee's successor in bankruptcy, whether a trustee or Lessee as debtor-in-possession) assumes and proposes to assign, or proposes to assume and assign, this Lease pursuant to the provisions of the Bankruptcy Code to any person or entity who has made a bona fide offer to accept an assignment of this Lease, then notice of the proposed assignment setting forth (a) the name and address of the proposed assignee, (b) all of the terms and conditions of the offer and proposed assignment, and (c) the adequate assurance to be furnished by the proposed assignee of its future performance under the Lease, shall be given to Lessor by Lessee no later than twenty (20) days after Lessee has made or received such offer, but in no event later than thirty (30) days prior to the date on which Lessee applies to a court of competent jurisdiction for authority and approval to enter into the proposed assignment. If this Lease is assigned pursuant to the provisions of the Bankruptcy Code, Lessor may request from the assignee a guarantee similar to that requested of Lessee under Article 27. Any person or entity to which this Lease is assigned pursuant to the provisions of the Bankruptcy Code shall be deemed, without further act or documentation, to have assumed all of the Lessee's obligations arising under this Lease on and after the date of such assignment. Any such assignee shall, upon demand, execute and deliver to Lessor an instrument confirming such assumption. No provision of this Lease shall be deemed a waiver of Lessor's rights or remedies under the Bankruptcy Code to oppose any assumption and/or assignment of this Lease, to require a timely performance of Lessee's obligations under this Lease, or to regain possession of the Premises if this Lease has neither been assumed nor rejected within sixty (60) days after the date of the order for relief or within such additional time as a court of competent jurisdiction may have fixed. Notwithstanding anything in this Lease to the contrary, all amounts payable by Lessee to or on behalf of Lessor under this Lease, whether or not expressly denominated as rent, shall constitute rent for the purposes of Section 502(b)(6) of the Bankruptcy Code.

19.6 Notwithstanding any other provision of this Lease, any assignment or sublease shall comply with the provision of Article 25 of this Lease including any applicable notice

requirements of the Deed and FFA.

19.7 Mortgages. Except as otherwise expressly agreed to by the Lessor in writing, Lessee shall not have the right to engage in any financing or other transaction creating any mortgage upon the Leased Premises. Any approval of the Lessor shall be expressly subject to the terms and conditions of the Deed and the provisions of this Lease and such approval shall not be unreasonably withheld.

Subject to the provisions of this Lease and terms and conditions of the Deed, Lessee shall have the right, at any time during the term of this Lease, to encumber its estate in the Leased Premises pursuant to one or more mortgages or deeds of trust ("Leasehold Mortgage") only to provide financing as set forth herein. Any right granted to Lessee to encumber its estate in the Leased Premises through grant of a Leasehold Mortgage shall be subject to the requirement that:

- (i) the maximum amount of any permanent or refinance Leasehold Mortgage shall not exceed eighty percent (80%) of the appraised fair market value of the Leased Premises, including the Facility; and
- (ii) the maximum amount of any permanent or refinance Leasehold Mortgage on the land area of the Leased Premises, excluding the Facility, shall not exceed one hundred percent (100%) of the total cost of any authorized capital improvements with a useful life in excess of five (5) years.

No Leasehold Mortgage shall extend to or affect the fee, the reversionary interest or the estate of Lessor and/or the Air Force in or to any land, building or improvements existing or subsequently constructed on the Leased Premises. No Leasehold Mortgage shall be binding upon Lessor and/or the Air Force in the enforcement of its rights and remedies herein and by law provided, unless, and until a copy thereof shall have been delivered to Lessor and the Air Force and such mortgage is authorized under this Section 19.7. Lessor and Lessee agree that so long as any authorized Leasehold Mortgage is a lien on Lessee's estate in the Leased Premises, the mortgagee or beneficiary thereunder ("Leasehold Mortgage") shall have all of the following rights:

(1) If Lessee shall have delivered to Lessor prior written notice of the address of any Leasehold Mortgagee, Lessor will give to the Leasehold Mortgagee a copy of any notice under this Lease at the time of giving such notice to Lessee, and will give to the Leasehold Mortgagee notice received by Lessor of any rejection of this Lease by the trustee in bankruptcy of Lessee or by Lessee as debtor-in-possession. In such case no termination of this Lease or termination of Lessee's right of possession of the Leased Premises or reletting of the Leased Premises by Lessor predicated on the giving of any notice shall be effective unless Lessor gives to the Leasehold Mortgagee written notice or a copy of its notice to Lessee of such default or termination, as the case may be. Notices, demands and requests from Lessor to the Leasehold Mortgagee shall be mailed to the address given to Lessor by certified or registered mail and notices, demands and requests from the Leasehold Mortgagee to Lessor shall be delivered in the manner and to the address as specified in Article 23 hereof.

(2) In the event of any default by Lessee under the provisions of this Lease, the Leasehold Mortgagee will have the same concurrent grace periods as are given Lessee for remedying such default or causing it to be remedied, plus, in each case, an additional period of thirty (30) days after the expiration thereof or after Lessor has served a notice or a copy of a notice of default upon the Leasehold Mortgagee, whichever is later.

(3) In the event Lessee shall default under any of the provisions of this Lease, the Leasehold Mortgagee, without prejudice to its rights against Lessee, shall have the right to cure such default within the applicable grace periods provided for in the preceding paragraph of this Section whether the same consists of the failure to pay rent or the failure to perform any other matter or thing which Lessee is hereby required to do or perform, and Lessor shall accept such performance on the part of the Leasehold Mortgagee as though the same had been done or performed by Lessee. For such purpose Lessor and Lessee hereby authorize the Leasehold Mortgagee to enter upon the Leased Premises and to exercise any of Lessee's rights and powers under this Lease, and subject to the provisions of this Lease, under the Leasehold Mortgage.

(4) The term "incurable default" as used herein means any default which cannot be cured by a Leasehold Mortgagee. The term "curable default" means any default under this Lease which is not an incurable default. In the event of any curable default under this Lease, and if prior to the expiration of the applicable grace period specified in subparagraph (2) of this Section, the Leasehold Mortgagee shall give Lessor written notice that it intends to undertake the curing of such default, or to cause the same to be cured, or to exercise its rights to acquire the leasehold interest of Lessee by foreclosure or otherwise, and shall immediately commence and then proceed with all due diligence to do so, whether by performance on behalf of Lessee of its obligations under this Lease, or by entry on the Leased Premises by foreclosure or otherwise, then Lessor will not terminate or take any action to effect a termination of this Lease or re-enter, take possession of or relet the Leased Premises or similarly enforce performance of this Lease so long as the Leasehold Mortgagee is, with all due diligence and in good faith, engaged in the curing of such default, or effecting such foreclosure, provided, however, that the Leasehold Mortgagee shall not be required to continue such possession or continue such foreclosure proceedings if such default shall be cured. Nothing herein shall preclude Lessor from terminating this Lease with respect to any additional default which shall occur during the aforesaid period of forbearance and not be remedied within the period of grace, if any, applicable to any such additional default provided that Lessor provides the Leasehold Mortgagee with notice and opportunity to cure any such additional default.

(5) In the event that this Lease is terminated by Lessor on account of any incurable default or in the event Lessee's interest under this Lease shall be sold, assigned, or transferred pursuant to the exercise of any remedy of this Lease or pursuant to judicial proceedings, and if (i) no rent or other charges shall then be due and payable by Lessee under this Lease, and (ii) the Leasehold Mortgagee shall have arranged to the reasonable satisfaction of Lessor to cure any curable default of Lessee under this Lease, then Lessor, within thirty (30) days after receiving a written request therefor, which shall be given within sixty (60) days after such termination or transfer and upon payment to it of all expenses, including attorney's fees, incident thereto, Lessor will execute and deliver a new lease of the Leased Premises to the Leasehold Mortgagee or its

nominee or to the purchaser, assignee or transferee, as the case may be, for the remainder of the term of this Lease, containing the same covenants, agreements, terms, provisions and limitations as are contained herein. Upon the execution and delivery of such new lease, the new tenant, in its own name or in the name of Lessor may take all appropriate steps as shall be necessary to remove Lessee from the Leased Premises, but Lessor shall not be subject to any liability for the payment of fees, including reasonable attorney's fees, costs or expenses in connection therewith; and said new tenant shall pay all such fees, including attorney's fees, costs and expenses or, on demand, make reimbursements therefor to Lessor.

(6) In the event a default under the Leasehold Mortgage shall have occurred, the Leasehold Mortgagee may exercise, with respect to the Leased Premises, any right, power or remedy under the Leasehold Mortgage, which is not in conflict with the provisions of this Lease. Any Leasehold Mortgagee shall be liable to perform the obligations herein imposed on Lessee only during the period it is in possession or ownership of the leasehold estate created hereby.

(7) This Lease may be assigned, with the consent of Lessor, which consent shall not be unreasonably withheld or delayed, to or by the Leasehold Mortgagee or its nominee, pursuant to foreclosure or similar proceedings. Notwithstanding the foregoing provision, however, the consent provisions of Section 19.7(7) of this Lease shall not apply to, and no consent of the Lessor shall be required in connection with, any assignment or transfer, whether through foreclosure, deed in lieu of foreclosure, or otherwise, of the Lessee's interest in this Lease to Leasehold Mortgagee or its nominee, successor, transferee or assignee, provided that, said assignment and/or transfer is subject to and gives recognition to all existing subtenants and subleases (whether of record or not) and, after said transfer and/or assignment, Leasehold Mortgagee, and its nominee, successor, transferee or assignee agree to recognize the rights of all subtenants under their leases, so long as they are not in default under their respective subleases; provided further that, in the case of a transfer through foreclosure, Leasehold Mortgagee shall recognize, and not disturb the possession of a subtenant under a Lease if (I) such subtenant has executed a so-called non-disturbance and attornment agreement (the "NDA") with Leasehold Mortgagee, and is in compliance with the terms thereof at the time of such transfer, or (ii) the Lease contains provisions substantially to the same effect as those contained in the NDA"

(8) No surrender (except a surrender upon the expiration of the term of this Lease or upon termination by Lessor pursuant and subject to the provisions of this Lease) by Lessee to Lessor of this Lease, or of the Leased Premises, or any part thereof, or of any interest therein, and no termination of this Lease by Lessee shall be valid or effective, and neither this Lease nor any of the terms hereof may be amended, modified, changed or canceled without prior written consent of the Leasehold Mortgagee.

Notwithstanding any provision of this Lease to the contrary, no refinancing of any existing Leasehold mortgage shall be effective without the advance written approval of Lessor, which approval shall not be unreasonably withheld.

END OF ARTICLE 19

ARTICLE 20

[RESERVED]

END OF ARTICLE 20

ARTICLE 21

ESTOPPEL CERTIFICATES AND FINANCIAL STATEMENTS

21.1 Lessor, on or before twenty (20) days following receipt of a written request from Lessee, and Lessee, on or before twenty (20) days following receipt of a written request from Lessor, shall deliver to the party making such request a statement in writing certifying that this Lease is unmodified and in full force and effect (or if there shall have been modifications that the same is in full force and effect as modified and stating the modifications) and the date to which the rent and any other deposits or charges have been paid and stating whether or not, to the best knowledge of the party executing such certificate (based on reasonable investigation), the party requesting such statement is in default in the performance of any covenant, agreement or condition contained in this Lease and, if so, specifying each such default of which the executing party may have knowledge.

21.2 Lessee, on or before twenty (20) days following receipt of a written request from Lessor, shall deliver to Lessor its annual audited or unaudited financial statements (as may be applicable to the form of Lessee's business - e.g., corporation or LLC) of Lessee and any parent, subsidiary, or affiliated entities as requested by Lessor.

END OF ARTICLE 21

ARTICLE 22

INVALIDITY OF PARTICULAR PROVISIONS

22.1. If any term or provision of this Lease, or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

END OF ARTICLE 22

ARTICLE 23

NOTICES

23.1. Whenever Lessor or Lessee shall desire to give or serve upon the other any notice, demand, request or other communication with respect to this Lease or with respect to the Leased Premises each such notice, demand, request or other communication shall be in writing and shall not be effective for any purpose unless same shall be given or served by personal delivery to the party or parties to whom such notice, demand, request or other communication is directed or by mailing the same, in duplicate, to such party or parties by certified mail, postage prepaid, return receipt requested, addressed as follows:

If to Lessor: Pease Development Authority
 55 International Drive
 Portsmouth, NH 03801

 Attention: Executive Director

If to Lessee: Port City Air Leasing, Inc.
 c/o Port City Air, Inc.
 104 Grafton Drive
 Portsmouth, NH 03801

 Attention: President or designee

or at such other address or addresses as Lessor or Lessee may from time to time designate by notice given by certified mail.

Every notice, demand, request or communication hereunder sent by mail shall be deemed to have been given or served as of the second business day following the date of such mailing.

END OF ARTICLE 23

ARTICLE 24

QUIET ENJOYMENT

24.1. Lessor covenants and agrees that Lessee, upon paying the rent and all other charges herein provided for and observing and keeping all covenants, agreements, and conditions of this Lease on its part to be observed and kept, shall quietly have and enjoy the Leased Premises during the term of this Lease without hindrance or molestation by anyone claiming by or through Lessor, subject, however, to the exceptions, reservations and conditions of this Lease including, but not limited to the provisions of Article 25, Environmental Protection.

END OF ARTICLE 24

ARTICLE 25

ENVIRONMENTAL PROTECTION

25.1 Lessee and any sublessee or assignee of Lessee shall comply with all federal, state, and local laws, regulations, and standards that are or may become applicable to Lessee's or sublessee's or assignee's activities at the Leased Premises, including but not limited to, the applicable environmental laws and regulations identified in Exhibit "E", as amended from time to time.

25.2 Lessee and any sublessee or assignee of Lessee shall be solely responsible for obtaining at their cost and expense any environmental permits required for their operations under this Lease or any sublease or assignment, independent of any existing Airport permits.

25.3 Lessee shall indemnify, defend and hold harmless Lessor against and from all claims, judgments, damages, penalties, fines, costs and expenses, liabilities and losses (including, without limitation, diminution in value of the Premises, damages for the loss or restriction on the use of the Premises, and sums paid in settlement of claims, attorneys' fees, consultants' fees and experts' fees), resulting or arising from discharges, emissions, spills, releases, storage, or disposal of any Hazardous Substances as defined in Section 25.5, or any other action or omission by the Lessee, or any sublessee or assignee of the Lessee, giving rise to Lessor, civil or criminal, or responsibility under federal, state or local environmental laws.

This indemnification of Lessor by Lessee includes, without limitation, any and all claims, judgment, damages, penalties, fines, costs and expenses, liabilities and losses incurred by Lessor or Air Force in connection with any investigation of site conditions, or any remedial or removal action or other site restoration work required by any federal, state or local governmental unit or other person for or pertaining to any discharges, emissions, spills, releases, storage or disposal of Hazardous Substances arising or resulting from any act or omission of the Lessee or any sublessee or assignee of the Lessee at the Leased Premises after the Occupancy Date. "Occupancy Date" as used herein shall mean the earlier of the first day of Lessee's occupancy or use of the Leased Premises or the date of execution of this Lease. "Occupancy" or "Use" shall mean any activity or presence including preparation and construction in or upon the Leased Premises or any portion thereof.

The provisions of this Section shall survive the expiration or termination of the Lease, and the Lessee's obligations hereunder shall apply whenever the Lessor incurs costs or liabilities for the Lessee's, its sublessees' or licensees' actions of the types described in this Article 25.

25.4 Notwithstanding any other provision of this Lease, Lessee and its sublessees and assignees do not assume any liability or responsibility for environmental impacts and damage caused by the use by the Air Force of toxic or hazardous wastes, substances or materials on any portion of the Airport, including the Leased Premises. The Lessee and its sublessees and assignees have no obligation to undertake the defense, remediation and cleanup, including the liability and responsibility for the costs of damages, penalties, legal and investigative services

solely arising out of any claim or action in existence now, or which may be brought in the future by any person, including governmental units against the Air Force, because of any use of, or release from, any portion of the Airport (including the Leased Premises) of any toxic or hazardous wastes, substances or materials prior to the Occupancy Date. Furthermore, the parties recognize and acknowledge the obligation of the Air Force to indemnify the Lessor and Lessee to the extent required by the provisions of Public Law No. 101-511, Section 8056 and/or Public Law No. 102-484, as amended.

In addition, Lessor shall indemnify, defend and hold harmless Lessee against and from any and all claims, judgments, damages, penalties, fines, costs and expenses, liabilities and losses (including, without limitation, diminution in value of the Premises, damages for the loss or restriction on the use of the Premises, and sums paid in settlement of claims, attorneys' fees, consultants' fees and experts' fees), resulting or arising from discharges, emissions, spills, releases, storage or disposal of Hazardous Substances, or any other action by Lessor giving rise to Lessee liability or responsibility under federal, state or local environmental laws. This provision shall survive the expiration or termination of the Lease, and the Lessor's obligations hereunder shall apply whenever the Lessee incurs costs or liabilities for the Lessor's actions of the types described in this Article 25.

The provisions of this Section 25.4 do not relieve the Lessee, its sublessees or licensees of any obligation or liability with regard to third parties or regulatory authorities by operation of law.

25.5 As used in this Lease, the term "Hazardous Substances" means any hazardous or toxic substance, material or waste, oil or petroleum product, which is or becomes regulated by any local governmental authority, the State of New Hampshire or the United States Government. The term "Hazardous Substances" includes, without limitation, any material or substance which is (i) defined as a "hazardous waste," under New Hampshire RSA ch.147-A, (ii) defined as a "hazardous substance" under New Hampshire RSA ch.147-B, (iii) oil, gasoline or other petroleum product, (iv) asbestos, (v) listed under or defined as hazardous substance pursuant to Parts Env-Wm 110, 211-216, 351-353, 400-100 ("Hazardous Waste Rules") of the New Hampshire Code of Administrative Rules, (vi) designated as a "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. §1317, (vii) defined as a "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq. (42 U.S.C. §6903), or (viii) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601 et seq. (42 U.S.C. §9601) and (ix) so defined in the regulations adopted and publications promulgated pursuant to any of such laws, or as such laws or regulations may be further amended, modified or supplemented (collectively "Hazardous Substance Laws").

As used in this Lease, the terms "release" and "storage" shall have the meanings provided in RSA 147-B:2, as amended, and the term "disposal" shall have the meaning provided in RSA 147-A:2.

25.6 Lessor's rights under this Lease specifically include the right for Lessor to inspect the Leased Premises and any buildings or other facilities thereon for compliance with environmental, safety, and occupational health laws and regulations, whether or not the Lessor is responsible for enforcing them. Such inspections are without prejudice to the right of duly constituted enforcement officials to make such inspections.

25.7 Lessee is advised and acknowledges that portions of the Airport, more fully described in Exhibit C of the Deed as "ACM Zones" may contain current and former improvements, above and below ground, that contain asbestos. Notwithstanding any other provision of this Lease, Lessor is not responsible for any removal or containment of asbestos. If Lessee and any sublessee or assignee intend to make any improvements, alterations or repairs, including demolition, that require the removal of asbestos, an appropriate asbestos removal and disposal plan, complying with all applicable Federal, state and local laws, must be incorporated in the plans and specifications and submitted for prior approval. The asbestos disposal plan shall identify the proposed disposal site for the asbestos. In addition, non-friable asbestos which becomes friable through or as a consequence of the activities of Lessee will be abated by Lessee at its sole cost and expense.

25.8 Lessor and Lessee acknowledge that the Airport has been identified as a National Priority List (NPL) Site under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), as amended (42 U.S.C.). Lessee acknowledges that Lessor has provided it with a copy of the Pease Federal Facility Agreement ("FFA") entered into by EPA, and the Air Force on April 24, 1991, and Modification No. 1 thereto, effective March 18, 1993, agrees that it will comply with and be bound by the terms of the FFA to the extent the same may be applicable to the Leased Premises and that should any conflict arise between the terms of the FFA and the provisions of this Lease, the terms of the FFA will take precedence. The Lessee further agrees that the Lessor assumes no liability to the Lessee or any Lessee or assignee of Lessee should implementation of the FFA interfere with their use of the Leased Premises. The Lessee and its sublessee(s) and assignee(s) shall have no claim on account of any such interference against the Lessor, Air Force, EPA, State, NHDES, or any officer, agent, employee or contractor thereof, other than for abatement of rent.

Pursuant to its obligations under Federal law, the Air Force has provided and Lessee acknowledges receipt of the "Notices and Covenants Related to Section 120(h)(3) of CERCLA, as amended. The notice and a description of remedial action by the Air Force are set forth in Paragraph VI of the Deed.

25.9 The Air Force, EPA, and NHDES and their officers, agents, employees, contractors, and subcontractors have the right, at no cost, upon reasonable notice to the Lessee and any sublessee or assignee, to enter upon the Leased Premises for the purposes enumerated in this subparagraph and for such other purposes consistent with the FFA:

- (1) to conduct investigations and surveys, including, where necessary, drilling, soil and water sampling, testpitting, testing soil borings and other activities related to the Pease Installation Restoration Program ("IRP") or the FFA (the term IRP as

used herein refers to the broad Department of Defense-wide program to identify, investigate and clean ups contaminated areas on military installations as described in the Department of Defense Instruction Number 4715.7;

- (2) to inspect field activities of the Air Force and its contractors and subcontractors in implementing the IRP or the FFA;
- (3) to conduct any test or survey required by the EPA or NHDES relating to the implementation of the FFA or environmental conditions at the Leased Premises or to verify any data submitted to the EPA or NHDES by the Air Force relating to such conditions;
- (4) to conduct, operate, maintain or undertake any other response or remedial action as required or necessary under the IRP or the FFA, including, but not limited to monitoring wells, pumping wells and treatment facilities.

25.10 Lessee and its sublessees and assignees agree to comply with the provisions of any health or safety plan in effect under the IRP or the FFA during the course of any of the above described response or remedial actions. Any inspection, survey, investigation, or other response or remedial action will, to the extent practicable, be coordinated with representatives designated by the Lessee and any sublessee or assignee. Lessee and any sublessee or assignee shall have no claim on account of such entries against the United States or the State as defined in FFA or any officer, agent, employee, contractor, or subcontractor thereof.

Lessee and its sublessees and assignees agree to comply with the provisions of the "Environmental Use Restrictive Covenants" set forth in Paragraph VI.B of the Deed. It is the intent of the Air Force and the Lessor that the Environmental Use Restrictions bind Lessee and its sublessees and assignees, and that the Air Force reserves to itself the enforcement of this restrictive covenant against Lessee hereunder.

25.11 Lessee further agrees that in the event of any authorized sublease or assignment of the Leased Premises, it shall provide to the Air Force, EPA and NHDES by certified mail a copy of the agreement of sublease or assignment of the Leased Premises within fourteen (14) days after the effective date of such transaction. Lessee may delete the financial terms and any other proprietary information from any sublease or assignment submitted to the above mentioned entities.

25.12 The Airport air emissions offsets and Air Force accumulation points for hazardous and other wastes will not be made available to Lessee. Lessee shall be responsible for obtaining from some other source(s) any air pollution credits that may be required to offset emissions resulting from its activities under the Lease.

25.13 Any permit required under Hazardous Substance Laws for the management of Hazardous Substances stored or generated by Lessee or any sublessee or assignee of Lessee shall be obtained by Lessee or its sublessees or assignee and shall be limited to generation and transportation. Any

violation of this requirement shall be deemed a material breach of this Lease. Lessee shall provide at its own expense such hazardous waste storage facilities, complying with all laws and regulations, as it needs for management of its hazardous waste.

25.14 Lessee, and any sublessee or assignee of Lessee whose operations utilize Hazardous Substances, shall have a completed and approved plan for responding to Hazardous Substances spills prior to commencement of operations on the Leased Premises. Such plan shall comply with changes in site conditions or applicable requirements and shall be updated from time to time, as may be required to comply with changes in site conditions or applicable requirements and shall be approved by agencies having regulatory jurisdiction over such plan. Such plan shall be independent of, but not inconsistent with, any plan or other standard of Lessor applicable to the Airport and except for initial fire response and/or spill containment, shall not rely on use of the Airport or Lessor personnel or equipment. Should the Lessor provide any personnel or equipment, whether for initial fire response and/or spill containment or otherwise, on request of the Lessee, or because the Lessee was not, in the opinion of Lessor, conducting timely cleanup actions, the Lessee agrees to reimburse the Lessor for its costs.

25.15 Lessee, and any sublessee or assignee of Lessee, must maintain and make available to Lessor, the Air Force, EPA and NHDES all records, inspection logs, and manifests that track the generation, handling, storage, treatment and disposal of hazardous waste, as well as all other records required by applicable laws and requirements. The Lessor and the Air Force reserve the right to inspect the Leased Premises and Lessee's, its sublessee's or assignee's records for compliance with Federal, State, local laws, regulations, and other requirements relating to the generation, handling, storage, treatment and disposal of hazardous waste, as well as the discharge or release of hazardous substances. Violations may be reported by Lessor and the Air Force to appropriate regulatory agencies, as required by applicable law. The Lessee, its sublessees or assignees shall be liable for the payment of any fines and penalties or costs which may accrue to the Government or Lessor as a result of the actions of Lessee, its sublessees or assignees, respectively.

25.16 Lessee acknowledges that the Premises may contain wetlands protected under Federal and State laws and regulations which, among other things, restrict activities that involve the discharge of fill materials into wetlands, including, without limitation, the placement of fill materials; the building of any structure; site-development fills for recreational, industrial, commercial, residential, and other uses; causeways or road fills; and dams and dikes. The Lessee covenants and agrees that in its use of the Premises, it will comply with all Federal, State, and local laws minimizing the destruction, loss, or degradation of wetlands. The Lessee, its successors and assigns, further covenants and agrees that any development of any portion of the Premises containing wetlands will be subject to Section 404 of the Clean Water Act of 1977 as amended, the State of New Hampshire Fill and Dredge in Wetlands Act as amended, and the Pease Development Authority Wetlands Management Plan (adopted June 25, 1998) as amended. For purposes of this provision, development includes new structures, facilities, draining, dredging, channelizing, filling, diking, impounding, and related activities.

Lessee, its sublessees and assignees agree to comply with the provisions of any Wetlands

Management Plan in effect at Pease. Lessee, its sublessees and assignees will minimize the destruction, loss or degradation of wetlands on the Leased Premises. Lessee, its sublessees and assignees will obtain prior written approval from Lessor before conducting any new construction in wetland areas.

25.17 Prior to the development of any portion of the Leased Premises on which a wetland has been identified in the Final Supplemental Environmental Impact Statement dated August 1995 ("SEIS"), the Lessee, its sublessees and assignees, as applicable, shall, if one has not previously been completed, perform a wetland delineation.

25.18 Prior to the storage, mixing, or application of any pesticide, as that term is defined under the Federal Insecticide, Fungicide, and Rodenticide Act, the Lessee, its sublessees and assignees shall prepare a plan for storage, mixing and application of pesticides ("Pesticide Management Plan"). The Pesticide Management Plan shall be sufficient to meet all applicable Federal, State and local pesticide requirements. The Lessee, its sublessees and assignees shall store, mix and apply all pesticides within the Leased Premises only in strict compliance with the Pesticide Management Plan. The pesticides will only be applied by a licensed applicator.

25.19 The Lessee, its sublessees and assignees must notify the Lessor and the Site Manager of its intent to possess, store, or use any licensed or licensable source or byproduct materials, as those terms are defined under the Atomic Energy Act and its implementing regulations; of Lessee's, its sublessees and assignees intent to possess, use, or store radium; and of Lessee's, its Lessees and assignees intent to possess or use any equipment producing ionizing radiation and subject to specific licensing requirements or other individual regulations, at least sixty (60) days prior to the entry of such materials or equipment upon the Airport. Upon notification, the Lessor and the Site Manager may impose such requirements, including prohibition of possession, use, or storage, as deemed necessary to adequately protect health and human environment. Thereafter, the Lessee must notify the Lessor and the Site Manager of the presence of all licensed or licensable source or other byproduct materials, of the presence of all radium, and of the presence of all equipment producing ionizing radiation and subject to specific licensing requirements or other individual regulation; provided, however, that the Lessee, its sublessees and assignees need not make either of the above notifications to the Lessor and the Site Manager with respect to source and byproduct material which is exempt from regulation under the Atomic Energy Act. The Lessee shall not, under any circumstances, use, own, possess or allow the presence of special nuclear material on the Leased Premises.

25.20 The Lessee, its sublessees and assignees acknowledge that lead-based paint may be present in and on facilities within the Leased Premises. Prior to beginning any Alterations, other construction or construction related work, (to include paint stripping or sanding), excavating, demolition, or restoration, the Lessee, any sublessee or assignee must test any paint which would be disturbed unless a conclusive determination has been made that lead-based paint is not present. If paint is lead-based, the Lessee, any sublessee or assignee is required to handle it in accordance with the Residential Lead-Based Paint Hazard Reduction Act of 1992, 42 U.S.C. Section 4852(d) and all applicable Federal, State and local laws and regulations at its own

expense. The Lessee is required to ensure that any lead-based paint is maintained in good condition.

25.21 [Intentionally Omitted]

25.22 [Intentionally Omitted]

END OF ARTICLE 25

ARTICLE 26

MISCELLANEOUS

26.1 All rent and all other sums which may from time to time become due and payable by Lessee to Lessor under any of the provisions of this Lease shall be made payable to the "Pease Development Authority" and forwarded by the Lessee direct to Lessor's Executive Director at the address specified in Article 23. All such rent and other sums if not paid on the due date shall bear interest from and after the due date thereof at the higher of the then current rate applied to legal judgments by the courts of the State of New Hampshire or the rate of eighteen percent (18%) per annum; provided, however, that such interest shall in no event exceed the maximum rate permitted by law.

26.2 In all cases the language in all parts of this Lease shall be construed simply, according to its fair meaning and not strictly for or against Lessor or Lessee.

26.3 The word titles underlying the Article designations contained herein are inserted solely for convenience and under no circumstances are they or any of them to be treated or construed as any part of this instrument.

26.4 In any action or proceeding which either Party may take to enforce such Party's rights hereunder, whether prior to or after breach or termination, or to which such Party may be made a party because of any matters arising or growing out of this Lease, and due to the act or default of the other, the Party whose act or default caused the other Party, without fault to become involved in such litigation, or who shall be defeated in such litigation, agrees to pay all costs incurred by the winning or other party therein, including reasonable attorneys' fees.

26.5 If Lessee should remain in possession of the Leased Premises after the expiration of the term of this Lease and without executing a new Lease, then such holding over shall be construed as a tenancy from month to month, subject to all the conditions, provisions and obligations of this Lease insofar as the same are applicable to a month to month tenancy.

26.6 The individual executing this Lease on behalf of Lessee represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of said entity, and that this Lease is binding upon said entity in accordance with its terms. A Certificate of Corporate Good Standing issued by the New Hampshire Secretary of State is attached to this Lease as Exhibit F.

26.7 This Lease covers in full each and every agreement of every kind or nature whatsoever between the Parties hereto concerning the Leased Premises and all preliminary negotiations and agreements of every kind or nature whatsoever with respect to the Leased Premises; and no other person, firm or corporation has at any time had any authority from Lessor to make any representations or promises on behalf of Lessor, and Lessee expressly agrees that if any such representations or promises have been made by Lessor or others, Lessee hereby waives all right to rely thereon. No verbal agreement or implied covenant shall be held to vary the provisions hereof, any statute, law, or custom to the contrary notwithstanding. No provision of this Lease

may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest. Lessee acknowledges that it has read this Section and understands it to be a waiver of any right to rely on any representations or agreements not expressly set forth in this Lease.

26.8 Subject to the provisions hereof, this Lease shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and assigns, and wherever a reference in this Lease is made to either of the Parties hereto such reference shall be deemed to include, wherever applicable, also a reference to the successors and assigns of such party, as if in every case so expressed.

26.9 Nothing contained in this Lease shall be deemed or construed by the Parties hereto or by any third person to create the relationship of principal and agent or of partnership or of joint venture or of any association between Lessor and Lessee, and neither the method of computation of rent nor any other provision contained in this Lease nor any acts of the Parties hereto shall be deemed to create any relationship between Lessor and Lessee other than the relationship of landlord and tenant.

26.10 Lessee hereby acknowledges that late payment by Lessee to Lessor of rent and other sums due under this Lease will cause Lessor to incur additional costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such additional costs include, without limitation, processing and accounting charges, and late charges which may be imposed upon Lessor by the terms of the mortgage or deed of trust covering the Premises. Therefore, if any installment of rent or any other sum due from Lessee shall not be received on the date that such amount shall be due, Lessee agrees to pay, and shall pay, to Lessor a late charge equal to ten percent (10%) of the overdue amount. The Parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of late payment by Lessee. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee's default with respect to such overdue amount or prevent Lessor from exercising any or all of the other rights and remedies granted under this Lease.

26.11 Each party hereto warrants to the other that it has no dealings with any real estate broker or agent in connection with the negotiation of this Lease.

26.12 This Lease shall be construed and enforced in accordance with the laws of the State of New Hampshire.

26.13 Any actions or proceedings with respect to any matters arising under or growing out of this Lease shall be instituted and prosecuted only in courts located in the State of New Hampshire. Notwithstanding any other provision of this Lease, no provision of this Lease shall be deemed to constitute or effect a waiver of the sovereign immunity of the State of New Hampshire and no provision of this Lease, other than the provisions of Article 25 in which Lessor agrees to indemnify Lessee, shall be deemed to constitute or effect a waiver of the sovereign immunity of Lessor as a body politic and corporate of the State of New Hampshire. The sovereign immunity of the State of New Hampshire is reserved to the State of New

Hampshire to the fullest extent allowed under law and the sovereign immunity of Lessor is reserved to Lessor to the fullest extent allowed under law with the sole exception of Lessor's indemnification obligations to Lessee under Article 25, provided, however, that Lessor agrees to waive immunity for contractual claims under this Lease to the extent permitted by New Hampshire RSA Ch. 491:8, as the same may be amended.

26.14 This instrument may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

26.15 Lessee shall faithfully observe and comply with such rules and regulations as Lessor may adopt for the operation of the Airport, which rules and regulations are reasonable and nondiscriminatory as well as all modifications thereof and additions thereto. Lessor shall not be responsible to Lessee for the violation or nonperformance by any other tenant of Lessor of any of such Rules and Regulations.

26.16 By acceptance of this Lease or any rights hereunder, Lessee agrees for itself, its Successors and assigns to conform to such additional provisions required, from time to time, by the FAA ("FAA Requirements") or its successor with respect to the operation of the Airport, or any portion thereof. The current FAA Requirements are attached hereto as Exhibit "D" and incorporated herein by reference.

26.17 This Lease is subject and subordinate to any agreements heretofore or hereafter made between Lessor and the United States or the Air Force, the execution of which is required to enable, permit or complete the transfer of rights or property to Lessor for airport purposes or expenditure of federal grant funds for airport improvement, maintenance or development. Lessee shall abide by requirements of any agreement between Lessor and the United States or the Air Force applicable to the Leased Premises or Lessee's activities at the Airport and shall consent to amendments and modifications of this Lease if required by such agreements or as a condition of Lessor's entry into such agreements.

26.18 Lessor, in its sole discretion, shall determine and may from time to time change the routes of surface ingress and egress connecting the Leased Premises. Lessor also reserves the right to further develop the Airport, or such portion of the Airport as is owned or controlled by Lessor, as it sees fit, regardless of the desires or views of Lessee and without interference or hindrance.

26.19 The Lessee herein covenants by and for itself, its heirs, executors, administrators, and assigns, and all persons claiming under or through it, that this Lease is made and accepted upon and subject to the following conditions:

That there shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, national origin, or ancestry, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the Premises herein Leased or in its employment practices conducted thereon, nor shall the Lessee, or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference

to the selection, location, number, use, or occupancy, of tenants, Lessees, sublessees, subtenants, or vendees in the Leased Premises herein Leased.

26.20 All obligations of Lessee to indemnify, defend and hold harmless Lessor and to make any monetary payment to Lessor, shall survive the termination or expiration of this Lease.

END OF ARTICLE 26

EXECUTION

IN WITNESS WHEREOF, LESSOR and LESSEE have executed this Lease effective as September 1, 2015.

PEASE DEVELOPMENT AUTHORITY

By: _____
Its: Executive Director
"Lessor"

PORT CITY AIR, INC.

By: _____
Its: _____
"Lessee"

STATE OF NEW HAMPSHIRE

: ss.

COUNTY OF ROCKINGHAM

On this ___ day of _____, 2015, before me, _____, the undersigned officer in and for said County and State, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the of Port City Air, Inc., and on oath stated that he was authorized to execute this instrument and acknowledged it to be his free and voluntary act for the uses and purposes set forth herein.

Notary Public in and for said County and State
Printed Name: _____
My commission expires: _____

STATE OF NEW HAMPSHIRE

: ss.

COUNTY OF ROCKINGHAM

On this ___ day of _____, 2015, before me, _____, the undersigned officer in and for said County and State, personally appeared David R. Mullen, personally known to me (or proved to me on the basis of satisfactory evidence) to be the Executive Director of the Pease Development Authority and on oath stated that he was authorized to execute this instrument and acknowledged it to be his free and voluntary act for the uses and purposes set forth herein.

Notary Public in and for said County and State
Printed Name: _____
My commission expires: _____

EXHIBIT 1

QUITCLAIM DEED AND EXHIBITS

EXHIBIT 2

FEDERAL FACILITIES AGREEMENT

See Exhibit F of Quitclaim Deed

EXHIBIT 3

LANDING FEE AND PARKING FEE REPORTS

EXHIBIT "A"

PLANS DESIGNATING THE LEASED PREMISES

EXHIBIT "B"

MINIMUM STANDARDS FOR COMMERCIAL AND
NON-COMMERCIAL GENERAL AVIATION OPERATORS

EXHIBIT "B-1"

RESTRICTIONS ON CERTAIN AIRCRAFT OPERATIONS

EXHIBIT "C"

IMPROVEMENT / REPAIR WORK - HANGAR 229

EXHIBIT "C-1"

ESCROW AGREEMENT

EXHIBIT "D"

SUMMARY OF LEASE PROVISIONS REQUIRED
BY THE FEDERAL AVIATION ADMINISTRATION

1. Lessee, for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby agree that in the event facilities are constructed, maintained, or otherwise operated on the Leased Premises, for a purpose for which a United States Department of Transportation ("DOT") program or activity is extended or for another purpose involving the provision of similar services or benefits, Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended. (Ref Deed Paragraph VII.B.16)
2. Lessee, for himself, his personal representative, successors in interest, and assigns, as a part of the consideration hereof, does hereby agree that: (i) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the use of said facilities; (ii) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination; and (iii) that the Lessee shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulation may be amended. (Ref Deed Paragraphs VII.B.16 and VII.G)
3. That in the event of breach of any of the above nondiscrimination covenants, Lessor shall have the right to terminate the Lease, and to reenter and repossess said land and the facilities thereon, and hold the same as if said Lease, had never been made or issued. This provision does not become effective until the procedures of 49 CFR Part 21 are allowed and completed including expiration of appeal rights.
4. Lessee shall furnish its accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof and it shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service; PROVIDED THAT the Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchasers.
5. Non-compliance with Provision 4 above shall constitute a material breach thereof and in the event of such noncompliance Lessor shall have the right to terminate this Lease, and the estate

hereby created without liability therefore or at the election of the Lessor or the United States either or both of Lessor or the United States shall have the right to judicially enforce provisions.

6. Lessee agrees that it shall insert the above five provisions in any Lease agreement, by which said Lessee grants a right or privilege to any person, firm or corporation to render accommodations and/or services to the public on the Leased Premises.

7. Lessee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. Lessee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. Lessee assures that it will require that its covered suborganizations provide assurance to the Lessor, that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

8. Lessor reserves the right to further develop or improve the landing area of the airport as it sees fit, regardless of the desires or view of the Lessee and without interference or hindrance.

9. Lessor reserves the right, but shall not be obligated to the Lessee to maintain and keep in repair the landing area of the airport and all publicly-owned facilities of the airport, together with the right to direct and control all activities of the Lessee in this regard.

10. This Lease shall be subordinate to the provisions and requirements of any existing or future agreement between the Lessor and the United States, relative to the development, operation or maintenance of the airport including, but not limited to, Federal Airport Improvement Project Grant Assurances as the same are deemed applicable to this Lease agreement.

11. There is hereby reserved to Lessor, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Leased Premises. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through the said airspace or landing at, taking off from or operation on the airport.

12. Lessee agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations (14 C.F.R. Part 77) in the event future construction of building is planned for the Leased Premises, or in the event of any planned modification or alteration of any present or future building or structure situated on Leased Premises.

13. Lessee, by accepting this Lease expressly agrees for itself, its successors and assigns that it shall not erect nor permit the erection or alteration of any structure or object nor permit the growth of any tree on the land Leased hereunder to exceed the heights specified in CFR 14 FAR Part 77, Obstructions Affecting Navigable Airspace. In the event the aforesaid covenants are breached, Lessor reserves the right to enter upon the Premises and to remove the offending

structure or object and cut the offending tree, all of which shall be at the expense of the Lessee. (Ref Deed Paragraph VII.B.4)

14. Lessee, by accepting this Lease, agrees for itself, its successors and assigns that it will not make use of the Leased Premises in any manner which might interfere with the landing and taking off of aircraft from the airport or otherwise constitute a hazard. In the event the aforesaid covenant is breached, Lessor reserves the right to enter upon the Leased Premises, and cause the abatement of such interference at the expense of the Lessee.

15. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of the Federal Aviation Act of 1958 (49 U.S.C. 40103(E)), by an person or persons to the exclusion of others in the same class (Ref Deed, Paragraphs VII.B.2 and VII.B.3).

16. This Lease and all the provisions hereof shall be subject to whatever right the United States Government now has or in the future may have or acquire, affecting the control, operation, regulation and taking over of said airport or the exclusive or non-exclusive use of the airport by the United States during the time of war or national emergency. (Ref Deed, Paragraph VII.B.7)

EXHIBIT "E"
LIST OF ENVIRONMENTAL LAWS AND REGULATIONS

- Air Quality:
- (a) Clean Air Act & Amendments, 42 U.S.C. 7401-7642
 - (b) 40 CFR Parts 50-52, 61, 62, 65-67, 81
 - (c) RSA ch. 125-C, Air Pollution Control, and rules adopted thereunder
 - (d) RSA ch. 125-H, Air Toxic Control Act, and rules adopted thereunder
- Hazardous Materials:
- (a) Hazardous Materials Transportation Act', 49 U.S.C. 1801-1813, and Department of Transportation Regulations thereunder
 - (b) Emergency Planning and Community Right-To-Know Act, 42 U.S.C. 11001-11050
 - (c) 49 CFR Parts 100-179
 - (d) 40 CFR Part 302
 - (e) RSA ch. 277-A, Toxic Substances in the Workplace, and rules adopted thereunder
- Hazardous Waste:
- (a) Resource Conservation and Recovery Act (RCRA) of 1976 and RCRA Amendments of 1984, 42 U.S.C. 6901-6991i
 - (b) Comprehensive Environmental Response,, Compensation, and Liability Act (CERCLA) of 1980, as amended, 42 U.S.C. 9601-9675
 - (c) 40 CFR Parts 260-271, 300, 302
 - (d) RSA ch. 147-A, Hazardous Waste Management and rules adopted thereunder
- Water Quality:
- (a) Federal Water Pollution Control Act (Clean Water Act) and Amendments, 33 U.S.C. 1251-1387
 - (b) Safe Drinking Water Act, as amended, 42 U.S.C. 300f-300j-26
 - (c) 40 CFR Title 100-143, 401 and 403
 - (d) RSA ch. 146-A, Oil Spillage in Public Waters, and rules adopted thereunder
 - (e) RSA ch. 485, New Hampshire Safe Drinking Water Act, and rules adopted thereunder
 - (f) RSA ch. 485-A, Pollution and Waste Disposal, and rules adopted thereunder

EXHIBIT F

CERTIFICATE OF CORPORATE GOOD STANDING/EXISTENCE

To be provided by Lessee

MOTION

Director Allard:

The Pease Development Authority Board of Directors hereby approves of and authorizes the Executive Director to enter into Lease Amendment No. 1 with Port City Air Leasing, Inc. (or its nominee) for Hangars 205, 212, and 213 ("multi-hangars"); all in accordance with the memorandum of David R. Mullen, Executive Director, dated July 30, 2015 attached hereto.

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MEMORANDUM

To: Pease Development Authority Board of Directors
From: David R. Mullen, Executive Director *DRM*
Re: Port City Air Leasing, Inc. / Multi- Hangar Lease Amendment
Date: July 30, 2015

Port City Air Leasing, Inc. (PCA) and PDA entered into a five year lease for Hangars 205, 212 and 213 on September 1, 2010 (the "Multi-Hangar Lease" or "Lease"). The Lease also grants PCA three (3) five (5) year options to extend the lease through August 31, 2030. As a condition to granting PCA an advantageous rent structure in the first ten years of the Lease, PCA agreed to invest \$650,000 in Hangar 213, \$200,000 in Hangar 212 and \$150,000 in Hangar 205. To date PCA has substantially completed the work it represented it would undertake.

As presently drafted the Lease calls for the restructuring of the rent commencing in year eleven premised upon then existing market conditions. In the interest of long term planning, future financing and predictability, PDA and PCA have agreed to an amended rental formula for the remainder of the term of the Lease. As presently structured the rental rates were set for years 1 through 7 with a CPI adjustment to occur in year 8 based upon year 7's rent. As proposed, the rental rate in year 8 will be subject to a CPI adjustment measured from year one of the Lease which will result in a favorable upward adjustment. Thereafter the Lease rate will be subject to annual CPI adjustments capped at the lesser of CPI or 3% in years 9 and 10 and the lesser of CPI or 3% not to exceed 12% for Option term 2 (Years 11-5) and Option term 3 (years 16-20). Finally, the lease will include a right of first refusal.

At the August 13, 2015 meeting of the Board I will be seeking authorization to complete the negotiation of the terms of an agreement and to enter into Lease Amendment No. 1 with Port City Air Leasing, Inc. or nominee for the Multi-Hangar Lease on terms and conditions substantially similar to those set forth in the attached draft.

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DRAFT

LEASE AMENDMENT NO. 1

Lessor: PEASE DEVELOPMENT AUTHORITY
Lessee: PORT CITY AIR LEASING, INC.
Premises: Multi Hangar Lease / Hangars 205, 212 & 213
Lease Date: Effective September 1, 2010

This Lease Amendment No. 1 made effective September 1, 2015, by and between the above referenced Lessor and Lessee:

WHEREAS, Lessor and Lessee have agreed to amend the lease rate structure and other terms for Hangars 205, 212 and 213;

NOW, THEREFORE, Lessor and Lessee agree for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, that the Lease be amended as set forth below:

A. A new Article 1.B. entitled Right of First Refusal is added to and included as part of the Lease

ARTICLE 1.B.

RIGHT OF FIRST REFUSAL

1.B.1. Upon the expiration or termination of the Lease, Lessee shall have certain rights of first refusal to lease the Premises identified on Exhibit A (which parcel may be referred to as the "RFR Area"). Lessee's rights of first refusal shall commence upon the receipt by PDA of a bona fide offer from a third party to lease all or a portion of the RFR Area upon terms and conditions acceptable to PDA ("Third Party Offer"). PDA shall provide Lessee with a copy of any Third Party Offer and Lessee shall have thirty (30) days from its receipt of the copy of the Third Party Offer to deliver to PDA written notice of Lessee's intent to lease the RFR Area on the same terms and conditions as set forth in the Third Party Offer ("RFR Exercise Notice"), provided, however, that Lessee's use of RFR Area shall be limited to the uses permitted under Article 9 of this Lease. In order to be valid Lessee's RFR Exercise Notice must not be limited to financial terms and conditions but must also include all other terms and conditions of the Third Party Offer, including without limitation, a schedule and description of jobs to be created, if included in the Third Party Offer. Alternately, Lessee's RFR Exercise Notice may include other non-financial terms that provide PDA with the same or greater (as determined solely by PDA) benefits than the non-financial terms set out in the Third Party Offer. At the same time Lessee provides PDA with its RFR Exercise Notice, Lessee shall provide PDA with a schedule

reasonably acceptable to PDA establishing deadlines for completing any necessary improvements to the RFR Area and for initiating and maintaining active use of the RFR Area. A schedule for design, construction, commencement of Lessee's use, and job creation shall be reflected in any Lease agreement covering RFR Area with appropriate sanctions in event of Lessee's breach of its scheduled commitments. PDA and Lessee shall exercise best efforts and cooperate in good faith to conclude a lease for RFR Area within sixty (60) days following receipt by PDA of the RFR Exercise Notice.

The development of RFR Area shall be at Lessee's sole expense and sole risk and PDA makes no warranty or representation in respect to RFR Area and undertakes no obligations to make any repairs or improvements to RFR Area. Any warranty, representation or commitment made by PDA to a third party that is a condition of the Third Party Offer, shall also be made to Lessee in connection with the exercise by Lessee of its rights of first refusal under this Section 1.B.1. Any agreement of the Parties regarding the lease of RFR Area shall include, without limitation, provisions applicable to Alterations, as set forth in Articles 15 and 25 of this Lease, and any applicable provisions of the Airport Transfer Documents.

Notwithstanding any other provisions of this Lease, Lessee shall have no right of first refusal, option or other right to RFR Area (and PDA shall be free to use, lease or otherwise transfer such area as it deems appropriate) upon the occurrence of any of the following events: (i) the failure of Lessee to exercise its right in accordance with the terms of this Article 1.B; (ii) the expiration or termination of this Lease; or (iii) the failure of the Parties to reach an appropriate agreement concerning the development of RFR Area within the required period (or any extension thereof mutually acceptable to the Parties) after exercising best efforts in good faith to conclude such agreement.

Notwithstanding any other provision of this Lease, Lessee shall have no rights with respect to RFR Area if a Default (as that term is defined in Section 18.1) by Lessee occurs.

END OF ARTICLE 1.A

B. Section 4.1 is amended as follows.

Option Term 1 Rent

Year 6	\$151,800
Year 7	\$171,950
Year 8	

An annual payment equal to Year 7's rent plus a CPI adjustment measured from immediately prior to the beginning of Year 1 through end of Year 7

Year 9	An annual payment equal to Year 8's rent plus an adjustment equal to the lesser of CPI or 3%
Year 10	An annual payment equal to Year 9's rent plus an adjustment equal to the lesser of CPI or 3%
Option Term 2 / Years 11-15	An annual payment equal to the previous year's rent plus an annual adjustment equal to the lesser of 3% or CPI and not to exceed 12% in years 11-15
Option Term 3 / Years 16-20	The previous year's rent plus an annual adjustment equal to the lesser of 3% or CPI and not to exceed 12% in years 16-20.

Adjustments in Building Area Rent shall be made in accordance with the formula set forth in Section 4.4 of this Lease as amended.

C. Section 4.4 is deleted in its entirety and replaced with the following language.

4.4. On the first day following the expiration of the seventh year of the term of this Lease and on the first day of each of year thereafter (individually an "Adjustment Date" and collectively the "Adjustment Dates"), Building Area Rent shall be subject to adjustment for the remainder of the term of this Lease as follows: (1) for the first adjustment (commencing on the first day following the expiration of the seventh year of the term of this Lease), the basis for computing such adjustment shall be the Index most recently published prior to the beginning of the first year of the term - 9/1/2010 ("Beginning Index"). If the Index most recently published prior to the first Adjustment Date at the beginning of Year 8 ("Extension Index") has increased over the Beginning Index, the Building Area Rent for the one-year period commencing as of such first Adjustment Date shall be the result obtained by multiplying the annual Building Area Rent in effect on the day of the Adjustment Date (i.e. the annual rental for year seven by a fraction, the numerator of which is the Extension Index and the denominator of which is the Beginning Index).

(2) Subject to the applicable rental rate caps provided for in years 9 through 20, for all subsequent adjustments, the Building Area Rent shall be adjusted in the same manner as that for the first adjustment; provided, however, that the rental base shall be the rental in effect just prior to the then applicable Adjustment Date, the Extension Index for the preceding period shall be the Beginning Index and the Extension Index shall be the index most recently published prior to the then applicable Adjustment Date. On each Adjustment Date, the Parties shall execute an

acknowledgment reflecting the new rent. Failure to execute such an acknowledgment shall not affect either the validity of this Lease or the effective date of any adjustment to the rent hereunder.

(3) If for any Adjustment Date the Index most recently published prior to the Adjustment Date has not increased over, or has decreased from, the Beginning Index for that period, no escalation in rent shall be required on that Adjustment Date, and the rent shall remain at its then current rate until the next Adjustment Date.

If the Index is changed in any manner, including without limitation, a change in the base year, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the term of this Lease, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised. If the Parties shall be unable to agree upon a successor index, the Parties shall refer the choice of a successor index to arbitration in accordance with the rules of the American Arbitration Association.

D. Sections 4.A.1 and 4.A.2 entitled *Option Terms 2 and 3 Building Area Rent and Fair Market Value* respectively are deleted in their entirety.

E. Section 10 of Exhibit D of the Lease entitled Lease Provisions Required By The Federal Aviation Administration is amended to include the following language (set forth in bold italics) which pertain to Federal Grant Assurances;

"10. This Lease shall be subordinate to the provisions and requirements of any existing or future agreement between the Lessor and the United States, relative to the development, operation or maintenance of the airport, ***including, but not limited to, Federal Airport Improvement Project Grant Assurances as the same are deemed applicable to this Lease agreement.***"

F. All other terms and conditions of the Lease shall remain in full force and effect and continue to be binding upon the Lessee and Lessor.

[Signature Page Follows]

IN WITNESS WHEREOF, Lessor and Lessee have executed this Lease Amendment No. 1 effective the date first written above.

Lessee: PORT CITY AIR, INC.

By: _____
Robert Jesurum, President

Lessor: PEASE DEVELOPMENT AUTHORITY

By: _____
David R. Mullen, Executive Director

STATE OF NEW HAMPSHIRE: ss.
COUNTY OF ROCKINGHAM

On this ____ day of _____, 2015 before me, _____,
a Notary Public in and for said County and State, personally appeared Robert Jesurum,
personally known to me (or proved to me on the basis of satisfactory evidence) to be the
President of Port City Air, Inc. and on oath stated that he was authorized to execute this
instrument and acknowledged it to be his free and voluntary act for the uses and purposes set
forth herein.

Notary Public in and for said County and State

Printed Name: _____

My commission expires: _____

STATE OF NEW HAMPSHIRE: ss.
COUNTY OF ROCKINGHAM

On this ____ day of _____, 2015, before me _____,
a Notary Public in and for said County and State, personally appeared David R. Mullen,
personally known to me (or proved to me on the basis of satisfactory evidence) to be the
Executive Director of the Pease Development Authority and on oath stated that he was
authorized to execute this instrument and acknowledged it to be his free and voluntary act for the
uses and purposes set forth herein.

Notary Public in and for said County and State

Printed Name: _____

My commission expires: _____

MOTION

Director Loughlin:

The Pease Development Authority Board of Directors hereby approves of and authorizes the Executive Director to complete negotiations and enter into Lease Amendment No. 4 with Port City Air, Inc. (or its nominee) for the fuel farm facility located behind Hangar 227; all in accordance with the memorandum of David R. Mullen, Executive Director, dated July 30, 2015 attached hereto.

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MEMORANDUM

To: Pease Development Authority Board of Directors
From: David R. Mullen, Executive Director
Re: Port City Air, Inc. – Fuel Farm Lease Amendment
Date: July 30, 2015

Port City Air, Inc. (PCA) and PDA have agreed to amend the Fuel Farm Lease to transition into a fixed annual rate for the use of the facility. As you know, the Fuel Farm is located behind Hangar 227.

The term commencement date of this 10 year Lease was September 1, 2010 and will expire on August 31, 2020 unless terminated earlier or extended by agreement of the Parties. The Amendment also includes a right of first refusal. That said, PDA continues to retain the right to terminate the Lease by providing six months notice if such is deemed to be in the best interests of the Airport.

Under the existing agreement, PCA has been paying PDA a fuel flowage tank fee based upon the volume of fuel which is pumped in excess of 1,500,000 gallons from any location on the Airport. PCA maintains its own fuel farm on its leased premises at 104 Grafton Drive in addition to leasing the Fuel Farm adjacent to Hangar 227. In an effort to make PCA's payment obligation and PDA's income stream more predictable it has been agreed to charge PCA a fixed rate of \$60,000 per year commencing September 1, 2015. Thereafter, rent will be subject annual CPI adjustments equal to the lesser of CPI or 3%.

PCA has also been granted a Fuel Farm investment credit of up to \$70,000 for any expansion work or capital improvements it makes over the remaining term of the Lease. The credit may only be taken in \$17,500 annual increments.

At the August 13, 2015 meeting I will be seeking authorization to complete the negotiation of the terms of an agreement and to enter into Lease Amendment No. 4 with Port City Air Inc., or nominee for the Fuel Farm on terms and conditions substantially similar to those set forth in the attached draft.

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DRAFT

LEASE AMENDMENT NO. 4

Lessor: PEASE DEVELOPMENT AUTHORITY
Lessee: PORT CITY AIR, INC.
Premises: Fuel Farm @ Hangar 227, Portsmouth, NH
Lease Date: Effective October 1, 2009

This Lease Amendment No. 4 made effective September 1, 2015, by and between the above referenced Lessor and Lessee:

WHEREAS, Lessor and Lessee have agreed to amend the lease rate structure and other terms for the Fuel Farm located adjacent to Hangar 227;

NOW, THEREFORE, Lessor and Lessee agree for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, that the Lease be amended as set forth below:

A. A new Article 1.A entitled Right of First Refusal is added to the Lease:

ARTICLE 1.A.

RIGHT OF FIRST REFUSAL

1.A.1. Upon the expiration or termination of the Lease, Lessee shall have certain rights of first refusal to lease the Premises identified on Exhibit A (which parcel may be referred to as the "RFR Area"). Lessee's rights of first refusal shall commence upon the receipt by PDA of a bona fide offer from a third party to lease all or a portion of the RFR Area upon terms and conditions acceptable to PDA ("Third Party Offer"). PDA shall provide Lessee with a copy of any Third Party Offer and Lessee shall have thirty (30) days from its receipt of the copy of the Third Party Offer to deliver to PDA written notice of Lessee's intent to lease the RFR Area on the same terms and conditions as set forth in the Third Party Offer ("RFR Exercise Notice"), provided, however, that Lessee's use of RFR Area shall be limited to the uses permitted under Article 9 of this Lease. In order to be valid Lessee's RFR Exercise Notice must not be limited to financial terms and conditions but must also include all other terms and conditions of the Third Party Offer, including without limitation, a schedule and description of jobs to be created, if included in the Third Party Offer. Alternately, Lessee's RFR Exercise Notice may include other non-financial terms that provide PDA with the same or greater (as determined solely by PDA) benefits than the non-financial terms set out in the Third Party Offer. At the same time Lessee provides PDA with its RFR Exercise Notice, Lessee shall provide PDA with a schedule reasonably acceptable to PDA establishing deadlines for completing any necessary

improvements to the RFR Area and for initiating and maintaining active use of the RFR Area. A schedule for design, construction, commencement of Lessee's use, and job creation shall be reflected in any Lease agreement covering RFR Area with appropriate sanctions in event of Lessee's breach of its scheduled commitments. PDA and Lessee shall exercise best efforts and cooperate in good faith to conclude a lease for RFR Area within sixty (60) days following receipt by PDA of the RFR Exercise Notice.

The development of RFR Area shall be at Lessee's sole expense and sole risk and PDA makes no warranty or representation in respect to RFR Area and undertakes no obligations to make any repairs or improvements to RFR Area. Any warranty, representation or commitment made by PDA to a third party that is a condition of the Third Party Offer, shall also be made to Lessee in connection with the exercise by Lessee of its rights of first refusal under this Section 1.A.1. Any agreement of the Parties regarding the lease of RFR Area shall include, without limitation, provisions applicable to Alterations, as set forth in Articles 15 and 25 of this Lease, and any applicable provisions of the Airport Transfer Documents.

Notwithstanding any other provisions of this Lease, Lessee shall have no right of first refusal, option or other right to RFR Area (and PDA shall be free to use, lease or otherwise transfer such area as it deems appropriate) upon the occurrence of any of the following events: (i) the failure of Lessee to exercise its right in accordance with the terms of this Article 1.A; (ii) the expiration or termination of this Lease; or (iii) the failure of the Parties to reach an appropriate agreement concerning the development of RFR Area within the required period (or any extension thereof mutually acceptable to the Parties) after exercising best efforts in good faith to conclude such agreement.

Notwithstanding any other provision of this Lease, Lessee shall have no rights with respect to RFR Area if a Default (as that term is defined in Section 18.1) by Lessee occurs.

END OF ARTICLE 1.A.

B. Section 3.6 of the Lease is deleted ("Early Termination of Lease by Lessee") as it is no longer applicable.

C. Section 4.1 is amended as follows.

The Fuel Farm Rent shall be set at \$60,000 per annum effective September 1, 2015 for Option Year 1 (Year 6 of the Lease as extended) and shall be subject to annual CPI adjustments in accordance with the following formula.

Option Years 2-5	an annual payment equal to the rate for the previous year plus an annual adjustment equal to the lesser of CPI or 3% per year, not to exceed 12% during the four remaining option years of this Lease.
------------------	--

D. Section 4.2 is deleted in its entirety and replaced with the following language.

4.2. The Fuel Farm Rent due under Section 4.1 shall commence on September 1, 2015. The annual Fuel Farm Rent shall be payable in each case in equal monthly installments of one twelfth thereof in advance on the first day of each month without offset in lawful money of the United States at the office of Lessor at the Airport or at such other address as Lessor may hereafter designate. In addition, Lessee agrees to pay when due, such other amounts that may be required to be paid as additional rent. Lessee's rent obligation for any fractional portion of a calendar month at the beginning or end of the term of this Lease shall be a similar fraction of the rental due for an entire month.

As of each Adjustment Date (as hereinafter defined), the Fuel Farm Rent shall be adjusted to reflect changes in the Consumer Price Index for All Urban Consumers applicable to the Boston area (all items 1982 - 1984 = 100) published by the United States Department of Labor, Bureau of Labor Statistics (the "Index").

On the first day following the expiration of the first option year of the term of this Lease (i.e., September 1, 2016) and on the first day of each year thereafter (individually an "Adjustment Date" and collectively the "Adjustment Dates"), Fuel Farm Rent shall be subject to adjustment for the remainder of the term of this Lease as follows:

(1) For the first adjustment (commencing on the first day following the expiration of the first option year of the term of this Lease or September 1, 2016), the basis for computing such adjustment shall be the Index most recently published prior to the beginning of the first year of the option term ("Beginning Index"). If the Index most recently published prior to the first Adjustment Date ("Extension Index") has increased over the Beginning Index, the Fuel Farm Rent for the one-year period commencing as of such first Adjustment Date shall be the result obtained by multiplying the annual Fuel Farm Rent in effect on the day of the Adjustment Date (i.e. the annual rental for option year one by a fraction, the numerator of which is the Extension Index and the denominator of which is the Beginning Index).

(2) For all subsequent adjustments, the Fuel Farm Rent shall be adjusted in the same manner as that for the first adjustment; provided, however, that the rental base shall be the rental in effect just prior to the then applicable Adjustment Date, the Extension Index for the preceding period shall be the Beginning Index and the Extension Index shall be the index most recently published prior to the then applicable Adjustment Date. On each Adjustment Date, the Parties shall execute an acknowledgment reflecting the new rent. Failure to execute such an acknowledgment shall not affect either the validity of this Lease or the effective date of any adjustment to the rent hereunder.

(3) If for any Adjustment Date the Index most recently published prior to the Adjustment Date has not increased over, or has decreased from, the Beginning Index for that period, no escalation in rent shall be required on that Adjustment Date, and the rent shall remain at its then current rate until the next Adjustment Date.

If the Index is changed in any manner, including without limitation, a change in the base year, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the term of this Lease, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised. If the Parties shall be unable to agree upon a successor index, the Parties shall refer the choice of a successor index to arbitration in accordance with the rules of the American Arbitration Association.

E. A new Section 4.7 is inserted into and made part of this Lease as follows.

4.7. Additional Fuel Farm Credit

Lessee may undertake, at its sole cost and expense to expand and improve the Fuel Farm. Lessor agrees to grant Lessee a Fuel Farm Rent Credit in a total amount not to exceed Seventy Thousand (\$70,000.00) Dollars. Lessee may apply the Fuel Farm Rent Credit in an amount not to exceed \$17,500 per year over the remaining term of this Lease. In order to qualify for the Fuel Farm Rent Credit, Lessee must; (i) seek advance written approval from Lessor for any proposed expansion or improvement work on the Fuel Farm, (ii) submit documentation which substantiates that the work has been performed within thirty (30) days of the completion of the such approved of work and, (iii) provide satisfactory proof that the work meets all applicable laws and regulations which govern the operation of aviation based Fuel Farms. The Fuel Farm Credit will expire at the end of the fifth option year of this Lease (i.e., August 31, 2020) irrespective of whether Lessee has recovered all expenses incidental to its initial investment associated with its expansion or improvement work.

F. Section 10 of Exhibit D of the Lease entitled Lease Provisions Required By The Federal Aviation Administration is amended to include the following language (set forth in bold italics) which pertain to Federal Grant Assurances;

"10. This Lease shall be subordinate to the provisions and requirements of any existing or future agreement between the Lessor and the United States, relative to the development, operation or maintenance of the airport, ***including, but not limited to, Federal Airport Improvement Project Grant Assurances as the same are deemed applicable to this Lease agreement.***"

F. All other terms and conditions of the Lease shall remain in full force and effect and continue to be binding upon the Lessee and Lessor.

IN WITNESS WHEREOF, Lessor and Lessee have executed this Lease Amendment No.4 effective the date first written above.

Lessee: PORT CITY AIR, INC.

By: _____
Robert Jesurum, President

Lessor: PEASE DEVELOPMENT AUTHORITY

By: _____
David R. Mullen, Executive Director

STATE OF NEW HAMPSHIRE: ss.
COUNTY OF ROCKINGHAM

On this ____ day of _____, 2015 before me, _____,
a Notary Public in and for said County and State, personally appeared Robert Jesurum,
personally known to me (or proved to me on the basis of satisfactory evidence) to be the
President of Port City Air, Inc. and on oath stated that he was authorized to execute this
instrument and acknowledged it to be his free and voluntary act for the uses and purposes set
forth herein.

Notary Public in and for said County and State

Printed Name: _____

My commission expires: _____

STATE OF NEW HAMPSHIRE: ss.
COUNTY OF ROCKINGHAM

On this ____ day of _____, 2015, before me _____,
a Notary Public in and for said County and State, personally appeared David R. Mullen,
personally known to me (or proved to me on the basis of satisfactory evidence) to be the
Executive Director of the Pease Development Authority and on oath stated that he was
authorized to execute this instrument and acknowledged it to be his free and voluntary act for the
uses and purposes set forth herein.

Notary Public in and for said County and State

Printed Name: _____

My commission expires: _____


MOTION


Director Torr:

The Pease Development Authority Board of Directors hereby approves of the proposed sign by Castlerock, LLC for Andover Healthcare, Inc. at 130 International Drive; all in accordance with the memorandum of Maria J. Stowell, P.E., Manager – Engineering, dated July 24, 2015 and attached hereto.

N:\RESOLVES\SignsAndover0815.wpd

MEMORANDUM

To: David R. Mullen, Executive Director 

From: Maria J. Stowell, P.E., Engineering Manager 

Date: July 24, 2015

Subject: Sign Approval Request for Andover Healthcare at 130 International Drive

Castlerock, LLC, on behalf of Andover Healthcare, Inc., is seeking approval to place a new fascia sign on the awning at the entrance to their building at 130 International Drive. The sign 21" x 354", totaling 51.63 square feet and would be situated as shown on the attachment.

Currently, Andover has a 43" x 86" (25.68 square feet) monument sign on this lot. With the addition of the new signage, the total signage area on this parcel is 77.31 square feet, well below the limit of 200 square feet. This sign meets the dimensional requirements and all other conditions of the PDA Land Use Controls.

At next month's meeting, please ask the Board to approve the new signage as proposed.

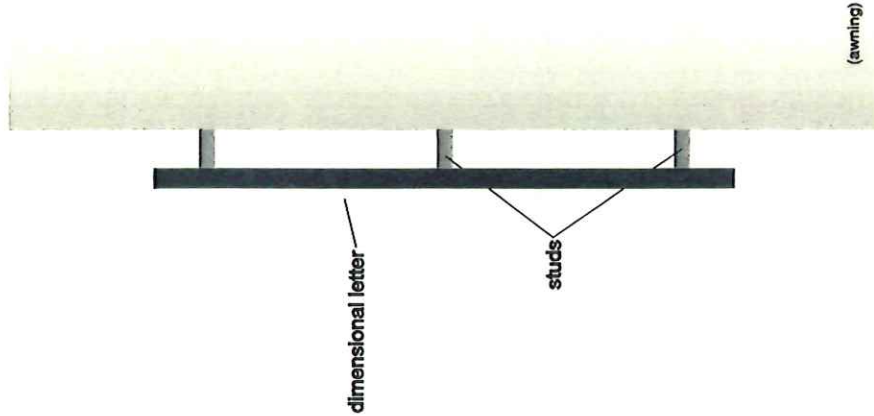
354 In

21 In
15.1 In
18 In

ANDOVER HEALTHCARE INC.



side view:



REVISION:
All orders under \$250 include 1 revision only.
All orders over \$250 include 3 revisions only.
Additional revisions will be charged at \$25 per revision.

PLEASE NOTE:
Designs are NOT actual size and color may vary depending on printer and/or monitor.

7/9/15

RETURN SIGNED TO: service@portsmouthsign.com
I understand this Order Form is the final production order and replaces all previous drawings, notes and verbal instructions to this job. Standard vinyl & paint colors will be used. Custom colors and specific matches to PMS colors will be an additional fee. I have carefully reviewed this form and verify that it contains all necessary specifications and represents my order. I authorize fabrication according to this approval.

SIGNATURE: _____ Date: _____



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Shop Use Only
Qty: SS DS

Background Color:

Vinyl Color: HP Int

Other:


MOTION


Director Preston:

The Pease Development Authority Board of Directors hereby approves of the proposed sign by 249 Corporate Drive, LLC for Loftware, Inc. at 249 Corporate Drive; all in accordance with the memorandum of Maria J. Stowell, P.E., Manager – Engineering, dated July 2, 2015 and attached hereto.

N:\RESOLVES\SignsLoftware0815.wpd

MEMORANDUM

To: David R. Mullen, Executive Director 

From: Maria J. Stowell, P.E., Engineering Manager 

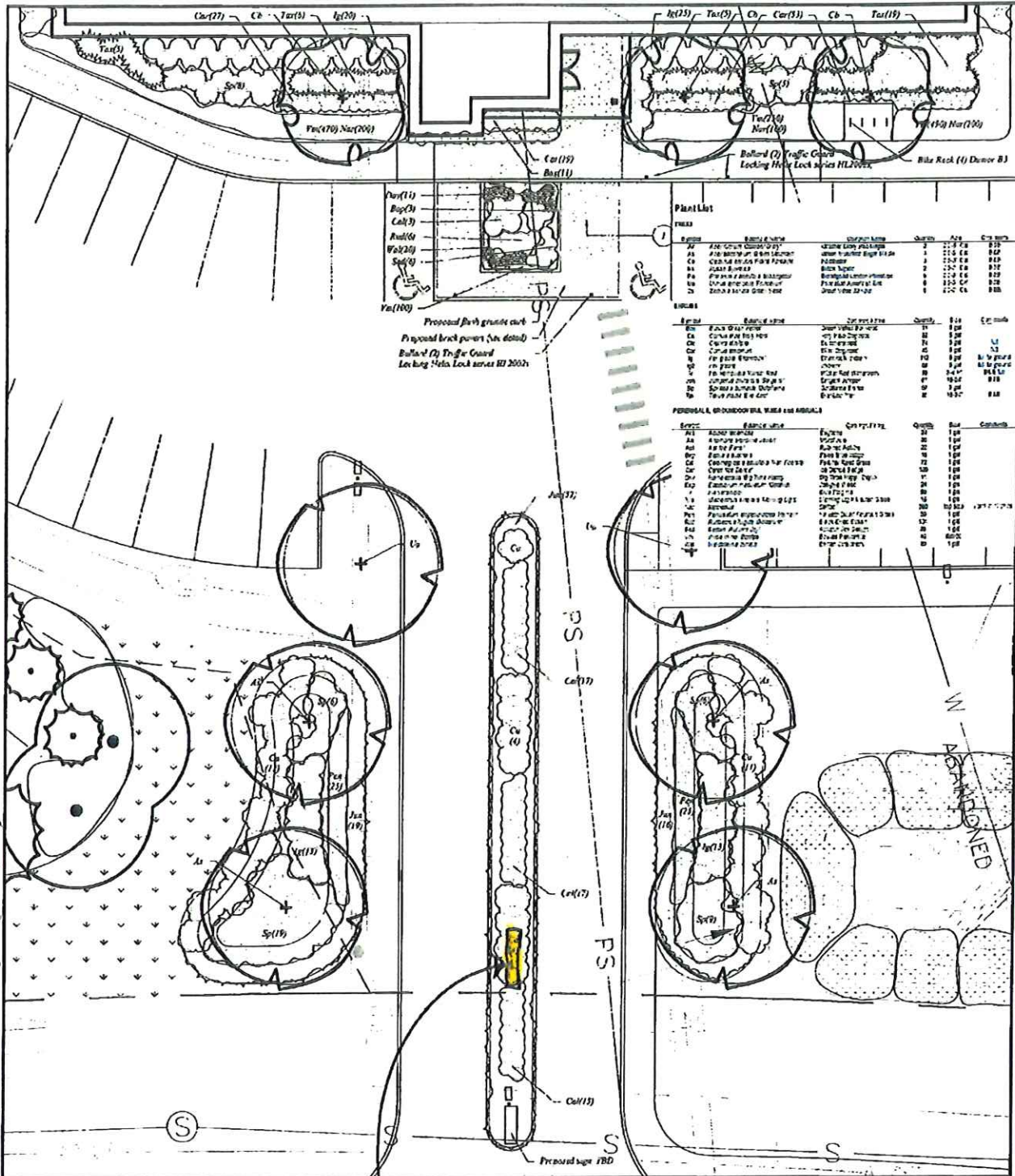
Date: July 2, 2015

Subject: Sign Approval Request for Loftware at 249 Corporate Drive

249 Corporate Drive, LLC is seeking approval to erect a 6'7"(h) x 8'8"(w) brushed aluminum monument sign at the entrance to the property at 249 Corporate Drive. The sign would be 39 square feet (*The base and street number portions are not included in this calculation*) and would be situated as shown on "Attachment A". A rendering of the monument sign is shown on "Attachment B"

As this is a new building, there are no signs to be replaced. The building's anchor tenant, Loftware is moving from 166 Corporate Drive and wishes to bring their current wall sign to 249 Corporate Drive. This building signage area is 30.1 square feet. This signage will be placed on the building as shown on "Attachment C" The total sign square footage of the property comes to 69.1 square feet, which is well under the allowed amount. These signs meet all other conditions of the PDA Land Use Controls.

At the meeting in August, please ask the Board to approve the signs as proposed.



249 Corporate Drive
Landscape Detail Plan
Portsmouth, New Hampshire

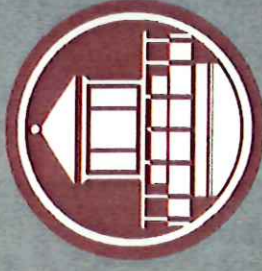
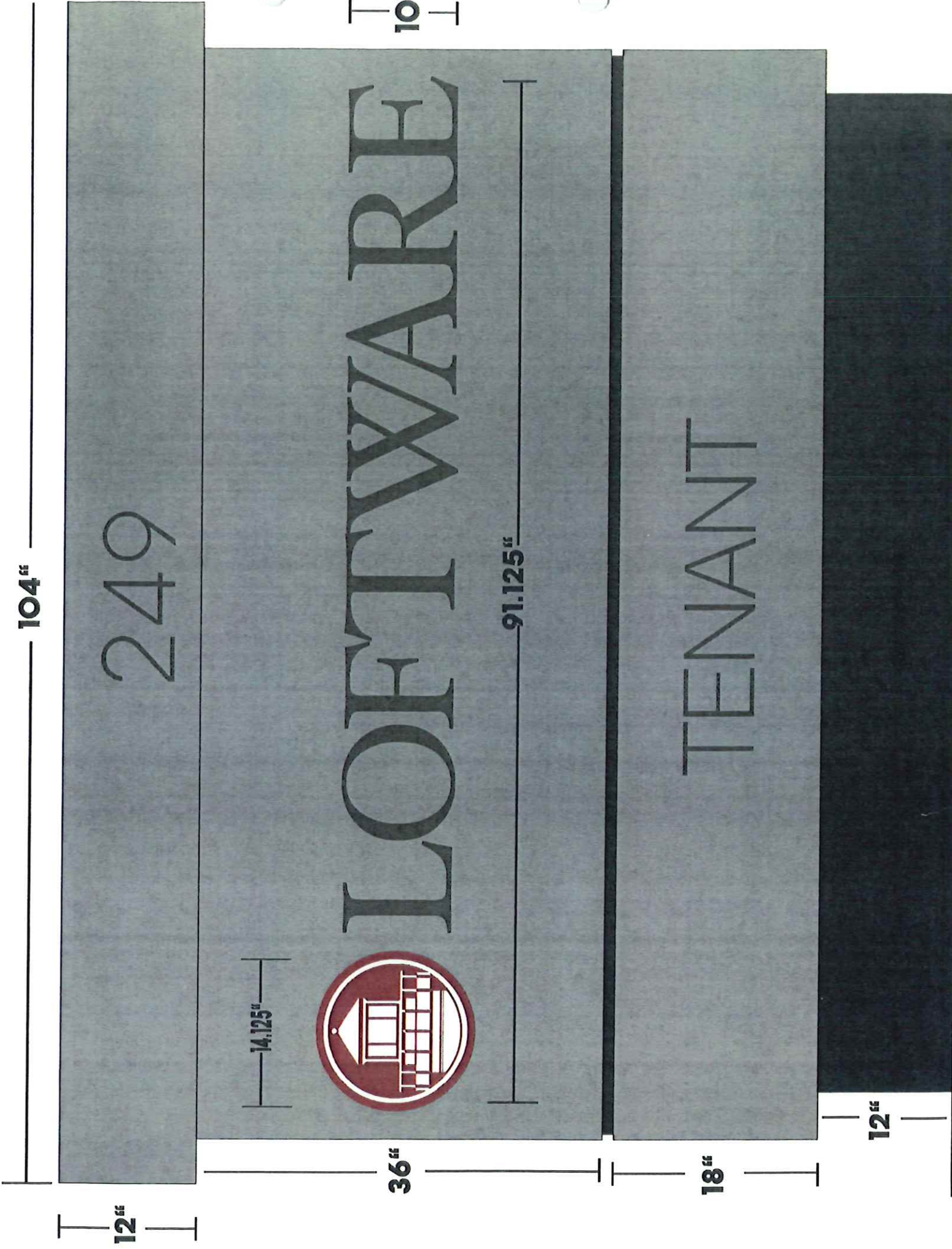
Drawn By: YB
Checked By: RW
Scale: 1" = 10' - 0"
Date: March 27, 2013
Revisions:
April 10, 2013
August 19, 2013
September 16, 2013
September 24, 2013
October 7, 2013
March 23, 2014
April 1, 2014

L-2

Detail A



LOCATION OF MONUMENT SIGN BEHIND PROPERTY LINE, AND NOT TO BE LOCATED IN THE R.O.W.






MOTION


Director Lamson:

The Pease Development Authority Board of Directors hereby approves of the proposed sign by Cinthesys Real Estate Management, LLC for IPSUMM, Inc. at 68 New Hampshire Avenue; all in accordance with the memorandum of Maria J. Stowell, P.E., Manager – Engineering, dated August 5, 2015 and attached hereto.

N:\RESOLVES\SignsCinthesys0815.wpd

MEMORANDUM

To: David R. Mullen, Executive Director 

From: Maria J. Stowell, P.E., Engineering Manager 

Date: August 5, 2015

Subject: Sign Approval Request for Cinthesys Real Estate Management, LLC at 68 NH Avenue

Cinthesys Real Estate Management, LLC is seeking approval to erect a 2.33'(h) x 6'(w) sign at the entrance to the property at 68 NH Avenue. The sign would be 14 square feet and would be situated as shown on "Attachment A". A detail of the sign is shown on "Attachment B".

This is the only sign on the lot and is well below the limit of 200 square feet. This sign meets the dimensional requirements and all other conditions of the PDA Land Use Controls.

At next week's meeting, please ask the Board to approve the sign as proposed.

NAENGINEER\Board Memos\2015\68 NH Sign 8.4.15.docx



Attachment A - 68 NH Ave Proposed Sign Location

DESIGNED BY: MRM

DATE: 8/5/15

SCALE: 1"=50'



PEASE DEVELOPMENT AUTHORITY

55 INTERNATIONAL DRIVE, PORTSMOUTH, NH 03801



Overall Size: 72" w x 28" h
Raised IPSUMM Letters and Logo

3" Deep Aluminum Box
Posts: 4"x4" Aluminum



89 Oak St. Dover, NH 03820 • 603.742.1517

Job Description: Freestanding Date: 7.31.15 Proof #: 02

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SIGNATURE DATE
PLEASE REPLY TO: YOUR SIGNVOX PROOF LINK or femail Design@SundanceSign.com

PLEASE REVIEW ALL INFORMATION CAREFULLY. THE CUSTOMER IS RESPONSIBLE FOR ALL INFORMATION ONCE APPROVAL HAS BEEN RECEIVED.

PLEASE BE AWARE THAT COLORS DIFFER FROM SCREEN TO SCREEN. WE CANNOT BE RESPONSIBLE FOR COLOR MATCHES, UNLESS AN ESTABLISHED COLOR IS AGREED UPON.

REVISED ATTACHMENT 3



Overall Size: 72" w x 28" h
Raised IPSUMM Letters and Logo

3" Deep Aluminum Box

Posts: 4"x4" Aluminum



89 Oak St. Dover, NH 03820 • 603.742.1517

Job Description: Freestanding

Date: 7.31.15

Proof #: 01

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SIGNATURE _____ DATE

PLEASE REPLY TO: **YOUR SIGNVOX PROOF LINK** or (email) Design@SundanceSign.com

PLEASE REVIEW ALL INFORMATION CAREFULLY. THE CUSTOMER IS RESPONSIBLE FOR ALL INFORMATION ONCE APPROVAL HAS BEEN RECEIVED

PLEASE BE AWARE THAT COLORS DIFFER FROM SCREEN TO SCREEN. WE CANNOT BE RESPONSIBLE FOR COLOR MATCHES, UNLESS AN ESTABLISHED COLOR IS AGREED UPON.

ATTACHMENT B

MEMORANDUM

TO: Pease Development Authority Board of Directors
FROM: David R. Mullen, Executive Director *DM*
RE: Contract Reports
DATE: August 13, 2015

In accordance with Delegation to Executive Director: Consent, Approval and Execution of Documents and Expenditure of Funds for Emergency Repairs, I am pleased to report:

1. Project Name: Fishnet Media LLC
PDA Obligation: \$9,750.00
Board Authority: Approved Budget Item
Summary: For work on the Pease Golf Course Website project

- 2.. Project Name: Four Seasons Fence - Perimeter Fence Pedestrian Gate
PDA Obligation: \$1,600
Board Authority: Vice-Chairman Loughlin
Summary: To purchase and install materials to connect perimeter chain link fence to a new pedestrian gate as set forth in the Quote attached hereto.

3. Project Name: CR Gray - Welcome Signs
PDA Obligation: \$9,878
Board Authority: Vice-Chairman Loughlin
Summary: For the purchase and install of granite welcome signs, one located on Exeter Street and one located at the new Arboretum Drive entrance as set forth in the Statement attached hereto.

4. Project Name: Honeywell Building Solutions
PDA Obligation: \$3,725.00
Board Authority: Vice-Chairman Loughlin
Summary: For the purchase and installation of repair parts to a video surveillance camera used at the Airport Terminal as set forth in the memorandum of Ed Pottberg, Airport Security Coordinator, dated July 24, 2015.



Quote

Four Seasons Fence
"We Set You Apart"

Date: June 24, 2015

To: Pease Development Authority
55 International Drive
Portsmouth, NH 03801

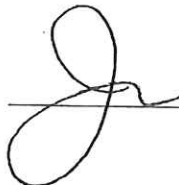
Attn: Ed Pottberg
766-9232
~~766-9232~~


Salesperson	Job	Location	Valid
Charlie Kuchl	fence alterations	Portsmouth, NH	30 Days

Qty	Description	Unit Price	Line Total
1.00	Connect (2) areas of existing galvanized chain link fence with 3-strands of barbed wire to "sallyport" entry. Includes (1) new 3" SCH 40 galvanized post and misc fittings.		<u>\$1,600.00</u>



Subtotal \$	1,600.00
Sales Tax	Incl.
Total	

Thank you for your business!

Quotation prepared by: 

To accept this quotation, sign here and return:  6/25/15

Memorandum

To: Bill Hopper, A.A.E., Airport Manager 
From: Ed F. Pottberg, Airport Security Coordinator 
Date: 7/24/2015
Subj: U.S. Customs Camera

On June 29, 2015 the U.S. Customs video camera system suffered a partial system failure. As I was able to bring the camera system back online, one of cameras failed to operate normally after being restored. The part of the camera that failed to come back online was the pan, tilt and zoom.

While the pan, tilt and zoom does not affect the video feed, it reduces the amount of the Terminal Apron space that can be under surveillance to a small section of the Terminal Apron (south side), which does not meet U.S. Customs' operational requirement to be able to view the any part of the terminal apron were U.S. Customs is conducting an inspection.

To restore the full function of the camera to meet U.S. Customs requirements, Honeywell has supplied a quote to replace the camera that includes installation labor. The cost of the parts and installation is 3,725.00. At the time of writing this memo, the Pease Development Authority should not incur additional costs of renting a lift; as I have spoken with Dane Kirkwood who assured me that the Pease Development Authority has a lift that can reach height of the camera.

Attachments:

Honeywell Quote

Memorandum

To: Kim W. Hopper, A.A.E., Airport Manager

From: Sandra McDonough, Airport Operations/Community Liaison *SM*

Date: 8/5/2015

Subj: Noise Report for June 2015

For the calendar month of June 2015, we received a total of 52 inquiries.

Out of the 52 inquiries, 48 of them helicopter related. All of the helicopter inquiries pertained to based helicopters (Seacoast Helicopters). One caller accounted for 23 of the inquiries. Most of the helicopter related calls originated in Portsmouth but two inquiries were received from Kittery.

Three calls were regarding fixed wing aircraft. All 3 were from Dover residents pertaining to non-based government aircraft. The aircraft include C-5s, a C-130 and a Boeing 757.

The last inquiry doesn't fit into a category. The Rochester resident simply emailed a derogatory comment.

Attached is the Noise Report for June 2015.

PDA Noise Report Log

For the Period: 06/01/2015 to 06/30/15

#	Date	Time	Caller Information	Type	Aircraft	Narratives	Follow Up
1	6/3/2015	18:29	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: NOISE COMPLAINT - Red helicopter directly over my house	Caller has indicated in the past that a call back is unnecessary.
2	6/3/2015	18:30	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: NOISE COMPLAINT - Red helicopter directly over my house again, direction N.	Caller has indicated in the past that a call back is unnecessary.
3	6/6/2015	10:54	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: NOISE COMPLAINT: Helicopter	Caller has indicated in the past that a call back is unnecessary.
4	6/6/2015	11:10	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: NOISE COMPLAINT: Helicopter	Caller has indicated in the past that a call back is unnecessary.
5	6/6/2015	11:14	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: NOISE COMPLAINT: Different Helicopter	Caller has indicated in the past that a call back is unnecessary.
6	6/6/2015	11:32	ID number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: Helicopter	Caller has indicated in the past that a call back is unnecessary.
7	6/6/2015	11:48	ID number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: Helicopter	Caller has indicated in the past that a call back is unnecessary.

**TYPE KEY: AR=AM RUN-UP, PR=PM RUN-UP, MX=MAINTENANCE APU/GPU, ON=OVERFLIGHT NOISE, OL=OVERFLIGHT
LOW, TGL=TOUCH AND GO LANDINGS, C=CIVILIAN, M=MILITARY, T=TRANSIENT, GPU=GROUND POWER UNIT,
APU=AUXILIARY POWER UNIT, W=WEB REPORT**

PDA Noise Report Log

For the Period: 06/01/2015 to 06/30/15

#	Date	Time	Caller Information	Type	Aircraft	Narratives	Follow Up
8	6/6/2015	12:44	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: Helicopter	Caller has indicated in the past that a call back is unnecessary.
9	6/6/2015	13:02	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed. NOISE COMPLAINT: Helicopter	Caller has indicated in the past that a call back is unnecessary.
10	6/6/2015	13:56	ID Number 98 Hucking Street Portsmouth, NH	ON	Robinson helicopter	I'm calling to complain about the red helicopters. I have incidences dating back to March 1st. The red helicopter made three round trips between 08:30 and 12:00 pm. Even with the doors closed and the windows buttoned up we still hear the helicopters. Saturday the 30th and Sunday the 31st it was flying 3 to 4 times daily. It's already been 4 times today that the red helicopter flew over the house. I'm really sick and tired of this. They are disrupting our quality of life. You guys don't think you can do anything about it but I think you can. The Federal Aviation people should be able to deal with this. This is our airspace. This is definitely infringing upon the quality of life we have known for over 30 years in the south end of Portsmouth.	Left message 6/8 and 6/10. No response.
11	6/6/2015	13:58	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed. NOISE COMPLAINT: 1358 Glad to see you have the website up and running again. Red Robinson helicopter flew over the house twice in about 3min, very loud and disruptive. It would be great if they could take an alternate path or maybe fly at a few thousand feet so they are not so disruptive to the quality of life of those living in downtown Portsmouth.	Caller has indicated in the past that a call back is unnecessary.
12	6/6/2015	13:59	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed. NOISE COMPLAINT: Helicopter again. Big day for the helicopters today.	Caller has indicated in the past that a call back is unnecessary.

TYPE KEY: AR=AM RUN-UP, PR=PM RUN-UP, MX=MAINTENANCE APU/GPU, ON=OVERFLIGHT NOISE, OL=OVERFLIGHT LOW, TGL=TOUCH AND GO LANDINGS, C=CIVILIAN, M=MILITARY, T=TRANSIENT, GPU=GROUND POWER UNIT, APU=AUXILIARY POWER UNIT, W=WEB REPORT

PDA Noise Report Log

For the Period: 06/01/2015 to 06/30/15

#	Date	Time	Caller Information	Type	Aircraft	Narratives	Follow Up
13	6/6/2015	14:05	ID Number 77 Ruth Street Portsmouth, NH	ON	Robinson helicopter	Emailed. Noise complaint: Glad to see you have the website up and running again. Red Robinson helicopter flew over the house twice in about 3 min, very loud and disruptive. It would be great if they could take an alternate path or maybe fly at a few thousand feet so they are not so disruptive to the quality of life of those living in downtown Portsmouth.	Left message 6/10 and 6/18. Phone tag.
14	6/6/2015	15:31	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: NOISE COMPLAINT: Helicopter	Caller has indicated in the past that a call back is unnecessary.
15	6/6/2015	15:52	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: Noise COMPLAINT: Helicopter Again	Caller has indicated in the past that a call back is unnecessary.
16	6/7/2015	12:07	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	NOISE COMPLAINT - Red helicopter directly over my house, direction E, circling over Market Square	Caller has indicated in the past that a call back is unnecessary.
17	6/8/2015	17:59	ID Number 54 Manning Street Portsmouth, NH	ON	Robinson helicopter	Emailed. Seacoast Helicopters started flying tours and lessons out of Pease last summer. They fly multiple pattern over many neighborhoods in Portsmouth, causing noise issues, disruptions and annoyances throughout the city, and surrounding towns. Our voice does not seem to be heard to eliminate or substantially cut back on this source of noise pollution. It doesn't seem fair that this company can just move in and ruin our way of life, and profit, and we lose out. We have no voice or representation, and they come in and pay off the PDA and certain businesses, and we get the noise in return. Residents in this and surrounding communities should have some say in something so obtrusive. I have spoken with many residents, the Portsmouth city council, and we do not seem to be able to do anything. I expect something to change. The FAA should be able to alter flight patterns for a business that has no specific requirements for its direction, when it is so disruptive to so many residents.	Returned call 6/10. No response.

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PDA Noise Report Log

For the Period: 06/01/2015 to 06/30/15

#	Date	Time	Caller Information	Type	Aircraft	Narratives	Follow Up
18	6/8/2015	20:55	ID Number 43 Gates Street Portsmouth, NH	ON	Robinson helicopter	Emailed: Seacoast Helicopters is a public nuisance! All weekend helicopters were over our house and neighborhood.	Spoke with [redacted] on 6/18. She is very frustrated with the frequency of the tours over her house. She understands the regulations but is not happy with the situation.
19	6/9/2015	14:37	ID Number 167 Pleasant Valley Road Dover, NH	TGL	C5	I'm calling to complain about the planes that go over my house. Once the summer starts, the planes that go over are so low. They are right above the tree tops. I'm really concerned about this. I personally feel they are flying too low. Please give me a call so we can resolve this matter.	McDonough spoke with [redacted] on 6/18 and explained the size and the type of engines on the C5. Explained how the pilots follow the voluntary noise procedures. [redacted] was happy with the call.
20	6/9/2015	15:32	ID Number 168 Drew Road Dover, NH	ON	C5	Not a complaint. Interested in knowing the height of the last 2 aircraft.	Returned call 6/10. McDonough explained that the C5 is one of the largest aircraft ever made which makes it seem lower that it really is. It also has a distinct engine noise with a high pitch which brings attention to it. The caller said she was curious and not complaining. She thanked McDonough for the call.
21	6/11/2015	15:28	ID Number 78 Maplewood Avenue Portsmouth, NH	ON	Robinson helicopter	I'm calling again to complain about the helicopters buzzing around the house. They just came over and the windows on the house were all shaking. Since I have a modern design house it is scary that they can shake the windows in a 10 year old house. Once again these guys are flying well below a normal flight pattern that's reasonable. They continue to buzz and make noise, scaring my kids and it's painful. Again I thought I should let you know they are flying lower and lower and pushing the envelope every single time. See ya.	McDonough left message 6/14. McDonough returned call 6/18. She wants to sit by the pool and not be seen. She states she can tell the color of the hat that the pilot is wearing.
22	6/12/2015	18:52	ID Number 70 Mark Street Portsmouth, NH	ON	Robinson helicopter	Emailed: Red helicopter flying low over downtown Portsmouth, making lots of noise, disrupting a peaceful evening.	Returned call 6/15. No response.
23	6/12/2015	18:53	ID Number 70 Mark Street Portsmouth, NH	ON	Robinson helicopter	Emailed. Red helicopter flying low over Little Harbor School at dismissal time. Why do we have to subject our children to this unnecessary risk??	Returned call 6/15. No response.

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PDA Noise Report Log

For the Period: 06/01/2015 to 06/30/15

#	Date	Time	Caller Information	Type	Aircraft	Narratives	Follow Up
24	6/14/2015	11:30	ID Number 70 Mark Street Portsmouth, NH	ON	Robinson helicopter	Emailed. Red helicopter circling low and loud all over downtown, ruining an otherwise beautiful and peaceful Sunday morning.	Returned call 6/15. No response.
25	6/14/2015	11:53	ID Number 170 Pepperrell Road Kittery Point, NH	ON	Robinson helicopter	Emailed. That damn sightseeing helicopter was way too low this time. It was directly overhead and appeared to be a gray one, not the red one. Its disturbing enough that they have no respect for what we expect to be a peaceful Sunday in our own front yard but to come so low with their infernal beating.	Returned call 6/15. No response.
26	6/14/2015	13:00	ID Number 70 Mark Street Portsmouth, NH	ON	Robinson helicopter	Emailed. How many times do we have to be harassed on the weekend by the red helicopter? Enough is enough!	Returned call 6/15. No response.
27	6/14/2015	15:11	ID Number 70 Mark Street Portsmouth, NH	ON	Robinson helicopter	Emailed. Red helicopter circling low and loud all over downtown, ruining an otherwise beautiful and peaceful Sunday afternoon.	Returned call 6/15. No response.
28	6/14/2015	15:19	ID Number 70 Mark Street Portsmouth, NH	ON	Robinson helicopter	Emailed. Red helicopter. This is getting ridiculous.	Returned call 6/15. No response.
29	6/15/2015	8:04	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed. NOISE COMPLAINT - Red helicopter directly over my house, direction NE	Caller has indicated in the past that a call back is unnecessary.
30	6/15/2015	8:05	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed. NOISE COMPLAINT - Red helicopter directly over my house, direction E	Caller has indicated in the past that a call back is unnecessary.

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PDA Noise Report Log

For the Period: 06/01/2015 to 06/30/15

#	Date	Time	Caller Information	Type	Aircraft	Narratives	Follow Up
31	6/15/2015	10:54	ID Number 75 Mark Street Portsmouth, NH	ON	Robinson helicopter	Emailed. Flying way lower than 1000 feet. He's below the cloud ceiling and right over the middle school full of children.	Returned call 6/16. No response.
32	6/15/2015	11:13	ID Number 75 Mark Street Portsmouth, NH	ON	Robinson helicopter	Emailed. Second pass right over my house and middle school, banked for maximum noise. Flying way lower than 1000 feet, he's below the cloud ceiling	Returned call 6/16. No response.
33	6/17/2015	20:50	ID Number 169 Portsmouth Avenue Dover, NH	TGL	C130/B757	Emailed. A loud plane has gone directly over our house twice within the last half hour. I don't believe that we are in the flight path?	Returned call 6/18. Informed the caller we had 2 large aircraft in the pattern and ATC had to allow for adequate spacing.
34	6/20/2015	13:47	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed. NOISE COMPLAINT - Red helicopter directly over my house, direction NE	Caller has indicated in the past that a call back is unnecessary.
35	6/20/2015	21:14	ID Number 104 Cottle Lane Kittery, Maine	ON	Robinson helicopter	It's almost 9pm and I am again hearing the familiar sound of a helicopter overhead. I know its the same one I hear day in and day out constantly flying over our house. My children were outside in the backyard playing today and it makes me uncomfortable to have a low flying helicopter consistently passing over their heads. If it goes down it would be in my yard. I'm tired of listening to the noise but even more concerned for the safety of my children.	Spoke with caller on 6/21. Caller is very frustrated will helicopter flying near the house. McDonough informed her we cannot control where the helicopters fly but did confirm with Seacoast Helicopters and the ATCT that Seacoast Helicopters fly at 1000 ft. which is above the FAA standards for safety.
36	6/21/2015	20:44	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed. NOISE COMPLAINT - Low-level flyover at the Nubble Light, York ME. No matter where we go, there is no escape from this guy.	Caller has indicated in the past that a call back is unnecessary.

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PDA Noise Report Log

For the Period: 06/01/2015 to 06/30/15

#	Date	Time	Caller Information	Type	Aircraft	Narratives	Follow Up
37	6/22/2015	16:50	ID Number 171 Thorwald Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed. The helicopters are going over my house on a regular basis and are very annoying. I am camera ready as they are not flying 500' up, they are lower. On weekends they fly over several times a day. They need to stay down on the beach and not go over residential areas. Especially where we are so close to the airport.	Left message 6/25. Left message 7/31.
38	6/23/2015	15:19	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed. NOISE COMPLAINT - Red helicopter	Caller has indicated in the past that a call back is unnecessary.
39	6/24/2015	10:07	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed. NOISE COMPLAINT - Red helicopter directly over my house, direction W, and a lot lower than 1000'.	Caller has indicated in the past that a call back is unnecessary.
40	6/24/2015	13:43	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed. NOISE COMPLAINT - Red helicopter	Caller has indicated in the past that a call back is unnecessary.
41	6/26/2015	12:37	ID Number 98 Hucking Street Portsmouth, NH	ON	Robinson helicopter	Hi Sandra. I'm here to log in the red helicopter flyovers of our house that we talked about last week. Starting with 6/13/2015, we had flyovers at 1112, 1211, 1244 and 1649 when it made a loop and came back again a couple of minutes after that. Again on 6/13 at 1819; it was a black helicopter, not a red helicopter and then again at 1854. On 6/14 we had flyovers at 1133, 1148, 1301, 1319, 1320, 1411 (two loops), 1449, 1450, 1507, 1509, 1520, 1526, 1527, 1948 and 2006. On 6/15 there were flyovers at 1053 and 1111. Then on 6/19 they flew over at 1222, 1239, 1240, 125, 1314, 1315. On 6/20, which was a Saturday, there was a pocket garden tour to benefit the Unitarian Church in town and at 1415, a red helicopter flew over. They were having a garden tour quartet and their music was completely drowned out by helicopter noise. There were other flyovers at 1448, 1548 and 1608. That is it for now. I'm sure I'll b back with you soon to report what happens this weekend. Thank you.	Left message 6/29, no response. Emailed link to the noise form on the PDA website. Responded via email with a thank you.

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PDA Noise Report Log

For the Period: 06/01/2015 to 06/30/15

#	Date	Time	Caller Information	Type	Aircraft	Narratives	Follow Up
42	6/27/2015	13:50	ID Number 70 Mark Street Portsmouth, NH	ON	Robinson helicopter	"I'm calling to report a noise issue with the red helicopter. Today is Saturday the 27th and it's 1348. I live on Mark St in Portsmouth. And it sounds like a warzone over here. He's buzzing around, tilting at low altitudes, sending extra noise our way which is bouncing off windows. It's really annoying. Thank you."	Returned call 6/30. He would like to be able to limit the helicopter tours. Seacoast Helicopters was hired by a TV station to film the Gay Pride March. They were flying at an altitude of 500 feet. The caller would like it if we were able to limit the helicopter flying over Portsmouth.
43	6/27/2015	13:51	ID Number 173 Lincoln Avenue Portsmouth, NH	ON	Robinson helicopter	Also 1:47, 1:49, 1:50, 1:52--repeated loud fly overs with VERY loud fluttering noise, including a noise almost like an air break	Left message 6/30. No response.
44	6/27/2015	13:53	ID Number 174 South Street Portsmouth, NH	ON	Robinson helicopter	It is 1345 ON Saturday the 27th and we have helicopters flying over our neighborhood and hovering. I counted 10 flyovers in 20 minutes.	Left message 6/30. No response. Seacoast Helicopters was hired by a TV station to film the Gay Pride March. They were flying at an altitude of 500.
45	6/27/2015	13:58	ID Number 43 Gates Street Portsmouth, NH	ON	Robinson helicopter	"I am calling on 1357 on Saturday. It is a Seacoast Helicopter complaint again. This time they are just going over and over, around and around in circles, hovering right above us in the South End and then going around again. He is definitely not at 1000'. I am so sick of hearing this. Please pass this along."	Left message 6/60. No response. Seacoast Helicopters was hired by a TV station to film the Gay Pride March. They were flying at an altitude of 500.
46	6/27/2015	13:59	ID Number 24 New Castle Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: Red helicopter circling over us almost continuously for about 30 mins - still going at 13:56 as I write this. This is COMPLETELY unreasonable over a residential area. I used to be a supporter of the Peace Development Authority but that is absolutely over. To the extent that I am able I will not support any future development projects until this helicopter situation is resolved.	Left message 6/30. Spoke with caller on 7/2. Seacoast Helicopters was hired by a TV station to film the Gay Pride March. They were flying at an altitude of 500. Caller suggests we meet with Seacoast and discuss voluntary noise abatement procedures.
47	6/27/2015	14:01	ID number 129 Thornton Street Portsmouth, NH	ON	Robinson helicopter	More than 6 passes over our house in the last hour alone from the red helicopter. I also think he is flying lower today, maybe due to low clouds. Absolutely unbearable today!	Spoke with caller on 6/30. Seacoast Helicopters was hired by a TV station to film the Gay Pride March. They were flying at an altitude of 500. The caller inquired about what can be done about the helicopter activity. He says it's difficult to work from home or work in the garden.

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PDA Noise Report Log

For the Period: 06/01/2015 to 06/30/15

#	Date	Time	Caller Information	Type	Aircraft	Narratives	Follow Up
48	6/27/2015	14:05	ID Number 172 South Street Portsmouth, NH	ON	Robinson helicopter	"Hello. I'm calling because of the helicopter noise. It started about one hour ago and at times there have been two helicopters. My wife and I are sitting in our living room and can't even talk to each other and the house is vibrating. I'm calling to complain about the helicopter noise. This is Saturday afternoon. Thank you.	McDonough spoke with the wife of the caller on 6/30. She is aware that everything Seacoast Helicopters is doing is legal but she would like to see them fly much higher. Call was disconnected.
49	6/29/2015	21:09	ID Number 129 Thornton Street Portsmouth, NH	ON	Robinson helicopter	The red helicopter flying over our house at this late hour. It's already dark. Ruining our evenings now as well as our best summer days.	Spoke with caller on 6/30. Seacoast Helicopters was hired by a TV station to film the Gay Pride March. They were flying at an altitude of 500. The caller inquires about what can be done about the helicopter activity. He says it's difficult to work from home or work in the garden.
50	6/29/2015	22:11	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed. NOISE COMPLAINT - Red helicopter again	Caller has indicated in the past that a call back is unnecessary.
51	6/30/2015	16:32	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	NOISE COMPLAINT - Red helicopter again	Caller has indicated in the past that a call back is unnecessary.
52	6/30/2015	19:16	ID Number 175 Four Rod Road Rochester, NH	ON	unknown	Emailed "Inconsiderate bastard"	Left message 7/2. No response.

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Memorandum

To: Kim W. Hopper, A.A.E., Airport Manager

From: Sandra McDonough, Airport Operations/Community Liaison *Sm*

Date: 8/5/2015

Subj: Noise Report for July 2015

For the calendar month of July 2015, we received a total of 88 inquiries.

Out of the 88 inquiries, 56 of them helicopter related with 40 being from one person. All but one of the helicopter inquiries pertained to based helicopters (Seacoast Helicopters). The non-based helicopter (LifeFlight out of Bangor) inquiry was generated by a Portsmouth resident who lives just south of the airfield who could read half of the numbers on the tail of the helicopter as it passed overhead. The A109 helicopter was transporting a patient to a hospital in Boston and stopped in Portsmouth to get fuel. The 56 helicopter inquiries were generated by 10 people. (7 Portsmouth residences, 1 Rye resident, 1 Eliot resident and 1 Kittery resident).

Thirty inquiries were pertaining to fixed wing aircraft with 29 of them being an even mix of based and non-based military aircraft, including F-16s, C-5s and KC135s. Thirteen of the 30 inquiries were from a Newmarket resident, with 12 coming in repeatedly over a short period. The remaining fixed wing inquiry involved a Boeing 747 and 767 chartered by the government to transport troops overseas. Both aircraft arrived around 2:00 AM within 10 minutes of each other.

A Dover resident was not complaining, but rather requested a copy of the updated Noise Exposure Map. Another caller that is located on the Tradeport wanted to tell us that they enjoyed the F-16s and for the airport to keep up the good work.

Attached is the Noise Report for July 2015.

PDA Noise Report Log

For the Period: 07/01/15 to 07/31/15

#	Date	Time	Caller Information	Type	Aircraft	Narratives	Follow Up
1	7/1/2015	22:30	ID Number 110 Mountainview Terrace Rye, NH	TGL	KC135R	It's 10:30 at night and a jet is repeatedly flying directly over my house. If you wonder why people in Rye think Pease is a terrible neighbor, this is your answer. Please ask the pilots to vary their routes. And also, they should keep their circles inside of Route 1.	Left message 7/13. No response.
2	7/2/2015	16:34	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: NOISE COMPLAINT - Red helicopter	Caller has indicated in the past that a call back is unnecessary.
3	7/2/2015	16:35	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: NOISE COMPLAINT - Red helicopter	Caller has indicated in the past that a call back is unnecessary.
4	7/3/2015	13:40	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: NOISE COMPLAINT - Red helicopter - FIVE trips so far today!	Caller has indicated in the past that a call back is unnecessary.
5	7/3/2015	14:10	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: NOISE COMPLAINT - Red helicopter	Caller has indicated in the past that a call back is unnecessary.
6	7/3/2015	15:06	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: NOISE COMPLAINT - Red helicopter	Caller has indicated in the past that a call back is unnecessary.
7	7/3/2015	15:56	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: NOISE COMPLAINT - Red helicopter	Caller has indicated in the past that a call back is unnecessary.

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PDA Noise Report Log

For the Period: 07/01/15 to 07/31/15

#	Date	Time	Caller Information	Type	Aircraft	Narratives	Follow Up
8	7/3/2015	16:21	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: NOISE COMPLAINT - Red helicopter, directly over my house.	Caller has indicated in the past that a call back is unnecessary.
9	7/3/2015	18:22	ID Number 125 New Castle Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: Between 9:00 am and 4:20 pm today, at least 15 helicopter passes over and near our property. Those occurring at approximately 2:08 and 2:20 were low and close enough to create a loud 'vibration'. Very annoying on a beautiful day when trying to enjoy being outdoors.	The caller indicated a call back is unnecessary. She is trying to provide data to be analyzed for future changes.
10	7/4/2015	12:58	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: NOISE COMPLAINT - Red helicopter	Caller has indicated in the past that a call back is unnecessary.
11	7/4/2015	13:06	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: NOISE COMPLAINT - Red helicopter is back	Caller has indicated in the past that a call back is unnecessary.
12	7/4/2015	14:49	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: NOISE COMPLAINT - Red helicopter directly over my house again.	Caller has indicated in the past that a call back is unnecessary.
13	7/5/2015	11:37	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: NOISE COMPLAINT - Red helicopter	Caller has indicated in the past that a call back is unnecessary.
14	7/5/2015	13:05	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: NOISE COMPLAINT - Red helicopter	Caller has indicated in the past that a call back is unnecessary.

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PDA Noise Report Log

For the Period: 07/01/15 to 07/31/15

#	Date	Time	Caller Information	Type	Aircraft	Narratives	Follow Up
15	7/6/2015	13:21	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: NOISE COMPLAINT - Red helicopter	Caller has indicated in the past that a call back is unnecessary.
16	7/6/2015	13:22	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: Description: NOISE COMPLAINT - WHITE helicopter, still a Robinson R-44, but not red.	Caller has indicated in the past that a call back is unnecessary.
17	7/6/2015	13:23	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: NOISE COMPLAINT - WHITE helicopter, still a Robinson R-44, but not red.	Caller has indicated in the past that a call back is unnecessary.
18	7/7/2015	11:33	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: NOISE COMPLAINT - Red helicopter	Caller has indicated in the past that a call back is unnecessary.
19	7/8/2015	10:12	ID Number 176 International Drive Portsmouth, NH	ON	F-16s	"Hi, this message is for the Pease Development Authority. I just wanted to tell you and give you a message. I love the noise of those F15's flying over our office. Keep up the great work, guys. We love the noise."	McDonough spoke with caller on 7/9. Caller expressed that his office enjoys the aircraft and the more the better.
20	7/8/2015	10:51	ID Number 177 Hemlock Forrest Dover, NH	ON	F-16s	"I live in Dover by the high school and I would say over the last week or two, it's been very recent. I've noticed what sounds like fighter jets. Very loud. It's not the usual KC135 type aircraft that fly around. So, I wanted to inquire about that. If you could return my call and let me know about that, ok? Thank you, bye-bye."	McDonough spoke with caller on 7/9. McDonough said there has been an increased military jet activity in the past couple of weeks but we are often unaware of their operation until they are here. She feels it would be better received from the public if it is announced the jets are arriving.

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For the Period: 07/01/15 to 07/31/15

#	Date	Time	Caller Information	Type	Aircraft	Narratives	Follow Up
21	7/8/2015	11:08	ID Number 56 Beech Road Eliot, ME	ON	Robinson helicopter	"I have called before regarding the red helicopter, but I guess I have a concern that he's just doing these circles through Eliot. He goes completely around and around. It's not like I mind him driving by one time. That would be fine, and moving on his way and doing a tour, but he must be practicing landing at the Eliot airport. He can't hover over my house for an hour and do things like that. I look forward to hearing from you. Thanks, bye."	Spoke with caller on 7/9 and discussed the airport does not control where the aircraft fly after they leave the airfield unless it is involving aircraft spacing if requested. She is selling her house to get away from it.
22	7/9/2015	16:25	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: NOISE COMPLAINT - Red helicopter directly over my house.	Caller has indicated in the past that a call back is unnecessary.
23	7/11/2015	10:00	ID Number 111 Dodge Avenue Portsmouth, NH	ON	F-16s	It is Saturday the 11th around 10:00 am. I'm calling to complain about jet noise. Thank you.	Left message 7/14. No response.
24	7/12/2015	15:38	ID Number 173 Lincoln Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: Helicopter tour flying low over city hall neighborhood and making extra loud fluttering noise (poor maneuvering).	Left message 7/13. No response.
25	7/12/2015	15:57	ID Number 173 Lincoln Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: Helicopter tour flying low over city hall neighborhood and making extra loud fluttering noise (poor maneuvering).	Left message 7/13. No response.
26	7/13/2015	12:50	ID Number 125 New Castle Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: "More than 10 passes over neighborhood during my time at home on Saturday. At 12:50 and 1:10, very low and loud - could hear the chopper blades / vibration over our property. Very disruptive."	The caller indicated a call back is unnecessary. She is trying to provide data to be analyzed for future changes.

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For the Period: 07/01/15 to 07/31/15

#	Date	Time	Caller Information	Type	Aircraft	Narratives	Follow Up
27	7/14/2015	15:15	ID Number 11 Sherburne Road Portsmouth, NH	ON	C-5	I haven't called in a while but this one was too... whatever you want to put there for me not to call. So it is Tuesday at 3:17 and I'm standing at my kitchen sink and I'm washing dishes and I look up and I see this huge loud plane going very slowly over my house through my yard headed towards Portland. So I don't know what it was or who or whatever. But you know over my house? So anyway I don't know what happened or why it happened but I hope you can tell me it wasn't going to happen again. It is pretty scary when you hear this big huge plane going over your head. Anyway I thought it was crashing into my house, maybe not you know not think so, not really but it could of been! Alright, bye.	McDonough spoke will the caller on 7/15. Caller was very frustrated and hung up. McDonough called back later that afternoon and discussed the operation on the 14th and she apologized for losing her temper and appreciated the call back.
28	7/14/2015	15:18	ID Number 101 Hancock Street Portsmouth, NH	ON	C-5	It is Tuesday and it was about 3:14 in the afternoon. Um obviously an aircraft, I could not see it but boy could I hear it. And that continued for what seemed to be an exceptionally long period of time even if it was an aircraft you know just flying over. But sorry I can't identify what it was. But extremely loud and probably low. The ceiling is low right now in Portsmouth. Thank you.	McDonough spoke with caller 7/15 and informed her a C5 from Westover was in the area training for a little over an hour. The C5 is the largest aircraft in the world and has engines with a very distinct whine. Combined with a low cloud cover it sounds like it is lower that it actually is.
29	7/14/2015	15:37	ID Number 6 Little Bay Road Newington, NH	ON	C-5	Emailed: "Shrieking"	Left message 7/15. No response.
30	7/14/2015	15:38	ID Number 6 Little Bay Road Newington, NH	ON	C-5	Emailed: "Loud"	Left message 7/15. No response.
31	7/14/2015	15:39	ID Number 6 Little Bay Road Newington, NH	ON	C-5	Emailed: "Loud"	Left message 7/15. No response.
32	7/15/2015	14:08	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: NOISE COMPLAINT - Red helicopter over Market Square.	Caller has indicated in the past that a call back is unnecessary.

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#	Date	Time	Caller Information	Type	Aircraft	Narratives	Follow Up
33	7/15/2015	14:09	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: NOISE COMPLAINT - Red helicopter directly over my house.	Caller has indicated in the past that a call back is unnecessary.
34	7/17/2015	10:29	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: NOISE COMPLAINT - Red helicopter directly over my house again.	Caller has indicated in the past that a call back is unnecessary.
35	7/17/2015	13:29	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: NOISE COMPLAINT - Red helicopter at Ft. Stark in Newcastle. No matter where I go, it seems there is no way to escape from this guy.	Caller has indicated in the past that a call back is unnecessary.
36	7/17/2015	17:35	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: NOISE COMPLAINT - Red helicopter directly over my house.	Caller has indicated in the past that a call back is unnecessary.
37	7/20/2015	8:02	ID Number 180 Spur Road Dover, NH	Information	Information	I'm calling to get a copy of your most recent Noise Exposure Map for KPSM airport known as Pease. If you have a copy please call me and I'll give you my email address and if you don't have it, could you call me and tell me how I can get a copy?	McDonough spoke with the caller 7/24 and provided him with the updated noise exposure map as he requested. He is trying to make the area around Spur Road a no fly zone.
38	7/20/2015	12:26	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: NOISE COMPLAINT - Red helicopter	Caller has indicated in the past that a call back is unnecessary.
39	7/20/2015	14:56	ID Number 125 New Castle Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: Between 11:30 am and 4:00 pm, 8 helicopter passes. At 2:04, 2:56, 3:46 and 3:59, very noisy, low, chopping sound.	The caller indicated a call back is unnecessary. She is trying to provide data to be analyzed for future changes.

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#	Date	Time	Caller Information	Type	Aircraft	Narratives	Follow Up
40	7/20/2015	15:19	ID Number 125 New Castle Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: Between 12:30 pm and 4:15 pm, 9 helicopter passes. Seems excessive. Those at 3:19 and 3:45 were very low, seemed to be flying quite low. Why not vary the routes so this isn't such a continuous irritation, especially on weekend days?	The caller indicated a call back is unnecessary. She is trying to provide data to be analyzed for future changes.
41	7/21/2015	19:46	ID Number 6 Little Bay Road Newington, NH	TGL	C5 Galaxy	Emailed: "Ears hurt from sound of plane"	Left message 7/25. No response.
42	7/21/2015	19:46	ID Number 6 Little Bay Road Newington, NH	TGL	C5 Galaxy	Emailed: "Shrieking too loud too close"	Left message 7/22. No Response.
43	7/22/2015	6:56	ID Number 178 Pepperell Terrace Kittery, ME	ON	Robinson helicopter	"Good morning. My name is XXXX. I live at XX Pepperell Terrace in Kittery Point, Maine. I know that you folks have had another article in the paper about the Seacoast Helicopter and I think a lot of people are not calling because nobody is going to do anything about it. They fly over our house very regularly too. I find it extremely annoying. They do it over and over again. They really need to change their flight pattern and have some respect for the people that pay taxes and live in the surrounding towns that they hover over. I know we live in a beautiful area but many of us pay extremely high taxes to live where we do. We've always lived in Kittery Point which is a very quiet community and this guy doesn't care about anybody. So I'd really like to speak to someone and see if anyone can do something about this, otherwise, nobody will call you and yes, your calls will go down, but.... You can reach me at XXXXXX. I'm certainly not going to threaten anybody but I'm very annoyed."	McDonough spoke with caller on 7/26. She was aggravated to read in the paper the number of calls are decreasing. She lives in Kittery and does not like the noise of the helicopter and the lack of privacy. Although she is aware Seacoast Helicopters flies at 1000ft, but feels it is not enough. She asked for a copy of the noise calls and McDonough sent a report that included January 1, 2015 through May 31, 2015.
44	7/22/2015	10:22	ID Number 68 Miller Avenue Portsmouth, NH	ON	Seacoast helicopter	Emailed: NOISE COMPLAINT - Red helicopter	Caller has indicated in the past that a call back is unnecessary.

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#	Date	Time	Caller Information	Type	Aircraft	Narratives	Follow Up
45	7/22/2015	11:35	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: NOISE COMPLAINT - Red helicopter	Caller has indicated in the past that a call back is unnecessary.
46	7/22/2015	12:26	ID Number 157 Ruth Street Portsmouth, NH	ON	Robinson helicopter	"I'm calling about the red helicopter. This all started shortly after 8 this morning and it is now 12:30 in the afternoon. He's made at least a dozen passes back and forth over my house today. I don't know if he's trying to make a point because of what was in the paper this morning or not but it's pushing the boundaries and it's awfully loud. He is way lower than he was before. Like I said, if he's trying to make a point then he made the point. But you know what, it's going back and forth now. I think something needs to be done because this cat and mouse game is getting a little old. Anyway, I just figured I'd call and get it on record and I'll talk to you later. Thank you"	McDonough spoke with caller 7/24. He believes the tour company purposefully flying over that area to bother them.
47	7/22/2015	13:19	ID Number 179 Pioneer Road Rye, NH	ON	Red helicopter	"My name is XXXX. I live at XX Pioneer Road in Rye, NH. I am just calling to complain about the red helicopters that fly over my property on a fairly regular basis and they do seem to be flying lower than they should. I feel that I don't have any privacy in my backyard and if I'm in my bathing suit, somebody can definitely see me and that's not a pretty sight. So on that note, I just want to register a complaint. Thank you very much. Bye"	McDonough left message 7/23. Caller then left a message for McDonough 7/23. McDonough spoke with the caller on 7/28 after checking with ATCT and Seacoast Helicopters about the altitude at which the tours fly. Both state the normal altitude is at or above 1000 ft. Caller stated that the past couple of weeks have been very good.
48	7/22/2015	13:28	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: NOISE COMPLAINT - Red helicopter	Caller has indicated in the past that a call back is unnecessary.
49	7/22/2015	13:29	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: NOISE COMPLAINT - Red helicopter circling above Market Square	Caller has indicated in the past that a call back is unnecessary.

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#	Date	Time	Caller Information	Type	Aircraft	Narratives	Follow Up
50	7/22/2015	14:06	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: NOISE COMPLAINT - Red helicopter	Caller has indicated in the past that a call back is unnecessary.
51	7/22/2015	15:06	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: NOISE COMPLAINT - Red helicopter	Caller has indicated in the past that a call back is unnecessary.
52	7/22/2015	20:46	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: NOISE COMPLAINT - Red helicopter made two orbits over Prescott Park, disturbing the concert. Thanks a lot Bruce. What a jerk!	Caller has indicated in the past that a call back is unnecessary.
53	7/22/2015	21:01	ID Number 129 Thornton Street Portsmouth, NH	ON	Robinson helicopter	Emailed: A very low pass along North Mill Pond on Tuesday evening. Much lower than usual and therefore much noisier. Horrible to live under his flight path.	McDonough left a message 7/24. No response.
54	7/22/2015	21:05	ID Number 129 Thornton Street Portsmouth, NH	ON	Robinson helicopter	Emailed: Four passes in the last hour. The last one 8:52. I'm assuming that's the last one this evening. This is too late and too low over North Mill Pond area.	McDonough left a message 7/24. No response.
55	7/22/2015	22:24	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: NOISE COMPLAINT - Red helicopter	Caller has indicated in the past that a call back is unnecessary.
56	7/22/2015	22:25	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: NOISE COMPLAINT - Red helicopter	Caller has indicated in the past that a call back is unnecessary.

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#	Date	Time	Caller Information	Type	Aircraft	Narratives	Follow Up
57	7/23/2015	12:47	ID Number 125 New Castle Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: Between 10:20 AM and 3:06 PM, helicopters passed over the neighborhood at least 11 times. At 10:20 and 12:55 it was a very loud, chopping sound. Must have been flying low.	The caller indicated a call back is unnecessary. She is trying to provide data to be analyzed for future changes.
58	7/23/2015	14:23	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: NOISE COMPLAINT - Red helicopter	Caller has indicated in the past that a call back is unnecessary.
59	7/23/2015	14:42	ID Number 68 Miller Avenue Portsmouth, NH	ON	Seacoast helicopter	Emailed: NOISE COMPLAINT - Red helicopter directly over my house.	Caller has indicated in the past that a call back is unnecessary.
60	7/23/2015	17:47	ID Number 6 Little Bay Road Newington, NH	TGL	KC135R, C5	Emailed: "too loud"	Left message 7/25. No response.
61	7/23/2015	18:19	ID Number 6 Little Bay Road Newington, NH	TGL	KC135R, C5	Emailed: "loud really close"	Left message 7/25. No response.
62	7/23/2015	18:20	ID Number 182 Durham Point Road Durham, NH	ON	KC135R/C5	Emailed: Several low flying aircraft, in sequence, making significant noise between 6 and at least 6:30. Noise sufficient to make children run scared, notwithstanding increased traffic lately. Also, 11pm noise earlier this week.	McDonough returned call 7/25 but the number provided was incorrect. McDonough followed up with an email. McDonough supplied her work and cell number. 7/25 Caller left a message but not a phone number.
63	7/23/2015	18:31	ID Number 181 Bayview Road Newmarket, NH	TGL	KC135R	"Good evening. The time is approximately 1830 on Thursday, July 23rd. This is in reference to a noise complaint and a safety hazard. One of the aircraft is coming over the town line cove separating Newmarket and Durham on Great Bay, right over my home and I'd like it stopped instantly. You might be able to reach me at my land line XXXX. Thank you."	McDonough returned call 7/28 at 14:00. No machine to leave a message. McDonough called again at 14:13 and still no answer. McDonough tried again at 14:50. No answer.

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64	7/23/2015	18:31	ID Number 6 Little Bay Road Newington, NH	TGL	KC135R, C5	Emailed: "shrieking"	Left message 7/25. No response.
65	7/23/2015	18:32	ID Number 6 Little Bay Road Newington, NH	TGL	KC135R, C5	Emailed: "shrieking"	Left message 7/25. No response.
66	7/24/2015	14:26	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: NOISE COMPLAINT - Red helicopter directly over my house, always the same route.	Caller has indicated in the past that a call back is unnecessary.
67	7/24/2015	15:10	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: Description: NOISE COMPLAINT - Red helicopter	Caller has indicated in the past that a call back is unnecessary.
68	7/24/2015	16:04	ID Number 43 Gates Street Portsmouth, NH	ON	Robinson helicopter	"Hello, I'm calling in regards to Seacoast Helicopters. I've called before and I know it gets testy and I don't want to call often. But when I read the article in yesterday's Portsmouth Herald with Mr. Cultrera making the claim that he is not flying his helicopters below what he used to but is flying with plenty of room, well. All I can tell you is that my neighbors and I know that he is flying way lower than he did last year. Last year, when he flew over us constantly, like he does this year, we could see a red helicopter for sure, but we didn't hear the rotors, and didn't see it that close, right above our houses. This has been, again, an annoyance beyond belief. It is something that is just ruining my summer. There is no need to call me back. In all honesty, I know you're great about returning calls. I just wanted to register my complaint because he seems to think that there are no more complaints. And boy oh boy, there are lots of them. People just don't call to complain."	Caller has indicated in the past that a call back is unnecessary.

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69	7/24/2015	16:04	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: NOISE COMPLAINT - Red helicopter	Caller has indicated in the past that a call back is unnecessary.
70	7/27/2015	2:00	ID Number 184 Hidden Valley Drive Dover, NH	ON	B744 & B763	Emailed: "We shouldn't be woken up from our sleep due to flight noise."	McDonough spoke with the caller on 7/29 and informed her that 2 Troop Flights came in within 10 minutes of each other around 02:00 AM. A Boeing 767 was deploying overseas and the 747 was returning stateside. Caller was pleased with the follow up.
71	7/28/2015	12:30	ID Number 181 Bayview Road Newmarket, NH	TGL	KC135R	"Hello. This is a noise complaint again. This is July 28TH at approximately 12:30. The plane is too low and too noisy. It's going over my house again at the Newmarket/Durham boundary. I would appreciate it stopping once and for all. You may reach me on my landline. Thank you."	McDonough returned call 7/28 at 14:00. No machine to leave a message.
72	7/28/2015	13:49	ID Number 181 Bayview Road Newmarket, NH	TGL	KC135R	It's July 28th at 1350. The latest incident again. The plane is too low, way too low, safety hazard, very noisy right over my home. It's right on the Newmarket/Durham boundary and it's been pretty nonstop, planes going and it's just flatly wrong. Thank you."	McDonough returned call 7/28 at 14:00. No machine to leave a message.
73	7/28/2015	13:56	ID Number 181 Bayview Road Newmarket, NH	TGL	KC135R/C5	"Hello, this is July 28th at 1358. Another incident. My name is XXXXXX with respect to the noise and safety problems. Aircraft flying dangerously low right over my home. This is located on the Newmarket/Durham borderline. Thank you."	McDonough returned call 7/28 at 14:00. No machine to leave a message.
74	7/28/2015	14:04	ID Number 181 Bayview Road Newmarket, NH	TGL	KC135R/C5	"Hello. I'm reporting another incident of a noise and safety hazard problem. This is July 28th, the time is 1404. The plane is still coming dangerously low, very noisy. I can send you photographs. I'd really appreciate someone attending to this matter as soon as possible given the safety issues. Thank you."	McDonough returned call 7/28 at 14:00. No machine to leave a message.
75	7/28/2015	14:08	ID Number 181 Bayview Road Newmarket, NH	TGL	C5	"Hello. This is July 28th, 2015. I am reporting yet another incident occurred at approximately 1410. It's a plane. The level of noise is completely unacceptable. The situation is totally unacceptable. They're flying over my home. This is nonstop. Located right on the Newmarket/Durham boundary. Thank you."	McDonough returned call 7/28 at 14:00. No machine to leave a message.

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76	7/28/2015	14:13	ID Number 181 Bayview Road Newmarket, NH	TGL	C5	"Hello. This is July 28th 2015. I am reporting another incident. The time is 1416. It is a safety, noise concern. My home is located on the Newmarket/Durham boundary line. The incessant exposure to the noise and safety concerns that I have are completely unacceptable. Thank you."	McDonough returned call 7/28 at 14:00. No machine to leave a message. McDonough called again at 14:13 and still no answer.
77	7/28/2015	14:14	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: NOISE COMPLAINT - Red helicopter	Caller has indicated in the past that a call back is unnecessary.
78	7/28/2015	14:20	ID Number 183 New Road Newmarket, NH	TGL	C5, KC135R	At 1420 Lynn Hinchee took a call from XXXX of Newmarket regarding helicopter activity near his house on the Great Bay. He complained of the aircraft being at a low altitude and said that the aircraft had no business operating out of PSM.	McDonough did not have any information on a helicopter flying in that area. Although there was a C5 from Westover in the vicinity of their home training for about an hour.
79	7/28/2015	14:36	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	Emailed: NOISE COMPLAINT - Red helicopter over Ft. Stark in Newcastle. No matter where you go, there is no escape from the red helicopter.	Caller has indicated in the past that a call back is unnecessary.
80	7/28/2015	14:47	ID Number 181 Bayview Road Newmarket, NH	TGL	C5	"Hello. This is July 28th, 2015. I am calling regarding yet another incident with noise and safety problems with the aircraft. The approximate time of occurrence was 1448, 1449, right over my home, dangerously low. The screeching, the sound is just horrific. The aircraft are way, way too loud and there is definitely a problem going on. The location is the Newmarket/Durham boundary. I really need this to stop. I can be reached at xxxxx. Thank you very much. Bye."	McDonough returned call 7/28 at 14:00. No machine to leave a message. McDonough called again at 14:13 and still no answer. McDonough tried again at 14:50. No answer.
81	7/28/2015	14:53	ID Number 181 Bayview Road Newmarket, NH	TGL	C5	"Hello my name is XXXX. It's July 28th, 2015. I'm calling to log in another aircraft problem. The approximate time of occurrence was 1455. The plane's height is of concern. The noise is screeching. We can hear them powering up. We're located at the Newmarket/Durham boundary. I'm calling to log this in again. Repeated problems all day for hours. The number I may be reached at is XXXXX. Your attention to having this dealt with would be very much appreciated. Thank you."	McDonough returned call 7/28 at 14:00. No machine to leave a message. McDonough called again at 14:13 and still no answer. McDonough tried again at 14:50. No answer.

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#	Date	Time	Caller Information	Type	Aircraft	Narratives	Follow Up
82	7/28/2015	21:11	ID Number 181 Bayview Road Newmarket, NH	TGL	KC135R	Hello. Just had another incident of aircraft going over my home. I am located between, right at the Newmarket/Durham boundary. This has been going on incessantly for hours. I appreciate a resolution of this matter as soon as possible. Again my number is XXXXX. Thank you. Just went over again, and again. This has gone on for hours!	McDonough returned call 7/28 at 14:00. No machine to leave a message. McDonough called again at 14:13 and still no answer. McDonough tried again at 14:50. No answer.
83	7/28/2015	21:17	ID Number 181 Bayview Road Newmarket, NH	TGL	KC135R X2	Hello. My name is XXXXX this is July 28th 2015. The time is 21:19. I'm convinced I am being harassed. My number is XXXXX. These airplane disturbances are uncontrollable. I am alleging harassment. I've been calling you all day, no one's calling back and I'm convinced you are harassing me! Thank you.	McDonough returned call 7/28 at 14:00. No machine to leave a message. McDonough called again at 14:13 and still no answer. McDonough tried again at 14:50. No answer.
84	7/28/2015	22:00	ID Number 181 Bayview Road Newmarket, NH	TGL	KC135R X2	Hello. This is July 28th, 2015 and my name is XXXX. My number is XXXX. I'm calling in a harassment complaint at 22:03. These planes have been incessant. I have not received a call back. This matter is headed to litigation. I'd like this thing stopped. I will stand by, have somebody call me at 09:00 tomorrow morning, July 29th or there will be a law suit facing you.	McDonough returned call 7/28 at 14:00. No machine to leave a message. McDonough called again at 14:13 and still no answer. McDonough tried again at 14:50. No answer.

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#	Date	Time	Caller Information	Type	Aircraft	Narratives	Follow Up
85	7/28/2015	22:07	ID Number 181 Bayview Road Newmarket, NH	TGL	KC135R	<p>Operations specialist Bourne received a phone call on the Pease Development Authority land line at 22:05 from XXXX very upset about the aircraft that have been flying over her house for hours in an unsafe manner and harassing her all day. She went on to state that she has called the noise line numerous times throughout the day and has not received a phone call back. Caller will seek litigation if nothing is done to resolve the situation. She then stated she does not wish to speak with the Community Liaison and wants to speak to a supervisor tomorrow (7/29/15) at 0900. Bourne advised XXXX that he will pass on her concern and will have someone call her back on the phone number she provided as XXXXX. Bourne then notified Community Liaison Sandy McDonough at 2210.</p>	<p>McDonough returned call 7/28 at 14:00. No machine to leave a message. McDonough called again at 14:13 and still no answer. McDonough tried again at 14:50. No answer. McDonough received a call from the Airport Operations Specialist on duty who informed her the caller was upset she did not receive a call back. McDonough called again at 22:20 and spoke with the caller. Caller was only interested in talking with a supervisor. McDonough gave her Bill Hopper's number. Bill tried to call her around 9:00 AM on 7/29, and could not leave a message. She called back at 9:30 and spoke with Bill for 15 minutes. She believes pilots should train in simulators and not put the public at risk. She wants the FAA to change the published approach to be over a neighborhood. Bill told her she would receive a call from the Community Liaison after she investigates the days events. McDonough spoke with caller on 8/4 and discussed the approaches the KC135Rs were doing. The approach uses a lower altitude than the other approaches. Before the Tanker was finished a C5 from Westover was training in the pattern performing ILS approaches in to RWY 16. The aircraft is the largest in the world and has loud high pitched sound that makes it appear lower than it actually is. Later that evening the NHANG had 2 tankers in the pattern performing required training that was consistent with the operations of the KC135 earlier in the day. Caller would like the FAA to change their approaches not to go over her home. Her home is located on the Bay (Lookout Cove) by the Durham/Newmarket line. She had to go but would like McDonough to call her back later.</p>

TYPE KEY: AR=AM RUN-UP, PR=PM RUN-UP, MX=MAINTENANCE APU/GPU, ON=OVERFLIGHT NOISE, OL=OVERFLIGHT LOW, TGL=TOUCH AND GO LANDINGS, C=CIVILIAN, M=MILITARY, T=TRANSIENT, GPU=GROUND POWER UNIT, APU=AUXILIARY POWER UNIT, W=WEB REPORT

PDA Noise Report Log

For the Period: 07/01/15 to 07/31/15

#	Date	Time	Caller Information	Type	Aircraft	Narratives	Follow Up
86	7/29/2015	8:45	ID Number 125 Newcastle Avenue Portsmouth, NH	ON	Robinson helicopter	<p>Emailed: Between 3:45 and 7:28 PM, there were a minimum of SEVEN helicopter passes over our property and neighborhood. (Approx. 3:45, 4:00, 5:30, 6:08, 6:54, 7:10 and 7:28) Another cited did not appear to be a red helicopter. At 6:08 it was particularly loud, sounded lower than usual. Other air traffic comes and goes but continuous circuits of the helicopters really prevent enjoyment of one's property.</p>	<p>The caller indicated a call back is unnecessary. She is trying to provide data to be analyzed for future changes.</p>
87	7/30/2015	13:38	ID Number 68 Miller Avenue Portsmouth, NH	ON	Robinson helicopter	<p>Description: NOISE COMPLAINT - Red helicopter directly over my house - always exactly the same route.</p>	<p>Caller has indicated in the past that a call back is unnecessary.</p>
88	7/31/2015	11:53	ID Number 13 Whitmer Avenue Portsmouth, NH	ARR	A109	<p>"The day is Friday the 31st., it's Friday. I just had a green helicopter come over my house at 11:48. I tried to grab the numbers real quick. I wrote it down, but I'm not sure if it's exactly right: N900UM I think. It was right directly over the house. I've never seen one so blatantly do something. It was just wrong. Thank you."</p>	<p>McDonough spoke with the caller on 8/4. LifeFlight, a medical transport company out of Bangor, Maine was transporting a patient to a hospital in Boston and stopped in Portsmouth for fuel. LifeFlight operated 2 other flights within the hour which did not fly over the houses. Those flights were not time critical. The caller appreciated the explanation and thanked McDonough for the follow up.</p>

TYPE KEY: AR=AM RUN-UP, PR=PM RUN-UP, MX=MAINTENANCE APU/GPU, ON=OVERFLIGHT NOISE, OL=OVERFLIGHT LOW, TGL=TOUCH AND GO LANDINGS, C=CIVILIAN, M=MILITARY, T=TRANSIENT, GPU=GROUND POWER UNIT, APU=AUXILIARY POWER UNIT, W=WEB REPORT

MOTION

Director Preston:

The Pease Development Authority Board of Directors authorizes the Executive Director to expend up to \$135,000 in matching funds in connection with the cooperative marketing program with Allegiant Air, LLC and further authorizes the expenditure of an additional \$65,000 in funds to be utilized in PDA's separate effort to promote Allegiant's passenger service as well as the Airport.

N:\RESOLVES\Allegiant0815.wpd

MOTION

Director Loughlin:

The Pease Development Authority Board of Directors authorizes the Executive Director to expend funds in the total amount of \$14,791.44 for legal services rendered to the Pease Development Authority by:

- | | | |
|----|--|-------------|
| 1. | Anderson & Kreiger, LLP
Through June 30, 2015 | \$14,791.44 |
|----|--|-------------|

N:\RESOLVES\Legalservices0815.wpd

ANDERSON KREIGER

Anderson & Kreiger LLP
One Canal Park, Suite 200
Cambridge, MA 02141

(617) 621-6500

EIN: 04-2988950

July 28, 2015

Pease Development Authority
Lynn Marie Hinchee, General Counsel
360 Corporate Drive
Portsmouth, NH 03801

Reference # 113514 / 1047-4136

In Reference To: Federal Regulatory Advice

Professional Services

Hours

Amount

Payments

6/24/2015

Payment

ck#015833

9,052.87

Sub-total Payments: 9,052.87

Total Current Billing: 14,791.44

Previous Balance Due: 0.00

Total Now Due: 14,791.44

PLEASE NOTE: ALL BALANCES DUE WITHIN 30 DAYS

July 7, 2015

Representative Gene Chandler, Chairman
Capital Budget Overview Committee
Legislative Office Building, Rm. 206
107 North Main Street
Concord, NH 03301

Re: Expenditure Report

Dear Representative Chandler,

As required by a previous vote of the Capital Budget Overview Committee (CBOC) on September 16, 2014, please accept this additional report of expenditures from the Harbor Dredging and Pier Maintenance Fund.

The Committee authorized an expenditure of not more than Fifty Thousand Dollars (\$50,000.00) from the fund, subject to the approval of the Pease Development Authority (PDA) Board of Directors, for the purpose of effecting repairs at Division facilities on an as needed basis, reporting to the Committee in writing the specifics of the expenditures as they are made.

The Division has made one (1) additional expenditure from the amount approved:

- Invoice date: June 26, 2015 - Repairs in the amount of Twenty Five Thousand Four Hundred Twenty Six Dollars (\$25,426.00) to repair the Closed Circuit Tele Vision (CCTV) Security System at the Hampton Harbor Marine Facility resulting from a lighting strike.

A copy of the invoice and a description of the work is attached. The total expenditure of the approved amount (\$50,000.00) is Forty Five Thousand One Hundred Twenty Six Dollars (\$45,126.00).

If you have any questions regarding these expenditures, I would be pleased to answer them.

Sincerely,



Gene J. Marconi, Division Director



P.O. Box 256, New Ipswich, NH 03071
(603)878-0600

0035330 062215 PG

Invoice

06-30-15A97:42 RCVD

Date	Invoice #
6/26/2015	30602

Bill To
Pease Development Authority 555 Market Street Portsmouth, NH 03801

W/O. No.	P.O. No.	Terms	Project
W150727		ON RECEIPT	

Serviced	Item	Description	Qty	Rate	Amount
6/25/2015	Sales A NH	New System Sales to Install New NVR and Complete Lightning Repairs for PDA Hampton Harbor per proposal Q140286. Total Job Costs: \$25,426.00 <i>Harbor Dredge</i> <i>Approved By</i> <i>CBOC</i>	1	25,426.00	25,426.00

Subtotal	\$25,426.00
Sales Tax ()	\$0.00
Total	\$25,426.00
Payments/Credits	\$0.00
Balance Due	\$25,426.00

1.5% MONTHLY INTEREST CHARGE WILL BE ADDED TO ALL INVOICES OVER 30 DAYS

Part of the 50,000 Prc Approved



20 October 2014

REVISED PROPOSAL 8 Dec 2014

Prop# Q140286

Pease Development Authority
Attn: Grant Nichols (g.nichols@peasedev.org)
Tracy Shattuck (t.shattuck@peasedev.org)
555 Market St.
Portsmouth, NH 03801

Tel: 603-436-8500

Ref: Hampton Harbor Lightning Strike Repairs

Dear Grant & Tracy,

I would first like to thank you for your continued confidence in us regarding your Video Surveillance System needs. As a result of our conversation, site and plan review, I am submitting the following proposal for your review and consideration. I have also included a separate 3 & 5 year lease option with a \$1 buyout upon completion if you feel that would be more advantageous for this improvement effort.

I. OVERVIEW

This proposal provides for replacement of the equipment hit by lightning. The intended design is to leave the (3) recently installed PTZs in place and replace the surge suppression equipment that was used to protect those PTZs. The DVR, and all other equipment was destroyed during the lightning hit leaving only the PTZ joystick controller operational. Due to the discontinuation of the previously installed DVR the following proposed equipment includes an IP based NVR that will allow for 360° and 180° cameras utilizing megapixel technology. All newly installed video surveillance equipment carries a 2 Year Warranty (parts & labor, exclusions apply)

II. EQUIPMENT AND COSTS

The immediate requirement is to provide and install (3) new surge suppressors for the PTZ cameras on the new light poles. Whenever a lightning hit occurs it is recommended that this replacement takes place as lightning can be very unpredictable and airing on the side of caution could be helpful in the event the suppression equipment has been compromised. In the event this work is required to be completed during the winter months for safety and security reasons we will require the customer to provide a lift for installation of roof top cameras.

The proposed GeoVision surveillance equipment is a future ready system that allows for additional options and features available for the future if necessary with advanced control and management. The system hardware/software design is based on delivering a system that will utilize (3) existing analog cameras and (4) newly installed megapixel IP cameras. All new cameras are IP megapixel which provides for a high definition viewing image with the ability to zoom in live or during playback. The system utilizes two video streams which allows for high speed communication on the camera network and a reduced speed for remote viewing by computers or smart phones. High definition systems consume large amounts of bandwidth and therefore it is recommended to view your system remotely using a reduce speed network stream.

The GeoVision NVR (Network Video Recorder) allows for (32) channels of IP with the ability to add additional NVR's in the future. Although the system design only requires (8) cameras at this time there are no additional licensing fees for the additional channels as long as the manufacturer's cameras are connected to the system. The GeoVision MultiCam, MultiView, Software and apps are free of charge and allow for other manufacturer cameras to be connected to the system however 3rd party licenses are required for non GeoVision cameras.

The NVR will include 12TB of hard drive storage space and depending on activity and recording quality (frames per second) the system can record between 7 to 30 days of video. All newly installed exterior IP cameras will be Color, Day/Night, and IP 2 or 5 megapixel. The main entry driveway and Rec Pier will utilize PTZ's and 360° fisheye cameras that offer exceptional features and functionality as video links will be provided to best understand some of the features of the camera's functionality. The NVR will be installed in the same area as the previous DVR however it is recommended, in the future provisions are made to install equipment in an environmental cabinet as the previous equipment had many signs of corrosion. Until an appropriate enclosure can be provided for it is recommended the system be cleaned and inspected with air on a quarterly basis. This system can be set up to record on motion only, continuous or scheduled recording. This system includes various analytic technologies such as object tracking (by size and color) and provides for "Object Search, Unattended Object, and Object Missing" capability which allows the user to click on an area or object of concern and display all incidents where the object window has detected a change. Specific incident recording can be accomplished by using a USB flash drive, USB hard drive, or mapped network drive. The system is network compatible and can be accessed locally or remotely, via the internet, if you choose. The system employs a "Watermark" feature, which is needed in most courts of law. This validates that the video being used as evidence has not been digitally altered. A PoE network switch will be placed in the Rec Pier fuel shed and the guard shack with the NVR to reach all necessary IP camera locations. During this equipment upgrade new conduits will be ran in the fuel dispensing area of the recreation pier to protect the cabling from future problems.

This proposal provides for the installation of the following equipment with the necessary cabling, conduit, programming, and testing.

- | | |
|---|--|
| (1) GeoVision 32 Ch NVR 12TB HD | (1) 1500 Watt UPS |
| (2) Color Day/Night 5MP 360° IP Fisheye Cameras | (1) 8 Port POE Gigabit Network Switch |
| (2) Color Day/Night 2MP 20x zoom IP PTZ camera | (1) 16 Port POE Gigabit Network Switch |
| (2) PTZ Power Supplies | (2) Active Video Baluns |
| (1) Color Day/Night 2MP 2.1mm Lens Dome Camera | (4) Passive Video Baluns |
| (3) Pendant Mounts | (1) HD 1080p Monitor |
| (4) Pole Mounts | (3) Analog PTZ Surge Suppressors |
| (2) Dome Shields | (1) Network Transmitter |
| (5) IP Camera Surge Suppressors | (1) Network Receiver |

- All misc. connectors, hardware, programming and testing

Total Cost of Equipment installed with a 2 Year Warranty (\$28,250 less discount)..... \$25,426

III. CUSTOMER FURNISHED EQUIPMENT

- A/C Outlets for 120v AC Power as required at all power supply, monitor, switch, and NVR/DVR locations.
- Any and all remote connecting computers must be using an i5 processor or better with 4 GB of memory in order to have sufficient resources for proper remote control.
- Adequate space within equipment rooms to house the proposed equipment (NVR/DVR, Switches, Power Supplies etc.).
- Any and all additional lighting if and as required to view video during periods of darkness.
- Provide an articulating boom lift to install rooftop cameras and equipment (must be able to fit on Rec Pier up to farthest point of fuel point).
- A Static WAN IP address or a Dyn.com remote access account to ensure remote connectivity to the equipment can be established. One of these options are necessary for any remote connection to your equipment from outside your local network i.e. computers, smartphones, tablets, etc. (if applicable).
- Outside of above proposed work, the customer will provide all Computers, LAN connections, Servers, Ports, Switches, Routers, IP Addresses, if and as required for local and remote network connections. Customer's computer personnel will configure all network items at customer's expense. MSS Inc. will load, configure, and test all software.

IV. COST SUMMARY & TERMS

A. STRAIGHT PURCHASE ONLY

PAYMENT #1 50% Due at Award of Contract
PAYMENT #2 50% Due upon Completion

B. LEASE OPTIONS

(LEASE OPTION W/ \$1.00 BUYOUT)(1st and Last Payment Due at Award)

(3) Year Lease w/ \$1.00 Buyout at lease end (contingent on credit approval).....\$819 per month. (36) Months
(5) Year Lease w/ \$1.00 Buyout at lease end (contingent on credit approval).....\$551 per month. (60) Months

I will be available at your convenience to discuss any questions you may have.

Sincerely,



Benjamin J. Colby (Sales Consultant)
Monadnock Security Systems, Inc.
bcolby@monadnocksecurity.com
www.monadnocksecurity.com

Proposal Pricing is valid for 30 days from Proposal date



PEASE
INTERNATIONAL
PORTS AND HARBORS

656 Market Street, Suite 1 Portsmouth, NH 03801

January 30, 2015

Representative Gene Chandler, Chairman
Capital Budget Overview Committee
Legislative Office Building, Rm. 206
107 North Main Street
Concord, NH 03301

Re: Expenditure Report

Dear Representative Chandler:

As required by a previous vote of the Capital Budget Overview Committee (CBOC) on September 16, 2014, please accept this report of expenditures from the Harbor Dredging and Pier Maintenance Fund.

The Committee authorized an expenditure of not more than Fifty thousand dollars (\$50,000), subject to the approval by the Pease Development Authority (PDA) Board of Directors, for the purpose of effecting repairs at Division facilities on an as needed basis, reporting to the Committee in writing the specifics of the expenditures as they are made.

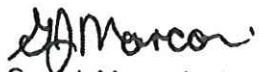
The Division has made two (2) expenditures from the fund:

- Invoice date: July 10, 2014 - Repairs in the amount of Nine thousand nine hundred dollars (\$9,900) to failing piling and cross bracing at the Barker Wharf located at the Market Street Marine Terminal.
- Invoice date: September 17, 2014 - Replace four (4) fender pilings and a ladder at the Portsmouth Commercial Fish Pier at a cost of Nine thousand eight hundred dollars (\$9,800).

Copies of the invoices with descriptions of the work are attached.

These projects were reported to the Committee at the September 16, 2014 meeting. However, the Division wanted to submit this report for the Committee's record of the expenditures from the fund.

Sincerely,



Geno J. Marconi, Director
Pease Development Authority
Division of Ports and Harbors

Cc: PDA Finance Department



09-19-14P12:33 RCVD

CAP 14-049

JEFFRY A. PATTON
Legislative Budget Assistant
(603) 271-3161

MICHAEL W. KANE, MPA
Deputy Legislative Budget Assistant
(603) 271-3161

State of New Hampshire
OFFICE OF LEGISLATIVE BUDGET ASSISTANT
State House, Room 102
Concord, New Hampshire 03301

September 17, 2014

Geno Marconi, Director
Pease Development Authority
Division of Ports and Harbors
P.O. Box 369
Portsmouth, New Hampshire 03802-0369

Dear Director Marconi,

The Capital Budget Overview Committee, pursuant to the provisions of RSA 12-G:46, III, on September 16, 2014, approved the request of the Pease Development Authority, Division of Ports and Harbors, to expend not more than \$62,915.08 from the Harbor Dredging and Pier Maintenance fund for the purpose of: 1) an expenditure of not more than \$50,000, subject to the approval by the Pease Development Authority Board of Directors, for the purpose of effecting repairs at Division facilities on an as-needed basis, reporting to the Committee in writing the specifics of the expenditures as they are made, and 2) an expenditure of \$12,915.08 for payment to the U.S. Army Corps of Engineers associated with the Hampton/Seabrook Dredging Project completed in 2013, as specified in the request dated September 2, 2014.

Sincerely,

Michael W. Kane
Deputy Legislative Budget Assistant

MWK/pe
Attachment

Riverside Marine Construction, Inc.

195 West Road
Portsmouth, NH 03801

Invoice

Invoice #: 7078
Invoice Date: 9/17/2014
Due Date: 9/17/2014
Project: ISSCO feni

Bill To: NH Division of Ports & Harbors Mr. Geno Marconi 55 Market St. Portsmouth, NH 03801
--

10-29-14A06:56 RCVD

Description	Amount
Replace four (4) fender pilings on the pier and the existing 16'x2' ladder: Pile Replacement to be as follows: -Install four (4) new 45ft PTSY 2.5CCA Class B fender pilings and secure to pier with 1" galvanized threaded rod. -Existing fender piles to be removed and disposed of off-site. Ladder construction to be as follows: -Ladder to be constructed with 4"x6" PTSY 0.60ACQ vertical supports. -Ladder rungs are to be constructed using 2"x4" PTSYP 0.60ACQ, through-bolted to ladder verticals with 1/2" galvanized carriage bolts. -Rungs are to be 2' long.	9,800.
It's been a pleasure working with you. We sincerely appreciate your business.	<i>previously submitted</i> Total \$9,800.00

Phone #	Fax:	E-Mail	Payments/Credits	\$0.00
603-427-2824	207-703-0354	maric@riversideandpickering.com	Balance Due	\$9,800.00

RIVERSIDE CONSTRUCTION

Riverside Marine Construction, Inc.
195 West Road
Portsmouth, NH 03801


Invoice

Date	Invoice #
7/10/2014	7009

Bill To

NH Division of Ports & Harbors
Mr. Geno Marconi
PO Box 369
Portsmouth, NH 03802

Terms	Project
Due on receipt	ISSCO fender piles and ...

Item	Description	Est Amt	Prior Amt	Qty	Rate	Curr %	Total %	Amount
Pier Mat...	Repairs to failing piling and cross bracing at Market Street wharf including: Replacement of one fender piling with PTSYP Class B piling and disposal of old pile; replace two sets of cross bracing and disposal of old; installation of 20' of UMHW rub board on fender pile; mobilization/demobilization of crane barge	9,900.00			9,900.00	100.00%	100.00%	9,900.00
					<p><i>Barker Wharf</i></p> 			
<p>Thank you for your business. Please note that all invoices are due and payable on receipt.</p>								<p>Total \$9,900.00</p>
Phone #	E-mail	Web Site						
603-427-2824	mariel@riversideandpickering.c...	www.riversideandpickering.com						
<p>A service charge of 1 1/2% per month (18% annual rate) will be added to all past due invoices</p>								<p>Balance \$9,900.00</p>

MEMORANDUM

To: Pease Development Authority Board of Directors
From: David R. Mullen, Executive Director *DRM*
Date: August 13, 2015
Re: Commercial Mooring for Hire Mooring Permits

In accordance with the "Delegation to Executive Director: Consent, Approval and Execution of Commercial Mooring for Hire Permits" adopted by the Board on November 14, 2003, I am pleased to report that PDA has approved of commercial mooring for hire permit for the following:

<u>Applicant</u>	<u>Number of Permits</u>	<u>Business</u>	<u>Date of Approval</u>
Southend Yacht Club	1	Marina	7/2/15

The Delegation to Executive Director: Consent, Approval and Execution of Commercial Mooring for Hire Permits provides that:

A Commercial Mooring for Hire Permit request submitted in connection with this delegation of authority shall not be consented to and approved unless all of the following conditions are met:

1. Applicant has provided required information and documentation in accordance with NH Administrative Rule Pda 506.09(f).
2. The Director of the Division of Ports and Harbors has reviewed and recommended approval of the Commercial Mooring for Hire Permit applications

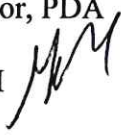
The conditions have been met.

P:\PortAuthority\Moorings\MooringforHire\BoardMemos\BoardMemoComHire0815.wpd



PEASE
INTERNATIONAL
PORTS AND HARBORS

555 Market Street, Suite 1 Portsmouth, NH 03801

TO: David Mullen, Executive Director, PDA
FROM: Geno J. Marconi, Director, DPH 
DATE: July 1, 2015
RE: Commercial Mooring For Hire

The Pease Development Authority, Division of Ports and Harbors has received a request for a commercial mooring for hire from Southend Yacht Club.

I have reviewed the attached paperwork and concur with the local Harbormaster and Chief Harbormaster that the request meets all the requirements of the PDA-DPH Code of Administrative Rules regarding commercial moorings for hire. Therefore, I am requesting approval of the application.

If you have any questions or need further information, please let me know.

MEMORANDUM

To: Pease Development Authority Board of Directors
From: David R. Mullen, Executive Director *DRM*
Date: August 13, 2015
Re: Commercial Mooring Transfers

In accordance with the "Delegation to Executive Director: Consent, Approval and Execution of Mooring Permit Transfers" adopted by the Board on January 24, 2002, I am pleased to report that PDA has approved of commercial mooring permit transfer for the following permit:

	<u>Permit</u>	<u>Business</u>	<u>Date of Approval</u>
Seabrook Harbor Transferor: Transferee:	No. 6089 Robert Tonkin Mitchel Filson	Commercial Fishing	8/3/15

The Delegation to Executive Director: Consent, Approval and Execution of Mooring Permit Transfers provides that:

"A Mooring Permit Transfer request submitted to this delegation of authority shall not be consented to, approved or executed unless all of the following conditions are met:

1. In accordance with NH Administrative Rule Por 301.08 (superseded by Pda 508.01 (a) - (d)), a commercial boat owner must submit to the Division documented proof of the commercial nature of the business being sold.

These conditions have been met.

P:\PortAuthority\Moorings\Transfers\BoardMemos\Boardmem0815.wpd



PEASE
INTERNATIONAL
PORTS AND HARBORS

555 Market Street, Suite 1 Portsmouth, NH 03801

TO: David Mullen, Executive Director, PDA *DM*
FROM: Geno J. Marconi, Director, DPH *GJM*
DATE: August 3, 2015
RE: Commercial Mooring Transfer

The Pease Development Authority, Division of Ports and Harbors has received a request for the transfer of a commercial mooring, permit #6089, from Robert Tonkin to Mitchel Filson.

I have reviewed the attached paperwork and concur with the local Harbormaster and Chief Harbormaster that the request meets all the requirements of the PDA-DPH Code of Administrative Rules regarding commercial mooring transfers. Therefore, I am requesting approval of the transfer.

If you have any questions or need further information, please let me know.

○○○○ TAKING YOU THERE

ph: 603-436-8500 fax: 603-436-2780 www.peasedev.org

MOTION

Director Bohenko:

In accordance with the provisions of RSA 541-A, Administrative Procedure Act, the PDA Board of Directors hereby amends Pda 700 Slip Permits; State-Owned Restricted Piers as conditionally approved by the Joint Legislative Committee on July 16, 2015 and adopts the Conditional Approval Response – Annotated Text 8-13-15 (attached hereto);

Further, the PDA Board of Directors hereby authorizes the Division Director to take any necessary or recommended action in accordance with RSA 541-A, in furtherance of this matter.

N:\RESOLVES\PDA700Conditional0815.wpd

STATE OF NEW HAMPSHIRE



07-23-15A10:23 RCVD

OFFICE OF LEGISLATIVE SERVICES

STATE HOUSE
107 NORTH MAIN STREET, ROOM 109
CONCORD, NEW HAMPSHIRE 03301-4951

July 20, 2015

Board of Directors
Pease Development Authority
Division of Ports and Harbors
555 Market Street
Portsmouth, NH 03801

Re: Conditional Approval of Final Proposal 2015-35

Dear Board Members:

At its meeting on July 16, 2015, the Joint Legislative Committee on Administrative Rules (Committee) voted, pursuant to RSA 541-A:13, V(a), to conditionally approve Final Proposal 2015-35 of the Board of Directors (Board) of the Pease Development Authority (Authority) relative to Pda 700 on slip permits at state-owned restricted piers. The Committee's approval was conditioned on amending Final Proposal 2015-35 by adding "or the applicant's duly authorized representative" after the word "applicant" in Pda 709.01(e) and Pda 709.02(d). A copy of Final Proposal 2015-35, as annotated by Committee staff, is enclosed for your information.

Pursuant to RSA 541-A:13, V(a), you are required to submit a written explanation detailing how the rules have been amended in accordance with the conditional approval within 7 days following the Authority's next regularly scheduled meeting. The Board's next meeting is August 13, 2015. In this instance, the 7th day following the next regularly scheduled meeting of the Board falls on August 20, 2015. The explanation shall include a letter and a text of the entire final proposed rule, annotated to show the amendments.

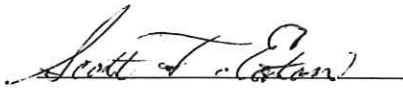
The explanation shall be reviewed by the Office of Legislative Services to determine whether the rules have been amended in accordance with the conditional approval and RSA 541-A:13, V(a). If it is determined that the rules have not been amended in accordance with the conditional approval and RSA 541-A:13, V(a), the conditional approval shall be deemed a Committee vote to make a preliminary objection as of the date of the conditional approval, and you must respond to the preliminary objection as specified in RSA 541-A:13, V(c).

Please be advised that you may not adopt the rules until the Office of Legislative Services sends written confirmation that your amendments are in accordance with the conditional approvals specified above and RSA 541-A:13, V(a).

Pease Development Authority
FP 2015-35
July 20, 2015
Page 2

If you have any questions concerning the provisions in RSA 541-A relative to objections, responses, or adoptions, please call Scott Eaton at 271-3680.

Very truly yours,



Scott. F. Eaton
Administrative Rules Director



Jill K. Sieveking
Director

SFE/JKS

Enc.

cc. Marie Aleksy, Paralegal

CHAPTER Pda 700 SLIP PERMITS; STATE-OWNED RESTRICTED PIERS

PART Pda 701 PURPOSE

Readopt Pda 701.01, effective 3-21-07 (Document #8845), to read as follows:

Pda 701.01 Purpose. The purpose of Pda 700 is to provide a comprehensive slip permit system pursuant to RSA 12-G:42, VI, for the implementation of RSA 12-G:42, VII which authorizes the authority to set and collect fees for state-owned slips in ports, harbors, and state tidal waters. State-owned slips exist at both state-owned commercial piers and state-owned restricted piers. Because pier use, berthing, and skiff permits issued under Pda 600 for state-owned commercial piers function as slip permits under RSA 12-G:42, VII, Pda 700 recognizes that these permits constitute slip permits. The pier use, berthing, and skiff permits issued under Pda 600 allow a vessel to occupy a state-owned slip at a state-owned commercial pier. The slip permits issued under Pda 700 for state-owned restricted piers allow a vessel to occupy a state-owned slip at a state-owned restricted pier.

PART Pda 702 SLIP PERMITS REQUIRED

Readopt Pda 702.01 – Pda 702.04, effective 3-21-07 (Document #8845), to read as follows:

Pda 702.01 Slip Permit Required for State-Owned Slip; Exceptions. No vessel shall occupy a state-owned slip, unless the owner or operator of the vessel has obtained a slip permit for such vessel, except for the following:

- (a) A private recreational vessel secured to a recreational-use pier in compliance with Pda 603.01;
- (b) A vessel secured to a business-use pier in compliance with Pda 603.02(d);
- (c) A vessel secured to a state-owned restricted pier in compliance with Pda 703.01; and
- (d) A vessel secured to a recreational-use pier in compliance with Pda 603.01(d)(1)b.2., 5., 6., or 7.

Pda 702.02 Limited Applicability of Slip Permits for State-Owned Restricted Piers. Any vessel with a slip permit issued under Pda 706 shall only be authorized to occupy a state-owned slip at a state-owned restricted pier.

Pda 702.03 Certain Permits Constitute Slip Permits. For the purposes of the comprehensive slip permit system established in Pda 700, the following permits issued under Pda 600 shall constitute a slip permit:

- (a) A pier use permit issued under Pda 600;
- (b) A berthing permit issued under Pda 600 for the Portsmouth pier berthing area; and
- (c) A skiff permit issued under Pda 600.

Pda 702.04 Limited Applicability of Slip Permits for State-Owned Commercial Piers. Any vessel with a slip permit listed under Pda 702.03 shall only be authorized to occupy a

state-owned slip at a state-owned commercial pier. Such vessel shall not be authorized to occupy a state-owned slip at a state-owned restricted pier, unless the owner, operator, or duly authorized agent has applied for and obtained a slip permit under Pda 704 and Pda 706.

PART Pda 703 USE OF STATE-OWNED RESTRICTED PIERS; REMOVAL OF VESSELS

Readopt Pda 703.01 – Pda 703.02, effective 3-21-07 (Document #8845), to read as follows:

Pda 703.01 Use of State-Owned Restricted Piers. A vessel without a slip permit issued under Pda 706 may be secured to a state-owned restricted pier, if the vessel operator requests permission to be so secured and the division director or an employee of the division:

(a) Determines that the securing of the vessel would not interfere with the use of the pier by another vessel approaching, departing from, or already secured to the pier and that one or more of the following applies:

- (1) The vessel requires emergency repairs;
- (2) Weather or tide conditions make it hazardous for the vessel not to be secured to the pier;
- (3) A medical emergency exists involving a passenger or crew member;
- (4) The crew or passengers, or both, of the vessel are making use of state-owned facilities for official government business; or
- (5) Failure to secure the vessel to the pier would result in an imminent and substantial hazard to navigation or to the safety of any person on board such vessel; and

(b) Gives the operator of the vessel oral permission to be secured to the pier, but only for as long as the situation creating the reason for the stay exists.

Pda 703.02 Removal of Vessels from State-Owned Restricted Piers. If any vessel is secured to or berthed at or otherwise occupies a slip or a portion of a slip at a state-owned restricted pier in violation of Pda 700, and the owner or operator is not available or refuses to move the vessel, the division shall remove or arrange for the removal of such vessel from the state-owned restricted pier in accordance with RSA 12-G:52-b.

PART Pda 704 PERMITS

Readopt Pda 704.01 – Pda 704.02, effective 3-21-07 (Document #8845), to read as follows:

Pda 704.01 Granting of Annual State-Owned Restricted Pier Slip Permits; Modification, Duration, and Nontransferability.

(a) The division director or designee shall grant pursuant to Pda 706.01 annual state-owned restricted pier slip permits for state-owned restricted piers, on a space available basis, only for vessels authorized under a written contractual agreement with the authority to make use of or berth at the Barker wharf or the Burge wharf.

(b) Only the owners or operators of the vessels specified pursuant to (a) above shall be permitted to apply for an annual state-owned restricted pier slip permit under Pda 700 by:

- (1) Identifying the state-owned restricted pier for which the applicant seeks a slip permit;
- (2) Submitting a completed application form as described in Pda 709.01 to the division; and
- (3) Paying the applicable annual slip permit fee.

(c) An annual state-owned restricted pier slip permit shall be valid for a one-year period from January 1 to December 31. All annual state-owned restricted pier slip permits issued during the time period from January 1 to December 31 shall expire on December 31.

(d) Annual state-owned restricted pier slip permits shall not be transferable.

(e) An annual state-owned restricted pier slip permit for the Barker wharf or the Burge wharf shall allow the permit holder to occupy a slip or portion of a slip at the designated wharf subject to the requirements of Pda 700 and such additional terms and conditions set forth in a written contractual agreement between the authority and the permit holder, the permit holder's employer or hirer, or any association in which the permit holder is a member.

(f) Any available slip space not specifically reserved or scheduled for priority use under the terms of a written contractual agreement with the authority shall be available to the division for its use or use by a vessel:

- (1) With an annual state-owned restricted pier permit and a written contractual agreement with the authority to utilize a state-owned restricted pier;
- (2) Authorized by the division to secure to a state-owned restricted pier under Pda 703.01; or
- (3) With a single-use state-owned restricted pier slip permit obtained under Pda 704.02(a).

(g) An annual state-owned restricted pier slip permit shall be modified by substitution of a modified or replacement vessel for the vessel identified in the permit if the following conditions are met:

- (1) The permit holder provides to the division, at least 14 days before making use of the modified or replacement vessel under the annual state-owned restricted pier slip permit:
 - a. Written notice of any changes to vessel information under Pda 709.01(b)(8); and
 - b. If there is a new registration for the vessel, a copy of such registration; and
- (2) Before making use of a modified or replacement vessel under the annual

state-owned restricted pier slip permit, the permit holder pays to the division an amount equal to the difference in the amount, if any, that the slip permit fee for the modified permit exceeds the slip permit fee paid for the original permit.

(h) The expiration date of an annual state-owned restricted pier slip permit modified under (g) above shall be the same as the originally issued permit.

(i) In order to maintain updated information with the division, each annual state-owned restricted pier slip permit holder shall notify the division in writing, within 30 days of the change, of any changes to information required pursuant to Pda 709.01(b)(1)-(7).

Pda 704.02 Granting of Single-Use State-Owned Restricted Pier Slip Permits; Duration and Nontransferability.

(a) The division director or designee shall grant pursuant to Pda 706.02 single-use state-owned restricted pier slip permits for the Barker wharf or the Burge wharf only for the following vessels on a space available basis:

- (1) A charter boat;
- (2) A commercial cargo vessel in transit requiring a temporary berth or seeking to load or unload cargo in New Hampshire; or
- (3) Any vessel invited to Portsmouth harbor by a nonprofit organization registered in New Hampshire or any state or local governmental agency to attend or otherwise participate in any celebration, festival, or historical reenactment held within the state.

(b) The division director or designee shall grant pursuant to Pda 706.02 single-use state-owned restricted pier slip permits for the marine terminal wharves on a space available basis for any vessel:

- (1) Proposing to occupy all or a portion of one of the slips located at the marine terminal wharves; and
- (2) That agrees to pay the applicable slip fee and all other applicable fees associated with use of the marine terminal wharves.

(c) The owner or operator of a vessel identified under (a) or (b) above shall be permitted to apply for a single-use state-owned restricted pier slip permit.

(d) A single-use state-owned restricted pier slip permit shall allow the vessel to occupy a slip or portion of a slip at the state-owned restricted pier, as specified in the permit, subject to the Pda 700.

(e) A single-use state-owned restricted pier slip permit shall be valid for a one-time use of the pier for the period of time specified in the permit, not to exceed 24hours. The holder of the permit may extend the stay beyond the time in the permit by paying the required fee(s), subject to available slip space.

(f) A single-use state-owned restricted pier slip permit shall not be transferable.

(g) Any person who qualifies for a single-use state-owned restricted pier slip permit may make application for a permit by:

- (1) Submitting an application as described in Pda 706.02 to the division; and
- (2) Paying the single-use state-owned restricted pier slip permit fee.

PART Pda 705 WAIT LIST FOR BARKER AND BURGE WHARVES [RESERVED]

PART Pda 706 PERMIT APPLICATIONS; PROCESSING OF APPLICATIONS

Readopt with amendment Pda 706.01, effective 3-21-07 (Document #8845), to read as follows:

Pda 706.01 Annual State-Owned Restricted Pier Slip Permit; Application Requirements; Processing.

(a) An applicant for an annual state-owned restricted pier slip permit shall:

(1) Obtain an annual state-owned restricted pier slip permit application form:

- a. In person, from the division office located at 555 Market Street, Portsmouth, New Hampshire; or
- b. By sending a request in writing, including a self-addressed, stamped envelope to the division office at the following address:

Pease Development Authority
Division of Ports and Harbors
555 Market Street
Portsmouth, NH 03801-3532

(2) Provide the information and certification required on the annual state-owned restricted pier slip permit application form, as provided in Pda 709.01(b) and (d); and

(3) Attach to the application the following:

- a. A photocopy of the applicant's New Hampshire state tidal, other state or International Maritime Organization number registration for a commercial vessel;
- b. If the vessel described on the application is a charter boat, a photocopy of the vessel's New Hampshire state tidal or other state registration and U.S. Coast Guard merchant mariner's license for the operator; and
- c. Payment of the annual state-owned restricted pier slip permit fee, provided that fees paid in the form of a check or a money order shall be made payable to "Pease Development Authority, Division of Ports and Harbors" or "PDA-DPH."

(b) The applicant or the applicant's duly authorized officer or member shall sign the application.

(c) Upon receipt of the application form by the division, the division director or designee shall verify that:

- (1) The applicant has provided all applicable information and documentation required under Pda 709.01;
- (2) The application has attached the documentation required under (a)(3) above;
- (3) The vessel information on the New Hampshire state tidal, other state or International Maritime Organization registration or federal documentation is the same vessel information provided on the application;
- (4) The annual state-owned restricted pier slip permit fee is paid, provided that the check or money order is made payable to "Pease Development Authority, Division of Ports and Harbors" or "PDA-DPH" and is attached to the application;
- (5) There is a valid written contractual agreement between the authority and the applicant covering the permit period;
- (6) There is no reason to deny the application under Pda 707.02; and
- (7) The applicant has signed the application.

(d) Within 30 days of receipt of the application by the division, the division director or designee shall grant or deny the application consistent with the provisions of Pda 707.

(e) If the applicant is granted an annual state-owned restricted pier slip permit under Pda 707, the division director or designee shall:

- (1) Issue an annual state-owned restricted pier slip permit to the applicant;
- (2) Sign and date the permit(s); and
- (3) Mail a photocopy of the permit(s) to the applicant at the address specified by the applicant on the permit application, or, if none is specified, to the applicant's permanent address.

Readopt Pda 706.02, effective 3-21-07 (Document #8845), to read as follows:

Pda 706.02 Single-Use State-Owned Restricted Pier Slip Permit; Application Requirements; Processing.

(a) Only the owner, operator, or agent of an owner or operator of a vessel specified in Pda 704.02 shall be eligible to apply for a single-use state-owned restricted pier slip permit.

(b) Prior to or immediately upon securing a vessel to a state-owned restricted pier, an applicant for a single-use state-owned restricted pier slip permit shall make an oral or written application.

(c) The applicant shall provide the information required in Pda 709.02(a) to the division either:

(1) By telephone in accordance with:

a. Signage posted by the division at the state-owned restricted pier that displays the telephone number(s) of the division; or

b. The instructions on the division's Internet website that provide the telephone number(s) of the division; or

(2) In person to the division at the pier or the division's office.

(d) If the applicant contacts the division by telephone, the division director or an employee of the division shall enter the information provided by the applicant on a single-use state-owned restricted pier slip permit application form and allow the applicant to secure the vessel to the pier after the division director or employee verifies the accuracy of the information relating to the vessel operator and vessel provided under (b) above, if space is available.

(e) Once the vessel is secured to the state-owned restricted pier, the applicant shall:

(1) Display to, and allow a copy to be made by, the division director or employee of the division:

a. The applicant's New Hampshire state tidal or other state registration or International Maritime Organization number for a commercial vessel; and

b. If the vessel described on the application is a charter boat, a photocopy of the vessel's New Hampshire state tidal or other state registration and U.S. Coast Guard merchant mariner's license for the operator;

(2) Make payment of the single-use state-owned restricted pier slip permit fee, provided that fees paid in the form of a check or a money order shall be made payable to "Pease Development Authority, Division of Ports and Harbors" or "PDA-DPH;" and

(3) Sign the application form.

(f) Upon receipt of a signed application and tender of the single use state-owned restricted pier slip permit fee, the division director or employee shall grant or deny the application consistent with the provisions of Pda 707.

(g) If the applicant is granted a single-use state-owned restricted pier slip permit under Pda 707, and meets the requirements of (e) above, the division director or employee shall:

(1) Enter the time of day and date that the permit was granted on the permit;

(2) Sign the permit; and

(3) Issue a single-use state-owned restricted pier slip permit to the applicant.

PART Pda 707 GRANT OR DENIAL OF PERMIT APPLICATION; REVOCATIONS; HEARINGS

Readopt Pda 707.01 – Pda 707.02, effective 3-21-07 (Document #8845), to read as follows:

Pda 707.01 Annual and Single-Use State-Owned Restricted Pier Slip Permits. Applications under Pda 706 for annual state-owned restricted pier slip permits and single-use state-owned restricted pier slip permits shall be granted unless denied by the division in accordance with Pda 707.02.

Pda 707.02 Reasons for Denial of Application.

(a) The director shall deny a permit application for an annual or single-use state-owned restricted pier slip permit if the applicant:

- (1) Is not a qualified applicant under Pda 704.01(a) and (b) or Pda 704.02(a) or (b), as applicable;
- (2) Has not included the required permit fee;
- (3) Has not provided the required information and documentation under Pda 709, for the type of permit applied for;
- (4) Has provided materially false information on the application form or to a representative of the division, or has provided materially false or invalid information in any of the documentation required under Pda 709;
- (5) Has failed to:
 - a. Timely pay any fees or other costs due the authority or the division under RSA 12-G:42-53 or rules adopted thereunder and such fees or other costs remain due and payable at the time the application is filed;
 - b. Timely pay any fines assessed under RSA 12-G:52 or RSA 12-G:52-a and such fine or fines remain due and payable at the time the application is filed; or
 - c. Obey any lawful order of the director, the chief harbor master, the deputy chief harbor master, a harbor master, or an assistant harbor master and full compliance with such lawful order remains outstanding at the time the application is filed; or

(6) Has not signed the application.

(b) The director shall deny a permit application for an annual state-owned restricted pier slip permit or single-use state-owned restricted pier slip permit if the division determines that the vessel cannot be safely secured at the slip, taking into consideration the LOA, width, and draft of the vessel, the strength of the particular pier to which the vessel will be secured, and the potential for storms, wind, waves, tides, currents, and wash at the proposed location.

Readopt with amendment Pda 707.03, effective 3-21-07 (Document #8845), to read as follows:

Pda 707.03 Revocation of State-Owned Restricted Pier Slip Permit.

(a) The director shall revoke an annual state-owned restricted pier slip permit or single-use state-owned restricted pier slip permit for any of the following reasons, as applicable to the type of permit:

- (1) The permit was transferred in violation of Pda 704.01(d) or 704.02(f);
- (2) The applicant has provided materially false information on the application form or to a representative of the division, or has provided materially false or invalid information in any of the documentation required under Pda 709;
- (3) The permit holder's use of the state-owned restricted pier is in violation of the law, including any rule set forth in Pda 700, presents an imminent and substantial threat to human health, public safety, or the environment, or is likely to result in immediate and substantial damage to division property;
- (4) The permit holder has failed during the term of the permit to:
 - a. Timely pay any fees or other costs due the authority or the division under RSA 12-G:42-53 or rules adopted thereunder and such fees or other costs remain due and payable for more than 30 days;
 - b. Timely pay any fines assessed under RSA 12-G:52 or RSA 12-G:52-a and such fine(s) remain due and payable for more than 30 days; or
 - c. Obey any lawful order of the director, the chief harbor master, the deputy chief harbor master, a harbor master, or an assistant harbor master and full compliance with such lawful order remains outstanding for more than 30 days;
- (5) The permit holder ceases to have any ownership interest in a vessel identified in the permit holder's permit;
- (6) The permit holder returned the permit to the division in accordance with Pda 707.06; or
- (7) The permit holder did not provide the written notification to the division required under Pda 707.06(a).

(b) The director shall provide notice and opportunity for a hearing before revocation of an annual state-owned restricted pier slip permit or single-use state-owned restricted pier slip permit.

Readopt Pda 707.04 – Pda 707.06, effective 3-21-07 (Document #8845), to read as follows:

Pda 707.04 Hearings; Notice of Denial.

(a) Any hearing required pursuant to Pda 707.03 shall be held by the division director or designee.

(b) If a permit is denied or revoked under Pda 707.03(b) after notice and opportunity for a hearing, notice of the denial or revocation and the reason(s) therefor shall be sent to the applicant in writing within 10 working days of the decision.

Pda 707.05 Removal of Vessel from the State-Owned Restricted Pier if Permit Revoked. Within 10 days of receipt of a notice of revocation of a permit pursuant to Pda 707.03(b), or, if the applicant or permit holder files a request for reconsideration pursuant to Pda 708, within 10 days of receipt of a notice of decision under Pda 708.03(b), the vessel for which the permit was issued shall be permanently removed from its slip. If the vessel is not removed by 11:59 p.m. on the tenth day following the receipt of such notice, a representative of the division shall arrange for the removal of the vessel from its slip. The owner of the vessel shall be responsible for any costs incurred by the division in removing the vessel from its slip.

Pda 707.06 Written Notification and Return of Permit Required in Certain Circumstances.

(a) A permit holder shall provide written notification to the division within 15 days of the sale or other disposition of the vessel for which a state-owned restricted pier slip permit has been issued.

(b) A person required under (a) above to provide written notification to the division shall return the permit to the division within 15 days of the event requiring notification under (a) above.

PART Pda 708 RECONSIDERATION

Readopt Pda 708.01 – Pda 708.03, effective 3-21-07 (Document #8845), to read as follows:

Pda 708.01 Reconsideration; Who May Petition. The following person(s) may petition the division director for reconsideration pursuant to Pda 708:

(a) Any holder of an annual state-owned restricted pier slip permit or single-use state-owned restricted pier slip permit issued under Pda 700 whose permit was revoked by the division director pursuant to Pda 707.03; and

(b) Any applicant for an annual state-owned restricted pier slip permit or single-use state-owned restricted pier slip permit whose application was denied by the division director pursuant to Pda 706.01(d) or Pda 706.02(f).

Pda 708.02 Requirements for Petition for Reconsideration. A petition for reconsideration shall:

(a) Specify the date of the challenged decision;

(b) Specify every reason that the action taken by the division director was unlawful or unreasonable, including any error of law or error of fact;

(c) Include as an attachment a copy of the application or request that was denied or

failed to receive approval; and

(d) Include any new or additional information relevant to the matter proposed for reconsideration.

Pda 708.03 Reconsideration by Division Director.

(a) A petition for reconsideration by the division director shall be filed with the division director within 10 days from receipt of notice of:

- (1) Revocation of a permit pursuant to Pda 707.03; or
- (2) Denial of a permit pursuant to Pda 706.01(d) or 706.02(f).

(b) The division director shall review a petition for reconsideration within 10 days of receipt and notify the petitioner of his or her decision on whether to grant or deny the petition within 5 business days of review.

(c) When making a decision on a petition for reconsideration, the division director shall consider any new or additional information relevant to the matter under reconsideration that was not available:

- (1) In a permit denial proceeding, when the application in question was submitted; or
- (2) In a permit revocation proceeding, when the decision to revoke a permit was rendered.

(d) The division director shall grant a petition for reconsideration if the division director finds it more likely than not that the decision was based on an error of law or fact or lacked facts that could reasonably sustain the decision.

(e) The division director shall deny a petition for reconsideration if the petition for reconsideration was not timely filed in accordance with (a) above, or the division director finds it more likely than not that the decision was not based on any error of law or that there were facts reasonably sustaining the decision.

PART Pda 709 FORMS

Readopt with amendment Pda 709.01, effective 3-21-07 (Document #8845), to read as follows:

Pda 709.01 Annual State-Owned Restricted Pier Slip Permit Application Form.

(a) Each person seeking an annual state-owned restricted pier slip permit shall complete an annual state-owned restricted pier slip permit application form provided by the division and:

- (1) Deliver the completed application to:

Pease Development Authority
Division of Ports and Harbors
555 Market Street

Portsmouth, NH 03801-3532; or

(2) Mail the completed application to:

Pease Development Authority
Division of Ports and Harbors
555 Market Street
Portsmouth, NH 03801-3532

(b) The applicant shall provide the following information on the annual state-owned restricted pier slip permit application form:

- (1) The applicant's full legal name;
- (2) The name and address of the applicant's business;
- (3) The applicant's mailing address, if different from the business address identification in (2) above;
- (4) Which address the applicant requests be used as the correspondence address by the division;
- (5) The applicant's type of business organization;
- (6) The applicant's telephone number(s) including:
 - a. Business telephone number;
 - b. Home telephone number;
 - c. Business fax number, if the applicant has a business fax number;
 - d. Emergency telephone number; and
 - e. Cell telephone number, if different from permanent telephone number;
- (7) The applicant's e-mail address, if the applicant has an e-mail address;
- (8) The following information pertaining to the vessel:
 - a. Vessel name;
 - b. New Hampshire or other state registration number or International Maritime Organization number;
 - c. Federal documentation number, if applicable;
 - d. Vessel LOA;
 - e. Vessel width;

- f. Vessel draft;
 - g. Vessel color; and
 - h. Type of vessel;
- (9) The state-owned restricted pier for which the applicant is seeking a slip permit; and
- (10) The amount of slip space requested at the pier identified in (9) above.
- (c) The applicant shall attach the documentation required under Pda 706.01(a)(3).
- (d) By his or her signature, the applicant shall certify the following:
- “I certify that the statements and information in the enclosed documents are to the best of my knowledge and belief true, accurate and complete. I am aware that my state-owned restricted pier slip permit may be withdrawn by the Pease Development Authority for submitting false statements or information or omitting required statements or information.”
- (e) The applicant *or the applicant's duly authorized representative* shall sign and date the application.

Readopt with amendment Pda 709.02, effective 3-21-07 (Document #8845), to read as follows:

Pda 709.02 Single-Use State-Owned Restricted Pier Slip Permit Application Form.

(a) The applicant, the division director, or an employee of the division shall enter the following information provided by an applicant under Pda 706.02(c) on a single-use state-owned restricted pier slip permit application form:

- (1) The applicant's full legal name;
- (2) The applicant's permanent address;
- (3) The applicant's telephone number(s) including:
 - a. Business telephone number;
 - b. Home telephone number;
 - c. Cell telephone number, if different from permanent telephone number; and
 - d. An emergency contact telephone number;
- (4) The following information pertaining to the vessel and registration and identification numbers:

- a. Vessel name;
- b. New Hampshire or other state registration number or International Maritime Organization number;
- c. Federal documentation number, if applicable;
- d. Vessel LOA;
- e. Vessel width;
- f. Vessel draft;
- g. Vessel color; and
- h. Type of vessel;

(5) The state-owned restricted pier for which the applicant is seeking a slip permit and the reason the applicant wishes to use the state-owned restricted pier; and

(6) The amount of slip space requested at the pier identified in (5) above.

(b) The form shall require the division director or an employee of the division to verify that the applicant has displayed the documentation required under Pda 706.02(e)(1).

(c) By his or her signature, the applicant shall certify the following:

“I certify that the statements and information in this application are to the best of my knowledge and belief true, accurate and complete. I am aware that my state-owned restricted pier slip permit may be withdrawn by the Pease Development Authority for submitting false statements or information or omitting required statements or information.”

(d) The applicant *or the applicant's duly authorized representative* shall sign and date the application.

MOTION

Director Torr:

The Pease Development Authority Board of Directors authorizes the Executive Director to expend funds in the total amount of \$861.50 for legal services rendered to the Division of Ports and Harbors by:

- | | |
|--|----------|
| 1. Sheehan Phinney Bass + Green
Through June 30, 2015 | \$861.50 |
|--|----------|

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SHEEHAN PHINNEY BASS + GREEN,
PROFESSIONAL ASSOCIATION
1000 ELM STREET
P.O. BOX 3701
MANCHESTER, NH 03105-3701

SERVICE AND EXPENSE MAILBACK SUMMARY

RE: Regulatory Issues Relatng to Port Operations

CLIENT/CASE NO. 14713-16200
BILLING ATTORNEY: Robert P Cheney

TOTAL FOR PROFESSIONAL SERVICES RENDERED:	\$861.50
TOTAL EXPENSES:	\$0.00

TOTAL THIS BILL:	\$861.50

PREVIOUS BALANCE:	\$0.00

TOTAL BALANCE DUE:	\$861.50

PAYMENT DUE 30 DAYS FROM INVOICE DATE

Please return this page with your remittance and
please reference the client/case number on all
related correspondence.

AMOUNT PAID... \$ _____

MEMORANDUM

To: Pease Development Authority Board of Directors
From: David R. Mullen, Executive Director
Date: August 13, 2015
Re: Special Events

I am pleased to report on the following special events:

1. On Saturday, August 22, 2015, the Portsmouth Naval Shipyard Unions will sponsor a "Pedal for Paws" charity bicycle ride and a dog "meet and greet". Funds raised will be used to support the Cocheco Valley Humane Society programs.
2. On Saturday, September 12, 2015, Bottomline Technologies will sponsor a 5k road race. Funds raised will be used to support the Families First Health and Support Center.

P:\BOARDMTG\SpecialEvent0815.wpd

pedals for Paws

Greetings Potential Sponsor,

My name is John Linville. I am the event coordinator for the "Pedals for Paws" charity bicycle ride. This is will be a family bicycle ride and pet adoption day set for August 22, 2015. We will be riding from Great Bay Community College, Pease Tradeport to Dover NH.

We are working with Cocheco Valley Humane Society (CVHS) who will be the recipient of all the profits raised by the event. The CVHS and other animal rescues will be on hand for a meet and greet with the dogs. The animals will be on site at approximately from 10:00am until 2:30pm.

We are looking for companies and individuals to join the cause in a multitude of ways. You can be a sponsor for the event, be a rider or bring a whole team. Products from your company would also be greatly appreciated. Your donation and support will go a long way.

These animals are in need food, blankets, toys, leashes and all other supplies necessary to provide a quality life before reaching the overall goal of a forever home. It is our intension for this event to bring people together for a fun day, have an opportunity to raise funds for these animals and promote a sense of community. Corporate sponsors that donate before July can have their company logo on the event t shirt if they wish to.

Registration will begin at 7:30am and the ride has a start time of 8:30am. The registration fees will be \$35.00 for singles or \$50.00 for a team/family. There is no additional donation required but any further donations will be gladly accepted. An event t-shirt and "goody bag" will be given to all the riders and extra t-shirts will be available for purchase for the non riders. The start finish line will be at the Great Bay Community College overflow parking lot.

We will have door prizes, raffles as well as a thank you to all our sponsors. Vendors will be on hand to provide food and refreshments. We will provide plenty of water and snacks. This is a family friendly event, and is open to riders of all abilities, so come out to Pease International Trade Port and ride with us.

This will event is being organized by the three unions on the Portsmouth Navy Shipyard, The Federal Employees Metal Trades Council, The International Federation of Professional Technical Engineers, and the American Federation of Government Employees.

I look forward to hearing from you.

Respectfully yours,

John Linville , Event Coordinator
Federal Employees Metal Trades Council
Portsmouth Naval Shipyard
Portsmouth, NH 03804
207 438-1455

June 22, 2015

Mr. David Mullen
Executive Director
55 International Drive
Portsmouth, NH 03801

Dear Mr. Mullen,

We are writing today on behalf of Bottomline Technologies, located at 325 Corporate Drive, Portsmouth. The Company would like to host a 5k road race in September, to raise money and awareness in support of Families First Health and Support Center. We would like to gain approval from Pease Development Authority, prior to reaching out to the city of Portsmouth, to host a race on the Tradeport on Saturday, September 12th, 2015 at 9am. The race route will be slightly modified from last year's route; once again, we plan to coordinate the race start and finish at Bottomline Technologies. We are hoping to have a field of 400 participants and will discuss parking logistics, including but not limited to the use of parking at Bottomline Technologies. Bottomline Technologies will own all clean up responsibilities post event. As the primary resources offering to coordinate the event, we'd like to start the process, obtain permission and discuss overall logistics. We would be more than happy to set up a meeting at your convenience to discuss this further.

Thank you in advance for your consideration and we look forward to hearing from you soon.

We can be reached via email/phone
mmikulski@bottomline.com or 603-501-5335
htennent@bottomline.com or 603-501-6653

Best regards,
Holly Tennent and Melissa Mikulski