

**PEASE DEVELOPMENT AUTHORITY**  
**Thursday, November 21, 2019**

**PUBLIC AGENDA**

**Time: 9:30 a.m. - BOARD OF DIRECTORS' MEETING**

**Place:** 55 International Drive, Pease International Tradeport  
Portsmouth, New Hampshire

**AGENDA**

- I. Call to Order:
- II. Acceptance of Meeting Minutes: October 17, 2019 \*
- III. Public Comment:
- IV. Committee Meetings:
  - A. Reports:
    1. Residential Housing Committee Agendas
      - i. October 17, 2019 \*
      - ii. November 21, 2019 \*
    2. Golf Committee Agenda \*
      - i. Approval of Golf Cart Policy \* (Bohenko)
      - ii. Approval of Vinyl Fence Repair \* (Torr)
    3. Finance Committee Agenda \*
- V. Finance:
  - A. Reports:
    1. FY 2020 Financial Report for the Three Month Period Ending September 30, 2019 \*
    2. Cash Flow Projections for the Nine Month Period Ending July 31, 2020\*
- VI. Licenses/ROE/Easements/Rights of Way:
  - A. Reports:
    1. Right-of-Entry – IAPP use of parking lot at Hangar 227 \*
    2. Right-of-Entry – 2-Way Communications Service, Inc. to determine if premises at 19 Durham Street is suitable for intended use \*
    3. Right-of-Entry – NH Dept. of Environmental Services use of parking lot at 360 Corporate Drive \*
    4. Right-of-Entry – Port City Air use of parking/Staging Areas off of Grafton Drive \*
    5. Right-of-Entry – Avier, LLC d/b/a Avier Flight School for Designated Portion of the Terminal Building at Skyhaven Airport \*

- VII. Leases:
- A. Reports:
    - 1. Sublease between 25, 29 Retail, LLC and Sleep Institute of New England, P.L.L.C. \*
    - 2. Sublease between 30 International Drive, LLC and New Hampshire Prosthetics, LLC \*

- VIII. Contracts/Agreements:
- A. Approvals:
    - 1. USDA / WS Wildlife Control Proposal at Airports \* (Allard)

- IX. Executive Director's Reports/Approvals:
- A. Reports:
    - 1. Solar Feasibility Study \*
    - 2. Golf Course Operations
    - 3. Airport Operations
      - a) Portsmouth International Airport at Pease (PSM)
      - b) Skyhaven Airport (DAW)
      - c) Noise Line Report \*
  - B. Approvals:
    - 1. Bills for Legal Services \* (Loughlin)

- X. Division of Ports and Harbors:
- A. Reports:
    - 1. Port Advisory Council Meeting Minutes of October 9, 2019 \*
    - 2. Request to Transfer of Commercial Mooring – James Willwerth to Gerald Worcester \*
  - B. Approvals:
    - 1. Pda 500 - Conditional Approval Response \* (Levesque)
    - 2. Final Proposed Schedule of Fees: Commercial Piers and Associated Facilities \* (Lamson)
    - 3. Market Street Marine Terminal - BUILD Grant \* (Loughlin)

XI. New Business:

XII. Upcoming Meetings:

Board of Directors


December 19, 2019 @ TBD

**All Meetings begin at 8:00 a.m. unless otherwise posted.**

XIII. Directors' Comments:

XIV. Adjournment:

XV. 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

Thursday, October 17, 2019

Presiding: Kevin H. Smith, Chairman  
Present: Peter J. Loughlin, Vice Chairman; Robert A. Allard, Treasurer; John P. Bohenko; Margaret F. Lamson; Neil Levesque and Franklin G. Torr  
Attending: David R. Mullen, Pease Development Authority ("PDA") Executive Director; Paul E. Brean, PDA Deputy Director and Airport Director; Lynn M. Hinchee, General Counsel; PDA staff members; members of the public.

**I. Call to Order:**

Chairman Smith ("Smith") called the meeting to order at 9:12 a.m. in the Board conference room on the Pease International Tradeport at 55 International Drive, Portsmouth, New Hampshire.

**II. Acceptance of Meeting Minutes**

Director Allard moved and Director Torr seconded that the Pease Development Authority Board of Directors hereby accept the minutes of the September 19, 2019 Board meeting.

Discussion: Lamson made a correction to the minutes to indicate that with respect to the Noise report at page 9, there was no July meeting, but rather it should have stated "Lamson had not been in attendance at the August meeting".

Disposition: Resolved by unanimous vote for; motion carried.

**III. Public Comment:**

There was no public comment.

**IV. Committee Meetings:**

**A. Reports:**

**1. Audit Committee Agenda**

Director Bohenko (Bohenko) provided a report to state that the Audit Committee met on Tuesday and indicated an extensive review was done with the engaged auditors. The Committee asked a lot of questions and were well informed. Bohenko indicated that as an entity PDA is in good shape and the Finance Director has done a fabulous job. Other than that there is not a lot to report. Lamson indicated that the Audit Committee goes through the audit step-by-step and thanked the Finance Director for what he gives to PDA each month. Bohenko indicated the important part in looking at the audit would be to have people refer to the Manager's Discussion and Analysis (MDNA) as a nice summary of what happens out at Pease; the MDNA would be an area to direct individuals to provide them with a better understanding.

**V. Old Business:**

**A. Approval:**

**1. Lonza Biologics, Inc. – Second Freezer Building Concept Plan**

Director Torr moved and Director Allard seconded that **the Pease Development Authority Board of Directors hereby approves of the amendment to Lonza Biologics, Inc.’s (“Lonza”) site plan for 101 International Drive to allow Lonza to expand its existing freezer building with a one-story addition of similar construction of approximately forty-nine hundred (4,900) square feet, all in accordance with the terms and conditions set forth in the memorandum of Maria J. Stowell, P.E., Manager - Engineering, dated October 10, 2019.**

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

**VI. Finance:**

**A. Reports:**

**1. FY 2020 Financial Report for the Two Month Period Ending August 31, 2019**

Finance Director Irv Canner (Canner) spoke to the first two months of the fiscal year with no real surprises. With respect to the Operating Revenue the PDA is close to budgeted amount with a slight variance and Operating Expenses are somewhat under by about 4%. Had an extensive cut-off at the end of June for the Fiscal Year audit of 2019; typically we see an underrun of expenses at this time. The primary reason for the revenue underrun is the decrease in fuel sales which is due to the condition of the Portsmouth Fish Pier and will not see fuel sales at the Pier in the immediate future. Otherwise the budget depicts consistency for the first two months. Labor costs are within budget and personnel services are slightly below budget; staffing shows 138 people as of September 30<sup>th</sup> and as of October 22<sup>nd</sup>,s payroll PDA will be paying 135 individuals. We will be noticing a ramp down at the golf course of personnel and the winter personnel will be starting in roughly November. The organizational chart shows four (4) open positions; PDA has hired an Assistant Director of Finance, Chris Cooper, who has her CPA and joined PDA on Tuesday. Ms. Cooper’s position is a transitional one who will shadow Ron Jodz who anticipates retiring in April 2021, and if things work out to replace Canner as the Finance Director who will retire sometime after Mr. Jodz’ departure. Under Deputy Director/PSM Airport Director Paul Brean (Brean) there is an open Information Technology Director position which the PDA will be working with the technology group at Berry Dunn to assist in the selection/interview process for this position. Staffing at this time is 62 filled fulltime positions.

Operating expenses show no emerging trends in terms of budget variances, the larger variance is the fuel sold in association with the fuel sales. The balance sheet is very strong; our cash position grew which was due to the operating income which comes across from revenue and expenses (Terminal Expansion, Barge Dock and other Division of Ports and Harbors (DPH) projects), DPH projects represent approximately 90% of capital money spent to date. Have not had to process the Revolving Line of Credit (RLOC) for the past two years but anticipate with the upcoming projects it will be necessary to utilize the RLOC in approximately June to support the terminal expansion and runway.

Enplanements are currently 20% ahead of last year and the corresponding income associated with the airport are due to the enplanements (i.e.; rental vehicles, parking, fuel flowage etc.); pay-for-parking and fuel flowage were two new revenue streams that commenced last fiscal year. Skyhaven is about 20% ahead of gallons sold in fuel sales which is a good indication of activities at the airport. The first time since 2017 the year-to-date income versus expenses indicates Skyhaven broke even.

DPH indicates a major source of revenue but the operating income number is what provides the net cash flow to cover the debt and other expenses such as administrative costs, maintenance costs, legal services, engineering costs etc. The consumption of electricity is pretty steady and later this fall will review the energy contract and that we put out to bid periodically.

Golf Course continues having a good season; for the first two months there has been an increase in revenues with expenses staying flat. This is associated with the golf fees of non-member play and year-to-date the rounds of golf played were this season were up 5%. Grill 28 is about 10% ahead of last year; stated that PDA has a percentage relationship as a source of revenue from Grill 28 too.

DPH unrestricted funds are under budget due to loss of fuel sales representing the sales at the Portsmouth Fish Pier. DPH makes 5 to 6% for each fuel sale so while there is a decrease in fuel budgeted sales the net – net to the bottom line is about 6% of that.

## **2. Cash Flow Projections for the Nine Month Period Ending June 30, 2020**

The current PDA cash balance will drop by about 90% by the end of June. The chart indicates the need to access the RLOC in April which will put PDA at threshold. This decrease is due to capital expenditures for grant and non-grant related activities which will be spent on the terminal expansion and the runway. As long as the schedule and budgets hold anticipate being into the RLOC between \$13 - \$15 million dollars when both these projects are done.

The monthly cash flow is tapered to indicate when will have to dip into the RLOC which is represented by the sources of external financing. Some of the operating expenses on use of funds are associated with the insurance monies in the month of December; PDA pays an annual premium instead of prorating it and in March is the CLF obligation. With respect to interest rate environment the chart shows a decrease and it indicates if we borrowed today it would be at 4.58% which is consistent and the interest rate is lower than it was last year at this time.

The unrestricted cash balances at DPH are drifting down; the next couple of months will be the recognition of the mooring fees that come in which shows in the months of January, February and March. The consistency is typical when looking back to previous years. Spoke to the cash balances regarding restricted funds (RLF and Harbor Dredging). Notes to mention is that as the RLF cash balance gets higher and higher comes the idea of potentially sequestering money because there isn't enough loan activity. However, last month the RLF Committee approved a loan which will be paid out soon. Harbor dredging fund has been a resource of DPH

to seek approval from the CBOC on utilizing CBOC funding for renovations and repairs at the various marinas.

Brean indicated to the Chairman and the Board that there were five (5) trees down at the Golf Course due to the storm last evening; asked if EJ Chea who is representing the Golf Course could provide the presentation so he could return back to the course as soon as possible.

**The Board, as a whole, voted to suspend the rules and move the report regarding the Golf Course up in the agenda;**

Discussion: Chairman Smith asked to be able to do the approval regarding VI (B)(1) which would conclude the Finance section of the Board meeting. Disposition: Resolved by unanimous vote (7 - 0) for; motion carried.

**B. Approvals:**

**1. Certified Annual Financial Statements and the Uniform Guidance Audit of Federal Awards**

Director Bohenko moved and Director Torr seconded that **in accordance with the recommendation of the Pease Development Authority Audit Committee, the Pease Development Authority (PDA) Board of Directors accepts receipt of the Certified Annual Financial Statements for the years ended June 30, 2018 and 2019 and the Uniform Guidance Audit of Federal Awards for the year ended June 30, 2019, both attached in draft form; all as otherwise prepared and submitted by PDA's independent auditor Berry, Dunn, McNeill and Parker, LLC.**

**Whereas the final Annual Financial Statement is subject to receipt of an audit letter from the law firm of Kutak Rock and the receipt of the final actuarial report as prepared by Segal Consulting for the State of New Hampshire, the Board of Directors further authorizes the Executive Director to forward the Certified Financial Statements to the State of New Hampshire when final for inclusion in the Comprehensive Annual Financial Report.**

Discussion: Bohenko again stated that Tuesday the Audit Committee met and had an in-depth discussion with the auditors and the Committee was satisfied and supported this motion. Lamson indicated that as a Finance Committee member it is really important to have an Audit Committee and the Audit Committee has done an outstanding job and is pleased.

Disposition: Resolved by unanimous vote for; motion carried.

**Golf Course Report:**

Golf Course General Manager Scott DeVito was unable to attend the Board meeting so Head Superintendent EJ Chea ("Chea") informed the Board that the Golf Course took a hit last night from the storm but nothing major. Had a few trees that came down and fell in a good direction; it could have been worse, there is a big clean up ahead.



In the process of wrapping up the 2019 golf season; some of the highlights being 10,000 rounds for both the months of July in August which is an all-time record for the two months combined; course held up well, weather was good and rounds were up. The pay-now-play now has commenced and so far 22 people have taken advantage of this opportunity; this allows them to pay for next year's membership now, golf for the remainder of this season and members for next season. This number continues to increase (year-to-year) with more individuals taking advantage of the opportunity. Last major event for permit holders was last week which was a Gold Ball event; this weekend there is a college tournament hosted by Great Bay Community College which is the last event on the books this year. Currently anticipate the end of season being Sunday, December 1<sup>st</sup>, if the weather allows. Transitioning to winter staffing and winter projects. The Simulator Room has been upgraded (new software, courses, projectors and screens) and is ready to go and the simulator league starts at the end of the month. The previously approved fairway aerator has allowed for the continued aeration of fairways and tees in-house by staff (which was a service previously contracted out). Before the winter staff will be attempting to renovate one or two more bunkers (7 bunkers already done by in-house staff) before the winter.

Bohenko commented on the success of the simulators and the money invested has a very quick payback. This not only keeps individuals involved with the golf course in the winter but helps the restaurant side. It should be noted that it is not just a summer season activity as have incorporated leagues with the simulator etc. and it should be commended.

## VII. Licenses/ROE/Easements/Rights of Way:

In accordance with the "Delegation to Executive Director: Consent, Approval and Execution of License Agreements," Mr. Mullen reported the following:

### A. Reports:

1. **Right-of-Entry – NH Employment Security use of 360 Corporate Drive and 100 New Hampshire Avenue for overflow parking**

Mr. Mullen indicated that NH Employment Security had been granted a Right-of-Entry to use the premises 360 Corporate Drive and 100 New Hampshire Avenue for overflow parking associated with a employment fair which was held at the Great Bay Community College.

2. **Right-of-Entry – NECI use of 360 Corporate Drive for overflow parking**

Mr. Mullen indicated that New England Control Inc. (NECI) is a new tenant at 200 International Drive and has been granted a Right-of-Entry to use the premises at 360 Corporate Drive for overflow parking associated with a Grand Opening and an employment fair the second day (October 16<sup>th</sup> and 17<sup>th</sup>).

### B. Approvals:

1. **Jalbert Leasing, Inc. dba C & J Bus Lines – Parking License (4 lots)**

Director Allard moved and Director Torr seconded that the Pease Development Authority Board of Directors hereby approves of and authorizes the Executive Director to execute a License with Jalbert Leasing, Inc. d/b/a C & J Bus Lines (“C & J”) of Portsmouth, NH for the purpose of satellite parking of C & J customer vehicles. The License is effective from November 1, 2019 through October 31, 2020; all in accordance with the License.

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

**2. Lonza Biologics - Parking License for 55 International Drive**

Director Lamson moved and Director Torr seconded that the Pease Development Authority Board of Directors hereby authorizes the Executive Director to complete negotiations and to execute Amendment No. 8 to the Parking License Agreement with Lonza Biologics, Inc. for parking spaces located at 55 International Drive. The License Amendment is extended from November 1, 2019 through October 31, 2020; all in accordance with License Agreement Amendment No. 8.

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

**3. VMD Systems Integrators, Inc. – License for space in Airport Terminal**

Director Levesque moved and Director Allard seconded that the Pease Development Authority Board of Directors hereby authorizes the Executive Director to complete negotiations and to execute a License with VMD Systems Integrators, Inc. for a period of three (3) years effective November 1, 2019 through October 31, 2022, for the use of designated office space (utilizing a break room, an office, locker rooms and an on-site training room) at the airport terminal. This agreement will allow the airport to meet the TSA requirements to provide designated areas to store security sensitive information, conduct recurrent training and support employee work breaks; all in accordance with the same terms and conditions set forth in the Memorandum from Paul E. Brean, Airport Director, dated October 2, 2019.

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

**VIII. Leases:**

In accordance with the “Delegation to Executive Director: Consent, Approval of Sub-lease Agreements,” Mr. Mullen reported on the following subleases:

**A. Reports:**

1. **Sublease between 222 International, Limited Partnership and Speedpro Imaging of Portsmouth**

Mr. Mullen indicated that 222 International, Limited Partnership entered into a sublease

with Speedpro Imaging of Portsmouth (“Speedpro”) for 7,437 square feet within the leased premises at 222 New Hampshire Avenue, for a period of ten (10) years, with an effective date of November 1, 2019. Speedpro will use the premises for general office, warehouse and related uses. Director Allard approved the sublease.

#### **IX. Contracts/Agreements:**

In accordance with Article 3.9.1.1 of the PDA Bylaws, Mr. Mullen reported as follows:

##### **A. Reports:**

##### **1. Environmental Contract Report regarding Permit Implementation**

Mr. Mullen indicated that this report states there were three (3) expenditures to Ransom totaling \$5,106.80 which is part of the environmental work being done related to the CLF settlement and PDA’s pending ms4 application.

##### **B. Approvals:**

##### **1. VHB - Transportation Planning and Engineering Services**

Director Torr moved and Director Loughlin seconded that the PDA Board of Directors hereby authorizes the Executive Director to enter into a contract with Vanasse Hangen, Brustlin, Inc. (“VHB”) to provide transportation planning and engineering services to Pease Development Authority for three (3) years with two (2) one (1) year options to extend, subject to the approval of the Executive Director; all in accordance with the memorandum from Maria J. Stowell, P.E., Engineering Manager, dated October 3, 2019.

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

##### **2. Chadwick Baross, Inc. - Snow Plow / Box Blade**

Director Allard moved and Director Lamson seconded that the Pease Development Authority Board of Directors hereby authorizes the Executive Director to enter into a contract with Chadwick - Baross Inc. of Concord, NH, for the purchase of one (1) twenty-six (26) foot (Artic) sectional pusher plow in an amount not to exceed \$24,950.00; all in accordance with the memorandum from Ken Conley – Fleet Manager, dated October 8, 2019.

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

##### **3. Fred C. Church, Inc. – PDA Worker’s Compensation Coverage**

Director Loughlin moved and Director Torr seconded that the Pease Development Authority Board of Directors authorizes the Executive Director to accept and bind Workers Compensation insurance coverage for the Pease Development Authority to be provided by MEMIC and brokered by Fred C. Church Insurance, Inc. (“Church”) for the period of 12/31/19 through 12/31/20 in the projected amount of \$62,189.00; all in

accordance with the Insurance Proposal prepared by Church and the memorandum of Anthony I. Blenkinsop, Deputy General Counsel, dated October 8, 2019.

Discussion: Bohenko commended management in the decrease in experience modification from 1.08 to .90.

Disposition: Resolved by unanimous vote for; motion carried.

#### 4. Terminal Expansion Project Cost Update

Director Bohenko moved and Director Allard seconded that the Pease Development Authority Board of Directors approves of and authorizes additional funding for the terminal expansion project outlined below and further authorizes the Executive Director to execute all necessary documents to effectuate the following;

1. Award a contract to the lowest qualified passenger boarding bridge bidder in an amount not to exceed \$876,360;
2. Increase the construction contract with Hutter Construction in an estimated amount of \$234,661.30 to add dynamic glass, and to do necessary fit up for the Explosive Detection System (EDS) equipment;
3. Increase the construction administration contract with McFarland Johnson in the amount of \$78,100 for related design and construction administration services; and,
4. Add a project contingency in the amount of \$475,000, which will allow PDA staff to proceed with construction in the event of unforeseen conditions or other changes that would impact contract amounts;

all in accordance with the memorandum of Maria J. Stowell, P.E., Manager, Engineering, dated October 16, 2019.

Discussion: Maria Stowell (Stowell) provided further explanation as to the items requested. Early last year the terminal project was brought before the Board with a budget of approximately \$19 million. Since then circumstances have changed and things that have been made clearer which have impacted the cost. The Passenger Boarding Bridge (PBB) work had been bid in early last year but there was some delay in awarding the contracts as PDA was waiting to hear from FAA on funding; also if some of the money was spent too early then it wouldn't be available for FAA funding. Due to the FAA funding delay, the PBB bids expired resulting in the need to rebid resulting in the cost increase. Stowell further stated that Brean informed the Board at the August meeting of the TSA notification concerning the Early Detection System (EDS) so fit-up and redesign needed to be done associated with receipt of this new piece of equipment. Next was discussion of the dynamic glass / curtain wall for the terminal. During design there was discussion concerning the glass being on the west side of the building resulting in heat gain in the summer. The solution was to add "fins" on the outside of the building which helps to shade the sun and

limit the solar gain. Upon further reflection regarding the fins, there was discussion on maintenance of the fins (snow, ice, birds' nests, cleaning etc.) which brought the discussion to dynamic glass. Dynamic glass is not new, it is proven and it is believed it will work at PSM. A film is placed on the glass and when you apply a low voltage electrical current the glass tints making it darker in the summer and lighter on cloudy days when you want it. Stowell displays a diagram to the Board showing the impact to the look of the building. Research has been done by both PDA and its consultants and this is what is being recommended to the Board which would be an upcharge to the cost of the building but recommend worth doing. Previously the \$19 million budget did not include a contingency amount and as things move along there may be additional unforeseen conditions which warrant the need for funding. Therefore, requesting a contingency of just under 5% which is a reasonable amount and consistent with industry standards.

Bohenko agreed that the contingency amount is standard. Director Allard (Allard) asked if the photo was from the runway perspective and Stowell indicated it was. Lamson indicated we want a quality airport and want people to come and go. Lamson further asked Smith to relay this information to the Governor so he understands what PDA is doing by keeping him onboard. Smith indicated he would be seeing the Governor later in the day and would be happy to relay the information. Smith indicated he would concur about the contingency as being an appropriate amount.

Disposition: Resolved by unanimous vote for; motion carried.

**X. Executive Director's Reports/Approvals:**

**A. Reports:**

**1. Golf Course Operations**

This item was moved and addressed at the beginning of the Board meeting.

**2. Airport Operations**

**a) Portsmouth International Airport at Pease (PSM)**

**(i) Dan Fortnam – Exercise of Option to Consulting Agreement**

PDA Deputy Director / PSM Airport Director Paul Brean ("Brean") informed the Board that there have been more troop activity in the terminal this month. Slow on the commercial side (approx. 1,300 passengers on Allegiant) and heavy troop activity (apprx. 3,700) for a total of approx. 5,000 enplanements and are at about 95,000 enplanements for the years. Tremendous volume on the military side regarding fuel flowage for the C-17s and KC-135 activity as other squadrons are using PSM as a tech stop.

September parking was down in the passenger parking lot with 289 transactions. The airport has passed the revenue goal for parking with approximately 12,000 customers parked at the revenue lot and have paid for the investment and a little more.

Brean followed up with the Chairman from the last meeting and to indicate that Fleet Manager Ken Conley did call around to three local vendors regarding buses. Unfortunately the

ADA buses have quite a bit of unique up-fitting. However, all three vendors, especially Hilltop, were very intrigued of the potential tax credits and would keep us in mind for future with any leftover stock and would reach out.

PSM Airport Operations Manager Andrew Pomeroy went down to Allegiant's annual conference. Allegiant was excited to hear about the new EDS equipment, indicated that the lack of this equipment and the current screening of baggage manually is the only thing that currently restricts them from adding more flight capacity back-to-back.

The Airport Joint Use Agreement (AJUA) with the Air Force is still outstanding (since last September). PDA is in negotiations and believe we have amicable terms (PSM takes on the maintenance of the airfield, taxiways and runways and Air Force takes on Air Traffic Control and ARF Fire Rescue) which are the same as before. These terms have been strengthened up concerning notice periods and hope that this will be executed shortly.

PCA has its Hangar 229 rehab under the universal lease agreement where they have committed to putting capital funding into rehabbing the facility for aviation use and the building is being brought back to life. PCA also has a solar initiative at its FBO facility

#### **b) Skyhaven Airport (DAW)**

Brean indicated that there is not a lot going on at Skyhaven but the fact that the hangar has been rented out and fuel is flowing it could balance out up there.

#### **c) Noise Line Report**

Brean stated that there were a total of twelve (12) noise inquiries in September which were related to fixed-wing military jets flying between 12:30 a.m. and 7:00 a.m. due to storms throughout the country. Eleven (11) inquires were concerning 6 F-16s (2 calls from Eliot, ME; 5 calls from Rye, NH; 2 from Newington, NH and 2 from Portsmouth, NH). The F-16s had not been scheduled to arrive in PSM, but rather were diverted to PSM due to unforeseen circumstances. The last inquiry was from a Newington residence concerning two C-17's arriving and departing during the early morning hours.

Lamson asked Brean if there were F-16s flying over the Bay on Sunday; Brean affirmed. Brean further stated that looking at the forecast there may an increase in military activity in the coming months; Brean clarified to indicate more transports.

Allard asked if the ANG still has two of the 46A planes; Brean affirmed and further stated the ANG is supposed to receive another one next month and scheduled for one a month. Allard asked if they were being flown; Brean indicated they are not flying at this time. Brean indicated that this was planned for training purposes.

Allard asked about helicopter activity; Brean indicated the helicopters are in the hanger but hasn't received an official word about cease of operations but have not seen much rotorcraft activity.

Levesque departed the room at 9:56 a.m. and returned at 9:57 a.m.

**B. Approvals:**

**1. Bills for Legal Services**

Director Bohenko 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 \$5,695.78 for legal services to the Pease Development Authority from Kutak Rock (August 1, 2019 – August 31, 2019).

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

**2. Manager Airport Administration**

Director Lamson moved and Director Torr seconded that in accordance with the provisions of Section 3.11 of the Second Amendment to By-Laws of the Pease Development Authority, the Pease Development Authority Board of Directors hereby approves of and authorizes the Executive Director to create and add a full-time, benefited, exempt position of Manager of Airport Administration; and to fill said position with an appropriately qualified candidate; all in accordance with a memorandum from Paul E. Brean, PDA Deputy Director/PSM Airport Director, dated October 9, 2019. (NOTE: Scribner's error as the date of the memorandum should be September 23, 2019.).

Discussion: Bohenko asked for a briefing on the rationale of the position. Brean indicated that the succession plan calls for Brean shadowing Mullen as the Deputy Director. Mid-year 2020 Mullen will retire and Brean to take on the Executive Director's role and will not be backfilling the Airport Director's role as there are candidates in place who are able to lead their units. Believe that there is a missing component in relation to the daily administration such as payroll, direct oversight of staffing. As Mullen was to commercial property development Brean will be to airport development, he will be a strong Executive Director with an airport background. Brean will need a point person at the airport to handle the day-to-day operations. Lamson indicates that in order for the airport to be run effectively an administrator is needed.

Disposition: Resolved by unanimous vote for; motion carried.

**XI. Division of Ports and Harbors:**

Geno J. Marconi ("Marconi), Division Director of the Division of Ports and Harbors ("DPH"), reported on Division activities, and the reports before the Board represent the current business at the DPH.

**A. Reports:**

**1. PDA Port Committee Minutes of April 4, 2019**

Marconi indicated that the Committee met on October 2nd (NOTE: Marconi incorrectly stated the date as the Committee met on October 3<sup>rd</sup>) and approved the minutes.

Marconi asked Loughlin, Chair of the Port Committee, if he would like Marconi to update the Board of the meeting a couple of weeks ago; Loughlin affirmed. Marconi indicated that he updated the Committee regarding construction projects.

First, the Legislature in its budget negotiations included \$3.25 million for the replacement of the seawall at the Portsmouth Fish Pier and in the approval section Marconi will be seeking approval for the proposal for Appledore Marine Engineering to go into the design and permitting for the replacement of that wall,

Second was the BUILD grant for the rehabilitation and modification of the existing main ship dock. Myrad cannot finalize the grant award until the NEPA review is completed; drafts have been going back and forth between DPH (with assistance from Deputy General Counsel Blenkinsop) and Myrad; and

Third was the functional replacement for what was lost during the Sarah Long Bridge replacement. DPH is on standby with this for now as the project proceeded based on a concept that NHDOT had done back in 2014. DPH has reached the 65% design and estimating that the 2020 costs have increased by approximately 40%. DOT is reviewing the plans and hope to have word from them to proceed to final design.

## **2. Port Advisory Council Minutes of June 12, 2019**

Lamson asked Marconi what a “windmill ship” is that is referenced in the minutes. Marconi indicated that it is a heavy list ship that brought in the components for the windmill project being done in Antrim.

## **3. Granite State Minerals – License Extension – 2<sup>nd</sup> of Four One (1) year Options**

This is a letter from Granite State Minerals exercising the second of four (4) one (1) year options to extend its license.

## **4. Isle of Shoals Steamship Company/City of Portsmouth – Parking Agreement**

This is to use ISSCOs parking lot in the winter for parking for people downtown. This has been very successful and they wish to continue.

Smith left the meeting at 10:03 a.m. and returned at 10:06 a.m.

### **B. Approvals:**

#### **1. Appledore Marine Engineering Proposal for Seawall Repair at Portsmouth Commercial Fish Pier**



Director Levesque moved and Director Lamsom seconded that the Pease Development Authority Board of Directors hereby authorizes the Executive Director to agree to and execute the Proposal dated October 8, 2019, submitted to the Division of Ports and Harbors (“DPH”) by Appledore Marine Engineering, LLC (“AME”) of Portsmouth, New Hampshire, for engineering and construction services related to the replacement of the seawall at the Portsmouth Commercial Fish Pier, in an amount not to exceed \$324,046.00; funding of this proposal to be provided through general funds of the State of New Hampshire; all in accordance with the Memorandum of Geno Marconi, Division Director, dated October 8, 2019.

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

2. **Pepperrell Cove Marine Services, Inc. Contract for Mooring Removal and Re-installation work in Hampton and Seabrook Harbors**

Director Loughlin moved and Director Torr seconded that the Pease Development Board of Directors ratifies execution of and approves the Agreement entered into by the Executive Director with Pepperrell Cove Marine Services, Inc. to perform mooring removal and re-installation work in Hampton and Seabrook Harbors for the purpose of facilitating the dredging work in connection with the Hampton/ Seabrook Harbor dredge project, all in accordance with the memorandum of Geno J. Marconi, Division of Ports and Harbors Director, dated October 9, 2019.

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

**XII. Non-Public Session**

Director Torr moved and Director Loughlin seconded that the Pease Development Authority Board of Directors will enter non-public session pursuant to NH RSA 91-A:3 for the purpose of discussing:

1. Security Matters; and
2. Sale or Lease of Property

Discussion: None. Disposition: Resolved by roll call vote (unanimous 7 – 0) for; motion carried.

**Non-Public Session started at 10:10 a.m.**

Bohenko left the meeting at 10:26 a.m. for a phone call and returned to the room at 10:29 a.m.

**XIII. Adjourn from Non-Public Session/Return to Public Session:**

Director Loughlin moved and Director Allard seconded that to adjourn the Non-Public Session Board meeting was adjourned at 10:32 a.m. and returned back into public session

at 10:33 a.m.

Director Levesque departed the meeting at 10:34 a.m.

**XIV. Vote of Confidentiality:**

Director Allard moved and Director Lamson seconded that Resolved, pursuant to NH RSA 91-A:3, Paragraph III, the Pease Development Authority Board of Directors hereby determines that the divulgence of information discussed at the non-public session related to Security matters would, if disclosed publically, compromise the emergency functions pertaining to security; and agrees that the minutes of said meeting be held confidential until, in the opinion of a majority of the Board of Directors, the aforesaid circumstances no longer apply.

Discussion: None. Disposition: Resolved by roll call vote (6-0 – Director Levesque had already departed the meeting) for; motion carried.

XV. New Business:

XVI. Upcoming Meetings:

Golf Committee	November 18, 2019 @ 8:30 a.m.
Finance Committee	November 18, 2019 @ 9:00 a.m.
Board of Directors	November 21, 2019 @ 8:00 a.m.

**All Meetings begin at 8:00 a.m. unless otherwise posted.**

**XVII. Directors' Comments:**

Lamson asked Smith when he speaks with the Governor next to do something about the roundabout (on Arboretum) as it is a mess. Smith asked Lamson if she hasn't received any calls from DOT regarding the roundabout; Lamson affirms. Lamson further states that it is a liability for Newington to ask staff to do it; Smith indicated Newington shouldn't be doing it. Smith did indicate that he brought the roundabout to the Commissioner's attention previously and she thought in the map of who is responsible for what it stated PDA was responsible for the roundabout. Hickee indicated she was unaware of any map but would check with engineering staff to see if one exists as PDA sold the property to DOT; Hinchee does not know of any contractor agreement with them. Hinchee further indicated that she does not remember the Board taking responsibility of the roundabout. Lamson indicated that the only thing that the Transportation Committee did was approve of the roundabout being done, that was all. Bohenko indicated that the City of Portsmouth (COP) had a similar issue on one of the state projects

(down by Tuscan Kitchen) and COP decided to do it; Hinchee indicated it is non-airport and not PDA property.

**XVIII. Adjournment:**

Director Loughlin moved and Director Allard seconded to **adjourn the Board meeting**. Meeting adjourned at **10:40 a.m.**

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

**XIX. Press Questions:**

There were no questions from the press who attended the meeting.

Respectfully submitted,



David R. Mullen  
Executive Director



**PEASE DEVELOPMENT AUTHORITY  
Residential Housing Committee**

**PUBLIC AGENDA**

Date: October 17, 2019  
Time: 10:30 A.M. to 11:45 a.m.  
Place: Pease Development Authority, 55 International Drive, Pease International Tradeport

- I. Call to Order (Smith)
  
- II. Approval of Minutes
  - A. Approve minutes of the July 18, 2019 meeting \*
  
- III. Public Comment
  
- IV. Old Business
  
- V. New Business
  
- VI. Committee Discussion
  - A. Housing as an Accessory Use:
    - 1. Pease Development Authority: “Accessory Building or Use” means a building or use which is customarily subordinate or incidental to the principal use or building on a lot.  
  

City of Portsmouth’s Zoning Ordinance defines an “Accessory Use” as follows: A use that is incidental and subordinate to the principal use and located on the same lot with such principal use or building.

Town of Newington’s Zoning Regulations defines “Accessory Building or Use” as follows: A building or use which is subordinate to and serves a principal building or use; and is subordinate in area, extent, or purpose to the principal building or principal use served; and is located on the same zoning lot as the principal building or use served.
    - 2. Working Stiff Partners, LLC v. City of Portsmouth – Supreme Court Decision regarding “use of its property for short-term rentals... was not permitted as a principal use in the zoning district in which the property

was located, and that the definition of ‘[d]welling unit’ contained in the City’s zoning ordinance was not unconstitutionally vague...” \*

- B. Supplemental Housing Memo and Article:
  - 1. Memorandum from City of Portsmouth Legal Department prepared for Portsmouth City Council Agenda item regarding Summary of Obstacles to Housing at Pease \*
  - 2. Union Leader Article \*
- C. Councilor Rebecca Perkins Kwoka Agenda Items:
  - 1. Draft of close out report of Housing Study Committee work \*
  - 2. Report by Council Perkins Kwoka of strategic task force initiative
- VII. Meeting Schedule
  - A. Schedule final meeting to review changes to and approve report
- VIII. Public Comment
- IX. Adjournment
- X. Press Questions

- \* Related material attached
- \*\* Related material previously distributed
- \*\*\* Related material to be sent under separate cover
- + Materials to be distributed at Board Meeting

**PEASE DEVELOPMENT AUTHORITY  
Residential Housing Committee**

**PUBLIC AGENDA**

Date: November 21, 2019  
Time: 8:00 A.M. to 9:00 a.m.  
Place: Pease Development Authority, 55 International Drive, Pease International Tradeport

- I. Call to Order (Smith)
- II. Approval of Minutes
  - A. Approve minutes of the October 17, 2019 meeting \*
- III. Public Comment
- IV. Old Business
- V. New Business
- VI. Committee Discussion
  - A. Report:
    - 1. Review of Final Report of Housing Study Committee work prepared by Councilor Perkins Kwoka and City of Portsmouth staff \*
  - B. Approval:
    - 1. Vote of Committee to accept and finalize the report as written and to present the final report to the Pease Development Authority Board of Directors at an upcoming meeting.
- VII. Meeting Schedule
- VIII. Adjournment
- IX. Press Questions

- \* Related material attached
- \*\* Related material previously distributed
- \*\*\* Related material to be sent under separate cover
- + Materials to be distributed at Board Meeting





PEASE DEVELOPMENT AUTHORITY  
Monday, November 18, 2019

GOLF COMMITTEE  
AGENDA

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

**AGENDA**

- I. Call to Order:
- II. Acceptance of Meeting Minutes: April 15, 2019\*
- III. Public Comment:
- IV. New Business:
  - A. Reports:
    1. Bathroom Upgrades \*
      - Women's Room Floor, Walls, Lights
      - Men's Room Floor
      - Mop Closest Floor
    2. Golf Course Food & Beverage Bid Time Line
  - B. Approvals:
    1. Proposed Golf Cart Policy \* (Allard)
    2. Vinyl Fence Repair \* (Torr)
- V. Public Comment:
- VI. Upcoming Meetings:

Finance Committee	November 18, 2019 @ 8:30 a.m.
Residential Housing Study Committee	November 21, 2019 @ 8:00 a.m.
Board of Directors	November 21, 2019 @ 9:00 a.m.

**All meetings begin at 8:00 a.m. unless otherwise posted.**

- VII. Adjournment
- VIII. 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





MOTION

Director Bohenko:

In accordance with the recommendation of the Pease Golf Committee, the Pease Development Authority Board of Directors approves of, adopts and implements the "Pease Golf Course Golf Cart Policy" attached hereto; all in accordance with the memorandum from Scott D. DeVito, PGA General Manager, dated November 5, 2019 attached hereto.

N:\RESOLVES\2019\Golf Cart Policy.docx





## MEMORANDUM

**To:** David R. Mullen, Executive Director *DRM*  
**From:** Scott DeVito, PGA General Manager *SD*  
**Date:** November 5, 2019  
**Subject:** Request to Implement a Riding Cart Use Policy

---

This is a request to implement a no more than one cart for two players and no more than two carts per foursome policy for both daily fee and season pass players. Golf Course management seeks to implement this policy in the interest of ensuring availability of golf carts for all groups, and to minimize the impact of the use of golf carts by any single group.

Management has noticed an uptick in players confronting staff demanding they be able to take their own individual riding cart when playing in groups of two, three and even four. It has always been our practice to match single players with groups of two and three, and pair up two groups of two players to help the course stay on time and make more tee times available each day. When pairing those players up staff would encourage them to use the same riding cart to decrease the number of carts in each group. This practice has been and remains an industry standard both locally and nationally in the game of golf. While historically players have been receptive to staff member's requests, the increase in the frequency of players pushing back and demanding their own cart has convinced management of the need for a formal policy on the subject.

Thank you for your consideration in this matter.



**PEASE GOLF COURSE**  
**GOLF CART POLICY**

It is the practice of Pease Golf Course to match single players with groups of two and three, and pair up two groups of two players in an effort to assist the course in its scheduling so that tee times stay on time and more tee times are made available each day. When pairing players up, Pease encourages golfers to use the same riding cart in order to decrease the number of carts in each group which is industry standard, both locally and nationally. Therefore, in the interest of ensuring availability of golf carts for all groups, and to minimize the impact of the use of golf carts by any single group, it is the policy of the Pease Golf Course that the rental of golf carts for both daily and season pass players is as follows:

1. Not more than one (1) golf cart for two (2) players; and
2. Not more than two (2) golf carts per foursome.







MOTION

Director Torr:

In accordance with the recommendation of the Pease Golf Committee, the Pease Development Authority Board of Directors hereby authorizes the Executive Director to enter into a contract with Chasco, Inc. of Portsmouth, New Hampshire to repair the vinyl fencing area on the east side of the Pease Golf Course clubhouse in an amount not to exceed \$4,800.00; all in accordance with the memorandum of Scott D. DeVito, PGA General Manager dated November 5, 2019.





## MEMORANDUM

**To:** David R. Mullen, Executive Director *DRM*  
**From:** Scott DeVito, PGA General Manager *SD*  
**Date:** November 5, 2019  
**Subject:** Request to Repair, Expand, and Replace Vinyl Storage Area Swing Gate

---

This is a request to hire Chasco Inc. 15 Banfield Road, Portsmouth, NH, 03801 to repair the vinyl fencing area on the east side of the Pease Golf Course clubhouse for a cost of \$4,800.00. The work would include replacing any damaged vinyl panels, extending the dumpster storage area 6 feet, repairing the two existing vinyl doors, and replacing the two 6 foot swing gate doors with two chain link swing gates equipped with PDS privacy slats.

The vinyl fencing was installed seven years ago. Asphalt paving was added four years ago to help keep the area cleaner and make it easier for staff to move tables and chairs during events. The fencing is in place to shield the view of two 8 yard dumpsters, two small storage units, and the additional tables and chairs needed for events under the seasonal tent. The two 6 foot vinyl gates have shifted significantly over the past few years due to their weight and the heavy winds they are regularly exposed to. Replacing the doors with the chain link will help prevent sagging and extend the life of the product.

Thank you for your consideration in this matter.





Date: November 4, 2019

To: Pease Golf Course  
 200 Grafton Dr.  
 Portsmouth, NH 03801  
 433-1331

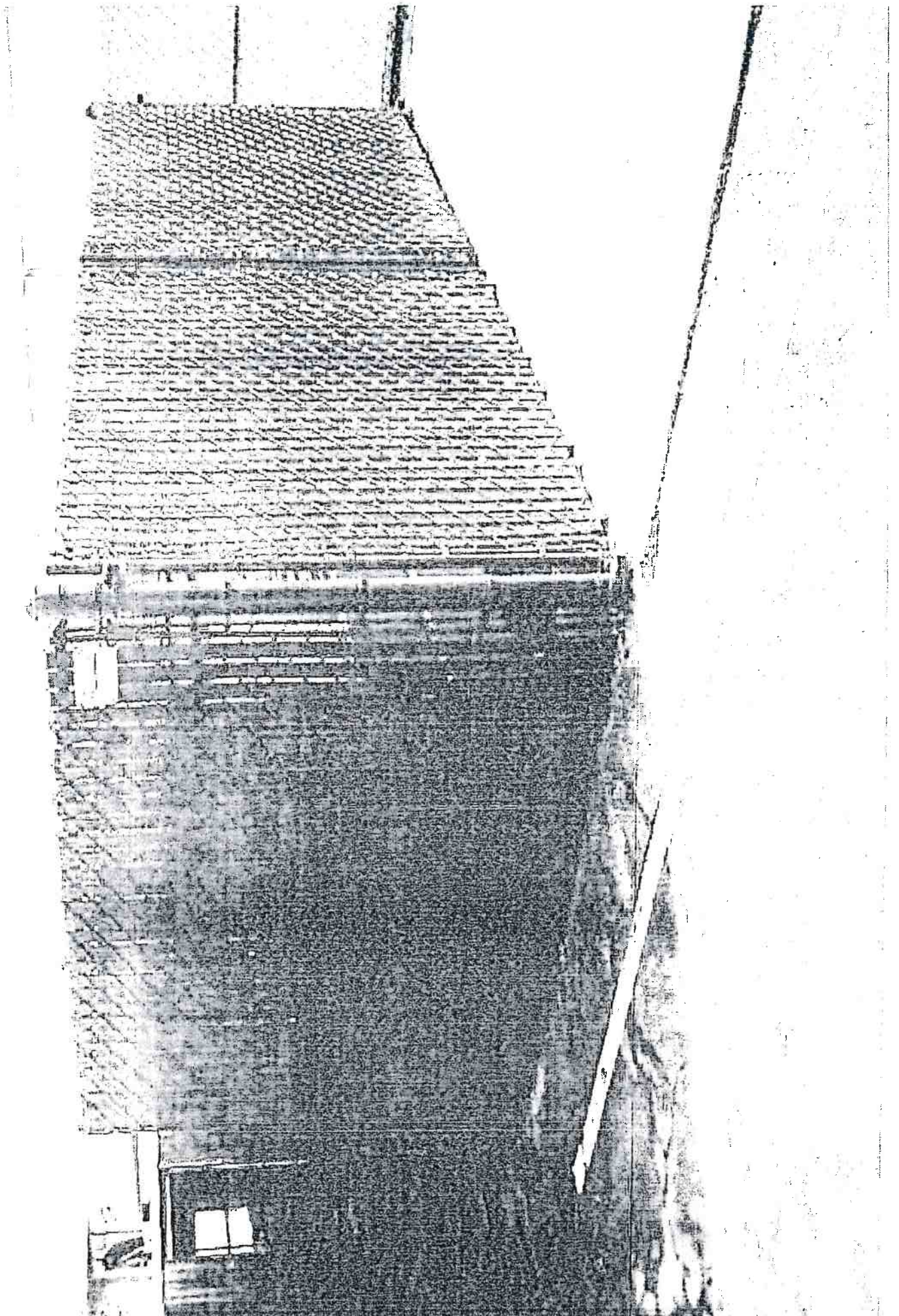
Attn: EJ Chea

Salesperson	Job	Location	Valid
Charlie Kuehl	Dumpster Modifications	Portsmouth, NH	30 Days

Qty	Description	Unit Price	Line Total
1.00	Remove/Replace existing 6ft high x 12ft wide white vinyl privacy gates with black vinyl chain link double swing gate with PDS privacy slats. Includes- (2) new sections of 6ft high white Lexington fence, (5) new 5"x 5" white vinyl posts, (3) new post caps, (3) board sections replacements, and new hardware on all (4) gates.	LS	<u>\$4,800.00</u>

Subtotal \$4,800.00  
 Sales Tax n/a  
 Total \$4,800.00

I will require a certificate of insurance.



**PEASE DEVELOPMENT AUTHORITY**  
**Monday, November 18, 2019**

**FINANCE COMMITTEE AGENDA**

**Time:** 8:30 A.M.  
**Place:** 55 International Drive  
Pease International Tradeport  
Portsmouth, NH 03801

- I. Call to Order (*Allard*)
- II. Acceptance of Committee Meeting Minutes: April 15, 2019\*
- III. Public Comment
- IV. Reports (*Canner*)
  1. Operating Results for the Three Month Period Ending September 30, 2019 \*
  2. Nine Month Cash Flow Projections through July 31, 2020 \*
- V. Next Committee Meeting- TBD
- VI. Director's Comments
- VII. Adjournment
- VIII. Press Questions

\* Related Materials Attached

† Proposed Motion







**FY 2020 FINANCIAL REPORT  
FOR THE THREE MONTH PERIOD  
ENDING SEPTEMBER 30, 2019**



**FINANCE COMMITTEE MEETING  
NOVEMBER 18, 2019**



# CONSOLIDATED STATEMENT OF REVENUES AND EXPENSES FOR THE THREE MONTH PERIOD ENDING SEPTEMBER 30, 2019

(\$ 000's)

## BUDGET VARIANCE ANALYSIS

- OPERATING REVENUES-  
LOWER BY 2.5% ...
- TIMING DIFFERENCES ASSOCIATED WITH RENTAL OF FACILITIES, OFFSET BY INCREASES IN:
  - GOLF FEES- ESCALATION IN NONMEMBER ROUNDS PLAYED
  - CONCESSION REVENUES FROM GRILL 28 SALES
  - CONSUMER PRICE INDEX LESS THAN BUDGETED
  - RYE AND HAMPTON FUEL SALES OFFSET BY PFP FUEL DELIVERY LOSS
- OPERATING COSTS  
LOWER BY 1.8%...
  - DPH AND DAW FUEL EXPENSE HIGHER TO OFFSET FUEL SALES AT PORTSMOUTH FISH PIER
  - HEALTH INSURANCE PRELIMINARY RATE STRUCTURE MODIFIED- OPEB IMPACT
  - COMPREHENSIVE FY 2019 YEAR END CUT-OFF PROCEDURES (JULY-AUGUST)

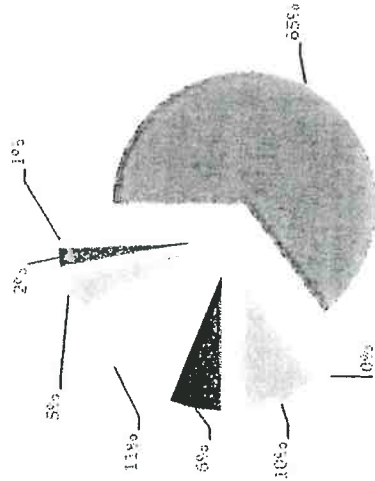
	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	CURRENT YEAR BUDGET
OPERATING REVENUES (PAGE #3)	4,594	4,711	(117)	16,237
OPERATING EXPENSES				
PERSONNEL SERVICES AND BENEFITS (PAGE #4 AND #5)	1,792	1,825	(33)	7,188
BUILDINGS AND FACILITIES MAINTENANCE	516	538	(22)	2,223
GENERAL AND ADMINISTRATIVE (PAGE #6)	354	323	31	1,295
UTILITIES (PAGE #6)	165	162	3	716
PROFESSIONAL SERVICES (PAGE #6)	111	51	60	309
MARKETING AND PROMOTION	60	73	(13)	327
ALL OTHER (PAGE #6)	340	427	(87)	1,265
OPERATING INCOME	1,256	1,312	(56)	2,914
NONOPERATING (INCOME) AND EXPENSE (PAGE #7)	(18)	70	(88)	281
DEPRECIATION	1,274	1,575	(301)	6,302
NET OPERATING INCOME	-	(313)	313	(3,669)

# CONSOLIDATED OPERATING REVENUES FOR THE THREE MONTH PERIOD ENDING SEPTEMBER, 2019

(\$ 000's)

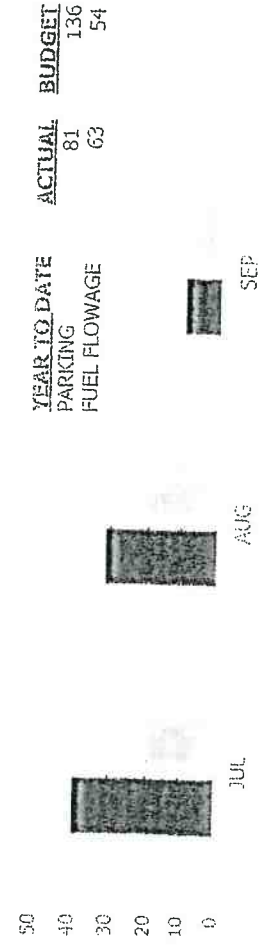
	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VAR	CURRENT YEAR BUDGET
RENTAL OF FACILITIES	2,560	2,645	(85)	10,091
FEE REVENUES (SEE PIE CHART)	1,376	1,398	(22)	4,296
FUEL SALES (SEE TABLE BELOW)	274	358	(84)	914
CONCESSION REVENUE	122	96	26	326
GOLF MERCHANDISE	107	93	14	235
ALL OTHER- NET	155	121	34	375
	<b>4,594</b>	<b>4,711</b>	<b>(117)</b>	<b>16,237</b>

FEE REVENUES YEAR TO DATE



	WHARFAGE AND DOCKAGE	GOLF MERCHANDISE	FUEL FLOWAGE
GOLF FEES			
BOARDING FEES			
PIER USAGE AND REG			
ALL OTHER			

FUEL SALES	ACTUAL	BUDGET	BUDGET VARIANCE
PORTSMOUTH FISH PIER	-	182	(182)
RYE HARBOR	111	38	73
HAMPTON HARBOR	135	122	12
SKYHAVEN AIRPORT	28	16	12
	<b>274</b>	<b>358</b>	<b>(84)</b>



■ PSMI PARKING REVENUE ■ PSMI FUEL FLOWAGE REVENUE

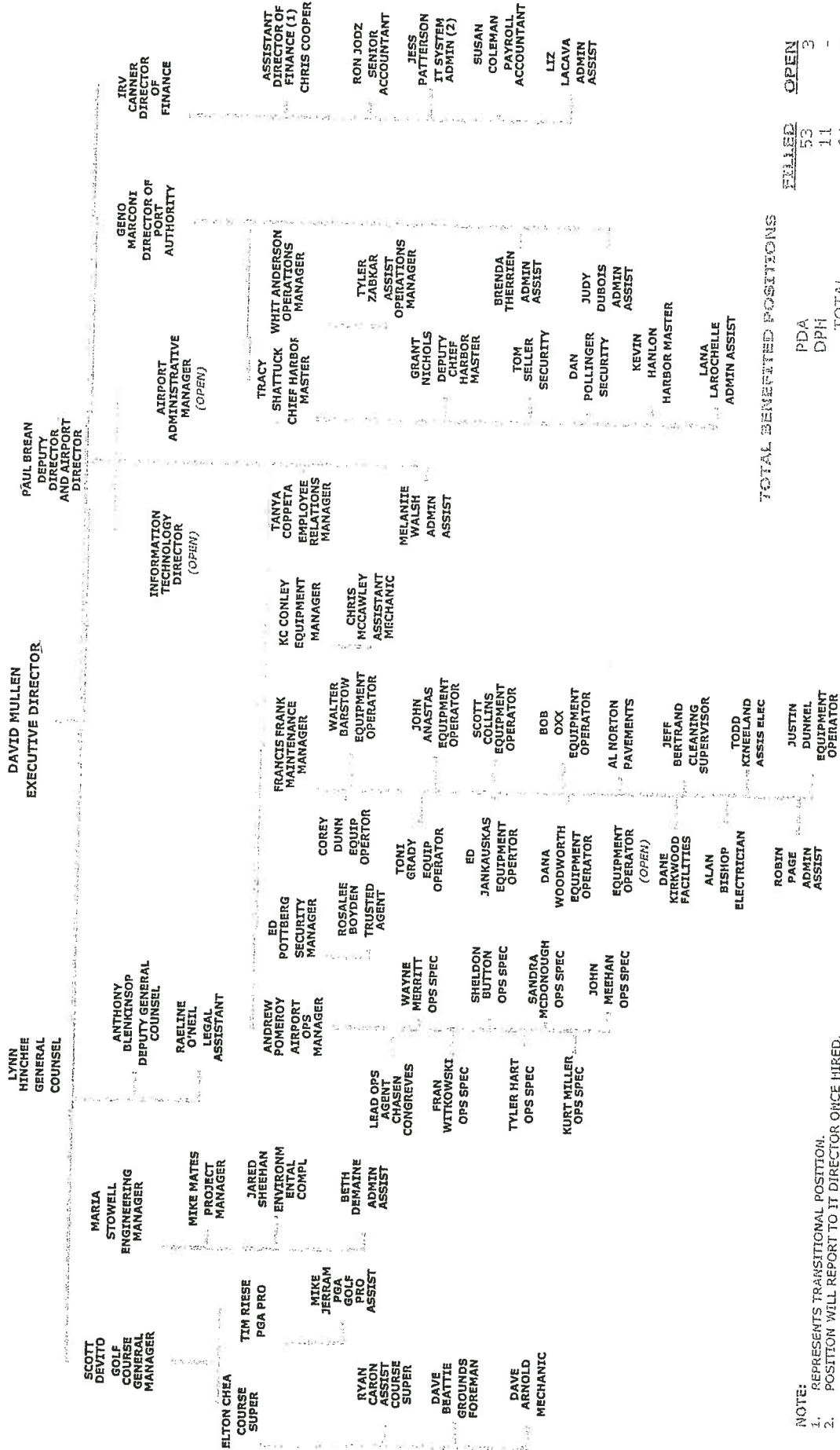
# CONSOLIDATED PERSONNEL SERVICES AND BENEFITS FOR THE THREE MONTH PERIOD ENDING SEPTEMBER 30, 2019

(\$ 000's)

## CURRENT STAFF ANALYSIS (FILLED POSITIONS) AS OF OCTOBER 31, 2019

PERSONNEL SERVICES	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	CURRENT YEAR BUDGET	SAL/ BEN	HR/ BEN	HR/ NON	SE	TOTAL
BENEFITED	1,013	1,080	(67)	4,167	3	4	-	34	41
NONBENEFITED	233	229	4	792	4	10	15	-	29
OVERTIME	61	66	(5)	254					
ACCRUED VACATION/ SICK	-	-	-	-					
CHARGE OUT	<u>1,307</u>	<u>1,375</u>	<u>(68)</u>	<u>5,213</u>	-	18	4	-	22
	-	(14)	14	-					
	<u>1,307</u>	<u>1,361</u>	<u>(54)</u>	<u>5,213</u>	1	10	4	12	27
<b>FRINGE BENEFITS</b>									
HEALTH INSUR	291	305	(14)	1,208	2	1	-	-	3
RETIREMENT	166	137	29	668	3	3	-	-	6
DENTAL INSURANCE	17	18	(1)	71	3	1	-	-	4
LIFE INSURANCE	11	8	3	28	-	-	3	-	3
CHARGE OUT	485	468	17	1,975	1	-	-	-	1
	-	(4)	4	-					
	<u>485</u>	<u>464</u>	<u>21</u>	<u>1,975</u>	<u>17</u>	<u>47</u>	<u>26</u>	<u>46</u>	<u>136</u>
	<u>1,792</u>	<u>1,825</u>	<u>(33)</u>	<u>7,188</u>					

# PEASE DEVELOPMENT AUTHORITY CURRENT ORGANIZATION CHART- OCTOBER 31, 2019



TOTAL BENEFITTED POSITIONS

FILLED	53	OPEN	3
PDA	11		
DPH	64		
TOTAL			3

- NOTE:  
1. REPRESENTS TRANSITIONAL POSITION.  
2. POSITION WILL REPORT TO IT DIRECTOR ONCE HIRED.

**CONSOLIDATED OTHER OPERATING EXPENSES  
FOR THE THREE MONTH PERIOD ENDING  
SEPTEMBER 30, 2019**

(\$ 000's)

GENERAL AND ADMINISTRATIVE	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	CURRENT YEAR BUDGET	PROFESSIONAL SERVICES	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	CURRENT YEAR BUDGET
FICA	98	105	(7)	399					
INSURANCE	52	47	5	270	LEGAL	85	15	70	125
TELEPHONE / COMMUNICATIONS	31	27	4	106	INFORMATION TECHNOLOGY	14	18	(4)	73
COMPUTER EXPENSES	12	20	(8)	80	EXTERNAL AUDIT	-	7	(7)	69
BANK FEES	27	17	10	49	ALL OTHER- NET	12	11	1	42
ALL OTHER-NET	134	107	27	391					
	354	323	31	1,295		111	51	60	309

UTILITIES	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	CURRENT YEAR BUDGET	ALL OTHER	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	CURRENT YEAR BUDGET
ELECTRICITY	92	97	(5)	400	FUEL	201	278	(77)	850
WATER	8	15	(7)	118	GOLF MERCHANDISE	82	73	9	180
WASTE DISPOSAL	56	21	35	83	COAST TROLLEY	21	19	2	120
NATURAL GAS AND OIL	3	20	(17)	76	GOLF CART LEASE	36	57	(21)	115
PROPANE	6	9	(3)	39		340	427	(87)	1,265
	165	162	3	716					

7

**CONSOLIDATED NONOPERATING (INCOME) EXPENSE  
FOR THE THREE MONTH PERIOD ENDING  
SEPTEMBER 30, 2019**

(\$ 000's)

	INTEREST EXPENSE			FISCAL BUDGET
	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	
INTEREST EXPENSE	2	77	(75)	310
INTEREST INCOME AND OTHER	(20)	(7)	(13)	(29)
TOTAL	(18)	70	(88)	281

	YEAR TO DATE	FISCAL BUDGET
PROVIDENT BANK- RLOC	-	305
CITY OF PORTSMOUTH	2	5
TOTAL	2	310

# CONSOLIDATED STATEMENTS OF NET POSITION

(\$000's)

	JUN 30 2019 (1)	SEPT 30 2019	JUN 30 2019 (1)	SEPT 30 2019	
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
CASH AND EQUIVALENTS	7,549	8,825	2,100	2,193	
ACCOUNTS RECEIVABLE- NET	1,184	554	520	764	
OTHER ASSETS	586	485	573	325	
<b>TOTAL CURRENT ASSETS</b>	<u>9,319</u>	<u>9,864</u>	<u>1,16</u>	<u>116</u>	7,749
<b>RESTRICTED ASSETS</b>					
CASH AND EQUIVALENTS	579	424	3,399	3,399	14
ACCOUNTS RECEIVABLES- NET	1,017	986	620	533	<u>7,763</u>
<b>TOTAL RESTRICTED ASSETS</b>	<u>1,596</u>	<u>1,410</u>	<u>12,296</u>	<u>12,299</u>	168
<b>CAPITAL ASSETS</b>					
LAND, BUILDINGS AND EQUIPMENT	61,247	60,101	3,221	3,221	894
CONSTRUCTION IN PROCESS (PAGES #10-#12)	3,320	4,288	64,105	63,510	-
<b>TOTAL CAPITAL ASSETS</b>	<u>64,567</u>	<u>64,389</u>	<u>67,326</u>	<u>66,731</u>	228
<b>DEFERRED INFLOWS OF RESOURCES</b>					
PENSION / OPEB					
<b>NET POSITION</b>	<u>1,564</u>	<u>1,564</u>	<u>1,564</u>	<u>1,564</u>	193
<b>NET INVESTMENT IN CAPITAL ASSETS</b>					
RESTRICTED FOR:					
REVOLVING LOAN FUND			1,204	1,209	1,062
HARBOR DREDGING			134	(59)	424
FOREIGN TRADE ZONE			4	5	-
UNRESTRICTED			(7,227)	(6,266)	8,825
<b>TOTAL NET POSITION</b>	<u>1,564</u>	<u>1,564</u>	<u>58,220</u>	<u>71,727</u>	424

*CASH AND EQUIVALENTS  
AT SEPTEMBER 30, 2019*



# SUMMARY OF INTERGOVERNMENTAL RECEIVABLES AS OF SEPTEMBER 30, 2019

(\$ 000's)

PROJECT NAME	APPROVAL DATE	TOTAL PROJECT	GRANT AWARD	EXPENDED TO DATE	PDA SHARE	RECEIVED TO DATE	BALANCE DUE PDA	AMOUNT SUBMITTED
PSM RUNWAY 16-34 DESIGN (AIP 58)	05-18-17	1,265	885	1,128	(45)	929	154	146
PSM OBSTRUCTION REMOVAL / CONSTRUCTION (AIP 60)	05-18-17	1,130	1,074	1,007	(58)	938	11	-
PSM TERMINAL PLANNING STUDY (AIP 61)	05-18-17	393	373	392	(19)	373	-	-
PSM- AIR NATIONAL GUARD TAXIWAY PROJECT	-	2,500	2,500	2,485	-	2,373	112	-
PSM TERMINAL BUILDING EXPANSION (AIP 62)	11-01-18	1,730	1,644	-	-	-	-	-
DAW TAXILANE PAVEMENT AND DRAINAGE CONSTRUCTION (SBG 07-2016)	09-22-16	1,830	1,738	1,492	(75)	1,417	-	-
DPH UPGRADE PORT SECURITY AND SOFTWARE	-	59	59	58	(3)	-	55	-
DPH FUNCTIONAL REPLACEMENT- BARGE DOCK	-	-	-	1,182	-	1,071	111	-
DPH MAIN PIER REHABILITATION	-	-	-	48	-	19	29	-
							<u>472</u>	<u>146</u>

# SUMMARY OF CONSTRUCTION WORK IN PROGRESS

(\$ 000's)

PROJECT NAME	BALANCE AT (1) 06-30-19	CURRENT YEAR EXPENDITURES	TRANSFER TO PLANT IN SERVICE	NET CURRENT YEAR CHANGE	BALANCE AT 09-30-19
<b>PORTSMOUTH AIRPORT</b>					
TERMINAL EXPANSION (NON-GRANT)	1,301	842	-	842	2,143
RUNWAY 16-34 DESIGN (AIP 58)	896	1	-	1	897
PAY FOR PARKING PROJECT	6	1	(7)	(6)	-
	<u>2,203</u>	<u>844</u>	<u>(7)</u>	<u>837</u>	<u>3,040</u>

# SUMMARY OF CONSTRUCTION WORK IN PROGRESS

(CONTINUED):

(\$ 000's)

PROJECT NAME	BALANCE AT (1) 06-30-19	CURRENT YEAR EXPENDITURES	TRANSFER TO PLANT IN SERVICE	NET CURRENT YEAR CHANGE	BALANCE AT 09-30-19
SKYHAVEN AIRPORT	=	=	=	=	=
GOLF COURSE					
CLUBHOUSE KITCHEN	4	4	(8)	(4)	=
ADMINISTRATION					
MAINTENANCE					
WEEDTECHNICS STEAM MACHINE		22	(22)	=	=

# SUMMARY OF CONSTRUCTION WORK IN PROGRESS

(CONTINUED):

(\$ 000's)

PROJECT NAME	BALANCE AT (1) 06-30-19	CURRENT YEAR EXPENDITURES	TRANSFER TO PLANT IN SERVICE	NET CURRENT YEAR CHANGE	BALANCE AT 09-30-19
DIVISION OF PORTS AND HARBORS (DPH)					
FUNCTIONAL REPLACEMENT- BARGE DOCK	1,071	111	-	111	1,182
PPF BULKHEAD REHAB (HDF)	20	47	(67)	(20)	-
MAIN PIER REHAB	19	40	-	40	59
PPF CONCEPT STUDY (HDF)	4	3	-	3	7
UPGRADE SECURITY	-	11	(11)	-	-
	<u>1,114</u>	<u>212</u>	<u>(78)</u>	<u>134</u>	<u>1,248</u>
TOTAL	<u>3,521</u>	<u>1,082</u>	<u>(115)</u>	<u>967</u>	<u>4,288</u>

# LONG TERM LIABILITIES AS OF SEPTEMBER 30, 2019

(\$ 000's)

## SCHEDULE OF LONG TERM LIABILITY REPAYMENT

	CURRENT PORTION	LONG TERM PORTION	TOTAL AMOUNT DUE
CITY OF PORTSMOUTH-WATER POLLUTION CONTROL NOTE @ 4.50%	116	-	116
STATE OF NEW HAMPSHIRE POST RETIREE HEALTH CARE PROGRAM	91	182	273
STATE OF NEW HAMPSHIRE	-	252	252
ACCRUED SICK LIABILITY	-	99	99
	<u>207</u>	<u>533</u>	<u>740</u>

FISCAL YEAR	CITY OF PORTSMOUTH	STATE OF NEW HAMPSHIRE (1)
2020	116	-
2021	-	91
2022	-	91
2023	-	91
PAID IN FY 2020	116	273
	<u>116</u>	<u>273</u>

NOTE:  
1. ALLOCATION OF ANNUAL PAYMENT IS \$63 CHARGED TO THE PDA AND \$28 TO THE DPH.



# STATEMENT OF OPERATIONS FOR THE THREE MONTH PERIOD ENDING SEPTEMBER, 2019 SKYHAVEN AIRPORT

(\$ 000's)

OPERATING REVENUES	YEAR TO DATE	YEAR TO DATE	YEAR TO DATE	YEAR TO DATE	FISCAL YEAR
	ACTUAL	BUDGET	VARIANCE	BUDGET	BUDGET
FACILITIES RENTAL	34	35	(1)	121	185
FUEL SALES	28	16	12	64	
ALL OTHER	(3)	-	(3)	-	-60
	<u>59</u>	<u>51</u>	<u>8</u>		
<b>OPERATING REVENUES</b>				<b>185</b>	
<b>OPERATING EXPENSES</b>					
PERSONNEL SERVICES AND BENEFITS	11	15	(4)		-60
BUILDINGS AND FACILITIES MAINTENANCE	21	15	6		61
GENERAL AND ADMINISTRATIVE	8	10	(2)		38
UTILITIES	4	7	(3)		27
PROFESSIONAL SERVICES	1	1	-		5
MARKETING AND PROMOTION	-	-	-		-
ALL OTHER- FUEL	23	13	10		51
	<u>68</u>	<u>61</u>	<u>7</u>		<u>242</u>
<b>OPERATING INCOME</b>	<b>(9)</b>	<b>(10)</b>	<b>1</b>		<b>(57)</b>
NONOPERATING (INCOME) AND EXPENSE					
DEPRECIATION	131	130	1		520
<b>NET OPERATING INCOME</b>	<b>(140)</b>	<b>(140)</b>	<b>1</b>		<b>(577)</b>

OPERATING REVENUES	YEAR TO DATE	YEAR TO DATE	YEAR TO DATE	FISCAL YEAR
	ACTUAL	BUDGET	VARIANCE	BUDGET
FACILITIES RENTAL	34	35	(1)	121
FUEL SALES	28	16	12	64
ALL OTHER	(3)	-	(3)	-
	<u>59</u>	<u>51</u>	<u>8</u>	<u>185</u>

GALLONS OF FUEL SOLD	YEAR TO DATE	YEAR TO DATE	YTD AVE PRICE
	ACTUAL	BUDGET	PRICE
FY 2019	1,131	4,532	\$ 4.76
FY 2020	1,646	5,754	5.15

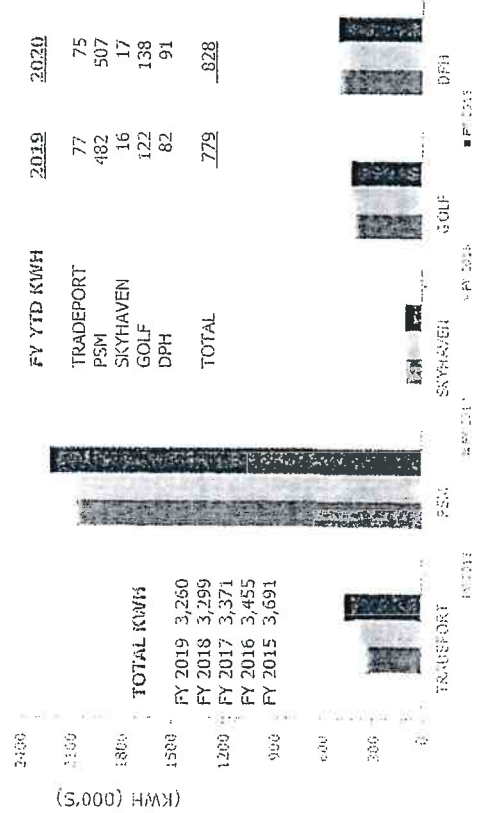
NET CASH FLOW	OPERATING	CAPITAL EXPEND	DEBT REPAY	GRANT FUNDS	TOTAL
	FY 2020	(9)	-	-	5
FY 2019	(83)	(27)	-	512	402
FY 2018	(74)	(1,193)	-	1,370	103
FY 2009-2017	(835)	(5,599)	(100)	4,355	(2,179)
	<u>(1,001)</u>	<u>(6,819)</u>	<u>(100)</u>	<u>6,242</u>	<u>(1,678)</u>

# STATEMENT OF OPERATIONS FOR THE THREE MONTH PERIOD ENDING SEPTEMBER 30, 2019 TRADEPORT

(\$ 000's)

	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	FISCAL YEAR BUDGET
OPERATING REVENUES	2,279	2,381	(102)	8,995
OPERATING EXPENSES				
PERSONNEL SERVICES AND BENEFITS	-	-	-	-
BUILDINGS AND FACILITIES MAINTENANCE	22	94	(72)	376
GENERAL AND ADMINISTRATIVE	12	12	-	48
UTILITIES	17	26	(9)	103
PROFESSIONAL SERVICES	-	-	-	-
MARKETING AND PROMOTION	-	-	-	-
ALL OTHER	21	19	2	120
<b>OPERATING INCOME</b>	<b>2,207</b>	<b>2,230</b>	<b>(23)</b>	<b>8,348</b>
NONOPERATING (INCOME) AND EXPENSE	-	-	-	-
DEPRECIATION	187	187	-	750
<b>NET OPERATING INCOME</b>	<b>2,020</b>	<b>2,043</b>	<b>(23)</b>	<b>7,598</b>

### KWH CONSUMPTION ANALYSIS BY BUSINESS UNIT



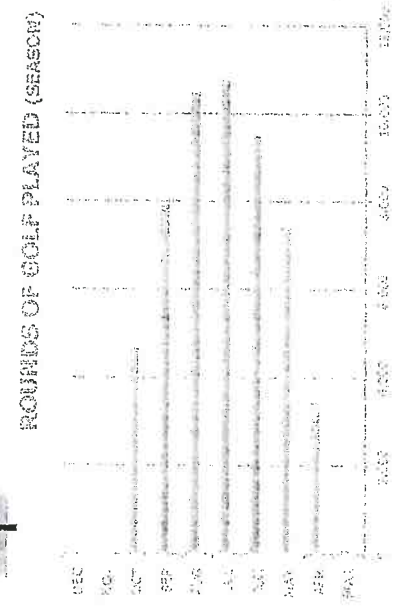


# STATEMENT OF OPERATIONS FOR THE THREE MONTH PERIOD ENDING SEPTEMBER 30, 2019 GOLF COURSE

(\$ 000's)

	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	FISCAL YEAR BUDGET	OPERATING REVENUES	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	FISCAL YEAR BUDGET
<b>OPERATING REVENUES</b>	<u>1,256</u>	<u>1,029</u>	<u>227</u>	<u>2,396</u>		112	76	36	251
CONCESSION REVENUES									
FEE REVENUES									
GOLF FEES	301	282	19	940		886	724	162	1,425
MEMBERSHIPS	96	113	(17)	321		139	125	14	340
SIMULATOR							2	(2)	120
LESSONS						<u>11</u>	<u>7</u>	<u>4</u>	<u>18</u>
GENERAL AND ADMINISTRATIVE	89	62	27	213		<u>1,036</u>	<u>858</u>	<u>178</u>	<u>1,903</u>
UTILITIES	26	24	2	167		108	95	13	242
PROFESSIONAL SERVICES	1	4	(3)	17					
MARKETING AND PROMOTION	7	12	(5)	47		<u>1,256</u>	<u>1,029</u>	<u>227</u>	<u>2,396</u>
ALL OTHER	118	130	(12)	295					
	<u>638</u>	<u>627</u>	<u>11</u>	<u>2,000</u>					
<b>OPERATING INCOME</b>	<u>618</u>	<u>402</u>	<u>216</u>	<u>396</u>		107	1,037	112	1,256
NONOPERATING (INCOME) AND EXPENSE									
DEPRECIATION	94	99	(5)	396		89	493	39	638
<b>NET OPERATING INCOME</b>	<u>524</u>	<u>303</u>	<u>221</u>	<u>-</u>		<u>18</u>	<u>544</u>	<u>73</u>	<u>618</u>
					<b>BUSINESS UNIT ANALYSIS</b>	<b>PRO SHOP</b>	<b>COURSE OPERA</b>	<b>FOOD / BEV</b>	<b>TOTAL</b>
					OPERATING REVENUES	107	1,037	112	1,256
					OPERATING EXPENSES (EXCLUDING DEPRECIATION)	89	493	39	638
					OPERATING INCOME	<u>18</u>	<u>544</u>	<u>73</u>	<u>618</u>

# KEY GOLF COURSE BENCHMARKING DATA



Category	2019 YTD	2018 YTD
ROUNDS PLAYED	53,962	51,317
RAIN DAYS	52	56
		77

## 2019 MEMBER / NONMEMBER ROUNDS (SEASON)

MEMBER	NONMEMBER	TOTAL
MEMBER	MEMBER	MEMBER
NONMEMBER	NONMEMBER	NONMEMBER
TOTAL	TOTAL	TOTAL

Month	GOLF SIMULATOR REVENUES	FY 2019	FY 2020	GRILL 23 GROSS SALES	FY 2019	FY 2020
JULY		\$ 331	\$ 39	JULY	\$ 208,701	\$ 212,562
AUGUST		485	-	AUGUST	221,334	259,154
SEPTEMBER		479	78	SEPTEMBER	188,411	199,822
OCTOBER		5,292	1,026	OCTOBER	134,258	149,127
NOVEMBER		18,312	-	NOVEMBER	89,731	-
DECEMBER		22,559	-	DECEMBER	110,593	-
JANUARY		28,984	-	JANUARY	102,321	-
FEBRUARY		25,591	-	FEBRUARY	101,282	-
MARCH		26,907	-	MARCH	115,092	-
APRIL		3,910	-	APRIL	134,616	-
MAY		229	-	MAY	209,511	-
JUNE		17	-	JUNE	274,736	-
<b>TOTAL</b>		<b>\$ 133,196</b>	<b>\$ 1,143</b>		<b>\$ 1,890,586</b>	<b>\$ 820,665</b>

Club / Course Functions	FY 2019 YTD	FY 2020 YTD
GROUPS 12-40	37,344	33,088
TOURNAMENT PLAY	100,648	123,825
LEAGUES	54,396	37,731
FOOD AND ROOM FEES	142,905	119,171

2019 ROUNDS-SEASON	2018 ROUNDS-SEASON
MEMBER	MEMBER
NONMEMBER	NONMEMBER
TOTAL	TOTAL

**STATEMENT OF OPERATIONS FOR THE THREE MONTH  
PERIOD ENDING SEPTEMBER 30, 2019  
PORT AUTHORITY OF NEW HAMPSHIRE (UNRESTRICTED)**

(\$ 000's)

	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	FISCAL YEAR BUDGET
OPERATING REVENUES	583	817	(234)	2,575
OPERATING EXPENSES				
PERSONNEL SERVICES AND BENEFITS	289	273	16	1,095
BUILDINGS AND FAC AND MAINTENANCE	28	50	(22)	215
GENERAL AND ADMINISTRATIVE	56	44	12	177
UTILITIES	23	25	(2)	99
PROFESSIONAL SERVICES	1	6	(5)	24
MARKETING AND PROMOTION	1	1	-	3
ALL OTHER - FUEL	178	265	(87)	799
	576	664	(88)	2,412
OPERATING INCOME	7	153	(146)	163
NONOPERATING (INCOME) AND EXPENSE	(1)	(1)	-	(4)
DEPRECIATION	154	153	1	606
NET OP INCOME	(146)	4	(147)	(440)

	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	FISCAL YEAR BUDGET
OPERATING REVENUES	99	105	(6)	419
FACILITY RENTALS				
CONCESSION REVENUE	3	2	1	3
FEE REVENUE				
MOORING FEES	86	91	(5)	365
PARKING	66	54	12	115
REGISTRATIONS	6	41	(35)	165
WHARF / DOCK	4	138	(134)	550
	162	324	(162)	1,195
FUEL SALES	246	342	(96)	850
ALL OTHER	73	44	29	108
TOTAL	583	817	(234)	2,575

	RYE HARBOR	HAMPTON HARBOR	PORTSMOUTH FISH PIER	MARKET STREET	HARBOR MANAG	ADMIN
BUSINESS UNIT ANALYSIS						
OPERATING REVENUES	171	191	16	113	92	-
OPERATING EXPENSES (EXCLUDING DEPRECIATION)	117	146	22	101	87	103
OPERATING INCOME	54	45	(6)	12	5	(103)

**STATEMENT OF OPERATIONS FOR THE THREE MONTH  
PERIOD ENDING SEPTEMBER 30, 2019  
PORT AUTHORITY OF NEW HAMPSHIRE (RESTRICTED)**

	YEAR TO DATE		YEAR TO DATE		YEAR TO DATE		FISCAL YEAR BUDGET
	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	
<b>FOREIGN TRADE ZONES</b>							
OPERATING REVENUES	2	-	35	20	15	115	
OPERATING EXPENSES							
PERSONNEL SERVICES AND BENEFITS	-	-	-	-	-	-	
BUILDINGS AND FACILITIES MAINTENANCE	-	-	129	2	127	10	
GENERAL AND ADMINISTRATIVE	-	1	-	1	(1)	4	
UTILITIES	-	-	-	-	-	1	
PROFESSIONAL SERVICES	-	-	-	-	-	-	
MARKETING AND PROMOTION	1	2	-	-	-	-	
ALL OTHER	-	-	-	-	-	-	
	1	3	129	3	126	15	
OPERATING INCOME	1	(3)	(94)	17	(111)	100	
NONOPERATING (INCOME) AND EXPENSE	-	-	-	-	-	(1)	
DEPRECIATION	-	-	24	19	5	72	
NET OPERATING INCOME	1	(3)	(118)	(2)	(116)	29	

(\$ 000's)

# STATEMENT OF OPERATIONS FOR THE THREE MONTH PERIOD ENDING SEPTEMBER 30, 2019 PORT AUTHORITY OF NEW HAMPSHIRE (RESTRICTED)

(CONTINUED)

(\$ 000's)

	YEAR TO	YEAR TO	CURRENT	FISCAL
	DATE	DATE	YEAR	YEAR
	ACTUAL	BUDGET	VARIANCE	BUDGET
<b>REVOLVING LOAN FUND</b>				
<b>OPERATING REVENUES</b>	12	11	1	44
<b>OPERATING EXPENSES</b>				
PERSONNEL SERVICES AND BENEFITS	-	-	-	-
BUILDINGS AND FACILITIES MAINTENANCE	-	-	-	-
GENERAL AND ADMINISTRATIVE	-	-	-	1
UTILITIES	-	-	-	-
PROFESSIONAL SERVICES	7	7	-	27
MARKETING AND PROMOTION	-	-	-	-
ALL OTHER	-	-	-	-
<b>OPERATING INCOME</b>	7	7	-	28
<b>NONOPERATING (INCOME) AND EXPENSE</b>	5	4	1	16
<b>DEPRECIATION</b>	-	-	-	-
<b>NET OPERATING INCOME</b>	5	4	1	16

**REVOLVING LOAN FUND RECONCILIATION**

	BALANCE AT 06-30-2019 (1)	BALANCE AT 09-30-2019
<b>CASH BALANCES</b>		
GENERAL FUNDS	196	228
SEQUESTERED FUNDS	-	-
<b>LOANS OUTSTANDING</b>	196	228
CURRENT	156	161
LONG TERM	857	825
	<u>1,013</u>	<u>985</u>
	<u>1,209</u>	<u>1,213</u>

CAPITAL UTILIZATION RATE- % (\*)

83.9

91.2

(\*) EXCLUDES SEQUESTERED FUNDS.

# PEASE DEVELOPMENT AUTHORITY STATEMENT OF NET POSITION

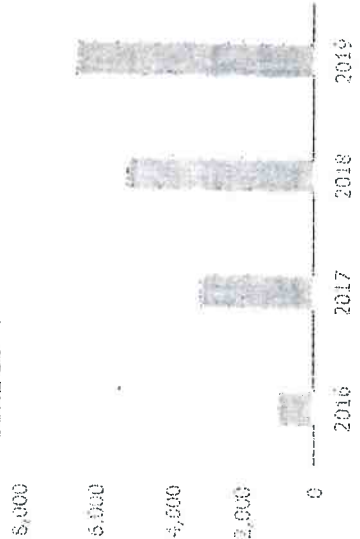
(EXCLUDING PORT AUTHORITY OF NEW HAMPSHIRE)

(\$ 000's)

	JUN 30 2019 (1)	SEP 30 2019	JUN 30 2019 (1)	SEP 30 2019
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
ACCOUNTS PAYABLE	1,843		1,843	2,108
ACCOUNTS PAYABLE- CONSTRUCTION	481		481	740
UNEARNED REVENUE	294		294	139
REVOLVING LOC FACILITY	-		-	-
CURRENT PORTION- LT LIABILITIES	116		116	116
<b>TOTAL CURRENT LIABILITIES</b>	<u>2,734</u>		<u>2,734</u>	<u>3,013</u>
<b>NONCURRENT LIABILITIES</b>				
NET PENSION / OPEB LIABILITY	9,716		9,716	9,716
OTHER LT LIABILITIES	265		265	268
	9,981		9,981	9,984
<b>TOTAL LIABILITIES</b>	<u>12,715</u>		<u>12,715</u>	<u>12,997</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
PENSION / OPEB	2,688		2,688	2,688
<b>NET POSITION</b>				
NET INVEST IN CAPITAL ASSETS	53,573		53,573	53,088
<b>RESTRICTED FOR:</b>				
REVOLVING LOAN FUND	-		-	-
HARBOR DREDGING	-		-	-
FOREIGN TRADE ZONE	-		-	-
UNRESTRICTED	(3,475)		(3,475)	(4,892)
<b>TOTAL NET POSITION</b>	<u>50,098</u>		<u>50,098</u>	<u>48,197</u>

**DISCUSSION AND ANALYSIS**

- 1 CONTINUED FINANCIAL OBLIGATION TO SUPPORT NONGRANT RELATED CAPITAL PROJECTS AND DEBT REPAYMENT.
- 2 ACCRUED PENSION LIABILITY FOR JUNE 30, 2019 REDUCED BY \$602
- 3 REVENUE ESCALATION / CPI HAS BEEN EXCEEDED BY COST ESCALATION RELATIVE TO PERSONNEL SERVICES AND BENEFITS.
- 4 NINE MONTH CASH FLOW PROJECTIONS THROUGH JULY 31, 2020 PROJECT THE NEED TO DRAW DOWN \$2,000 FROM THE REVOLVING LINE OF CREDIT FACILITY.
- 5 HISTORICAL CASH BALANCES AT JUNE 30TH.



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

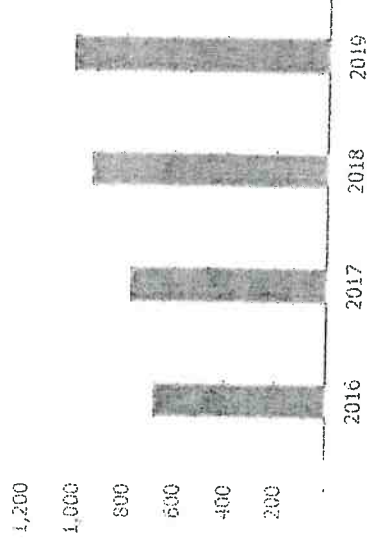
(\$ 000's)

	JUN 30 2019 (1)	SEP 30 2019	JUN 30 2019 (1)	SEP 30 2019
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
CASH AND EQUIVALENTS	1,009	1,063	231	85
ACCOUNTS RECEIVABLE- NET	208	113	15	11
OTHER ASSETS	55	34	280	186
<b>TOTAL CURRENT ASSETS</b>	<u>1,272</u>	<u>1,210</u>	<u>526</u>	<u>282</u>
<b>RESTRICTED ASSETS</b>				
CASH AND EQUIVALENTS	-	-	-	-
ACCOUNTS RECEIVABLE- NET	-	-	-	-
<b>TOTAL RESTRICTED ASSETS</b>	<u>-</u>	<u>-</u>	<u>1,960</u>	<u>103</u>
<b>CAPITAL ASSETS</b>				
LAND, BUILDINGS AND EQUIPMENT	8,376	8,235	2,063	2,345
CONSTRUCTION IN PROCESS (PAGES #10-#14)	1,089	1,241	533	533
<b>TOTAL ASSETS</b>	<u>9,465</u>	<u>9,476</u>	<u>9,474</u>	<u>9,465</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
PENSION / OPEB	281	281	(1,578)	(1,376)
<b>TOTAL NET POSITION</b>	<u>281</u>	<u>281</u>	<u>7,896</u>	<u>8,089</u>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
ACCOUNTS PAYABLE	-	-	-	-
ACCOUNTS PAYABLE- CONSTRUCTION	-	-	-	-
UNEARNED REVENUE	-	-	-	-
REVOLVING LOC FACILITY	-	-	-	-
<b>CURRENT PORTION- LT LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NONCURRENT LIABILITIES</b>				
NET PENSION / OPEB LIABILITY	-	-	-	-
OTHER LT LIABILITIES	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
PENSION / OPEB	-	-	-	-
<b>NET POSITION</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET INVEST IN CAPITAL ASSETS</b>				
RESTRICTED FOR: REVOLVING LOAN FUND	-	-	-	-
HARBOR DREDGING	-	-	-	-
FOREIGN TRADE ZONE	-	-	-	-
UNRESTRICTED	-	-	-	-
<b>TOTAL NET POSITION</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**DISCUSSION AND ANALYSIS**

\* CONTINUED FINANCIAL OBLIGATION TO SUPPORT UNREIMBURSED CAPITAL PROJECTS AND ACCRUED PENSION LIABILITY.

\* HISTORICAL CASH BALANCES AT JUNE 30TH:



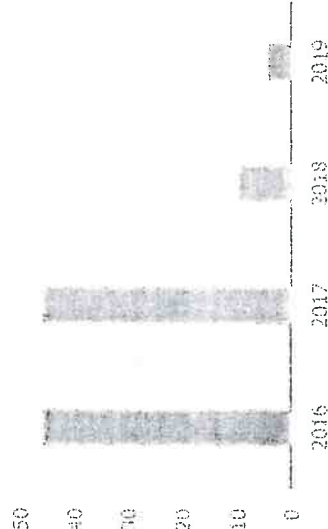
# PORT AUTHORITY OF NEW HAMPSHIRE STATEMENT OF NET POSITION - FOREIGN TRADE ZONE

(\$ 000's)

	JUN 30 2019 (1)	SEP 30 2019	JUN 30 2019 (1)	SEP 30 2019
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
CASH AND EQUIVALENTS	-	-	-	-
ACCOUNTS RECEIVABLE- NET	-	-	-	-
OTHER ASSETS	-	-	-	-
<b>TOTAL CURRENT ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>RESTRICTED ASSETS</b>				
CASH AND EQUIVALENTS	4	3	-	-
ACCOUNTS RECEIVABLES- NET	-	2	-	-
<b>TOTAL RESTRICTED ASSETS</b>	<b>4</b>	<b>5</b>	<b>-</b>	<b>-</b>
<b>CAPITAL ASSETS</b>				
LAND, BUILDINGS AND EQUIPMENT	-	-	-	-
CONSTRUCTION IN PROCESS (PAGES #10-#14)	-	-	-	-
<b>TOTAL ASSETS</b>	<b>8</b>	<b>5</b>	<b>-</b>	<b>-</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
PENSION / OPEB	-	-	4	5
<b>TOTAL NET POSITION</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>5</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
ACCOUNTS PAYABLE	-	-	-	-
ACCOUNTS PAYABLE- CONSTRUCTION	-	-	-	-
UNEARNED REVENUE	-	-	-	-
REVOLVING LOC FACILITY	-	-	-	-
CURRENT PORTION- LT LIABILITIES	-	-	-	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NONCURRENT LIABILITIES</b>				
NET PENSION / OPEB LIABILITY	-	-	-	-
OTHER LT LIABILITIES	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
PENSION	-	-	-	-
<b>NET POSITION</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INVEST IN CAPITAL ASSETS</b>				
RESTRICTED FOR:	-	-	-	-
REVOLVING LOAN FUND	-	-	-	-
HARBOR DREDGING	-	-	-	-
FOREIGN TRADE ZONE	4	-	-	-
UNRESTRICTED	-	-	-	-
<b>TOTAL NET POSITION</b>	<b>4</b>	<b>-</b>	<b>4</b>	<b>5</b>

**DISCUSSION AND ANALYSIS**

- 1 CURRENTLY EXPLORING ACCELERATED MARKETING PLAN TO ATTRACT POTENTIAL VENDORS.
- 2 EFFECTIVE OCTOBER 1, 2018, NEW TENANT SECURES LEASE AGREEMENT.
- 3 HISTORICAL CASH BALANCES AT JUNE 30TH:





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

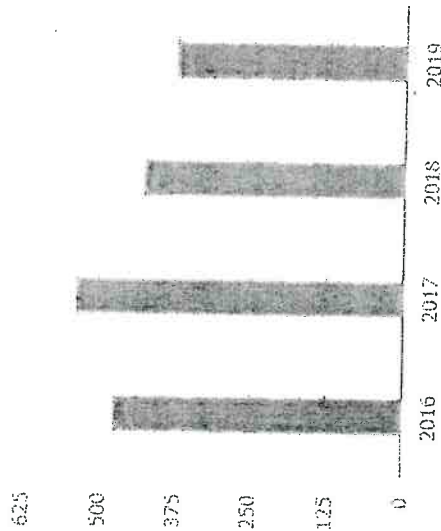
(\$ 000's)

	JUN 30 2019 (1)	SEP 30 2019	JUN 30 2019 (1)	SEP 30 2019
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
CASH AND EQUIVALENTS	-	-	21	-
ACCOUNTS RECEIVABLE- NET	-	-	24	11
OTHER ASSETS	-	-	-	-
<b>TOTAL CURRENT ASSETS</b>	<b>-</b>	<b>-</b>	<b>45</b>	<b>11</b>
<b>RESTRICTED ASSETS</b>				
CASH AND EQUIVALENTS	379	193	-	-
ACCOUNTS RECEIVABLES- NET	4	-	-	-
<b>TOTAL RESTRICTED ASSETS</b>	<b>383</b>	<b>193</b>	<b>252</b>	<b>252</b>
<b>CAPITAL ASSETS</b>				
LAND, BUILDINGS AND EQUIPMENT	907	961	-	-
CONSTRUCTION IN PROCESS (PAGES #10-#14)	24	7	-	-
<b>TOTAL ASSETS</b>	<b>931</b>	<b>968</b>	<b>297</b>	<b>263</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>1,314</b>	<b>1,161</b>	<b>883</b>	<b>957</b>
PENSION / OPEB	-	-	-	-
<b>TOTAL NET POSITION</b>	<b>1,017</b>	<b>898</b>	<b>1,017</b>	<b>898</b>

**DISCUSSION AND ANALYSIS**

CONTINUED FINANCIAL OBLIGATION TO SUPPORT UNREIMBURSED CAPITAL PROJECTS OR REPAIRS AND MAINTENANCE FOR UNRESTRICTED PORT OPERATIONS.

HISTORICAL CASH BALANCES AT JUNE 30<sup>TH</sup>:



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

(\$ 000's)

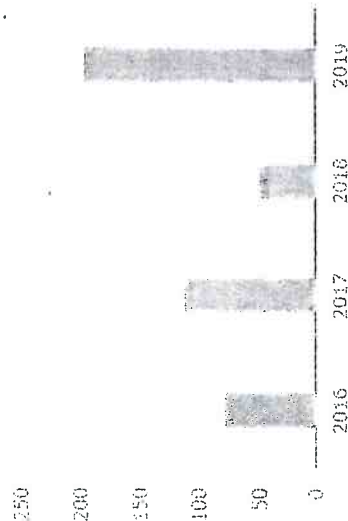
	JUN 30 2019 (1)	SEP 30 2019	JUN 30 2019 (1)	SEP 30 2019
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
CASH AND EQUIVALENTS	-	-	4	4
ACCOUNTS RECEIVABLE- NET	-	-	-	-
OTHER ASSETS	-	-	-	-
TOTAL CURRENT ASSETS	-	-	-	-
<b>RESTRICTED ASSETS</b>				
CASH AND EQUIVALENTS	196	228	-	-
ACCOUNTS RECEIVABLES- NET	1,013	985	-	-
TOTAL RESTRICTED ASSETS	1,209	1,213	4	4
<b>CAPITAL ASSETS</b>				
LAND, BUILDINGS AND EQUIPMENT	-	-	-	-
CONSTRUCTION IN PROCESS (PAGES #10-#14)	-	-	-	-
<b>TOTAL ASSETS</b>	1,209	1,213	1,205	1,209
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
PENSION / OPEB	-	-	-	-
<b>TOTAL NET POSITION</b>	-	-	1,205	1,209
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
ACCOUNTS PAYABLE	-	-	-	-
ACCOUNTS PAYABLE- CONSTRUCTION	-	-	-	-
UNEARNED REVENUE	-	-	-	-
REVOLVING LOC FACILITY	-	-	-	-
CURRENT PORTION- LT LIABILITIES	-	-	-	-
TOTAL CURRENT LIABILITIES	-	-	-	-
<b>NONCURRENT LIABILITIES</b>				
NET PENSION / OPEB LIABILITY	-	-	-	-
OTHER LT LIABILITIES	-	-	-	-
<b>TOTAL LIABILITIES</b>	-	-	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>				
PENSION	-	-	-	-
<b>NET POSITION</b>				
NET INVEST IN CAPITAL ASSETS	-	-	-	-
RESTRICTED FOR:				
REVOLVING LOAN FUND	-	-	-	-
HARBOR DREDGING	-	-	-	-
FOREIGN TRADE ZONE	-	-	-	-
UNRESTRICTED	-	-	-	-

**DISCUSSION AND ANALYSIS**

IN OCTOBER 2018, EDA AWARDS PDA WITH REVISED RISK RATING OF "B".

IN SEPTEMBER 2019, THE EDA APPROVED THE FIVE YEAR REVOLVING LOAN FUND PLAN. THE PDA WILL BE REQUIRED TO SUBMIT A REVISED FIVE YEAR PLAN IN 2024.

HISTORICAL CASH BALANCES AT JUNE 30TH:



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**CASH FLOW PROJECTIONS FOR THE  
NINE MONTH PERIOD ENDING  
JULY 31, 2020**

**FINANCE COMMITTEE MEETING  
NOVEMBER 18, 2019**



# PEASE DEVELOPMENT AUTHORITY CASH FLOW SUMMARY OVERVIEW NOVEMBER 1, 2019 TO JULY 31, 2020

(EXCLUDING DIVISION OF PORTS AND HARBORS)

(\$ 000's)

	<u>AMOUNT</u>
(\$ 000's) OPENING FUND BALANCE	7,778
<b>SOURCES OF FUNDS</b>	
TRADEPORT TENANTS	6,730
GRANT AWARDS (SEE PAGE #8)	4,979
EXTERNAL BANK FINANCING- NET	3,400
PSM AIRPORT- LEASES, FUEL FLOWAGE FEES AND PARKING	1,012
GOLF COURSE FEE AND CONCESSION REVENUES	820
SKYHAVEN AIRPORT HANGAR AND FUEL REVENUES	130
MUNICIPAL SERVICE FEE (COP)- NET	(75)
	<u>16,996</u>

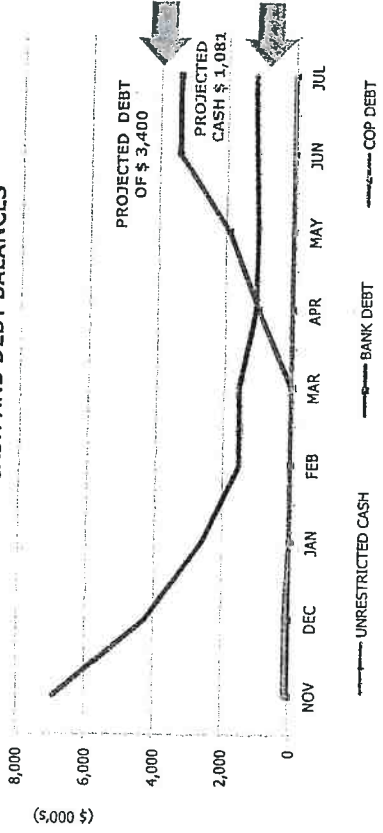
<b>USES OF FUNDS</b>	
OPERATING EXPENSES	8,270
CAPITAL EXPENDITURES- NON-GRANT (SEE PAGES #5-#7)	7,527
CAPITAL EXPENDITURES- GRANT (SEE PAGE #4)	7,218
LITIGATION SETTLEMENT- CLF	400
LONG TERM DEBT RETIREMENT	116
STATE OF NH- POST RETIREMENT	63
	<u>23,594</u>
<b>NET CASH FLOW</b>	<u>(6,598)</u>
<b>CLOSING FUND BALANCE</b>	<u>1,180</u>

DISCUSSION

AT THIS TIME, THE PDA DOES ANTICIPATE THE NEED TO UTILIZE ITS CREDIT FACILITIES WITH THE PROVIDENT BANK TO FINANCE PROJECTED NON-GRANT RELATED CAPITAL EXPENDITURES AND OR WORKING CAPITAL REQUIREMENTS.

CURRENT SENSITIVITIES TOWARD FUTURE PROJECTIONS INCLUDE 1) RECEIPT OF FEDERAL / STATE GRANT AWARDS, INCLUSIVE OF THE PSM TERMINAL EXPANSION 2) ACCURACY OF THE CAPITAL EXPENDITURE AND REIMBURSEMENT FORECAST, 3) POTENTIAL LITIGATION CLAIMS AND OR 4) ONGOING TRADEPORT REVENUE STREAMS.

PROJECTED CASH AND DEBT BALANCES



TOTAL FUND BALANCES	BALANCE AT 10-31-2019	BALANCE AT 06-30-2019
UNRESTRICTED	7,778	6,526
DESIGNATED	14	14
TOTAL	<u>7,792</u>	<u>6,540</u>

# PEASE DEVELOPMENT AUTHORITY STATEMENT OF CASH FLOW (UNRESTRICTED FUNDS)

(EXCLUDING THE DIVISION OF PORTS AND HARBORS)

(\$ 000's)

	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	TOTAL
<b>OPENING FUND BALANCE</b>	<b>7,778</b>	<b>6,929</b>	<b>4,242</b>	<b>2,605</b>	<b>1,515</b>	<b>1,559</b>	<b>1,085</b>	<b>1,058</b>	<b>1,125</b>	<b>7,778</b>
<b>SOURCES OF FUNDS</b>										
TRADEPORT TENANTS	720	720	720	725	725	725	730	730	935	6,730
GRANT AWARDS (SEE PAGE #6)	-	258	-	56	1,210	70	600	1,325	1,460	4,979
MUNICIPAL SERVICE FEE	375	250	250	375	250	250	375	250	250	2,625
GOLF COURSE	100	50	65	65	70	85	100	110	175	820
PORTSMOUTH AIRPORT	50	45	45	50	45	45	50	45	45	420
PAY FOR PARKING- PSM	35	40	40	45	45	40	40	35	30	350
FUEL FLOWAGE FEES- PSM	25	30	30	30	30	32	25	20	20	242
SKYHAVEN AIRPORT	15	14	14	14	14	14	15	15	15	130
EXTERNAL FINANCING- NET	-	-	-	-	-	1,000	900	1,500	-	3,400
	<b>1,320</b>	<b>1,407</b>	<b>1,164</b>	<b>1,360</b>	<b>2,389</b>	<b>2,261</b>	<b>2,835</b>	<b>4,030</b>	<b>2,930</b>	<b>19,696</b>
<b>USE OF FUNDS</b>										
OPERATING EXPENSES	1,050	1,325	850	800	1,225	915	855	800	850	8,670
CAPITAL- NONGRANT (SEE PAGES #5-#7)	1,065	1,135	1,055	1,095	610	550	642	800	575	7,527
CAPITAL- GRANT RELATED (SEE PAGE #4)	54	284	780	555	510	1,270	1,365	950	1,450	7,218
MUNICIPAL SERVICE FEE	-	1,350	-	-	-	-	-	1,350	-	2,700
LONG TERM DEBT RETIREMENT	-	-	116	-	-	-	-	-	-	116
STATE OF NH- POST RETIREMENT	-	-	-	-	-	-	-	-	-	63
	<b>2,169</b>	<b>4,094</b>	<b>2,801</b>	<b>2,450</b>	<b>2,345</b>	<b>2,735</b>	<b>2,862</b>	<b>3,963</b>	<b>2,875</b>	<b>26,294</b>
<b>NET CASH FLOW</b>	<b>(849)</b>	<b>(2,687)</b>	<b>(1,637)</b>	<b>(1,090)</b>	<b>44</b>	<b>(474)</b>	<b>(27)</b>	<b>67</b>	<b>55</b>	<b>(6,598)</b>
<b>CLOSING FUND BALANCE</b>	<b>6,929</b>	<b>4,242</b>	<b>2,605</b>	<b>1,515</b>	<b>1,559</b>	<b>1,085</b>	<b>1,058</b>	<b>1,125</b>	<b>1,180</b>	<b>1,180</b>

# PEASE DEVELOPMENT AUTHORITY CAPITAL EXPENDITURES

(EXCLUDING THE DIVISION OF PORTS AND HARBORS)

(\$ 000's)

	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	TOTAL
<b><u>GRANT REIMBURSEMENT</u></b>										
<b>PORTSMOUTH AIRPORT</b>										
TERMINAL EXPANSION DESIGN AND CONSTRUCTION (AIP 66- \$2.0M)	-	-	200	250	250	250	250	250	250	1,700
TERMINAL EXPANSION DESIGN AND CONSTRUCTION (AIP 62- \$1.6M)	-	-	-	100	100	1,000	100	100	200	1,600
RUNWAY 16-34 DESIGN (AIP 58)	25	34	24	51	-	-	-	-	-	134
RUNWAY 16-34 RECONSTRUCTION	25	245	555	155	20	20	785	600	1,000	3,405
REIMBURSABLE AGREEMENT (AIP 65)	-	-	-	-	140	-	-	-	-	140
<b>SKYHAVEN AIRPORT</b>										
TAXILANE AND DRAINAGE (SBG 7)	4	5	-	-	-	-	230	-	-	239
<b>TOTAL</b>	<b>54</b>	<b>284</b>	<b>780</b>	<b>555</b>	<b>510</b>	<b>1,270</b>	<b>1,365</b>	<b>950</b>	<b>1,450</b>	<b>7,218</b>

NOTE:  
\*\* PENDING BOARD APPROVAL

# PEASE DEVELOPMENT AUTHORITY CAPITAL EXPENDITURES

(CONTINUED): (EXCLUDING THE DIVISION OF PORTS AND HARBORS)

(\$ 000's)

	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	TOTAL
<b><u>NONGRANT REIMBURSEMENT</u></b>										
<b>SKYHAVEN AIRPORT</b>										
FUEL SYSTEM CREDIT CARD **	-	-	5	15	-	-	-	-	-	20
REROOFING TERMINAL BUILDING **	-	-	-	-	-	-	25	25	-	50
	=	=	<u>5</u>	<u>15</u>	=	=	<u>25</u>	<u>25</u>	=	<u>70</u>
<b>ADMINISTRATION</b>										
COMPUTERS / PRINTERS / SOFTWARE / SERVERS / TELECOMMUNICATIONS **	-	-	15	-	-	-	10	-	-	25
	=	=	<u>15</u>	=	=	=	<u>10</u>	=	=	<u>25</u>
<b>GOLF COURSE</b>										
FAIRWAY ROUGH MOWER **	-	-	-	-	-	75	-	-	-	75
VINYL FENCE- POST AND BEAM **	5	-	-	-	-	-	-	-	-	5
BATHROOM UPGRADES **	-	-	25	20	-	-	-	-	-	45
	<u>5</u>	=	<u>25</u>	<u>20</u>	=	<u>75</u>	=	=	=	<u>125</u>

NOTE:  
\*\* PENDING BOARD APPROVAL

# PEASE DEVELOPMENT AUTHORITY CAPITAL EXPENDITURES

(EXCLUDING THE DIVISION OF PORTS AND HARBORS)

(\$ 000's)

(CONTINUED):

	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	TOTAL
<b><u>NONGRANT REIMBURSEMENT</u></b> (CONTINUED):										
<b>PORTSMOUTH AIRPORT</b>										
TERMINAL EXPANSION	1,000	1,000	900	1,050	600	450	500	750	550	6,900
TERMINAL EXPANSION DESIGN	25	-	-	-	-	-	-	-	-	25
PAY FOR PARKING	-	25	-	-	-	-	-	-	-	25
GROUND TRANSPORTATION BUS	-	-	-	-	-	-	72	-	-	72
TERMINAL FLOORING- BAGGAGE AREA **	-	-	25	-	-	-	-	-	-	25
TERMINAL LED LIGHTING **	-	-	20	-	-	-	-	-	-	20
DAC CONNECTION UPGRADE **	-	-	10	-	-	-	-	-	-	10
	<b><u>1,025</u></b>	<b><u>1,125</u></b>	<b><u>955</u></b>	<b><u>1,050</u></b>	<b><u>600</u></b>	<b><u>450</u></b>	<b><u>572</u></b>	<b><u>750</u></b>	<b><u>550</u></b>	<b><u>7,077</u></b>

NOTE:  
\*\* PENDING BOARD APPROVAL



# PEASE DEVELOPMENT AUTHORITY CAPITAL EXPENDITURES

(CONTINUED)

(EXCLUDING THE DIVISION OF PORTS AND HARBORS)

(\$ 000's)

	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	TOTAL
<b><u>NONGRANT REIMBURSEMENT</u></b>										
<b>TRADEPORT</b>										
TRAFFIC MONITORING **	-	-	-	-	-	10	20	10	10	50
STORMWATER TREATMENT **	10	10	10	10	10	15	15	15	15	110
	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>25</u>	<u>35</u>	<u>25</u>	<u>25</u>	<u>160</u>
<b>MAINTENANCE</b>										
VEHICLE FLEET REPLACEMENT **	-	-	45	-	-	-	-	-	-	45
TRACTOR ADD ON EQUIPMENT	25	-	-	-	-	-	-	-	-	25
	<u>25</u>	<u>-</u>	<u>45</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70</u>
<b>TOTAL</b>	<b><u>1,065</u></b>	<b><u>1,135</u></b>	<b><u>1,055</u></b>	<b><u>1,095</u></b>	<b><u>610</u></b>	<b><u>550</u></b>	<b><u>642</u></b>	<b><u>800</u></b>	<b><u>575</u></b>	<b><u>7,527</u></b>

NOTE:  
\*\* PENDING BOARD APPROVAL

# PEASE DEVELOPMENT AUTHORITY RECEIPT GRANT AWARDS

(EXCLUDING THE DIVISION OF PORTS AND HARBORS)

(\$ 000's)

	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>JUL</u>	<u>TOTAL</u>
<b>PORTSMOUTH AIRPORT</b>										
TERMINAL EXPANSION DESIGN AND CONSTRUCTION (AIP 62- \$1.6M)	-	-	-	-	425	-	475	-	475	1,375
TERMINAL EXPANSION DESIGN AND CONSTRUCTION (AIP 66- \$2.0M)	-	-	-	-	-	-	-	1,140	190	1,330
RUNWAY 16-34 DESIGN (AIP 58)	-	146	-	56	-	70	-	-	-	272
RUNWAY 16-34 RECONSTRUCTION	-	-	-	-	785	-	-	185	570	1,540
RUNWAY 16-34 REIMBURSABLE AGREEMENT (AIP 65)	-	-	-	-	-	-	125	-	-	125
AIR NATIONAL GUARD TAXIWAY PROJECT	-	112	-	-	-	-	-	-	-	112
<b>SKYHAVEN AIRPORT</b>										
TAXIWAY PAVEMENT AND DRAINAGE (SBG-7)	-	-	-	-	-	-	-	-	225	225
<b>TOTAL</b>	<b>=</b>	<b>258</b>	<b>=</b>	<b>56</b>	<b>1,210</b>	<b>70</b>	<b>600</b>	<b>1,325</b>	<b>1,460</b>	<b>4,979</b>



# DIVISION OF PORTS AND HARBORS CASH FLOW SUMMARY OVERVIEW (EXCLUDING RESTRICTED FUNDS) NOVEMBER 1, 2019 TO JULY 30, 2020

(\$ 000's)

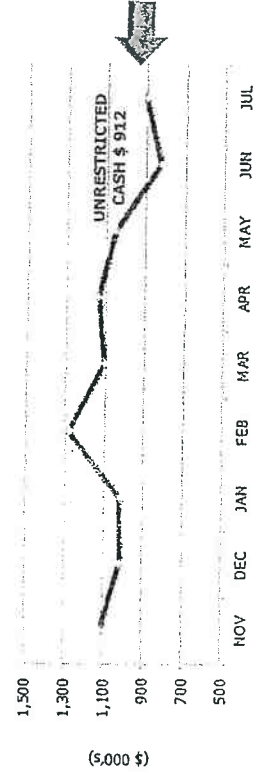
	<u>AMOUNT</u>
<b>OPENING FUND BALANCE</b>	<u>1,189</u>
<b>SOURCES OF FUNDS</b>	
FUEL SALES	690
REGISTRATIONS / WHARFAGE	550
FACILITY RENTALS AND CONCESSIONS	501
MOORING FEES	365
PARKING FEES	100
	<u>2,206</u>
<b>USES OF FUNDS</b>	
PERSONNEL SERVICES AND BENEFITS	1,370
OPERATING EXPENSES	403
FUEL PROCUREMENT	652
CAPITAL EXPENDITURES AND OTHER	30
STATE OF NH- POST RETIREMENT	28
	<u>2,483</u>
<b>NET CASH FLOW</b>	<u>(277)</u>
<b>CLOSING FUND BALANCE</b>	<u>912</u>

DISCUSSION

CURRENT SENSITIVITIES TOWARD FUTURE PROJECTIONS INCLUDE 1) ACCURACY OF CAPITAL EXPENDITURE FORECAST AND USE OF HARBOR DREDGING AND PIER MAINTENANCE FUNDS, 2) WORKERS COMPENSATION CLAIMS, 3) FUEL CONSUMPTION AND 4) CONTINUED CONTAINMENT OF EMPLOYEE OVERTIME.

\$ 252 LOAN AMORTIZATION PERIOD AND INTEREST RATE ASSOCIATED WITH HB 25-FN-A (PISCATAQUA RIVER TURNING BASIN), HAS YET TO BE DETERMINED. LONG TERM LIABILITY.

**PROJECTED UNRESTRICTED CASH BALANCES**



	<u>BALANCE AT 10-31-2019</u>	<u>BALANCE AT 06-30-2019</u>
<b>TOTAL FUND BALANCES</b>		
UNRESTRICTED FUNDS	1,189	1,004
DESINGATED FUNDS	5	5
<b>RESTRICTED FUNDS:</b>		
HARBOR DREDGING	187	379
REVOLVING LOAN FUND	141	196
FOREIGN TRADE ZONE	3	4
	<u>331</u>	<u>579</u>

# DIVISION OF PORTS AND HARBORS

## STATEMENT OF CASH FLOW

### (UNRESTRICTED FUNDS)

(\$ 000's)

	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	TOTAL
<b>OPENING FUND BALANCE</b>	<u>1,189</u>	<u>1,117</u>	<u>1,021</u>	<u>1,025</u>	<u>1,289</u>	<u>1,107</u>	<u>1,142</u>	<u>1,059</u>	<u>829</u>	<u>1,189</u>
<b>SOURCES OF FUNDS</b>										
FACILITY RENTALS AND CONCESSIONS	55	55	55	55	55	55	57	57	57	501
FUEL SALES	75	75	70	70	75	80	80	80	85	690
MOORING FEES	-	-	100	220	45	-	-	-	-	365
PARKING FEES	10	-	-	-	-	10	20	25	35	100
REGISTRATIONS / WHARFAGE	-	125	-	150	-	125	-	-	150	550
	<u>140</u>	<u>255</u>	<u>225</u>	<u>495</u>	<u>175</u>	<u>270</u>	<u>157</u>	<u>162</u>	<u>327</u>	<u>2,206</u>
<b>USE OF FUNDS</b>										
PERSONNEL SERVICES AND BENEFITS	95	240	100	105	245	110	115	245	115	1,370
FUEL PROCUREMENT	70	70	67	67	70	76	76	76	80	652
UTILITIES	15	18	20	20	18	16	15	15	15	152
GENERAL AND ADMINISTRATIVE	12	13	14	14	14	13	14	13	14	121
BUILDINGS AND FACILITIES	10	10	10	15	10	10	10	15	10	100
PROFESSIONAL SERVICES	-	-	10	-	-	10	-	-	-	30
CAPITAL EXPENDITURES AND OTHER	10	-	-	10	-	-	10	-	-	30
STATE OF NH- POST RETIREMENT	-	-	-	-	-	-	-	28	-	28
	<u>212</u>	<u>351</u>	<u>221</u>	<u>231</u>	<u>357</u>	<u>235</u>	<u>240</u>	<u>392</u>	<u>244</u>	<u>2,483</u>
<b>NET CASH FLOW</b>	(72)	(96)	4	264	(182)	35	(83)	(230)	83	(277)
<b>CLOSING FUND BALANCE</b>	<u>1,117</u>	<u>1,021</u>	<u>1,025</u>	<u>1,289</u>	<u>1,107</u>	<u>1,142</u>	<u>1,059</u>	<u>829</u>	<u>912</u>	<u>912</u>

**DIVISION OF PORTS AND HARBORS**  
**STATEMENT OF CASH FLOW- HARBOR DREDGING FUND**  
**(RESTRICTED FUNDS)**

12

(\$ 000's)

	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	TOTAL
-OPENING FUND BALANCE	187	197	216	217	189	190	203	212	186	187
<b>SOURCES OF FUNDS</b>										
PIER USAGE FEES	-	15	-	10	-	10	-	20	-	55
REGISTRATIONS	10	-	-	10	-	-	10	-	-	30
FUEL FLOWAGE FEES	4	4	3	4	3	3	3	4	3	31
GRANT FUNDING	-	-	-	-	-	-	-	-	-	-
	14	19	3	24	3	13	13	24	3	116
<b>USE OF FUNDS</b>										
PERSONNEL SERVICES AND BENEFITS	-	-	-	-	-	-	-	-	-	-
BUILDINGS AND FACILITIES	2	-	2	-	2	-	2	-	2	10
GENERAL AND ADMINISTRATIVE	2	-	-	2	-	-	2	-	-	6
UTILITIES	-	-	-	-	-	-	-	-	-	-
PROFESSIONAL SERVICES	-	-	-	-	-	-	-	-	-	-
ALL OTHER- (CBOC)	-	-	-	50	-	-	-	50	-	100
	4	-	2	52	2	-	4	50	2	116
NET CASH FLOW	10	19	1	(28)	1	13	9	(26)	1	-
<b>CLOSING FUND BALANCE</b>	197	216	217	189	190	203	212	186	187	187

# DIVISION OF PORTS AND HARBORS

## STATEMENT OF CASH FLOW - REVOLVING LOAN FUND

### (RESTRICTED FUNDS)

(\$ 000's)

	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	TOTAL
<b>OPENING FUND BALANCE</b>	<u>141</u>	<u>152</u>	<u>165</u>	<u>176</u>	<u>164</u>	<u>176</u>	<u>188</u>	<u>201</u>	<u>215</u>	<u>141</u>
<b>SOURCES OF FUNDS</b>										
LOAN REPAYMENTS	11	11	12	12	12	12	12	12	12	106
INTEREST INCOME-LOANS	3	3	3	3	3	3	3	3	3	27
INTEREST INCOME- FUND BALANCE	-	1	-	1	-	1	-	1	-	4
	<u>14</u>	<u>15</u>	<u>15</u>	<u>16</u>	<u>15</u>	<u>16</u>	<u>15</u>	<u>16</u>	<u>15</u>	<u>137</u>
<b>USE OF FUNDS</b>										
NEW LOANS ANTICIPATED	-	-	-	25	-	-	-	-	25	50
PERSONNEL SERVICES AND BENEFITS	-	-	-	-	-	-	-	-	-	-
BUILDINGS AND FACILITIES	-	-	-	-	-	-	-	-	-	-
GENERAL AND ADMINISTRATIVE	-	-	2	-	-	2	-	-	2	6
UTILITIES	-	-	-	-	-	-	-	-	-	-
PROFESSIONAL SERVICES	3	2	2	3	3	2	2	2	2	21
ALL OTHER	-	-	-	-	-	-	-	-	-	-
	<u>3</u>	<u>2</u>	<u>4</u>	<u>28</u>	<u>3</u>	<u>4</u>	<u>2</u>	<u>2</u>	<u>29</u>	<u>77</u>
<b>NET CASH FLOW</b>	11	13	11	(12)	12	12	13	14	(14)	60
<b>CLOSING FUND BALANCE</b>	<u>152</u>	<u>165</u>	<u>176</u>	<u>164</u>	<u>176</u>	<u>188</u>	<u>201</u>	<u>215</u>	<u>201</u>	<u>201</u>

14

**DIVISION OF PORTS AND HARBORS**  
**STATEMENT OF CASH FLOW- FOREIGN TRADE ZONE FUND**  
**(RESTRICTED FUNDS)**

(\$ 000's)

	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	TOTAL
<b>OPENING FUND BALANCE</b>	<u>3</u>	<u>6</u>	<u>11</u>	<u>11</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>7</u>	<u>7</u>	<u>3</u>
<b>SOURCES OF FUNDS</b>										
FACILITY RENTALS	5	5	-	-	-	-	-	-	2	12
ALL OTHER	-	-	-	-	-	-	-	-	-	-
	<u>5</u>	<u>5</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>12</u>
<b>USE OF FUNDS</b>										
PERSONNEL SERVICES AND BENEFITS	-	-	-	-	-	-	-	-	-	-
BUILDINGS AND FACILITIES	-	-	-	-	-	-	-	-	-	-
GENERAL AND ADMINISTRATIVE	2	-	-	2	-	-	2	-	-	6
UTILITIES	-	-	-	-	-	-	-	-	-	-
PROFESSIONAL SERVICES	-	-	-	-	-	-	-	-	-	-
ALL OTHER	-	-	-	-	-	-	-	-	-	-
	<u>2</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>6</u>
<b>NET CASH FLOW</b>	3	5	-	(2)	-	-	(2)	-	2	6
<b>CLOSING FUND BALANCE</b>	<u>6</u>	<u>11</u>	<u>11</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>7</u>	<u>7</u>	<u>9</u>	<u>9</u>





October 16, 2019

Erik Moulton, Facilities Specialist  
IAPP  
75 Rochester Avenue  
Suite 4  
Portsmouth, NH 03801

**Re: Right of Entry – Hangar 227 Parking Lot (Northern Section)  
Pease International Tradeport, Portsmouth, NH**

Dear Mr. Moulton:

This letter will authorize International Association of Privacy Professionals (“IAPP”) and/or its agents and contractors to enter upon the parking lot area (northern section) located at Hangar 227 as shown in the attached Exhibit A (the “Premises”) beginning at 7:00 a.m. on Friday, October 18, 2019 for use of employee vehicle parking while restriping is being performed on its parking lot area located at 75 Rochester Avenue. This Right of Entry will expire on Thursday, October 24, 2019, at 5:00 p.m., unless otherwise extended by written agreement of IAPP and Pease Development Authority.

This authorization is conditioned upon the following:

1. IAPP’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, patrons, or invitees upon the Premises and/or the exercise of any of the authorities granted herein. IAPP expressly waives all claims against the Pease Development Authority for any such loss, damage, personal injury or death caused by or occurring as a consequence of IAPP’s and its employees, agents, patrons, or invitees use of the Premises or the conduct of activities or the performance of responsibilities under this authorization. IAPP further agrees to indemnify, save, hold harmless, and defend the Pease Development Authority, 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 or related to IAPP’s, and its employees, agents, patrons, or invitees use of the Premises or any activities conducted or undertaken in connection with or pursuant to this authorization.

Page Two  
October 16, 2019

**Re: Right of Entry – Hangar 227 Parking Lot (Northern Section), Pease International Tradeport, Portsmouth, NH**

2. IAPP understands and acknowledges that this Right of Entry: (a) allows only temporary use of the Premises; (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.

3. IAPP, and/or any agent of IAPP, providing to the Pease Development Authority satisfactory evidence of comprehensive general liability insurance to a limit of not less than Two Million Dollars (\$2,000,000.00) per occurrence, naming the Pease Development Authority as an additional insured; automobile liability insurance in the amount of One Million Dollars (\$1,000,000.00), and evidence of workers compensation coverage to statutory limits.

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 IAPP 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) provide that the insurer shall have no right of subrogation against Pease Development Authority; and (iii) 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. It is the intent of IAPP that such policies will not be cancelled. Should a policy cancellation occur, PDA will be advised in accordance with policy provisions.

4. IAPP's agreement that all vehicles parked at the Premises will be driven to and from the Premises by its employees, invitees, and guests to self-park vehicles on the Premises. *IAPP's further agreement to take such steps as may be required to ensure that vehicles are not left on the Premises in excess of the term limits of this Right of Entry and to assume full responsibility for the removal of vehicle(s) left on the Premises.*

5. IAPP agrees that only passenger vehicles may be parked in the Premises. PDA has the right, in its sole discretion, to terminate all of or any portion of the Premises used for vehicle parking as a priority for Pease operations.

6. IAPP accepts the Premises as-is. 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 IAPP's patrons, officers, agents, servants or employees, or others who may be on the Premises at its invitation.

7. IAPP's agreement to restore the Premises to the same or better conditions existing prior to the commencement of this Right of Entry.

Page Three

October 16, 2019

Re: **Right of Entry – Hangar 227 Parking Lot (Northern Section), Pease International Tradeport, Portsmouth, NH**

8. IAPP's agreement herein that this letter of authorization does not constitute a grant of an exclusive interest in the Premises, an option to lease the Premises or an offer to lease the Premises.

Please indicate by your signature below IAPP's consent to the terms and conditions of this Right of Entry and return the same to me for countersignature.

Very truly yours,



David R. Mullen  
Executive Director

DRM/rao

Agreed and accepted this 16<sup>th</sup> day of October, 2019

**INTERNATIONAL ASSOCIATION OF  
PRIVACY PROFESSIONALS**

By: Erik Moulton

Duly authorized

Print Name: Erik Moulton

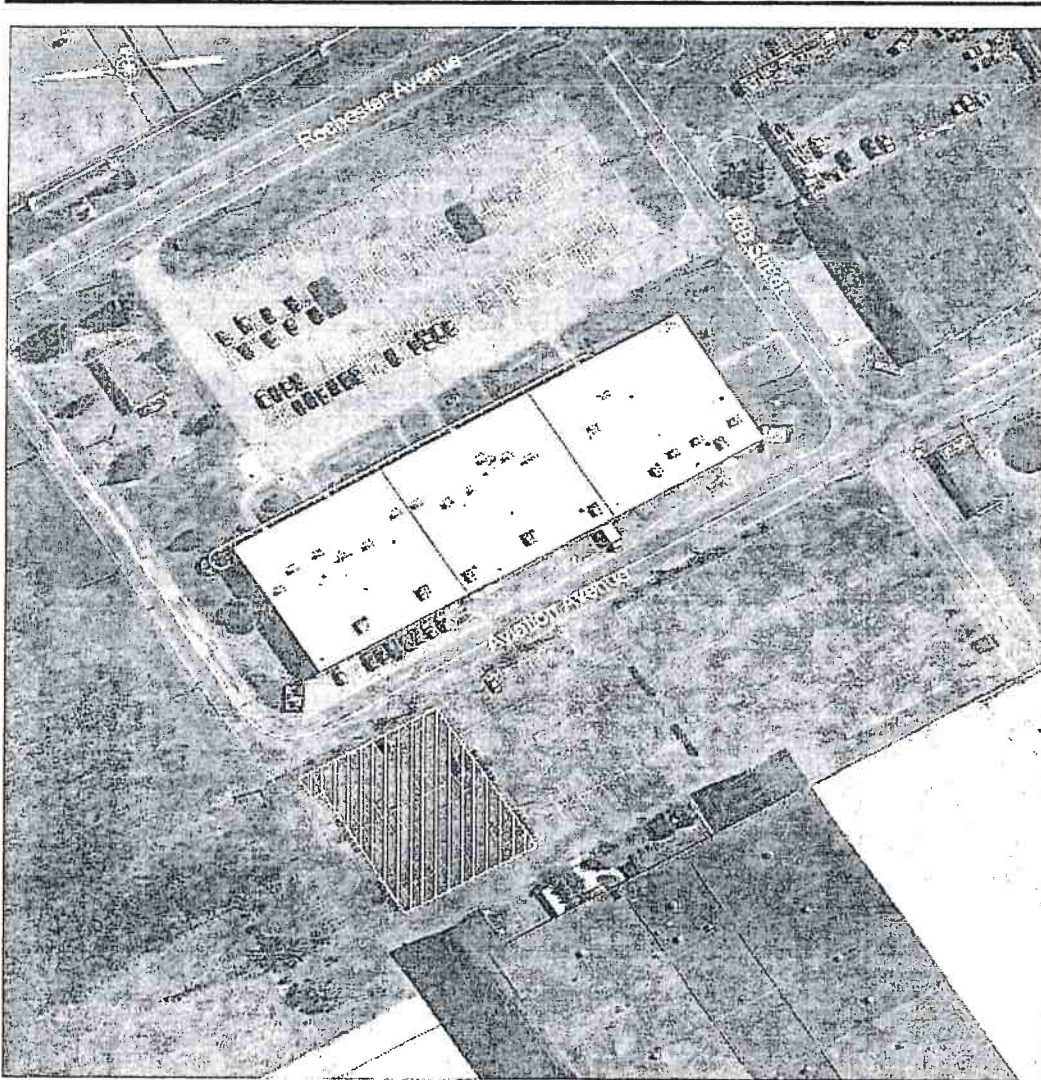
Print Title: fac specialist

Page Four

October 16, 2019

Re: Right of Entry – Hangar 227 Parking Lot (Northern Section), Pease International Tradeport, Portsmouth, NH

EXHIBIT "A"



Right of Entry for IAPP Parking

DESIGNED BY: MRM

DATE: 10/15/19

SCALE: 1"=100'



PEASE DEVELOPMENT AUTHORITY

55 INTERNATIONAL DRIVE, PORTSMOUTH, NH 03801



**PEASE**

INTERNATIONAL

DEVELOPMENT  
AUTHORITY

55 International Drive Portsmouth, NH 03801

October 22, 2019

William R. Bartlett, President  
2-Way Communications Service, Inc.  
23 River Road  
Newington, NH 03801

**Re: Right of Entry – 19 Durham Street  
Pease International Tradeport, Portsmouth, NH**

Dear Mr. Bartlett,

This letter will authorize the 2-Way Communications Service, Inc. (“2-Way”) and/or its agents and contractors to enter upon the premises located at 19 Durham Street and as shown in the attached Exhibit A (the “Premises”), for a period of thirty (30) days commencing November 1, 2019 through November 30, 2019, for inspection purposes to determine if the Premises is suitable for 2-Way’s intended use. Such inspection may include a review of environmental matters, including adequacy of utility services, general site conditions, and any other non-destructive inspection or evaluation of the Premises you deem necessary. This Right of Entry will expire at the close of business on November 30, 2019, unless otherwise extended by written agreement of 2-Way and Pease Development Authority. This authorization is conditioned upon the following:

1. 2-Way providing Pease Development Authority, upon completion of its inspection, with a copy of any report, letter or summary with respect to conditions found at the Premises;
2. 2-Way’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 risks 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. 2-Way expressly waives all claims against the Pease Development Authority for any such loss, damage, personal injury or death caused by or occurring as a consequence of 2-Way’s use of the Premises or the conduct of activities or the performance of responsibilities under this authorization. 2-Way further agrees to indemnify, save, hold harmless, and defend the Pease Development Authority, 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 2-Way’s use of the Premises or any activities conducted or undertaken in connection with or pursuant to this authorization.

Page 2

October 22, 2019

RE: **Right of Entry – 19 Durham Street  
Pease International Tradeport, Portsmouth, NH**

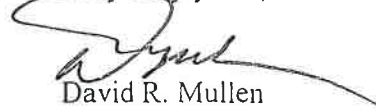
3. 2-Way and/or any agent or contractor of 2-Way providing to the Pease Development Authority satisfactory evidence of commercial general liability insurance to a limit of not less than Two Million Dollars (\$2,000,000.00) per occurrence, naming the Pease Development Authority as additional insured; automobile liability insurance in the amount of One Million Dollars (\$1,000,000.00); and evidence of workers compensation coverage to statutory limits.

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 2-Way 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 Pease Development Authority; (iii) provide that the insurer shall have no right of subrogation against Pease Development Authority; 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.

4. 2-Way's agreement herein that this letter of authorization does not constitute a grant of an exclusive interest in the Premises, an option to lease the Premises or an offer to lease the Premises. 2-Way acknowledges and agrees that, except as otherwise set forth herein, no legal rights or interests shall arise with respect to the Premises or lease thereof until a Lease Agreement is executed by the parties.

Please indicate by your signature below of 2-Way's consent and return the same to me with evidence of insurance as required.

Very truly yours,



David R. Mullen  
Executive Director

DRM/rao

Agreed and accepted this 23<sup>rd</sup> day of October, 2019

**2-Way Communications Service, Inc.**

By: William R. Bartlett  
Print Name: William R. Bartlett  
Its Duly Authorized: President

Page 3

October 22, 2019


RE: **Right of Entry – 19 Durham Street**  
**Pease International Tradeport, Portsmouth, NH**

EXHIBIT "A"



19 Durham St Right of Entry

DESIGNED BY: MRM    DATE: 10/15/15    SCALE: 1"=500'

 **PEASE DEVELOPMENT AUTHORITY**

55 INTERNATIONAL DRIVE, PORTSMOUTH, NH 03801





October 21, 2019

**VIA Email: Jason.Domke@DES.nh.gov**

Jason Domke

NH Department of Environmental Services

222 International Drive, Ste. 175

Portsmouth, NH 03801

**Re: Right of Entry – Portion of 360 Corporate Drive Parking Lot  
Pease International Tradeport, Portsmouth, NH**

Dear Mr. Domke:

This letter will authorize the NH Department of Environmental Services (“NHDES”) and/or its agents and contractors to enter upon the premises located at 360 Corporate Drive, as shown in the attached Exhibit A (the “Premises”) on November 6, 2019, for use as overflow vehicle parking as part of a training exercise. This Right of Entry will expire at the close of business on November 6, 2019, unless otherwise extended by agreement of NHDES and the Pease Development Authority.

This authorization is conditioned upon the following:

1. NHDES’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 risks 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. NHDES expressly waives all claims against the Pease Development Authority (“PDA”) for any such loss, damage, personal injury or death caused by or occurring as a consequence of NHDES’s use of the Premises or the conduct of activities or the performance of responsibilities under this authorization.

2. NHDES’s agreement herein that this letter of authorization does not constitute a grant of an exclusive interest in the Premises, an option to lease the Premises or an offer to lease the Premises. NHDES acknowledges and agrees that, except as otherwise set forth herein, no legal rights or interests shall arise with respect to the Premises.

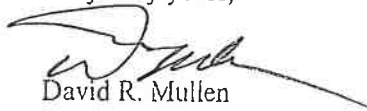
3. NHDES’s agreement herein that the Premises will be used on an “as is” condition.

Jason Domke  
NH Dept. of Environmental Services  
October 21, 2019  
Page 2

4. NHDES's agreement to leave the Premises in the same or better condition as existed at the commencement of the term of this ROE.

Please indicate by your signature below NHDES's consent and return the same to me.

Very truly yours,

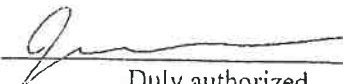


David R. Mullen  
Executive Director

DRM/rao

Agreed and accepted this 21 day of October, 2019

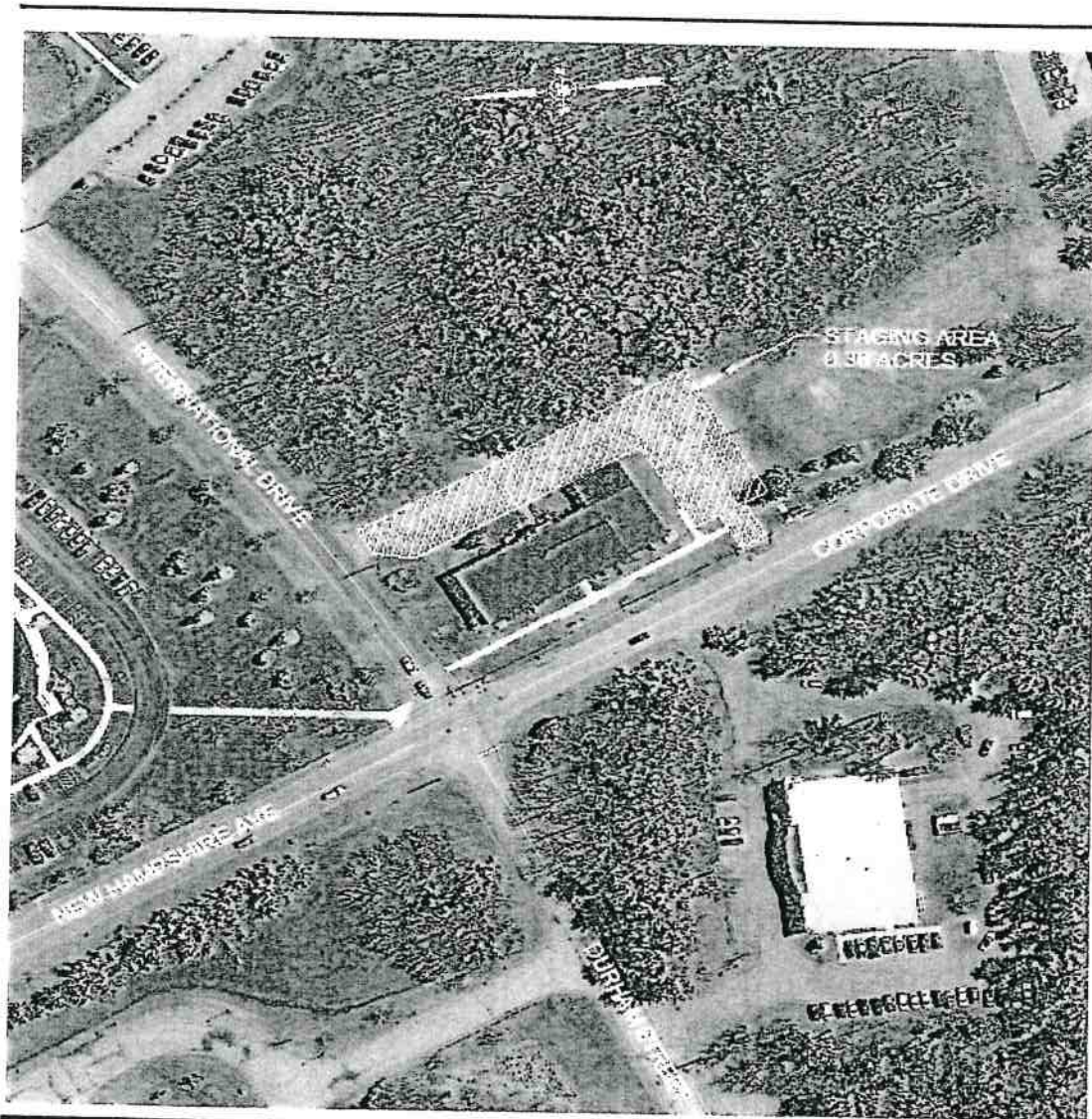
NH DEPARTMENT OF  
ENVIRONMENTAL SERVICES

By:  \_\_\_\_\_  
Duly authorized

Print Name: Jason Domke

Print Title: Planning & Proprietary manager

EXHIBIT "A"



Potential Staging Area at 360 Corporate Dr

DESIGNED BY: MRM      DATE: 8/6/19      SCALE: 1"=100'





November 6, 2019

Ned Denney  
Port City Air  
104 Grafton Drive  
Portsmouth, NH 03801

**Re: Right of Entry for Use of Parking/Staging Areas**

Dear Mr. Denney:

This letter will authorize Port City Air (PCA) to use certain designated areas off of Grafton Drive at the Pease International Tradeport, Portsmouth, New Hampshire as shown on the attached **Exhibit A** (the "Premises") for the period of use from November 8, 2019, through January 15, 2020, for the purposes of parking vehicles and equipment staging related to ongoing construction work at the PCA facility at 104 Grafton Drive. The privileges granted under this Right of Entry will expire at the conclusion of use or 11:59 p.m. on January 15, 2020, unless otherwise extended by agreement of PCA and the Pease Development Authority ("PDA"). This authorization is conditioned upon the following:

1. PCA'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, patrons, or invitees upon the Premises and the access road and/or the exercise of any of the authorities granted herein. PCA expressly waives all claims against the PDA for any such loss, damage, personal injury or death caused by or occurring as a consequence of the use of the Premises or the conduct of activities or the performance of responsibilities under this authorization by PCA employees, agents, patrons, or invitees. PCA 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, judgments, costs and attorney's fees arising out of or related to the use of the Premises or any activities conducted or undertaken in connection with or pursuant to this authorization by PCA, and its employees, agents, patrons, or invitees.

Page Two  
November 6, 2019

**Re: Right of Entry for Use of Parking/Staging Area**

2. PCA understands and acknowledges that this Right of Entry: (a) allows only temporary use of the Premises; (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.

3. PCA and/or any agent of PCA providing to the PDA satisfactory evidence of comprehensive general liability insurance to a limit of not less than One Million Dollars (\$1,000,000.00) per occurrence, naming the PDA as an additional insured and evidence of workers compensation coverage to statutory limits.

The comprehensive general liability policy issued by the insurer shall contain: (i) a provision that no act or omission of any employee, officer or agent of PCA 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 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.

4. *PCA's agreement to take such steps as may be required to ensure that vehicles and equipment are not left on the Premises in excess of the term limits of this Right of Entry and to assume full responsibility for the removal of vehicle(s) left on the Premises after the period of use.*

5. PCA's agreement that prior to the termination of this Right of Entry it will restore the Premises to the condition it existed prior to the commencement of this Right of Entry.

6. PCA's agreement that the vehicles may only be parked and staging may only occur in the area depicted in Exhibit A. PDA has the right, in its sole discretion, to terminate all of or any portion of the Premises used for vehicle parking as a priority for PDA operations.

7. 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 PCA's patrons, officers, agents, servants or employees, or others who may be on the Premises at its invitation.

Page Three  
November 6, 2019

**Re: Right of Entry for Use of Parking/Staging Area**

8. PCA's agreement herein that this letter of authorization does not constitute a grant of an exclusive interest in the Premises, an option to lease the Premises, or an offer to lease the Premises.

Please indicate by your signature below PCA's consent to the terms and conditions of this Right of Entry and return the same to me with evidence of the required insurance coverage.

Very truly yours,

David R. Mullen  
Executive Director

Agreed and accepted this \_\_\_\_ day of \_\_\_\_\_, 2019

**Port City Air**

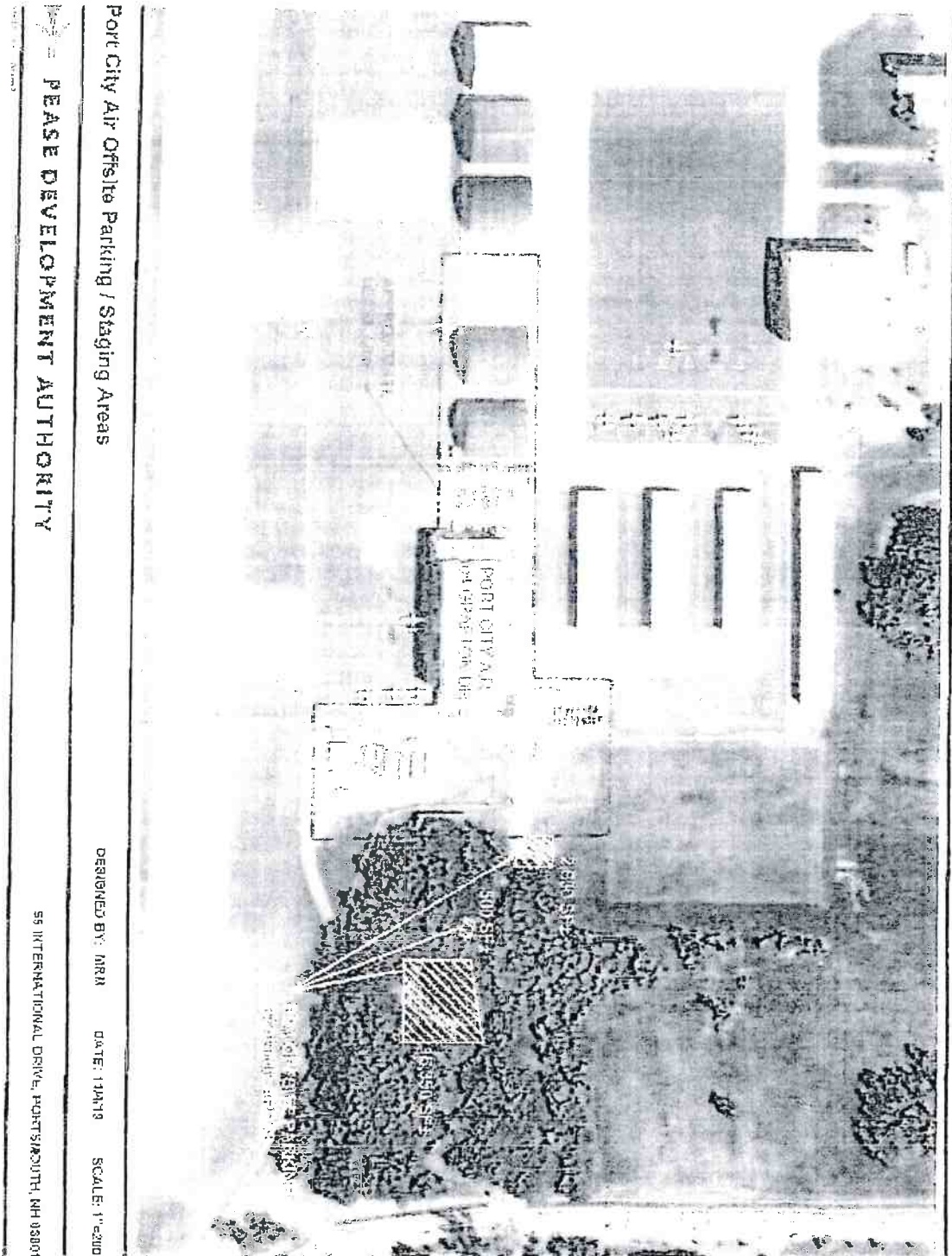
By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Its Duly Authorized: \_\_\_\_\_

Page Four

November 6, 2019

Re: Right of Entry for Use of Parking/Staging Area

EXHIBIT "A"





## Memorandum

**To:** David R. Mullen, Executive Director *DRM*  
**From:** Paul E. Brean, Airport Director *PEB*  
**Date:** 11/14/19  
**Subj:** Avier Flight School

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Avier LLC, doing business as Avier Flight School (“Avier”) is an FAA certified flight school based in Beverly, MA. In an attempt to increase flight activity at Skyhaven Airport in Rochester, NH, I have invited Avier to utilize Skyhaven as a destination for their flight instructors and students departing Beverly Airport. Currently, there is no based flight schools at Skyhaven and the majority of the airport terminal building is unoccupied.

I am seeking authorization to allow Avier a Right-of-Entry (“ROE”) to utilize approximately 90 sf of common use space at no expense. The space would be utilized as a classroom, allowing the flight instructor and student to discuss particular flight curriculum while on the ground at Skyhaven. The justification for waiving a conventional lease fee is that the classroom will be used seldom and the intent is to incentivize Avier to choose Skyhaven as a destination. This would increase both flight operations and fuel sales at Skyhaven. The ROE will require proper insurance and include a termination clause for any reason, including any potential conflict if another flight school started operations. I am requesting approval for a 6 month ROE commencing on December 1, 2019 through May 30, 2020.



November 6, 2019

Paul Beaulieu  
Avier, LLC d/b/a Avier Flight School  
47 LP Henderson Road  
Beverly, MA 01915

**Re: Right of Entry for Designated Portion of the Terminal Building at Skyhaven Airport,  
Rochester, New Hampshire**

Dear Mr. Beaulieu:

1. This Right of Entry will authorize Avier, LLC, d/b/a Avier Flight School ("Avier") at its sole risk, to enter upon a portion of the Terminal Building at Skyhaven Airport ("the Premises") as shown on **Exhibit B** for the purpose of utilizing an approximate 90 +/- foot area as a flight-briefing room, the right to brand and supply the Premises with promotional materials, and the right to place an exterior sign outside the Terminal Building in a location agreed upon with the Pease Development Authority ("PDA"), and for no other use without the express written consent of the PDA.
2. The use, occupation, and maintenance of the Premises shall be; (a) except as otherwise set forth herein, 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.
3. This Right of Entry will commence on December 1, 2019 and shall continue through May 30, 2020.
4. The use of the Premises shall be orderly and efficient, shall not constitute a nuisance and shall not cause disruption to other Skyhaven Airport activities.
5. **Insurance & Indemnification.** AVIER agrees to provide PDA with proof of insurance which meet the coverage requirements set forth in **Exhibit A** of this Right of Entry.

AVIER'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 risks 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. AVIER expressly waives all claims against the PDA for any such loss, damage, bodily injury or death caused by or occurring as a consequence of AVIER's use of the Premises or the conduct of activities or the performance of responsibilities under this authorization. AVIER 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, judgments, costs and attorney's fees arising out of AVIER's use of the Premises or any activities conducted or undertaken in connection with or pursuant to this authorization.

6. Janitorial Services - PDA will provide basic janitorial services for the Premises. Such services shall include sweeping, vacuuming, and trash removal. Avier shall keep the Premises in a neat and tidy condition.
7. Utilities - PDA shall furnish utility services for the Premises to include lighting, heating and air conditioning.
8. PDA reserves the right to relocate AVIER to alternate facilities within the Terminal Building if such becomes necessary due to any other business reasons in the PDA's discretion. In the event relocation becomes necessary, PDA agrees it will make a good faith effort to provide AVIER with comparable facilities to the ones being occupied and utilized in connection with this Right of Entry.
9. MODIFICATION. This Right of Entry may be modified upon the mutual consent of the both parties.
10. OTHER PROVISIONS. Nothing in this Right of Entry is intended to conflict with current law or provisions or the directives of AVIER or the PDA. If a term of this Right of Entry is inconsistent with such authority, then that term shall be invalid, but the remaining terms and conditions of this Right of Entry shall remain in full force and effect.

Please indicate by your signature or the signature of a duly authorized representative, the consent of AVIER to the terms of this Right of Entry and return the same to me at you earliest convenience.

Sincerely,

David R. Mullen  
Executive Director

Agreed and accepted this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

**AVIER FLIGHT SCHOOL**

By: \_\_\_\_\_  
Paul Beaulieu, Owner

cc: Paul Brean, Airport Director  
Anthony I. Blenkinsop, Deputy General Counsel

**EXHIBIT A**  
**INSURANCE**

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

B. Insurance. During the entire period this Right of Entry shall be in effect, AVIER at its expense will carry and maintain:

- (1) Personal 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 improvements and personal property on the 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 PDA, 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 AVIER as permitted under the provisions hereof) by written agreement of PDA and AVIER, 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 PDA and AVIER. Any such determination by a third party shall be subject to approval by PDA and AVIER, 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) Commercial General Liability insurance, including, but not limited to, 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 Premises, passageways, adjoining sidewalks, streets and parking areas, such insurance to afford immediate minimum protection at the time of the Term Commencement Date, and at all times during the term of this Right of Entry, to a limit of not less than Two Million (\$2,000,000.00) Dollars with respect to damage to property, personal/bodily injury or death to any one or more persons and with no deductible or such deductible amount as may be approved by PDA. 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 AVIER, or any other person or organization, or involving any owned, non-owned, leased or hired automotive equipment 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 Right of Entry.

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

All policies of insurance required to be carried under this Exhibit shall be effected under valid and enforceable policies, in such forms and amounts as may, from time to time, be required under this Right of Entry, 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 PDA, which approval shall not be withheld unreasonably. The policy of insurance required in section B. (1) shall name the PDA as loss payee. The policies of insurance required in Sections B. (2) and (4) shall be for the mutual benefit of AVIER and the PDA with the PDA named as an additional insured as its interest may appear for liabilities arising out of the conduct of AVIER. Upon the execution of this Right of Entry (and thereafter not less than fifteen (15) days prior to the expiration date of each policy furnished pursuant to this Article) the original of each policy required to be furnished pursuant to this Article (or, with the consent of PDA, which consent shall not be unreasonably withheld a certificate of the insurer reasonably satisfactory to PDA) shall be delivered by AVIER to PDA.

All policies of insurance, as applicable, shall provide for loss thereunder to be adjusted and payable to PDA or AVIER in accordance with the terms of this Right of Entry.

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 AVIER, or any employee, officer or agent of AVIER, 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, for covered acts caused by AVIER, (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 PDA, and (iv) provide that AVIER's insurance coverage shall be primary and non-contributing with respect to any insurance coverages carried by PDA.

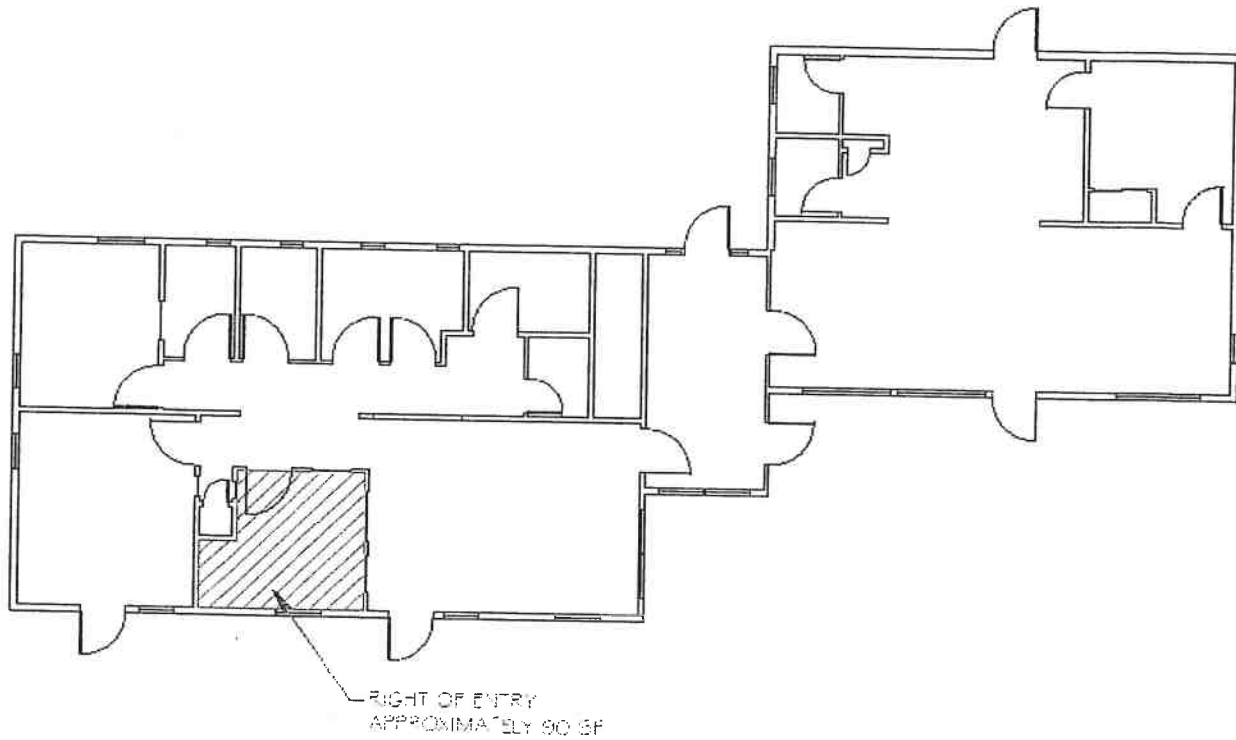
AVIER shall observe and comply with the requirements of all policies of insurance at any time in force with respect to the Premises and AVIER shall also perform and satisfy the requirements of the companies writing such policies so that at all times companies of good standing reasonably satisfactory to PDA shall be willing to write or to continue such insurance.

Any insurance provided for in this Right of Entry may be effected by a policy or policies of blanket insurance or may be continued in such form until otherwise required by PDA; provided, however, that the amount of the total insurance allocated to the 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 Right of Entry. In any such case it shall not be necessary to deliver the original of any such blanket policy to PDA, but AVIER shall deliver to PDA a certificate in form and content acceptable to PDA.

The insurance requirements herein are minimum requirements for this Agreement and in no way limit the indemnity covenants contained in this Agreement.


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

**EXHIBIT B**  
**PREMISES**



Skyhaven Terminal Right of Entry

DESIGNED BY: MRM    DATE: 10/16/19    SCALE: NTS

 **PEASE DEVELOPMENT AUTHORITY**


55 INTERNATIONAL DRIVE, PORTSMOUTH, NH 03801







MEMORANDUM

To: Pease Development Authority Board of Directors   
From: David R. Mullen, Executive Director  
Date: November 11, 2019  
Re: Sublease between 25, 29 Retail, LLC and Sleep Institute of New England, P.L.L.C

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 within the leased premises at 14 Manchester Square between 25, 29 Retail, LLC (“25, 29 Retail”) and Sleep Institute of New England, P.L.L.C. (“SINE”) for 1,342 square feet for a period of one (1) year and four (4) months, executed on October 24, 2019 and effective October 1, 2019. SINE will use the premises for medical office and related 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 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 25, 29 Retail’s continued primary liability for payment of rent and other obligations pursuant to the PDA/25, 29 Retail 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.



## NOTICE OF CONSENT

This NOTICE OF CONSENT ("Notice") is given by the PEASE DEVELOPMENT AUTHORITY ("Lessor") to 25, 29 RETAIL, LLC ("Lessee"). Lessor and Lessee may be referred to jointly as the "Parties."

### RECITALS

A. The Pease Development Authority entered into a Lease with 25, 29 Retail, LLC for the consolidated premises located at 17 New Hampshire Avenue, 29 New Hampshire Avenue, and 14 Manchester Square, Pease International Tradeport on October 11, 2013 (the "Lease").

B. Section 19.3 of the Lease states that Lessor shall not unreasonably withhold its consent to sublease if:

1. the use of the Leased 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.

C. Lessee has requested authorization to sublease 1,342 square feet within the Leased Premises at 14 Manchester Square (Suite #281) to **Sleep Institute of New England, P.L.L.C.** ("SINE") a qualified professional limited liability company/corporation.

D. The proposed sublease to SINE is for **medical office and related uses**.

### TERMS AND CONDITIONS

1. Lessor hereby authorizes Lessee to execute the sublease, attached hereto as Exhibit A, with SINE for approximately 1,342 square feet within the Leased Premises.
2. Upon execution of the sublease with SINE, Lessee shall provide Lessor with a copy of the executed sublease, copies of all required insurance certificates and a certificate of good standing from the State of New Hampshire for SINE.
3. Lessee hereby agrees that occupancy shall be subject to the issuance of a Certificate of Occupancy as may be required in accordance with PDA Zoning Regulations, Section 315.03(a).
4. Lessee hereby agrees and affirms that it shall remain primarily liable to Lessor to pay rent and to perform all other obligations to be performed by Lessee under the original Lease.

This Notice of Consent is executed, effective this 24<sup>th</sup> day of October, 2019 by the Pease Development Authority.

PEASE DEVELOPMENT AUTHORITY

By: [Signature]  
Its: Executive Director

Agreed and accepted this 17 day of October, 2019.

25, 29 RETAIL, LLC

By: [Signature]  
Print Name: Daniel M. Pummer  
Its: Co-Manager

EXHIBIT A

LEASE



SUBLEASE  
BETWEEN  
25, 29, RETAIL, LLC  
AS  
"SUBLESSOR"  
AND

SLEEP INSTITUTE OF NEW ENGLAND, P.L.L.C.

AS  
"SUBLESSEE"

14 MANCHESTER SQUARE

SUITE # 281

PORTSMOUTH, NEW HAMPSHIRE 03801

DATED AS OF ~~SEPTEMBER~~ <sup>OCTOBER</sup> 7, 2019

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Exhibit

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SUBLEASE

THIS SUBLEASE ("Sublease") is made by and between 25, 29, Retail, LLC, ("Sublessor") and Sleep Institute of New England, P.L.L.C. ("Sublessee"). (Sublessor and Sublessee may be referred to jointly as the "Parties.")

SUMMARY OF BASIC LEASE PROVISIONS AND RECITALS

Summary of Basic Lease Provisions and Recitals

The Summary of Basic Lease Provisions and Recitals contains the basis of this sublease between Sublessor and Sublessee named below. Articles, Sections and Paragraphs of the Sublease define and expand the Basic Terms, and are to be read in conjunction with the Basic Terms.

1. Date of Lease: <sup>October</sup> ~~September~~ 7, 2019
2. Sublessor: 25, 29 Retail, LLC
3. Property Manager: CPManagement, Inc., 11 Court Street, Suite 100, Exeter, NH 03833
4. Sublessee: Sleep Institute of New England, P.L.L.C.
5. Property: The property is comprised of the building; and the land parcel on which it is located, known as 14 Manchester Square, Portsmouth, New Hampshire, including the parking lot and other improvements (the "Building").
6. Office Facility: That portion of the Property for which Sublessor may use the Property for office use.
7. Subleased Premises: Suite #231 containing approximately 1,342 square feet of space in the Building, and as shown on Exhibit #5.
8. Lease Term: One (1) year and Four (4) months beginning on October 1, 2019 or such other date as specified in Article 3 of this Sublease, and expiring on January 31, 2021.

Options to Extend: None.

9. Permitted Uses: Medical Office and related uses.
10. Sublessor's Guarantees:

11. Initial Security Deposit: [REDACTED]
12. Parking: Four spaces per 1,000 rentable square feet. Visitor and handicapped parking spaces are so marked. Parking for employees of Sublessee shall not park in spaces designated for customer parking. See Exhibit 14.
13. Base Rent: [REDACTED]  
The manner and timing of the payment of Base Rent is in accordance with Section 4.01.
14. Other Periodic Payments : As described under Article 4.
15. Initial Public Liability Insurance: \$2,000,000 minimum Commercial General Liability coverage (per occurrence) - \$1,000,000 in automobile coverage (per accident) and Worker's Compensation coverage at statutory minimum levels.

#### RECITALS

A. 25, 29, Retail, LLC, f.k.a. NH Avenue Retail Center, LLC, entered into a Sublease dated June 28, 2004 with the Pease Development Authority ("PDA"), an agency of the State of New Hampshire established pursuant to RSA ch 12-G for premises located at the Pease International Tradeport in Portsmouth, New Hampshire described as follows: The premises shown on a Plan entitled "Subdivision Plan for Land Leased by the Pease Development Authority to be subleased to Two International Group located at 14 Manchester Square, Portsmouth NH" recorded in the Rockingham County Registry of Deeds as Plan # D-30755, a copy of which Sublease is attached hereto as Exhibit 1 (the "Primary Sublease"). The Primary Sublease is subject and subordinate to all agreements made between PDA and the United States of America or the United States Air Force including, but not limited to, the Federal Facilities Agreement ("FFA"), and the Quitclaim Deed (the "Deed") dated October 13, 2005 granted by the United States of America (the "Government") acting by and through the United States Air Force ("Air Force") to PDA, all as hereinafter defined.

B. PDA has acquired fee title to a portion of the former Pease Air Force Base by Deed recorded at the Rockingham County Registry of Deeds at Book 4564, Page 1935. The Parties acknowledge that the Deed imposes certain requirements on PDA, the Sublessor and Sublessee which are addressed in the terms and conditions of the Deed. By the acceptance of this Sublease the Sublessee hereby acknowledges that it must abide by and conform to those terms, conditions and restrictions set forth in the Deed as the same may be applicable to this Sublease and Sublessee's tenancy.

C. 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 conditions upon Sublessor and Sublessee which are addressed in the terms and conditions of the FFA and Deed. The term FFA shall include any amendments to said document. A copy of the FFA is attached as Exhibit 4 of this Sublease.

D. Sublessor is 25, 29, Retail, LLC and is a limited liability company duly organized and existing under the laws of the State of New Hampshire with a principal place of business at One New Hampshire Avenue, Portsmouth, New Hampshire, and is qualified to do business in the State of New Hampshire.

E. Sublessee is Steep Institute of New England, P.L.L.C. and is duly organized and existing under the laws of the State of \_\_\_\_\_ with a principal place of business at 1 Little River Road, Kingston, NH 03348, and is qualified to do business in the State of New Hampshire.

F. Manager: C.P. Management, Inc., 11 Court Street, Suite 100, Exeter, NH 03833

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

## ARTICLE I.

### PREMISES

#### 1.1. Description of Subleased Premises

Sublessor, for and in consideration of the rents and covenants herein specified to be paid and performed by Sublessee, hereby leases to Sublessee, and Sublessee hereby hires from Sublessor, the premises described generally below and more particularly on the plans attached as Exhibit 5 (the "Subleased Premises" or the "Premises"): consisting of approximately 1,342 square feet as adjusted by the final as built of square footage of the lease premises and located at 14 Manchester Square, Portsmouth, New Hampshire..

Excluded from the Subleased Premises are property or other rights obtained by a utility supplier from PDA pursuant to a sublease or other agreement in connection with the provision of utility lines and or utility services at the Airport.

Appurtenant Rights and Reservations. (a) Sublessee shall have, as appurtenant to the Premises, the non-exclusive right to use, and permit its invitees to use in common with others, public or common lobbies, hallways, and common walkways necessary for access to the Building, and if the portion of the Premises on any floor includes less than the entire floor, the common toilets, corridors and elevator lobby of such floor; but Sublessee shall have no other appurtenant rights and all such rights shall always be subject to reasonable rules and regulations from time to time established by Sublessor pursuant to Section 14.7 and to the right of Sublessor to designate and change from time to time areas and facilities so to be used.

(b) Excepted and excluded from the Premises are the ceiling, floor, perimeter walls and exterior windows, except the inner surfaces thereof, but the entry doors (and related glass and finish work) to the Premises are a part thereof; and Sublessee agrees that Sublessor shall have the right to place in the Premises (but in such manner as to reduce to a minimum interference with Sublessee's use of the Premises) interior storm windows, subcontrol devices (by way of illustration, an electric sub panel, etc.), utility lines, pipes, equipment and the like, in, over and upon the Premises. Sublessee shall install and maintain, as Sublessor may require, proper access panels in any hung ceilings or walls as may be installed by Sublessee in the Premises to afford access to any facilities above the ceiling or within or behind the walls.

#### 1.2. Easements - Rights-of-Way

This Sublease is subject to existing easements and rights-of-way of record, the Utility Sublease and License Agreement dated July 31, 1992 by and between PDA and Public Service Company of New Hampshire ("PSNH"), the utility Sublease and License

Agreement dated May 10, 1995 by 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) the Pipeline Easement and Transfer Agreement dated August 12, 1998 by and between PDA, Portland Natural Gas Transmission System and Maritime & Northeast Pipeline, L.L.C. and such other agreements as PDA shall reasonably require for the provision of utilities and the operation, maintenance and repair of the Airport.

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 at the Airport.

#### 1.2. Access

Sublessees shall have in common with other Airport tenants and authorized Airport users the right to use the entrances, exits and roadways designated by PDA for common use at the Airport, subordinate, however, to PDA's rights to manage the common areas and roadways, which rights of PDA shall include, without limitation, the right to impose reasonable rules and regulations, and to add, delete, alter, or otherwise modify the designation and use of all parking areas, entrances, exits, roadways and other areas of the Airport.

The rights of Sublessees under this Section 1.2 shall be subordinate to PDA's rights to manage the common areas and roadways which rights shall include, without limitation, the right to impose reasonable rules and regulations relating to use of the common areas and roadways and the right to add, delete, alter or otherwise modify the designation and use of all parking areas, entrances, exits, roadways and other areas of the Airport, provided, however, that during the term of this Sublease, Sublessee shall have reasonable access the Premises.

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(l)(3)(A)(ii), the FFA, and as otherwise set forth in Article 23 of this Sublease.

ARTICLE 2.

CONDITION OF SUBLEASED PREMISES

2.1. Sublessee hereby acknowledges and agrees to accept the Premises on the Commencement Date in its then "as is" condition without representation or warranty of Sublessor of any kind, either express or implied. Sublessor hereby extends to the Sublessee the benefit of any warranties given by any contractor or subcontractor of the Sublessor, as shall pertain to the subleased premises.

2.2. Sublessee acknowledges to the extent it performs any Alterations (as defined in Section 10.1) or other improvements at the Subleased Premises, it will be responsible for assuring that such Alterations or other improvements comply with Article 10 and PDA Land Use Controls, as hereinafter defined, and for obtaining any required building permits or certificates of occupancy with respect to such Alterations or other improvements.

ARTICLE 3.

TERM

3.1. This Sublease shall be for a base term of One (1) year and Four (4) months ("Base Term") which term shall commence upon October 1, 2019 ("Term Commencement Date") and shall expire at midnight on January 31, 2021, unless terminated earlier or extended in accordance with the provisions of this Sublease.

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

3.3. In the event the Primary Sublease is terminated for any reason whatsoever, this Sublease will automatically terminate on that same date.

ARTICLE 4.

BASIC RENT

4.1. The basic rent shall be as follows:



#### 4.2. Security Deposit.

Upon the execution of this lease, the Sublessee shall pay the sum of \$10,000.00 as a security deposit for the performance by the Sublessee of its obligations hereunder. If Sublessee defaults with respect to any provision of this Sublease, including but not limited to the provisions relating to the payment of Rent, Sublessor may use, apply, or retain all or any part of this security deposit for the payment of any rent or other sum in default, or for the payment of any other amount that Sublessor may spend or become obligated to spend by reason of Sublessee's default, or to compensate Sublessor for any other loss or damage that Sublessor may suffer by reason of Sublessee's default. If any portion of said deposit is so used or applied, Sublessee shall, within ten (10) days after written demand therefor deposit cash with Sublessor in an amount sufficient to restore the security deposit to its original amount and Sublessee's failure to do so shall be a material breach of this Sublease. Sublessor shall not be required to keep this security deposit separate from Sublessor's general funds, and Sublessee shall not be entitled to interest on such deposit. If Sublessee shall fully and faithfully perform every provision of this Sublease to be performed by it, the security deposit or any balance thereof shall be returned to Sublessee (or at Sublessor's option, to the last assignee of Sublessee's interest hereunder) at the expiration of the Sublease term.

4.3. Basic Rent due under Section 4.1 shall commence upon the Term Commencement Date. The annual Basic 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 Sublessor at the Airport or at such other address as Sublessor may hereafter designate. In addition, Sublessee agrees to pay, when due, such other amounts that may be required to be paid as additional rent. Sublessee's rent obligation for any fractional portion of a calendar month at the beginning or end of the term of this Sublease shall be a similar fraction of the rental due for an entire month.

### ARTICLE 5

#### IMPOSITIONS

5.1. During the term of this Sublease, Sublessor 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 Sublease are assessed or imposed upon or become due and payable or a lien upon the land and buildings of which the Subleased Premises are a part.



5.2. Abatement. If Sublessor shall receive any tax refund or reimbursement of Taxes or sum in lieu thereof with respect to any Tax Year which is not due to vacancies in the Building, then out of any balance remaining thereof after deducting Sublessor's expenses reasonably incurred in obtaining such refund, Sublessor shall, provided there does not then exist a Default of Sublessee, credit an amount equal to such refund or reimbursement or sum in lieu thereof (exclusive of any interest) multiplied by the Sublessee's Prorata Share against the obligations of Sublessee next falling due under this Article V; provided, that in no event shall Sublessee be entitled to receive a credit equal to more than the payments made by Sublessee on account of Taxes for such Year pursuant to paragraph (b) of Section B.1 or to receive any payments or abatements of Basic Rent if Taxes for any Tax Year are less than Base Taxes or if Base Taxes are abated.

#### ARTICLE 6.

##### SURRENDER OF SUBLEASED PREMISES

6.1. On the expiration or termination of this Sublease, Sublessee shall surrender to Sublessor the Subleased Premises, including all improvements and fixtures therein whether leased to or otherwise owned by Sublessee, 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 Subleased Premises, except that Sublessee shall be allowed to remove its personal property or any improvements made by Sublessee at its sole expense that can be removed without damage to any buildings, facilities or other improvements to the Subleased Premises. The Subleased Premises, including the improvements and fixtures therein, 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 Sublessor, and, if requested to do so, Sublessee shall execute, acknowledge and deliver to Sublessor such instruments of further assurance as in the opinion of Sublessor are necessary or desirable to confirm or perfect Sublessor's right, title and interest in and to the Subleased Premises including said improvements and fixtures. On or before the end of the Sublease term, Sublessee shall remove all of Sublessee's personal and other property allowed to be removed hereunder, and all such property not removed shall be deemed abandoned by Sublessee and may be utilized or disposed of by Sublessor without any liability to Sublessee. Sublessee's obligation under this Article 6 shall survive the expiration or termination of this Sublease.

#### ARTICLE 7.

##### INSURANCE

7.1. Public Liability Insurance. Sublessee agrees to maintain in full force from the date upon which Sublessee first enters the Premises for any reason, throughout the Term of this Sublease, and thereafter so long as Sublessee is in occupancy of any part of the Premises, a

policy of general liability and property damage insurance (including broad form contractual liability, independent contractor's hazard and completed operations coverage) under which Sublessor, Manager (and such other persons as are in privity of estate with Sublessor as may be set out in notice from time to time) and Sublessee are named as additional insured, and under which the insurer agrees to defend, indemnify and hold Sublessor, Manager, and those in privity of estate with Sublessor, harmless from and against all cost, expense and/or liability arising out of or based upon any and all claims, accidents, injuries and damages set forth in Article 12. Each such policy shall be non-cancelable and non-amendable with respect to Sublessor, Manager and Sublessor's said designees without thirty (30) days' prior notice to Sublessor and shall be as follows:

(1) Comprehensive general liability insurance to a limit of not less than two million (\$2,000,000) dollars, endorsed for products and completed operations liability insurance, on an "occurrence basis" against claims for "personal injury", including without limitation, bodily injury, death or property damages occurring upon, in or about the land and buildings of which the Subleased Premises are a part as required pursuant to the Primary Sublease.

(2) Worker's 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 Sublease.

(3) Automobile liability insurance in amounts approved from time to time by Sublessor, but not less than one million (\$1,000,000) dollars 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 Sublease, 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 Sublessor, which approval shall not be withheld unreasonably. Except for workman's compensation coverage, all such policies of insurance shall be for the mutual benefit of Sublessor, PDA, and Sublessee as named additional insured. Upon the execution of this Sublease (and thereafter not less than fifteen (15) days prior to the expiration date of each policy furnished pursuant to this Article) the original of each policy required to be furnished pursuant to this Article (or, with the consent of Sublessor, which consent shall not be unreasonably withheld, in the case of comprehensive general liability insurance and products liability insurance, a certificate of the insurer reasonably satisfactory to Sublessor) bearing a notation evidencing the payment of the premium or accompanied by other evidence reasonably satisfactory to Sublessor of such payment, shall be delivered by Sublessee to Sublessor.

7.3. All policies of insurance shall provide for loss thereunder to be adjusted and payable to Sublessor or Sublessee in accordance with the terms of this Sublease.

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 Sublessee, or any employee, officer or agent of Sublessee, 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, and (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 Sublessor and PDA and (iii) provide that the insurer shall have no right of subrogation against the PDA.

7.5. All policies of insurance required to be maintained by Sublessee shall have attached thereto the Lender's Loss Payable Endorsement, or its equivalent, or a loss payable clause acceptable to Sublessor, 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 Sublease with respect to the application of the proceeds of such insurance.

7.6. Sublessee shall observe and comply with the requirements of all policies of insurance at any time in force with respect to the Subleased Premises and Sublessee 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 Sublessor shall be willing to write or to continue such insurance. Sublessee 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 Sublease may be effected by a policy or policies of blanket insurance or may be continued in such form until otherwise required by Sublessor; provided, however, that the amount of the total insurance allocated to the Subleased 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 Sublease. In any such case it shall not be necessary to deliver the original of any such blanket policy to Sublessor, but Sublessee shall deliver to Sublessor and to any Mortgagee a certificate or duplicate of such policy in form and content acceptable to Sublessor.

7.8. Sublessee's Risk. To the maximum extent this agreement may be made effective according to law, Sublessee agrees to use and occupy the Premises and to use such other portions of the Property as Sublessee is herein given the right to use at Sublessee's own risk; and Sublessor shall have no responsibility or liability for any loss of or damage to Sublessee's Removable Property or for any inconvenience, annoyance, interruption or injury to business arising from Sublessor's making any repairs or changes which Sublessor is permitted by this Sublease or required by law to make in or to any portion of the Premises

or other sections of the Property, or in or to the fixtures, equipment or appurtenances thereof, except where the Sublessor is grossly negligent in making such repairs. Sublessee shall carry "all-risk" property insurance on a "replacement cost" basis (including so-called improvements and betterments), or be self insured (with respect to the Sublessee's removal property), and provide a mutual waiver of subrogation for both parties. The provisions of this Section shall be applicable from and after the execution of this Sublease and until the end of the Term of this Sublease, and during such further period as Sublessee may use or be in occupancy of any part of the Premises or of the Building.

7.9. Injury Caused By Third Parties. To the maximum extent this agreement may be made effective according to law, Sublessee agrees that Sublessor shall not be responsible or liable to Sublessee, or to those claiming by, through or under Sublessee, for any loss or damage that may be occasioned by or through the acts or omissions of persons occupying adjoining premises or any part of the premises adjacent to or connecting with the Premises or any part of the Property or otherwise. The provisions of this Section shall survive the expiration or any earlier termination of this Sublease.

#### ARTICLE 8.

##### USE OF SUBLEASED PREMISES

8.1. The sole purpose for which Sublessee may use the Subleased Premises is for Medical Office and related uses and for no other uses without Sublessor's and PDA's prior written consent. Sublessee shall not use, or permit to be used, the Subleased Premises for any other purpose without the prior express written consent of Sublessor and PDA. Sublessor's and PDA'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 Sublessor and PDA. Sublessee is prohibited from any use of the Subleased Premises not specifically granted in this Section 8.1.

8.2. Sublessee recognizes that the uses authorized in Section 8.1 are not granted on an exclusive basis and that Sublessor and PDA may enter into subleases or other agreements with other tenants or users at areas of the building in which the Subleased Premises are a part or other areas of the Airport for similar, identical, or competing uses. No provision of this Sublease shall be construed as granting or authorizing the granting of an exclusive right within the meaning of Section 303 of the Federal Aviation Act as the same may be amended from time to time.

8.3. Sublessee agrees that it will keep the Premises in a neat, clean and orderly condition in accordance the provisions of Chapters 305 through 500 of the Peace Development Authority 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 Sublessee shall not be bound by any such rules and regulations until such time as it receives a copy thereof. Sublessor

agrees to cause trash receptacles to be emptied and trash removed at Sublessor's sole cost and expense.

8.4. Sublessee warrants that it holds all certificates, permits, licenses or other entitlements required by federal, state or local laws in order to allow Sublessee to conduct the permitted uses hereunder, and that the same are and will be kept current, valid and complete. Sublessee 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 Sublessor of any additions, renewals, amendments, suspensions or revocations. In the use and occupation of the Subleased Premises and the conduct of such business thereon, Sublessee, 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.

8.5. Sublessee shall have the right to contest by appropriate proceedings diligently conducted in good faith, without cost or expense to Sublessor, 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 Subleased Premises or Sublessee's interest therein and without subjecting Sublessor to any liability, civil or criminal, for failure so to comply therewith, Sublessee 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, Sublessee may, with the prior written consent of Sublessor, contest as aforesaid and delay as aforesaid, provided that such contest or delay does not subject Sublessor to criminal liability, damages or expense and provided that Sublessee: (i) furnishes to Sublessor security, reasonably satisfactory to Sublessor, against any loss or injury by reason of such contest or delay; and (ii) prosecutes the contest with due diligence.

Sublessor and PDA 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 Sublessor and/or PDA and Sublessor and/or PDA determines that such action is in its best interests, in which event Sublessor and/or PDA shall join in the proceedings, or permit the same to be brought in its name, if Sublessee shall pay all expenses in connection therewith.

8.6. Responsibility for compliance with all Federal, State and local laws as required by this Article rests exclusively with the Sublessee. Sublessor assumes no enforcement or supervisory responsibility except with respect to matters committed to its jurisdiction and authority.

8.7. Sublessee's use of the Subleased Premises shall be orderly and efficient and shall not cause any disruptions to other Airport activities or other tenants in the building in which the Subleased Premises are a part. Sublessee shall not cause or maintain any nuisance on the Subleased Premises. Sublessee shall conduct all of its activities hereunder in an environmentally responsible manner.

8.8. Sublessee shall have the right to obtain supplies or services from suppliers, vendors or contractors of its own choice at the Subleased Premises, provided that PDA in the Primary Sublease reserved 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 PDA and said persons.

8.9. Intentionally omitted.

8.10. Sublessee agrees to conform to the following provisions during the Term of this Sublease: (i) Sublessee shall cause all freight to be delivered to or removed from the Building and the Premises in accordance with reasonable rules and regulations established by Sublessor therefor; (ii) Sublessee will not place on the exterior of the Premises (including both interior and exterior surfaces of doors and interior surfaces of windows) or on any part of the Building outside the Premises, any signs, symbol, advertisements or the like visible to public view outside of the Premises. Sublessor will not unreasonably withhold consent for signs or lettering on the entry doors to the Premises provided such signs conform to building standards adopted by Sublessor and Sublessee has submitted a sketch of the sign to be placed on such entry doors; (iii) Sublessee shall not perform any act or carry on any practice which may injure the Premises, or any other part of the Building, or cause offensive odors or loud noise or constitute a nuisance or menace to any other Sublessee or sublessees or other persons in the Building; (iv) Sublessee shall, at its sole cost and expense; (x) in its use of the Premises, the Building or the Land, comply with the requirements of all applicable governmental laws, rules and regulations including, without limitation, the Americans with Disabilities Act of 1990, as amended (the "ADA") and (y) in the event of any Sublessee's work or improvements, pay for and perform any work necessary to bring the Premises, the Building or the Land into compliance with the ADA which work is required due to the Sublessee's use of the Premises, the Building or the Land for retail purposes; and (v) Sublessee shall continuously throughout the Term of this Sublease occupy the Premises for the Permitted Uses and for no other purposes. The Sublessor hereby certifies that the initial construction of the building and Sublessor's fit up of the leased premises conform to all ADA requirements.

## ARTICLE 9

### LIENS

9.1. During the term of this Sublease, Sublessee shall not permit to remain, and shall promptly discharge, at its cost and expense, all liens, encumbrances and charges upon the Subleased 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. Sublessee shall, however, have the right to contest with due diligence the validity or amount of any lien or claimed lien, if Sublessee shall give to Sublessor such security as Sublessor may reasonably require to insure payment thereof and prevent any sale, foreclosure or forfeiture of Sublessee's interest in the Subleased Premises or any portion thereof by reason of such nonpayment. On final determination of the lien or claim for lien, Sublessee shall immediately pay any judgment rendered with all proper costs and charges and shall have the lien released or judgment satisfied at Sublessee's own expense, and if Sublessee shall fail to do so, Sublessor may at its option pay any such final judgment and clear the Subleased Premises therefrom. If Sublessee shall fail to contest with due diligence the validity or amount of any such lien or claimed lien, or to give Sublessor security as hereinabove provided, Sublessor 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.

9.2. Should any lien be filed against the Subleased Premises or the building in which the Subleased Premises are a part, or should any action of any character affecting the title thereto be commenced, Sublessee shall give to Sublessor written notice thereof as soon as notice of such lien or action comes to the knowledge of Sublessee.

## ARTICLE 10

### ALTERATIONS - SIGNS

10.1. Sublessee 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 Subleased Premises without Sublessor's and PDA's written consent. Unless Sublessee is subject to an earlier notice requirement under the PDA's land use controls or other applicable requirements with respect to the information required under this section, any request for Sublessor's and PDA'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 Sublessor and PDA, working drawings. If Sublessor and PDA each grants its consent, all such work shall be done at Sublessee'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 PDA and with the provisions of Article 22 of this Sublease. This obligation shall include compliance with

all applicable provisions of the FFA (as defined in Article 22), including obligations imposed upon Sublessor 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 Sublessor and PDA and shall not be disruptive of the overall operation of the Airport. All contractors engaged by Sublessee 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 alteration, Sublessee or any contractor, subcontractor or sublessee of Sublessee shall maintain or cause to be maintained the following insurance:
  - (i) The comprehensive general liability and automobile insurance provided for in Article 7 and shall be maintained for the limits specified thereunder and shall provide coverage for the mutual benefit of Sublessor, PDA, and Sublessee as named or additional insured (as is appropriate) in connection with any Alteration permitted pursuant to this Article 15.
  - (ii) Fire and any other applicable insurance provided for in Article 7 which is 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 Subleased Premises (including excavations, foundations, and footings) under broad form all risk builder's risk completed value form or equivalent thereof; and
  - (iii) Worker's compensation insurance covering all persons employed in connections with the work and with respect to whom death or bodily injury claims could be asserted against PDA, Sublessor, Sublessee or the Subleased Premises, with statutory limits as then required under the laws of the State of New Hampshire.



- (4) Sublessee shall provide Sublessor and PDA with MYLAR as-built drawings when any Alteration authorized hereunder is completed.

10.2. Sublessee may erect and maintain suitable signs only with the Subleased Premises and upon receiving the prior written approval of Sublessor and PDA. Sublessee shall submit drawings of proposed signs and information on the number, size, type, and location, all of which Sublessor and PDA may review for harmony and conformity with the overall structure and architectural and aesthetic setting of the building in which the Subleased Premises are a part and the Airport as well as with PDA's own land use control regulations and may approve or disapprove accordingly.

10.3. Notwithstanding any other provision of this sublease, the right of sublessee to place or construct Alterations in, to or upon the Subleased Premises shall be subject to Paragraph B of the Deed.

10.4. In addition to the requirements to provide notice to PDA 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 PDA under the Deed and/or the FFA.

10.5. The Sublessor, its sublessees 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.

## ARTICLE 11

### RIGHT OF SUBLESSOR TO INSPECT AND REPAIR

11.1. Sublessee will permit Sublessor and/or PDA and their authorized agents and representatives to enter the Subleased 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 Sublessee's failure to comply with the terms of this Sublease within ten (10) days after written notice from Sublessor, unless an emergency situation (as determined in Sublessor's and/or PDA's sole discretion) requires earlier action by Sublessor. Nothing herein shall imply any duty upon the part of Sublessor and/or PDA to do any such work and performance thereof by Sublessor and/or PDA shall not constitute a waiver of Sublessee's default in failing to perform the same. Sublessor and/or PDA may during the progress of such work keep and store in or on the Subleased Premises all necessary materials, tools, supplies and equipment. Sublessor and/or PDA shall not be liable for inconvenience, annoyance, disturbance, loss of business or other damage of Sublessee 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 Subleased Premises during the course thereof and the obligations of Sublessee under this Sublease shall not be

affected thereby. Nothing herein shall limit the provisions of Article 8 of the Primary Sublease.

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

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

## ARTICLE 12

### GENERAL INDEMNIFICATION BY SUBLESSEE

12.1. In addition to any other obligation of Sublessee under this Sublease to indemnify, defend and hold harmless Sublessee, its principals, agents and employees, etc., Sublessee agrees to indemnify, defend and hold harmless Sublessee against and from any and all claims, judgments, damages, penalties, fines, assessments, costs and expenses, liabilities and losses (including, without limitation, distribution 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 Sublease:

(1) from any condition of the Premises resulting from the use of the Premises by the Sublessee;

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

(3) from any accident, injury, loss or damage whatsoever caused by any act or omissions of Sublessee, or any of its agents, contractors, servants,

employees, sublessees, licensees or invitees, to any person or property occurring during the term of this Sublease, on or about the Subleased Premises (including ramp and parking areas), or upon the land, streets, curbs or parking areas adjacent thereto.

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

12.2. The term "Person" as used in this Article 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.

12.3. The Sublessee also expressly waives any claims against PDA and the State of New Hampshire and further agrees to indemnify, save, hold harmless and defend PDA and the State of New Hampshire to the same extent required of the Sublessor under the Primary Sublease.

## ARTICLE 13

### UTILITIES

13.1. Sublessor shall bring or shall cause utility lines to be brought to the Subleased Premises at the points existing as of the Term Commencement Date or such other points as may be designated by Sublessor (in consultation with Sublessee). The utility lines shall have the capacities existing as of the Term Commencement Date which Sublessee acknowledges are sufficient to enable Sublessee to obtain for the Subleased Premises, as of the date of commencement of Sublessee's activities, sufficient water, electricity, telephone and sewer service. Sublessee 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 Subleased Premises. If Sublessee desires to install any equipment which shall require additional utility facilities or utility facilities of a greater capacity than the facilities provided by Sublessor, such installation shall be subject to Sublessor's and PDA's prior written approval of Sublessee's plans and specifications therefor, which approval shall not be unreasonably withheld. If such installation is approved by Sublessor and PDA and if Sublessor and PDA agrees to provide any additional facilities to accommodate Sublessee's installation, Sublessee agrees to pay Sublessor and/or PDA, in advance and on demand, the cost for providing such additional utility facilities or utility facilities of greater capacity.

PDA under the Primary Sublease also reserved the right to run such utility lines as it deems necessary in connection with the development of the Airport to, from, or through

the Subleased Premises, provided, however, that PDA in exercising such reserved right shall provide reasonable prior notice and the opportunity to confer with PDA and shall exercise reasonable efforts to avoid or minimize interference with use of the Subleased Premises.

PDA under the Primary Sublease, 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 Subleased Premises and Sublessee agrees to execute and deliver to PDA such documentation as may be required to effect such alteration. Sublessee agrees to pay all charges for the above enumerated utilities supplied by Sublessor, public utility or public authority, or any other person, firm or corporation which are separately metered to the Subleased Premises.

PDA under the Primary Sublease, shall have the option to supply any of the above-enumerated utilities to the Subleased Premises. If PDA shall elect to supply any of such utilities to the Subleased Premises, Sublessee will purchase its requirements for such services rendered by PDA, and Sublessee will pay PDA, within ten (10) days after mailing by PDA to Sublessee of statements therefor, at the applicable rates determined by PDA from time to time which PDA 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 PDA so elects to supply any of such utilities, Sublessee shall execute and deliver to PDA, within ten (10) days after request therefor, any documentation reasonably required by PDA to effect such change in the method of furnishing of such utilities.

13.2. Sublessor shall be responsible for providing any meters or other devices for the measurement of utilities supplied to the Subleased Premises. Sublessee 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 Subleased Premises and supplied by PDA, any public utility or authority or any other person, firm or corporation which are separately metered to the Subleased Premises.

13.3. All work and construction under this Article shall comply with the provisions of Article 10 of this Sublease applicable to construction work.

#### ARTICLE 14

#### INSTALLATION AND ALTERATIONS BY SUBLESSEE, REPAIRS AND SERVICES TO BE FURNISHED BY SUBLESSOR.

14.1. Installation and Alterations by Sublessee, etc. Sublessee shall make no alterations, additions (including, for the purposes hereof, wall-to-wall carpeting), or improvements in or to the Premises without Sublessor's prior written consent. Any such

alterations, additions or improvements shall (i) be in accordance with complete plans and specifications prepared by Sublessee and approved in advance by Sublessor; (ii) be performed in a good and workmanlike manner and in compliance with all applicable laws; (iii) be performed and completed in the manner required herein; (iv) be made at Sublessee's sole expense and at such times as Sublessor may from time to time designate; and (v) become a part of the Premises and the property of Sublessor. It is agreed and understood that Sublessor shall have the right to review and approve all changes to any plans which Sublessor shall have approved pursuant to this Section. It is also agreed and understood that Sublessor shall not be deemed to be unreasonable in denying its consent to alterations, additions and improvements to the Premises which affect "Base Building Systems" (as said term is hereafter defined). As used herein, the term "Base Building Systems" shall mean (i) any mechanical, electrical or plumbing system or component of the Building (including the Premises) (ii) the exterior of the Building (iii) the Building HVAC distribution system (iii) any fire safety prevention/suppression system and (iv) any structural element or component of the Building.

14.2. All articles of personal property and all business fixtures, machinery and equipment and furniture owned or installed by Sublessee solely at its expense in the Premises ("Sublessee's Removable Property") shall remain the property of Sublessee and may be removed by Sublessee at any time prior to the expiration of this Sublease, provided that Sublessee, at its expense, shall repair any damage to the Building caused by such removal.

14.3. All of the Sublessee's alterations, additions and installation of furnishings shall be coordinated with any work being performed by Sublessor and in such manner as to maintain harmonious labor relations and not damage the Property or interfere with Building construction or operation and, except for installation of furnishings, shall be performed by Sublessor's general contractor or, at Sublessor's election, by contractors or workmen first approved by Sublessor. Installation and moving of furnishings, equipment and the like shall be performed only with labor compatible with that being employed by Sublessor for work in or to the Building and not to employ or permit the use of any labor or otherwise take any action which might result in a labor dispute involving personnel providing services in the Building. Except for work by Sublessor's general contractor, Sublessee before its work is started shall secure all licenses and permits necessary therefor.

14.4. In connection with the performance of any alterations, improvements, changes or additions to the Premises as contemplated by Article IV or Section 5.2 of this Sublease, in the event that any such improvement, alteration, change or addition to the Premises to be performed by Sublessee (the Sublessee's Work") affects so-called "Base Building Systems" and to the extent that such Work is not performed by Sublessor or a general contractor employed directly by Sublessor, Sublessee hereby agrees to use the services of a construction management firm designated by Sublessor to oversee, coordinate and review all aspects of any such Work. The cost and expense of the services of such construction manager shall be borne by Sublessee but only to the extent that such costs and expenses are comparable to and competitive with the costs and expenses charged by other firms engaged

in construction management and oversight services in the general geographic location of the Building for services of a similar scope and type.

14.5. Sublessor Repairs. (a) Except as otherwise provided in this Sublease, Sublessor agrees to keep in good order, condition and repair the roof, public areas, exterior walls (including exterior glass) and structure of the Building (including plumbing, mechanical and electrical systems installed by Sublessor but excluding any systems installed specifically for Sublessee's benefit or used exclusively by Sublessee) and the HVAC system serving the Premises, all insofar as they affect the Premises, except that Sublessor shall in no event be responsible to Sublessee for the condition of glass in the Premises or for the doors (or related glass and finish work) leading to the Premises, or for any condition in the Premises or the Building caused by any act or neglect of Sublessee, its agents, employees, invitees or contractors. Sublessor shall not be responsible to make any improvements or repairs to the Building other than as expressly in this Section, unless expressly provided otherwise in this Sublease.

14.6. Any services which Sublessor is required to furnish pursuant to the provisions of this Sublease may, at Sublessor's option be furnished from time to time, in whole or in part, by employees of Sublessor or by the Manager of the Property or by one or more third persons and Sublessor further reserves the right to require Sublessee to enter into agreements with such persons in form and content approved by Sublessor for the furnishing of such services. Sublessor shall cause the paved portions of the Property to be kept reasonably free and clear of snow, ice and refuse and shall cause the landscaped areas of the Property to be maintained in a reasonably attractive appearance.

14.7. Sublessee's Agreement (a) Sublessee will keep neat and clean and maintain in good order, condition and repair the Premises and every part thereof, excepting only those repairs for which Sublessor is responsible under the terms of this Sublease, and reasonable wear and tear of the Premises, and damage by fire or other casualty and as a consequence of the exercise of the power of eminent domain; and shall surrender the Premises, at the end of the Term, in such condition. Sublessee shall continually during the Term of this Sublease maintain the Premises in accordance with all laws, codes and ordinances from time to time in effect and all directions, rules and regulations of the proper officers of governmental agencies having jurisdiction, and shall, at Sublessee's own expense, obtain all permits, licenses and the like required by applicable law. Sublessee shall be responsible for the cost of repairs which may be necessary by reason of damage to the Building caused by any act or neglect of Sublessee or its agents, employees, contractors or invitees (including any damage by fire or any other casualty arising therefrom).

(b) If repairs are required to be made by Sublessee pursuant to the terms hereof, Sublessor may demand that Sublessee make the same forthwith, and if Sublessee refuses or neglects to commence such repairs and complete the same with reasonable dispatch after such demand, Sublessor may (but shall not be required to do so) make or cause such repairs to be made (the provisions of Section 14.13 being applicable to the costs thereof) and shall not be responsible to Sublessee for any loss or damage that may accrue to Sublessee's stock or

business by reason thereof. Notwithstanding the foregoing, Sublessor may elect to take action hereunder immediately and without notice to Sublessee if Sublessor reasonably believes an emergency to exist.

14.8. Floor Load - Heavy Machinery. (a) Sublessee shall not place a load upon any floor in the Premises exceeding the floor load per square foot of area which such floor was designed to carry and which is allowed by law. Sublessor reserves the right to prescribe the weight and position of all business machines and mechanical equipment, including safes, which shall be placed so as to distribute the weight. Business machines and mechanical equipment shall be placed and maintained by Sublessee at Sublessee's expense in settings sufficient, in Sublessor's judgment, to absorb and prevent vibration, noise and annoyance. Sublessee shall not move any safe, heavy machinery, heavy equipment, freight, bulky matter or fixtures into or out of the Building without Sublessor's prior consent, which consent may include a requirement to provide insurance, naming Sublessor as an insured, in such amounts as Sublessor may deem reasonable.

(b) If such safe, machinery, equipment, freight, bulky matter or fixtures requires special handling, Sublessee agrees to employ only persons holding a Master Rigger's License to do such work, and that all work in connection therewith shall comply with applicable laws and regulations. Any such moving shall be at the sole risk and hazard of Sublessee, and Sublessee will exonerate, indemnify and save Sublessor harmless against and from any liability, loss, injury, claim or suit resulting directly or indirectly from such moving.

14.9. Building Services. (a) Sublessor shall, on Business Day from 8:00 a.m. to 6:00 p.m. and Saturdays from 8:00 a.m. to 12:00 noon, furnish heating and cooling as normal seasonal changes may require to provide reasonably comfortable space temperature and ventilation for occupants of the Premises under normal business operation at an occupancy of not more than one person per 125 square feet of Premises Rentable Area and an electrical load not exceeding two (2) watts per square foot of Premises Rentable Area. If Sublessee shall require air conditioning, heating or ventilation outside of the hours and days above specified, Sublessor may furnish such service and Sublessee shall pay therefore such charges as may from time to time be in effect. In the event Sublessee introduces to the Premises personnel or equipment which overloads the capacity of the Building system or in any other way interferes with the system's ability to perform adequately its property functions, supplementary systems may, if and as needed, at Sublessor's option, be provided by Sublessor, at Sublessee's expense.

(b) Sublessor shall also provide:

(i) Passenger elevator service from the existing passenger elevator system in common with Sublessor and other sublessees in the Building;

(ii) Hot water for lavatory purposes and cold water for drinking, lavatory and toilet purposes. If Sublessee uses water for any purpose other than for ordinary lavatory and drinking purposes, Sublessor may assess a reasonable charge for the additional

water so used, or install a water meter and thereby measure Sublessee's water consumption for all purposes. In the latter event, Sublessee shall pay the cost of the meter and the cost of installation thereof and shall keep such meter and installation equipment in good working order and repair. Sublessee agrees to pay for water consumed, as shown on such meter, together with the sewer charge based on such meter charges, as and when bills are rendered, and in default in making such payments Sublessor may pay such charges and collect the same from Sublessee as an additional charge.

(iii) Access to the premises on Business Days twenty-four hours per day and on weekends at times reasonably approved by Sublessor, subject to reasonable security restrictions and restrictions based on emergency conditions and all other applicable provisions of this Sublease.

13.10 Electricity. (a) Sublessor shall permit Sublessor's existing wires, pipes, risers, conduits and other electrical equipment of Sublessor to be used for the purpose of providing electrical service to the Premises. All electrical service to the premises will be separately metered and paid directly by the Sublessee. Sublessee covenants and agrees that its electrical usage and consumption will not disproportionately "siphon off" electrical service necessary for other sublessees of the Building and that its total connected load will not exceed the maximum load from time to time permitted by applicable governmental regulations nor the design criteria of the existing Building electrical capacity. Sublessor shall not in any way be liable or responsible to Sublessee for any loss or damage or expense which Sublessee may sustain or incur if, during the Term of this Sublease, either the quantity or character of electric current is changed or electric current is no longer available or suitable for Sublessee's requirements due to a factor or cause beyond Sublessor's control. Sublessee shall purchase and install all lamps, tubes, bulbs, starters and ballasts. Sublessee shall pay all charges for electricity, HVAC, gas and other utilities used or consumed in the Premises. Sublessee shall bear the cost of repair and maintenance of any electric or gas meter used or to be installed in (or serving) the Premises.

(b) In order to insure that the foregoing requirements are not exceeded and to avert possible adverse affect on the Building's electrical system, Sublessee shall not, without Sublessor's prior consent, connect any fixtures, appliances or equipment to the Building's electrical distribution system which operates on a voltage in excess of 120 volts nominal. If Sublessor shall consent to the connection of any such fixtures, appliances or equipment, all additional risers or other electrical facilities or equipment required therefor shall be provided by Sublessor and the cost thereof shall be paid by Sublessee upon Sublessor's demand as Additional Rent. From time to time during the Term of this Sublease, Sublessor shall have the right to have an electrical consultant selected by Sublessor make a survey of Sublessee's electric usage, the result of which shall be conclusive and binding upon Sublessor and Sublessee. In the event that such survey shows that Sublessee has exceeded the requirements set forth in paragraph (a), in addition to any other rights Sublessor may have hereunder, Sublessee shall, upon demand, reimburse Sublessor for the costs of such survey.



14.11. All work, repairs, alterations or modifications undertaken pursuant to this Article 14 shall be subject to the provisions of Article 10 of this Sublease

## ARTICLE 15

### ACCESS TO PREMISES

Sublessor and its agents shall have the right to enter upon the Subleased Premises, or any part thereof, without charge, at all reasonable times, and upon reasonable notice, and in case of emergency at any time, to inspect the same, to show the Subleased Premises to prospective purchasers or tenants, to make or facilitate any repairs, alterations, additions, or improvements to the Subleased Premises. Nothing in this Article contained shall obligate Sublessor to make any repairs, alterations, additions or improvements. Sublessee shall not be entitled to any abatement or reduction of rent or damages by reason of any of the foregoing. No forcible entry shall be made by Sublessor unless such entry shall be reasonably necessary to prevent serious injury, loss, or damage to persons or property. Sublessor shall repair any damage to property of Sublessee, or anyone claiming under Sublessee, caused by or resulting from Sublessor's making any such repairs, alterations, additions, or improvements, except only such damage as shall result from the making of such repairs, alterations, additions, or improvements, which Sublessor shall make as a result of the default, fault, or negligence of Sublessee, or anyone claiming under Sublessee. For the period commencing six (6) months prior to the expiration of the term of this Sublease, Sublessor may maintain "For Rent" signs on the front or any part of the exterior of the Subleased Premises.

## ARTICLE 16

### DAMAGE OR DESTRUCTION

16.1. Sublessor's Right of Termination. If the Premises or the Building are substantially damaged by fire or casualty (the term "substantially damaged" meaning damage of such a character that the same cannot, in ordinary course, reasonably be expected to be repaired within sixty (60) days from the time the repair work would commence), or if any part of the Building is taken by any exercise of the right of eminent domain, then Sublessor shall have the right to terminate this Sublease (even if Sublessor's entire interest in the Premises may have been divested) by giving notice of Sublessor's election so to do within 90 days after the occurrence of such casualty or the effective date of such taking, whereupon this Sublease shall terminate thirty (30) days after the date of such notice with the same force and effect as if such date were the date originally established as the expiration date hereof.

16.2. Restoration. If this Sublease shall not be terminated pursuant to Section 16.1, Sublessor shall thereafter use due diligence to restore the Premises (excluding any alterations, additions or improvements made by Sublessee) to proper condition for Sublessee's use and occupation, provided that Sublessor's obligation shall be limited to the amount of insurance proceeds available therefor. If, for any reason, such restoration shall

not be substantially completed within six months after the expiration of the 90 day period referred to in Section 16.1 (which six-month period may be extended for such periods of time as Sublessor is prevented from proceeding with or completing such restoration for any cause beyond Sublessor's reasonable control, but in no event for more than an additional three months). Sublessee shall have the right to terminate this Sublease by giving notice to Sublessor thereof within thirty (30) days after the expiration of such period (as so extended). Upon the giving of such notice, this Sublease shall cease and come to an end without further liability or obligation on the part of either party unless, within such 30-day period, Sublessor substantially completes such restoration. Such right of termination shall be Sublessee's sole and exclusive remedy at law or in equity for Sublessor's failure so to complete such restoration. During the period of such restoration, if the Sublessee shall not have reasonable use and occupancy of the premises, the rent shall be abated during that period or portion thereof.

## ARTICLE 17

### EMINENT DOMAIN

17.1. If after the execution of the Sublease and prior to the expiration of the term of this Sublease, the whole of the Subleased Premises shall be taken under the power of eminent domain, then the term of this Sublease shall cease as of the time when Sublessor shall be divested of its title in the Subleased Premises, and minimum rent shall be apportioned and adjusted as of the time of termination.

17.2. If only a part of the Subleased Premises shall be taken under the power of eminent domain, then if as a result thereof the Subleased Premises shall not be reasonably adequate for the operation of the business conducted in the Subleased Premises prior to the taking, Sublessor or Sublessee may, at its election, terminate the term of this Sublease by giving the other notice of the exercise of its election within twenty (20) days after it shall receive notice of such taking, and the termination shall be effective as of the time that Sublessee is dispossessed, and base rent shall be apportioned and adjusted as of the time of termination. If only a part of the Subleased Premises shall be taken under the power of eminent domain, and if the term of this Sublease shall not be terminated as aforesaid, then the term of this Sublease shall continue in full force and effect, and Sublessor shall, within a reasonable time after possession is required for public use, repair and rebuild what may remain of the leased Premises so as to put the same into condition for use and occupancy by Sublessee, and a just proportion of the base rent according to the nature and extent of the injury to the Subleased Premises shall be abated for the balance of the term of this Sublease and in addition business interruption and/or relocation aware are to be paid out of the taking shall be the property of and shall be paid to the Sublessee.

17.3. Sublessor reserves to itself, and Sublessee assigns to Sublessor, all rights to damages accruing on account of any taking under the power of eminent domain or by reason of any act of any public or quasi public authority for which damages are payable. Sublessee agrees to execute such instruments of assignment as may be reasonably required by Sublessor in any proceeding for the recovery of damages that may be recovered in such proceeding. It is agreed and understood, however, the Sublessor does not reserve to itself, and Sublessee does not assign to Sublessor, any damages payable for movable trade fixtures installed by Sublessee or anybody claiming under Sublessee at its own cost and expense.

## ARTICLE 18

### DEFAULT

18.1. If Sublessee shall default in the payment of rent or other payments required of Sublessee, and if Sublessee shall fail to cure said default within seven (7) business days after receipt of written notice of said default from Sublessor; or if Sublessee shall default in the performance or observance of any other agreement or condition on its part to be performed or observed, and if Sublessee shall fail to cure said default within fifteen (15) business days after receipt of written notice of said default from Sublessor; or if any person shall levy upon, or take this leasehold interest or any part hereof, upon execution, attachment, or their process of law; or if Sublessee shall make an assignment of its property for the benefit of creditors; or if Sublessee shall file voluntary bankruptcy; or if any bankruptcy or insolvency proceedings shall be commenced by Sublessee or an involuntary bankruptcy shall be filed against the Sublessee which remains undischarged for a period of 60 days, or if a receiver, trustee, or assignee shall be appointed for the whole or any part of the Sublessee's property, then in any of said cases, Sublessor lawfully may upon seven days notice or if such notice shall adversely affect the rights of the Sublessor in any bankruptcy or receivership, then immediately, or at any time thereafter, and without further notice of demand, enter into and upon the Subleased Premises, or any part hereof in the name of the whole, and hold the Subleased Premises as if this Sublease had not been made, and expel Sublessee and those claiming under it, and remove its or their property without being taken or deemed to be guilty of any manner of trespass (or Sublessor may send written notice to Sublessee of the termination of this Sublease, and upon entry as aforesaid (or in the event that Sublessor shall send to Sublessee notice of termination as above provided, on the fifth (5<sup>th</sup>) day next following the date of the sending of the notice), the term of this Sublease shall terminate. Sublessee hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of Sublessee being evicted or dispossessed for any cause, or in the event Sublessor terminates this Sublease as provided in this Article. The Sublessee shall be liable for a 5% late fee applicable to any amounts due under this Sublease, from the due date of such payment.

18.2. In the case of such termination, Sublessee will indemnify Sublessor each month against all loss of rent, and all obligations which Sublessor may incur by reasons of any

such termination, between the time of termination and the expiration of the term of this Sublease; or at the election of Sublessor, exercised at the time of the termination or at any time thereafter, Sublessee will indemnify Sublessor, each month until the exercise of the election, against all loss of rent and other obligations which Sublessor may incur by reason of such termination, during the period between the time of the termination and the exercise of the election, and upon the exercise of the election Sublessee will pay to Sublessor as damages such amount as at the time of the exercise of the election represents the amount by which the rental value of the leased Premises for the period from the exercise of the election until the expiration of the term shall be less than the amount of rent and other payments provided herein to be paid by Sublessee to Sublessor during said period. It is understood and agreed that at the time of the termination, or at any time thereafter, the Sublessor shall diligently perform the legal obligation to relet the premises for a term which may expire after the expiration of the term of this Sublease, without releasing Sublessee from any liability whatsoever, only for the term of this Sublease, but not for the longer re-let term. The Sublessee shall be liable for any expenses incurred by Sublessor in connection with obtaining possession of the Subleased Premises, with removing from the Subleased Premises property of Sublessee and persons claiming under it (including warehouse charges), with putting the Subleased Premises into a condition relating similar to its condition at the commencement of this lease, reasonable wear and tear excepted, and with any reletting, including, but without limitation, reasonable attorneys' fees and brokers' fees, and that any monies collected from any reletting shall be applied first to the foregoing expenses and then to the payment of rent and all other payments due from Sublessee to Sublessor. The Sublessor shall, commensurate with any demand for payment of any of the above as to expenses or rent, provide the Sublessee with an itemization of all such items as a condition to the Sublessee's obligations to make payment.

#### ARTICLE 19

##### SUBORDINATION TO MORTGAGES

Sublessee agrees that upon the request of Sublessor it will subordinate this Sublease and the lien hereof to the lien of any present or future mortgage or mortgages upon the Subleased Premises, any property of which the Subleased Premises are a part, or upon any ground lease of such property or upon any part thereof, irrespective of the time of execution or time of recording of any sub mortgage or mortgages. Sublessee agrees that it will, upon the request of Sublessor, execute, acknowledge and deliver any and all instruments deemed by Sublessor necessary or desirable to give effect or notice of such subordination. Sublessee also agrees that if it shall fail at any time to execute, acknowledge, or deliver any instrument requested by Sublessor under this Article, Sublessor may, only after seven (7) days notice to the Sublessee, in addition to any other remedies available to it, execute, acknowledge, and deliver such instrument as the attorney in fact of Sublessee and in Sublessee's name, and Sublessee hereby makes, constitutes, and irrevocably appoints Sublessor as its attorney in fact for that purpose.

The word "mortgage" as used herein includes mortgages, deeds of trust, or other similar instruments and modifications, consolidations, extensions, renewals, replacements and substitutes thereof. At the request of the holder of any mortgage upon the Subleased Premises or any property of which the Subleased Premises is a part may subordinate the lien of such mortgage to this Sublease, thereby making this Sublease superior to such mortgage, by recording in the Rockingham County Registry of Deeds, a Notice of Subordination or other document of like effect, executed unilaterally by such mortgage. Whether the lien of any mortgage are a part shall be superior or subordinate to this Sublease and the lien hereof, Sublessee agrees that , if requested by Sublessor or the holder of such mortgage, it will attorn to the holder of such mortgage or anyone claiming under such holder and their respective successors and assigns in the event of foreclosure of or similar action taken under such mortgage.

#### ARTICLE 20

#### CERTIFICATE

Within ten (10) days after written request therefor by Sublessor, Sublessee agrees to deliver to Sublessor or to any mortgagee a certificate stating (if such be the case) that Sublessee has entered into occupancy of the Subleased Premises in accordance with the provisions of this Sublease, that this Sublease is in full force and effect (if such be the case), that Sublessor has performed the construction required of Sublessor, and any other information reasonably requested.

#### ARTICLE 21

#### DELEGATION, ASSIGNMENT, SUBLEASES, MORTGAGE

21.1. Delegation. Sublessee shall not have the right to delegate any of its responsibilities or obligations under this Sublease.

21.2. Assignment. Sublessee may, without the approval of Sublessor, assign its rights under this Sublease to a related corporation as long as Sublessee retains at least fifty-one percent (51%) controlling interest in such related corporation. All other assignments shall be subject to approval of Sublessor and PDA, which approval shall not be withheld unreasonably.

21.3. Subleases. Sublessee may not enter into any sublease of the Subleased Premises without Sublessor's prior written approval. Any request for Sublessor's approval shall be made at least forty-five (45) days prior to the commencement of such tenancy and shall provide detailed information concerning the identity and financial condition of the proposed sublessee and the terms and conditions of the proposed sublease. Sublessor shall not unreasonably withhold its consent to such sublease if: (1) the use of the

Subleased Premises associated with any sublease(s) is permitted under Article 8, (2) the sublease(s) are consistent with the terms and conditions of this Sublease and the Primary Sublease; provided, however, that Sublessee may rent the subleased area at rentals deemed appropriate by Sublessee, (3) Sublessee remains primarily liable to Sublessor to pay rent and to perform all other obligations to be performed by Sublessee under this Sublease, (4) the proposed sublessee is financially and operationally responsible and (5) PDA has given its approval to the proposed sublease. [In the event the rent for the Subleased Premises exceeds the rental charged to Sublessee under Article 4, Sublessee shall remit sixty percent (50%) of such excess to Sublessor upon receipt by Sublessee; provided, however, that any rental received by Sublessee during a period in which no rental is due to Sublessor shall be paid in its entirety to Sublessor.]

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

21.5. Notwithstanding any other provision of this Sublease, any assignments or sublease shall comply with the provision of Article XXII including the notice requirements of Condition 10.8 of the FFA (as that term is defined in Section 22.8) and the terms and conditions of the Primary Sublease.

21.6. Mortgages. Except as otherwise expressly agreed to by PDA in writing, Sublessee shall not have the right to engage in any financing or other transaction creating any mortgage upon the Subleased Premises. Any approval of PDA shall be expressly subject to the Primary Sublease and any applicable terms and conditions of the Deed.

## ARTICLE 22

### ENVIRONMENTAL PROTECTION

22.1. Sublessee and any sublessee or assignee of Sublessee shall comply with all

federal, state, and local laws, regulations, and standards that are or may become applicable to Sublessee's or Sublessee's or assignee's activities at the Subleased Premises, including but not limited to, the applicable environmental laws and regulations identified in Exhibit 7, as amended from time to time.

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

22.3. Sublessee shall indemnify, defend and hold harmless Sublessor, PDA and the Air Force 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, or any other action by the Sublessee, or any sublessee or assignee of the Sublessee, giving rise to Sublessor or PDA or Air Force liability, civil or criminal, or responsibility under federal, state or local environmental laws.

This indemnification of Sublessor and PDA and Air Force by Sublessee includes, without limitation, any and all claims, judgment, damages, penalties, fines, costs and expenses, liabilities and losses incurred by Sublessor or PDA 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 Sublessee or any sublessee or assignee of the Sublessee at the Subleased Premises after the Occupancy Date. "Occupancy Date" as used herein shall mean the earlier of the first day of Sublessee's occupancy or use of the Subleased Premises or the date of execution of this Sublease. "Occupancy" or "Use" shall mean any activity or presence including preparation and construction in or upon the Subleased Premises.

The provisions of this Section shall survive the expiration or termination of the Sublease, and the Sublessee's obligations hereunder shall apply whenever the Sublessor or the Air Force incurs costs or liabilities for the Sublessee's actions of the types described in this Article.

22.4. Notwithstanding any other provision of this Sublease, Sublessee 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 Hazardous Substances on any portion of the Airport, including the Subleased Premises. The Sublessee 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 Subleased Premises) of any Hazardous Substances prior to the Occupancy Date.

22.5. As used in this Sublease, 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 Part Hc. P 1905 ("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. §5901 et seq. (42 U.S.C. §5903), 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 Sublease, 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.

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

22.7. Notwithstanding any other provision of this Sublease and pursuant to the Primary Sublease, PDA is not responsible for any removal or containment of asbestos. If Sublessee and any sublessee or assignee intend to make any improvements or repairs that require the removal of asbestos, an appropriate asbestos disposal plan must be incorporated in the plans and specifications. 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 Sublessee will be abated by Sublessee at its sole cost and expense. The Sublessor hereby certifies that the leased premises and the building containing the leased premises are free of any asbestos materials.

22.8. Sublessor and Sublessee acknowledge that the Airport has been identified as a



National Priority List (NPL) Site under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) of 1980, as amended. Sublessee acknowledges that Sublessor 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 the terms of the FFA to the extent the same may be applicable to the Subleased Premises and that should any conflict arise between the terms of the FFA and the provisions of this Sublease, the terms of the FFA will take precedence. The Sublessee further agrees that the Sublessor and PDA assume no liability to the Sublessee or any sublessee or assignee of Sublessee should implementation of the FFA interfere with their use of the Subleased Premises. The Sublessee and its sublessee(s) and assignee(s) shall have no claim on account of any such interference against the Sublessor, or PDA or any officer, agent, employee or contractor thereof, other than a claim to Sublessor for abatement of rent.

Pursuant to its obligations under Federal law, the Parties hereto acknowledge 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.

22.9. The Air Force, EPA, and NHDES and their officers, agents, employees, contractors, and subcontractors have the right, upon reasonable notice to the Sublessee and any sublessee or assignee, to enter upon the Subleased 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, testpiling, 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 Subleased Premises or to verify any data submitted to the EPA or NHDES by the Air Force relating to such conditions;

(4) to construct, 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.

22.10. Sublessee and its sublessees and assignees agree to comply with the provisions of

any health or safety plan in effect under the IRP or the PFA 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 Sublessee and any sublessee or assignee. Sublessee and any sublessee or assignee shall have no claim on account of such entries against the State as defined in PFA or any officer, agent, employee, contractor, or subcontractor thereof.

Sublessor 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 PDA that the Environmental Use Restrictions bind Sublessor and its sublessees and assignees, and that the Air Force reserves to itself the enforcement of this restrictive covenant against Sublessor and its sublessees hereunder.

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

22.12. The Airport air emissions offsets and Air Force accumulation points for hazardous and other wastes will not be made available to Sublessee. Sublessee 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 Sublease.

22.13. Any permit required under Hazardous Substance Laws for the management of Hazardous Substances stored or generated by Sublessee or any sublessee or assignee of Sublessee shall be obtained by Sublessee 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 Sublease. Sublessee 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.

22.14. Sublessee, and any sublessee or assignee of Sublessee 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 Subleased 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 PDA applicable to the Airport and except for initial fire response and/or spill containment, shall not rely on use of the Airport or Sublessor personnel or equipment. Should the Sublessor provide any personnel or equipment, whether for initial fire response and/or spill containment or otherwise, on request of the Sublessee, or because the Sublessee was not, in the opinion of Sublessor,

conducting timely cleanup actions, the Sublessee agrees to reimburse the Sublessor for its costs.

22.15. Sublessee, and any sublessee or assignee of Sublessee, must maintain and make available to PDA, the Air Force, EPA and NHDES all records, inspections logs, and manifests that tract the generation, handling, storage, treatment and disposal of hazardous waste, as well as all other records required by applicable laws and requirements. PDA and the Air Force reserve the right to inspect the Subleased Premises and Sublessee'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 PDA and the Air Force to appropriate regulatory agencies, as required by applicable law. The Sublessee, its sublessees or assignees shall be liable for the payment of any fines and penalties or costs which may accrue to the United States of America or PDA as a result of the actions of Sublessee, its sublessees or assignees, respectively.

22.16 Prior to the storage, mixing, or application of any pesticide, as that term is defined under the Federal Insecticide, Fungicide, and Rodenticide Act, the Sublessee, 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 Sublessee, its sublessees and assignees shall store, mix and apply all pesticides within the Subleased Premises only in strict compliance with the Pesticide Management Plan. The pesticides will only be applied by a licensed applicator.

22.17 The Sublessee, its sublessees and assignees must notify the Sublessor 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 Sublessee's, its sublessees and assignees intent to possess, use or store radium; and of Sublessee's, its sublessees 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 Sublessor 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 Sublessee must notify the Sublessor 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 Sublessee, its sublessees and assignees need not make either of the above notifications to the Sublessor and the Site Manager with respect to source and byproduct material which is exempt from regulation under the Atomic Energy Act. The Sublessee shall not, under any circumstances, use, own, possess or allow the presence of special nuclear material on the Subleased Premises.

## ARTICLE 23

### HOLDING OVER

Holding Over. Any holding over by Sublessee after the expiration of the Term of this Sublease shall be treated as a daily tenancy at sufferance at a rate equal to the then fair rental value of the Subleased Premises but in no event less twice the sum of (i) Basic Rent and (ii) Additional Rent in effect on the expiration date. Sublessee shall also pay to Sublessor all damages, direct and/or indirect (including any loss of a Sublessee or rental income), sustained by reason of any such holding over. Otherwise, such holding over shall be on the terms and conditions set forth in this Sublease as far as applicable. The Sublessor may, but shall not be required to, and only on written notice to Sublessee after the expiration of the Term hereof, elect to treat such holding over as an extension of the Term of this Sublease for a period of up to one (1) year, as designated by Sublessor, such extension to be on the terms and conditions set forth in this Section.

## ARTICLE 24

### WAIVERS

Failure of Sublessor to complain of any act or omission on the part of Sublessee, no matter how long the same may continue, shall not be deemed to be a waiver by Sublessor of any of its rights hereunder. No waiver by Sublessor at any time, express or implied, or any breach of any provision of this Sublease shall be deemed a waiver of a breach of any other provision of this Sublease or a consent to any subsequent breach of the same or any other provision. If any action by Sublessee shall require Sublessor's consent or approval, Sublessor's consent to or approval of such action on any one occasion shall not be deemed a consent to or approval of said action on any subsequent occasion or a consent to or approval of any other action on the same or any subsequent occasion. No payment by Sublessee or acceptance by Sublessor of a lesser amount than shall be due from Sublessee to Sublessor shall be deemed to be anything but payment on account, and the acceptance by Sublessor of a check for a lesser amount with an endorsement or statement thereon, or upon letter accompanying said check that said lesser amount is payment in full, shall not be deemed an accord and satisfaction, and Sublessor may accept said check without prejudice to recover the balance due or pursue any other remedy. Any and all rights and remedies which Sublessor may have under this Sublease or by operation of law, either at law or in equity, upon any breach, shall be distinct, separate and cumulative, and shall not be deemed inconsistent with each other; and no one of them, whether exercised by Sublessor or not, shall be deemed to be in exclusion of any other; and any two or more of all such rights and remedies may be exercised at the same time.

## ARTICLE 25

### QUIET ENJOYMENT

Sublessor agrees that upon Sublessee's paying the rent and performing and observing the agreements, conditions and other provisions on its part to be performed and observed, Sublessee shall and may peaceably and quietly have, hold, and enjoy the Subleased Premises during the term of this Sublease without any manner of hindrance or molestation from Sublessor or anyone claiming under Sublessor, subject, however, to the terms of this Sublease and any instruments having a prior lien.

## ARTICLE 26

### FAILURE OF PERFORMANCE

If Sublessee shall default in the performance or observance of any agreement or condition of this Sublease contained on its part to be performed or observed, other than an obligation to pay money, and shall not cure such default within fifteen (15) days after written notice from Sublessor specifying the default (or shall not within said period commence to cure such default and thereafter prosecute the curing of such default to completion with due diligence), Sublessor may, at its option, without waiving any claim for damages for breach of agreement, at any time thereafter cure such default for the account of Sublessee, and any amount paid or any contractual liability incurred by Sublessor in so doing shall be deemed paid or incurred for the account of Sublessee, and Sublessee agrees to reimburse Sublessor therefor or save Sublessor harmless therefrom; provided that Sublessor may cure any such default as aforesaid prior to the expiration of said waiting period after notice to Sublessee, if the curing of such default prior to the expiration of said waiting period is reasonably necessary to protect the real estate or Sublessor's interest therein, or to prevent injury or damage to persons or property. If Sublessee shall fail to reimburse Sublessor upon demand for any amount paid for the account of Sublessee hereunder, said amount, plus interest therefrom from the date of Sublessor's demand at the Lease Interest Rate, shall be added to and become due as a part of the next payment of rent due hereunder.

## ARTICLE 27

### INTERPRETATIONS

27.1. This instrument contains the entire and only agreement between the parties, and no oral statements or representations or prior written matter not contained in this instrument shall have any force or effect. This Sublease shall not be modified in any way except by a writing subscribed by both parties.

27.2. Wherever in this Sublease it is provided that the consent or approval of either party must be obtained in order to authorize any act or course of conduct by the other

party, the party whose consent or approval is necessary may grant or withhold said consent or approval, except where expressly provided to the contrary in this Sublease, at its sole and absolute discretion and with or without explanation of the reason or reasons for granting or withholding the same.

27.3. In the event of a breach of this Sublease by either party, the prevailing party shall be entitled to reasonable attorneys fees and costs.

27.4. This Sublease shall be governed by the laws of the State of New Hampshire.

## ARTICLE 28

### NOTICES

All notices and other communications authorized or required hereunder shall be in writing and shall be given by mailing the same certified or registered mail, return receipt requested, postage prepaid, or first class mail, postage prepaid or by mailing the same by Express Mail or by having the same delivered by a commercial delivery service to the following address:

To Sublessor: 25, 29, Retail, LLC  
c/o CPManagement, Inc.  
11 Court Street, Suite 100  
Exeter, NH 03833

To Sublessee: Green Institute of New England, P.L.L.C.  
Attn: Elizabeth A. Lynch, MD  
1 Little River Road  
Kingston, NH 03848

## ARTICLE 29

### DISPUTES AND LITIGATION

29.1. Except as provided below: In the event of a dispute between the parties, it shall be a condition precedent to the initiation of any formal litigation in a court of competent jurisdiction that the parties shall have met face to face in a good faith effort to resolve the dispute directly between them. In the event that they are unsuccessful, each party agrees to submit the dispute to alternative dispute resolution, initially by mediation, and

the parties shall equally share the expense of such mediation.

In the event that mediation is unsuccessful, the parties shall then submit the dispute to arbitration (binding if the parties agree) in accordance with the Rules of the American Arbitration Association. In the event that arbitration fails, and provided that the parties have participated in the alternative dispute resolution, provisions hereof in good faith, the aggrieved party may then commence litigation.

29.2. The foregoing alternative dispute resolution provisions shall not apply in the event that either party reasonably requires immediate ex parte and/or injunctive relief from a Court of competent jurisdiction.

## ARTICLE 30

### MISCELLANEOUS

30.1. Any actions or proceedings with respect to any matters arising under or growing out of this Sublease shall be instituted and prosecuted only in the courts located in the State of New Hampshire. Nothing contained in this Article or any other provision of this Sublease shall be deemed to constitute a waiver of the sovereign immunity of the State of New Hampshire, which immunity is hereby reserved to PDA and to the State of New Hampshire.

30.2. Sublessee shall faithfully observe and comply with such rules and regulations as the PDA may adopt for the operation of the Airport and such rules and regulations as Sublessor may adopt for the operation of the building and lot of which the Subleased Premises are a part, which rules and regulations are reasonable and nondiscriminatory as well as all modifications thereof and additions thereto. PDA shall not be responsible to Sublessee for the violation or nonperformance by any other Sublessee of the PDA of such airport rules and regulations, and Sublessor shall not be responsible to Sublessee for the violation or nonperformance by any other Sublessee of Sublessor of any of such rules and regulations pertaining to the building and the lot of which the Subleased Premises are a part.

30.3. Sublessee agrees 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 a portion thereof. The current FAA Requirements are attached hereto as Exhibit 9 and incorporated herein by reference.

30.4. This Sublease is subject and subordinate to any agreements heretofore or hereafter made between PDA and the United States or the Air Force, the execution of which is required to enable or permit transfer of rights or property to PDA for airport purposes or expenditure of federal grant funds for airport improvement, maintenance or development, including, without limitation, the QuitClaim Deed Dated October 13, 2005 and the FFA. Sublessee shall abide by requirements of any agreement between PDA and the United

Status or the Air Force applicable to the Subleased Premises or Sublessee's activities at the Airport and shall consent to amendments and modifications of this Sublease if required by such agreements or as a condition of PDA's entry into such agreements.

This Sublease is further subject and subordinate to the Primary Sublease between PDA and Sublessor, and Sublessee shall abide by the provisions of the Primary Sublease applicable to the Subleased Premises or Sublessee's activities at the Airport and shall consent to amendments and modifications of this Sublease if required by the Primary Sublease.

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

30.6. The Sublessee herein covenants by and for itself, its heirs, executors, administrators, and assigns, and all persons claiming under or through it, that this Sublease 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 nor shall the Sublessee, 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 Subleased Premises herein leased.

30.7. All obligations of Sublessee to indemnify, defend and hold harmless Sublessor, PDA and the Air Force and to make any monetary payment to Sublessor, PDA and the Air Force shall survive the termination or expiration of this Sublease.

30.8. Sublessor's Liability. (a) With respect to any services or utilities to be furnished by Sublessor to Sublessee, Sublessor shall in no event be liable for failure to furnish the same when prevented from doing so by force, major strike, lockout, breakdown, accident, order or regulation of or by any governmental authority, or failure of supply, or inability by the exercise of reasonable diligence to obtain supplies, parts or employees necessary to furnish such services, or because of war or other emergency, or for any cause beyond Sublessor's reasonable control, or for any cause due to any act or neglect of Sublessee or Sublessee's servants, agents, employees, licensees or any person claiming by, through or under Sublessee; nor shall any such failure give rise to any claim in Sublessee's favor that Sublessee has been evicted, either constructively or actually, partially or wholly.

(b) In no event shall Sublessor ever be liable to Sublessee for any loss of business or any other indirect or consequential damages suffered by Sublessee from whatever cause.



(c) With respect to any repairs or restoration which are required or permitted to be made by Sublessor, the same may be made during normal business hours and Sublessor shall have no liability for damages to Sublessee for inconvenience, annoyance or interruption of business arising therefrom.

30.9. Rules and Regulations. Sublessee shall abide by rules and regulations set forth in Exhibit 11 attached hereto and those rules and regulations from time to time established by Sublessor, it being agreed that such rules and regulations will be established and applied by Sublessor in a non-discriminatory fashion, such that all rules and regulations shall be generally applicable to other sublessees of the Building of similar nature to the Sublessee named herein. Sublessor agrees to use reasonable efforts to insure that any such rules and regulations are uniformly enforced, but Sublessor shall not be liable to Sublessee for violation of the same by any other Sublessee or occupant of the Building, or persons having business with them. In the event that there shall be any conflict between such rules and regulations and the provisions of this Sublease, the provisions of this Sublease shall control.

30.10. Additional Charges. If Sublessee shall fail to pay when due any sums under this Sublease designated or payable as an additional charge, Sublessor shall have the same rights and remedies as Sublessor has hereunder for failure to pay Basic Rent.

30.11. Brokerage. Sublessee warrants and represents that Sublessee has dealt with no broker in connection with the consummation of this Sublease other than None (the "Broker") and, in the event of any brokerage claims against Sublessor predicated upon prior dealings with Sublessee, Sublessee agrees to defend the same and indemnify Sublessor against any such claim (except any claim by Broker).

EXECUTION

IN WITNESS WHEREOF, Sublessor and Sublessee have executed this Sublease effective as of the 7 day of October, 2019.

25. 25, RETAIL, LLC

[Signature]  
By: David L. Bennett  
As: Co-Manager  
"Sublessor"

25. 25, RETAIL, LLC  
[Signature]  
By: El. Enah Lynch MS  
As: Owner  
"Sublessee"

STATE OF NEW HAMPSHIRE

COUNTY OF [Rockingham]

On this 7 day of October, 2019, before me, J. Russell Doyle, a Notary Public in and for said County and State, personally appeared David L. Bennett, personally known to me (or proved to me on the basis of satisfactory evidence) to be the Co-Manager of 25. 25 Retail, LLC, and he, with stated that he was authorized to execute this instrument, and acknowledged that he his free and voluntary act for the uses and purposes set forth herein.

[Signature]  
Notary Public in and for said County and State

J. Russell Doyle  
NOTARY PUBLIC  
New Hampshire  
My Commission Expires 10/23/21  
8-23-20

STATE OF [New Hampshire]

COUNTY OF [Rockingham]

On this 7 day of October, 2019, before me, J. Russell Doyle, a Notary Public in and for said County and State, personally appeared El. Enah Lynch MS, personally known to me (or proved to me on the basis of satisfactory evidence) to be the Owner of 25. 25 Retail, LLC and he or she stated that he was authorized to execute this instrument, and acknowledged that he his free and voluntary act for the uses and purposes set forth herein.

[Signature]  
Notary Public in and for said County and State

J. Russell Doyle  
NOTARY PUBLIC  
New Hampshire  
My Commission Expires 10/23/21  
8-23-20

EXHIBIT 1

PRIMARY SUBLEASE

EXHIBIT 2

(Intentionally Omitted)

EXHIBIT 3

QUITCLAIM DEED OF THE UNITED STATES OF AMERICA ACTING BY AND  
THROUGH THE US AIR FORCE.

EXHIBIT 4

FEDERAL FACILITIES AGREEMENT

EXHIBIT 5

PLANS DESIGNATING THE SUBLEASED PREMISES

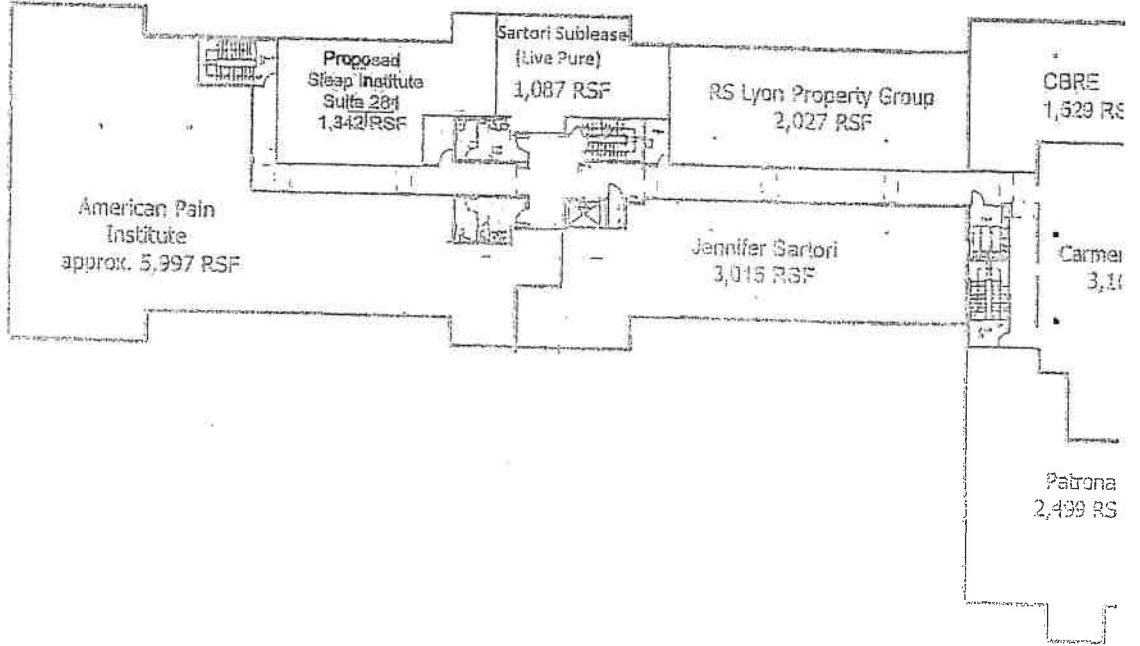


EXHIBIT 6  
ALTERATIONS

Sublessee accepts the Subleased Premises in its "as-is" condition.



EXHIBIT 7

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  
40 CFR Title 100-143, 401 and 403
  - (c) RSA ch. 146-A, Oil Spillage in Public Waters, and rules adopted thereunder
  - (d) RSA ch. 485, New Hampshire Safe Drinking Water Act, and rules adopted thereunder
  - (e) RSA ch. 485-A, Pollution and Waste Disposal, and rules adopted thereunder

EXHIBIT 3

CERTIFICATE OF GOOD STANDING

TO BE PROVIDED BY SUBLESSEE

EXHIBIT 9

SUBLEASE PROVISIONS REQUIRED BY  
THE FEDERAL AVIATION ADMINISTRATION

1. Sublessee, 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 Subleased 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, Sublessee 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.

2. Sublessee, 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 Sublessee 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.

3. That in the event of breach of any of the above nondiscrimination covenants, Sublessor shall have the right to terminate the Sublease, 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. Sublessee 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 Sublessee 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 Sublessor shall have the right to terminate this Sublease, and the estate hereby created without liability therefore or at the election of the Sublessor or the

United States either or both of Sublessor or the United States shall have the right to judicially enforce provisions.

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

7. Sublessee 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. Sublessee 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. Sublessee assures that it will require that its covered suborganizations provide assurance to the Sublessor, 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. Sublessor 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 Sublessee and without interference or hindrance.

9. Sublessor reserves the right, but shall not be obligated to the Sublessee 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 Sublessee in this regard.

10. This Sublease shall be subordinate to the provisions and requirements of any existing or future agreement between the Sublessor and the United States, relative to the development, operation or maintenance of the airport.

11. There is hereby reserved to Sublessor, 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 Subleased 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. Sublessee agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations in the event future construction of building is planned for the Subleased Premises or in the event of any planned modification or alteration of any present or future building or structure situated on Subleased Premises.

13. Sublessee, by accepting this Sublease expressly agrees for itself, its successors and assigns that it shall not erect nor permit the erection of any structure or object nor permit the growth of any tree on the land leased hereunder above the mean sea level elevation of [ ] feet. In the event the abovesaid covenants are breached, Sublessor 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 Sublessee.

14. Sublessee, by accepting this Sublease, agrees for itself, its successors and assigns that it will not make use of the Subleased 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, Sublessor reserves the right to enter upon the Subleased Premises, and cause the abatement of such interference at the expense of the Sublessee.

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 Section 308a of the Federal Aviation Act of 1958 (49 U.S.C. 1349a).

16. This Sublease 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.

EXHIBIT 10

SUBORDINATION AND NON-DISTURBANCE AGREEMENT

EXHIBIT 11  
RULES AND REGULATIONS

1. Except as specifically provided in the Sublease to which these Rules and Regulations are attached, no sign, placard, picture, advertisement, name or notice shall be installed or displayed on any part of the outside or inside of the building or Project without the prior written consent of Sublessor. Sublessor shall have the right to remove, at Sublessee's expense and without notice, any sign installed or displayed in violation of this rule. All approved signs or lettering on doors and walls shall be printed, painted, affixed or inscribed at the expense of Sublessee by a person approved by Sublessor.
2. If Sublessor objects in writing to any curtains, blinds, shades, screens or hanging plants or other similar objects attached to or used in connection with any window or door of the Premises, or placed on any windowsill, which is visible from the exterior of the Premises, Sublessee shall immediately discontinue such use. Sublessee shall not place anything against or near glass partitions or doors or windows, which may appear unsightly from outside the Premises.
3. Sublessee shall not obstruct any sidewalks, halls, passages, exits, entrances, elevators, escalators or stairways of the Project. The halls, passages, exits, entrances, shopping malls, elevators, escalators and stairways are not open to the general public, but are open, subject to reasonable regulations, to Sublessee's business invitees. Sublessor shall in all cases retain the right to control and prevent access thereto of all persons whose presence in the judgment of Sublessor would be prejudicial to the safety, character, reputation and interest of the Project and its Sublessees: provided that nothing herein contained shall be construed to prevent such access to persons with whom any Sublessee normally deals in the ordinary course of its business, unless such persons are engaged in illegal or unlawful activities. No Sublessee and no employee or invitee of any Sublessee shall go upon the roof(s) of the Project.
4. The directory of the building or Project will be provided exclusively for the display of the name and location of Sublessees only and Sublessor reserves the right to exclude any other names therefrom.
5. All cleaning and janitorial services for the Project and the Premises shall be provided exclusively through Sublessor, and except with the written consent of Sublessor, no person or persons other than those approved by Sublessor shall be employed by Sublessee or permitted to enter the Project for the purpose of cleaning the same. Sublessee shall not cause any unnecessary labor by carelessness or indifference to the good order and cleanliness of the Premises.
6. Sublessor will furnish Sublessee, free of charge, with two keys to each door lock in the Premises. Sublessor may make reasonable charge for any additional keys. Sublessee shall not make or have made additional keys, and Sublessee shall not alter any lock or install a new additional lock or bolt on any door of its Premises. Sublessee, upon the termination of its tenancy, shall deliver to Sublessor the keys of all doors which have been furnished to Sublessee, and in the event of loss of any keys so furnished, shall pay Sublessor therefor.

7. If Sublessee requires telegraphic, telephonic, burglar alarm or similar services, it shall first obtain, and comply with, Sublessor's instructions in their installation.
8. Freight elevator(s) shall be available for use by all Sublessees in the building, subject to such reasonable scheduling as Sublessor, in its discretion, shall deem appropriate. No equipment, materials, furniture, packages, supplies, merchandise or other property will be received in the building or carried in the elevators except between such hours and in such elevators as may be designated by Sublessor. Sublessee initial move in and subsequent deliveries of bulky items, such as furniture, safes and similar items shall, unless otherwise agreed in writing by Sublessor, be made during the hours of 8:00 p.m. to 6:00 a.m. or on Saturday or Sunday. Deliveries during normal office hours shall be limited to normal office supplies and other small items. No deliveries shall be made which impede or interfere with other Sublessees or the operation of the building.
9. Sublessee shall not place a load upon any floor of the Premises, which exceeds the load per square foot, which such floor was designed to carry and which is allowed by law. Sublessor shall have the right to prescribe the weight, size and position of all equipment, materials, furniture or other property brought into the building. Heavy objects shall, if necessary by Sublessor, stand on steel platforms as determined by Sublessor to be necessary to properly distribute the weight, which platforms shall be provided at Sublessee's expense. Business machines and mechanical equipment belonging to Sublessee, which cause noise or vibration that may be transmitted to the structure of the building or to any space therein to such a degree as to be objectionable to Sublessor or to any Sublessees in the building, shall be placed and maintained by Sublessee, at Sublessee's expense, on vibration eliminators or other devices sufficient to eliminate noise or vibration. The persons employed to move such equipment in or out of the building must be acceptable to Sublessor. Sublessor will not be responsible for loss of or damage to any such equipment or other property from any cause, and all damage done to the building by maintaining or moving such equipment or other property shall be repaired at the expense of Sublessee.
10. Sublessee shall not use or keep in the Premises any kerosene, gasoline or inflammable or combustible fluid or material other than those limited quantities necessary for the operation or maintenance of office equipment. Sublessee shall not use or permit to be used in the Premises any foul or noxious gas or substance, or permit or allow the Premises to be occupied or used in a manner offensive or objectionable to Sublessor or other occupants of the building by reason of noise, odors or vibrations, nor shall Sublessee bring into or keep in or about the Premises any birds or animals.
11. Sublessee shall use as a method of heating or air conditioning other than that specified by Sublessor.
12. Sublessee shall not waste electricity, water or air conditioning and agrees to cooperate fully with Sublessor to assure the most effective operation of the building's heating and air conditioning and to comply with any governmental energy-saving rules, laws or regulations of which Sublessee has normal notice, and shall refrain from tampering or adjusting controls. Sublessee shall keep corridor doors closed, and shall close window coverings at the end of each business day.



13. Sublessor reserves the right, exercisable without notice and without liability to Sublessee, to change the name and street address of the building.
14. Sublessor reserves the right to exclude from the building between the hours of 8:00 p.m. and 7:00 a.m. the following day, or such other hours as may be established from time to time by Sublessor, and on Sundays and legal holidays, any person unless that person is known to the person or employee in charge of the building and has a pass or is properly identified. Sublessee shall be responsible for all persons for whom it requests passes and shall be liable to Sublessor for all acts of such persons. Sublessor shall not be liable for damages for any error with regard to the admission to or exclusion from the building of any person. Sublessor reserves the right to prevent access to the building in case of invasion, mob, riot, public excitement or other commotion by closing the doors or by other appropriate action.
15. Sublessee shall close and lock the doors of its Premises and entirely shut off all water faucets or other apparatus, and electricity, gas or air outlets before Sublessee and its employees leave the Premises. Sublessee shall be responsible for any damage or injuries sustained by other Sublessees or occupants of the building or by Sublessor for noncompliance with this rule.
16. The toilet rooms, toilets, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown therein. The expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the Sublessee who, or whose employees or invitees shall have caused it.
17. Sublessee shall not sell, or permit the sale at retail of newspapers, magazines, periodicals, theater tickets or any other goods or merchandise to the general public in or on the Premises. Sublessee shall not make any room-to-room solicitation of business from other Sublessees in the Project. Sublessee shall not use the Premises for any business or activity other than that specifically provided for in Sublessee's Sublease.
18. Sublessee shall not install any radio or television antenna, loudspeaker or other devices on the roof(s) or exterior walls of the building or Project. Sublessee shall not interfere with radio or television broadcasting or reception from or in the Project or elsewhere.
19. Sublessee shall not mark, drive nails, screw or drill into the partitions, woodwork or plaster or in any way deface the Premises or any part thereof, except in accordance with the provisions of the Sublease pertaining to alterations. Pictures, artwork and bulletin boards may be hung provided proper materials are used. Sublessor reserves the right to direct electricians as to where and how telephones and telegraph wires are to be introduced to the Premises. Sublessee shall not cut or bore holes for wires. Sublessee shall not affix any floor covering to the floor of the Premises in any manner except as approved by Sublessor. Sublessee shall repair any damage resulting from noncompliance with this rule.
20. Sublessee shall not install, maintain or operate upon the Premises any vending machines without the written consent of Sublessor.
21. Canvassing, soliciting and distribution of handbills or any other written material and

peddling in the Project are prohibited, and Sublessee shall cooperate to prevent such activities.

22. Sublessor reserves the right to exclude or expel from the Project any person whom, in Sublessor's judgment, is intoxicated or under the influence of liquor or drugs or who is in violation of any of the Rules and Regulations of the Building.
23. Sublessee shall not store all its trash and garbage within its premises or in other facilities provided by Sublessor. Sublessee shall not place in any trash box or receptacle any material, which cannot be disposed of in the ordinary and customary manner of trash and garbage disposal. All garbage and refuse disposal shall be made in accordance with directions issued from time to time by Sublessor.
24. The Premises shall not be used for the storage of merchandise held for sale to the general public, or for lodging or for manufacturing of any kind, nor shall the Premises be used for any improper, immoral or objectionable purpose. No cooking shall be done or permitted on the Premises without Sublessor's consent, except that use by Sublessee of Underwriters' Laboratory approved equipment for brewing coffee, tea, hot chocolate and similar beverages or use of microwave ovens for employee use shall be permitted, provided that such equipment and use is in accordance with all applicable, federal, state, county and city laws, codes, ordinances, rules and regulations.
25. Sublessee shall not use in any space or in the public halls of the Project any hand truck except those equipped with rubber tires and side guards or such other material-handling equipment as Sublessor may approve. Sublessee shall not bring any other vehicles of any kind into the building or Project.
26. Without the written consent of Sublessor, Sublessee shall not use the name of the building or Project in connection with or in promoting or advertising the business of Sublessee or any of Sublessee's address.
27. Sublessee shall comply with all safety, fire protection and evacuation procedures and regulations established by Sublessor or any governmental agency.
28. Sublessee assumes any and all responsibility for protecting its Premises from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to the Premises closed.
29. Sublessee's requirements will be attended to only upon appropriate application to the Project management office by an authorized individual. Employees of Sublessor shall not perform any work outside of their regular duties unless under special instructions from Sublessor, and no employee of Sublessor will admit any person (Sublessee or otherwise) to any office without specific instructions from Sublessor.
30. Sublessor may waive any one or more of these Rules and Regulations for the benefit of Sublessee or any other Sublessee, but no such waiver by Sublessor shall be construed as a waiver of such Rules and Regulations in favor of Sublessee or any other Sublessee, nor prevent Sublessor from thereafter enforcing any such Rules and Regulations against any or all of the Sublessees of the Project.

31. These Rules and Regulations are in addition to, and shall not be construed to in any way modify or amend in whole or in part, the terms, covenants, agreements and conditions of the Sublease.
32. Sublessor reserves the right to make such other and reasonable Rules and Regulations as, in its judgment, may from time to time be needed for safety and security, for care and cleanliness of the Project and for the preservation of good order therein. Sublessee agrees to abide by all such Rules and Regulations herein above stated and any additional rules and regulations which are adopted.
33. Sublessee shall be responsible for the observance of all the foregoing rules by Sublessee's employees, agents, clients, customers, invitees and guests.
34. Sublessor shall furnish, free of charge, a reasonable number of access cards to Sublessee for the purpose of accessing exterior doors to the Building. Sublessee, upon termination of its tenancy, shall return all access cards, which have been furnished, to the Sublessor and in the event of loss of any cards so furnished, Sublessee shall pay Sublessor therefore.

EXHIBIT 12

Intentionally omitted.

**EXHIBIT 13**  
**14 MANCHESTER SQUARE OFFICE FACILITY**  
**CLEANING SPECIFICATIONS**

**I. CLEANING**

**A. Office Area**

Daily: (Monday through Friday 6:00-10:00 p.m.; holidays excepted).

1. Empty and clean all waste receptacles and ash trays and remove waste materials from the premises; wash receptacles as necessary.
2. Sweep and dust mop all uncarpeted areas using a dust-treated mop.
3. Vacuum all rugs and carpeted areas paths of travel only. Detail vacuum once weekly.
4. Hand dust and wipe clean with treated cloths all horizontal surfaces including furniture, office equipment, window sills, door ledges, chair rails, and convective tops, within normal reach.
5. Wash clean all water fountains.
6. Wipe clean all brass and other bright work.
7. Upon completion of cleaning, all lights will be turned off and doors locked, leaving the premises in an orderly condition.

Quarterly:

Dusting not reached in daily cleaning to include:

- a. Dusting all pictures, frames, charts, graphs, and similar wall hangings.
- b. Dusting all vertical surfaces, such as walls, partitions, doors, and ducts.
- c. Dusting of all pipes, ducts, and high moldings.
- d. Dusting of all venetian blinds.

**B. Lavatories (Common Area)**

Daily: (Monday through Friday, inclusive; holidays excepted).

1. Sweep and damp mop floors.
2. Clean all mirrors, powder shelves, dispensers and receptacles, bright work, flushometers, piping, and toilet seat hinges.
3. Wash both sides of all toilet seats.
4. Wash all basins, bowls, and urinals.
5. Dust and clean all powder room fixtures.
6. Empty and clean paper towel and sanitary disposal receptacles.
7. Remove waste paper and refuse.
8. Refill tissue holders, soap dispensers, towel dispensers, vending sanitary dispensers; materials to be furnished to landlord.
9. A sanitizing solution will be used in all lavatory cleaning.

Monthly:

1. Machine scrub lavatory floors.
2. Wash all partitions and tile walls in lavatories.

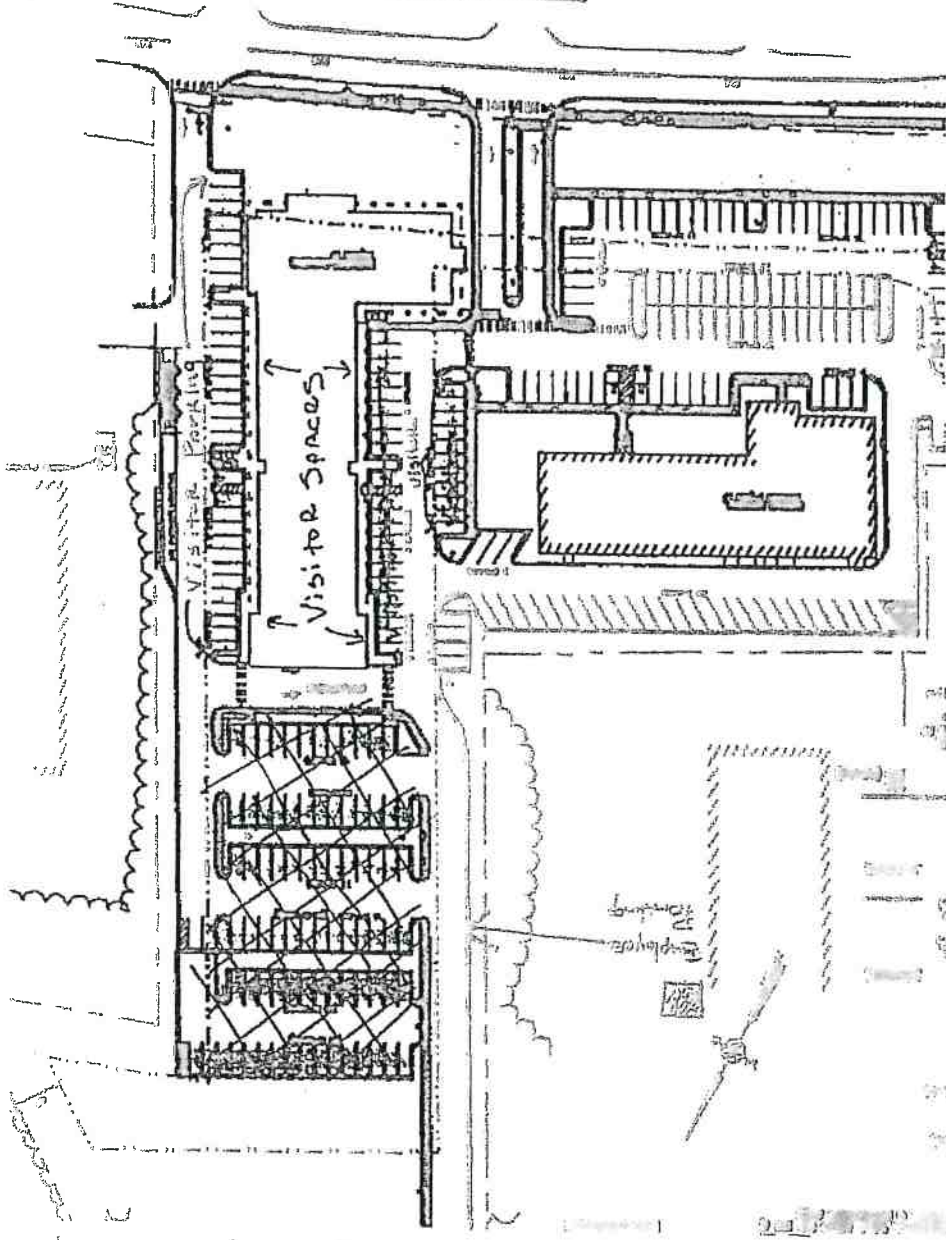
**C. Main Lobby, Elevators, Building Exterior, and Corridors.**

Daily: (Monday through Friday, inclusive; holidays excepted).

1. Sweep and wash all floors.
2. Wash all rubber mats.
3. Clean elevators, wash or vacuum floors, wipe down walls and doors.
4. Spot clean any metal work inside lobby.
5. Spot clean any metal work surrounding butterfly entrance doors.

D. Tenant requiring services in excess of those described above shall request same through landlord, at the Tenant's expense. Such extra services will include carpet cleaning (including spot cleaning) and stripping/refinishing of VCT or other tile floors, cleaning of kitchen appliances, microwaves, dishes etc.

Exhibit 14  
PARKING PLAN







### Business Information

#### Business Details

Business Name:	SLEEP INSTITUTE OF NEW ENGLAND, P.L.L.C.	Business ID:	617351
Business Type:	Domestic Professional Limited Liability Company	Business Status:	Good Standing
Management Style:	Member Managed		
Business Creation Date:	07/30/2009	Name in State of Formation:	Not Available
Date of Formation in Jurisdiction:	07/30/2009		
Principal Office Address:	1 Little River Road, Kingston, NH, 03848, USA	Mailing Address:	1 Little River Road, Kingston, NH, 03848, USA
Citizenship / State of Formation:	Domestic/New Hampshire		
		Last Annual Report Year:	2019
		Next Report Year:	2020
Duration:	Perpetual		
Business Email:	DrLisalynch@comcast.net	Phone #:	603-686-1071
Notification Email:	NONE	Fiscal Year End Date:	NONE

#### Principal Purpose

S.No	NAICS Code	NAICS Subcode
1	OTHER / Medical office.	

Page 1 of 1, records 1 to 1 of 1

### Principals Information

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Name/Title	Business Address
Elizabeth A. Lynch, MD / Member	59 Mohawk Lane, Brentwood, NH, 03833, USA
Elizabeth A Lynch MD / Applicant	59 Mohawk Lane, Brentwood, NH, 03833, USA
Barbara Surpitski / Manager	1 Little River Road, Kingston, NH, 03848, USA

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### Registered Agent Information

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Name: Elizabeth Lynch MD

Registered Office Address: 1 Little River Road, Kingston, NH, 03848, USA

Registered Mailing Address: 1 Little River Road, Kingston, NH, 03848, USA

### Trade Name Information

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No Trade Name(s) associated to this business.

### Trade Name Owned By

---

No Records to View.

### Trademark Information

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Trademark Number	Trademark Name	Business Address	Mailing Address
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No records to view.

- [Filing History](#)
- [Address History](#)
- [View All Other Addresses](#)
- [Name History](#)
- [Shares](#)
- [Businesses Linked to Registered Agent](#)
- [Return to Search](#)
- [Back](#)

NH Department of State, 107 North Main St. Room 204, Concord, NH 03301 -- [Contact Us](#)  
[\(/online/Home/ContactUS\)](#)

MEMORANDUM

To: Pease Development Authority Board of Directors  
From: David R. Mullen, Executive Director *DM*  
Date: November 11, 2019  
Re: Sublease between 30 International Drive, LLC and New Hampshire Prosthetics, 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 30 International Drive, LLC ("30 International") and New Hampshire Prosthetics, LLC ("NHP") for 3,269 square feet for a period of ten years (10), effective December 1, 2019. NHP will use the premises for professional office and related uses.

The Delegation to Executive Director: Consent, Approval of Sub-subleases provides that;

"A Sub-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 30 International's continued primary liability for payment of rent and other obligations pursuant to the PDA/30 International 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.



## NOTICE OF CONSENT

This NOTICE OF CONSENT ("Notice") is given by the PEASE DEVELOPMENT AUTHORITY ("Lessor") to 30 INTERNATIONAL DRIVE, LLC ("Lessee"). Lessor and Lessee may be referred to jointly as the "Parties."

### RECITALS

A. The Parties entered into a Lease for 30 International Drive at Pease International Tradeport on July 1, 1997 (the "Lease").

B. Section 19.3 of the Lease states that Lessor shall not unreasonably withhold its consent to Lease if:

1. the use of the Subleased Premises associated with the Lease 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.

C. Lessee has requested authorization to sublease approximately **3,269** square feet (Suite **201**) within the Leased Premises at 30 International Drive to **New Hampshire Prosthetics, LLC** ("NHP"), a limited liability company.

D. The proposed sublease to **NHP** is for professional office and related uses.

### TERMS AND CONDITIONS

1. Lessor hereby authorizes Lessee to execute the sublease, attached hereto as Exhibit A, with **NHP** for approximately **3,269** square feet within the Leased Premises.
2. Upon execution of the sublease with **NHP**, Lessee shall provide Lessor with a copy of the executed sublease, copies of all required insurance certificates and a certificate of good standing from the State of New Hampshire for **NHP**.
3. Lessee hereby agrees that occupancy shall be subject to the issuance of a Certificate of Occupancy as may be required in accordance with PDA Zoning Regulations, Section 315.03(a).

4. Lessee hereby agrees and affirms that it shall remain primarily liable to Lessor to pay rent and to perform all other obligations to be performed by Lessee under the original Lease.

This Notice of Consent is executed, effective this 8<sup>th</sup> day of November 2019 by the Pease Development Authority.

**PEASE DEVELOPMENT AUTHORITY**

By:   
Its: Executive Director

AGREED AND ACCEPTED

**30 INTERNATIONAL DRIVE, LLC**

11/6/19  
Date


By:   
Its: Manager

EXHIBIT "A"  
SUBLEASED PREMISES





SUBLEASE

between

**30 INTERNATIONAL DRIVE, LLC**

as

"SUBLESSOR"

And

**NEW HAMPSHIRE PROSTHETICS, LLC**

DBA Seacoast Prosthetics

As

"SUBLESSEE"

Office Space

at

30 International Drive  
Pease International Tradeport  
Portsmouth, New Hampshire

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EXHIBITS TO SUBLEASE

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- 1 - PRIMARY SUBLEASE
- 2 - SUBDIVISION PLAN
- 3 - FLOOR PLAN OF LEASED PREMISES
- 4 - LIST OF ENVIRONMENTAL LAWS & REGULATIONS
- 5 - FAA REQUIREMENTS

## SUBLEASE

THIS SUBLEASE ("Sublease") is made by and between 30 International Drive, LLC ("Sublessor") and New Hampshire Prosthetics, LLC ("Sublessee"). Sublessor and Sublessee may be referred to jointly as the "Parties."

## RECITALS

A. 30 International Drive, LLC entered into a Sublease dated July 1, 1997, with the Pease Development Authority ("PDA"), an agency of the State of New Hampshire established pursuant to RSA Ch. 12-G for premises located at the Pease International Tradeport in Portsmouth, New Hampshire described as follows: Building #29 (also known as 30 International Drive) (the "Building") having a footprint of approximately 13,362 square feet, and its related parking and contiguous land area of approximately 5 acres at the northwest corner of Manchester Square and International Drive, as depicted on Plan D-25370 in the Rockingham County Registry of Deeds, \_\_\_\_\_ a copy of which Sublease is attached hereto as Exhibit 1 (the "Primary Sublease"). The Primary Sublease is subject and subordinate to all agreements made between PDA and the United States of America or the United States Air Force including, but not limited to, the Federal Facilities Agreement ("FFA"), and the Quit Claim Deed ("the Deed") dated September 16, 2005 granted by the United States of America ("the Government"), acting by and through the United States Air Force ("Air Force") to PDA, all as hereinafter defined.

B. PDA has acquired fee title to a portion of the former Pease Air Force Base by Deed recorded at the Rockingham County Registry of Deeds at Book 4564, Page 0985. The Parties acknowledge that the Deed imposes certain requirements on PDA, the Sublessor and Sublessee which are addressed in the terms and conditions of the Deed. By the acceptance of this Sublease, the Sublessee hereby acknowledges that it must abide by and conform to those terms, conditions and restrictions set forth in the Deed as the same may be applicable to this Sublease and Sublessee's tenancy.

C. 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.*, was 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 FFA also imposes certain requirements upon Sublessor and Sublessee which are addressed in the terms and conditions of the FFA and Deed. The term FFA shall include any amendments to said document. A copy of the FFA is recorded in the Rockingham County Registry of Deeds at Book 4227 Page 0078.

D. Sublessor is a limited liability company duly organized and existing under the laws of the State of New Hampshire with a principal office address of 39 Freetown Rd., Unit #1, Raymond, NH 03077.

E. Sublessee, New Hampshire Prosthetics, LLC is a duly organized and existing limited liability company under the laws of the State of New Hampshire and authorized to do business in the State of New Hampshire with a principle office address of 155 Griffin Rd. (Unit 2), Portsmouth, NH 03801.

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

#### ARTICLE 1. PREMISES

##### 1.1. Description of Subleased Premises

Sublessor, for and in consideration of the rents and covenants herein specified to be paid and performed by Sublessee, hereby leases to Sublessee, and Sublessee hereby hires from Sublessor, the premises described generally below and more particularly on the plans attached as Exhibit 5 (the "Subleased Premises" or the "Premises"):

Approximately 3,269 square feet of rentable space located on the second floor of the building known as 30 International Drive, and being the suite facing Manchester Square, known as Suite 201. Included are adjacent automobile parking facilities for Sublessee's employees and business invitees and other common areas.

Excluded from the Subleased Premises are property or other rights obtained by a utility supplier from PDA pursuant to a sublease or other agreement in connection with the provision of utility lines and or utility services at the Airport.

##### 1.2. Easements - Rights-of-Way

This Sublease is subject to existing easements and rights-of-way of record, the Utility Sublease and License Agreement dated July 31, 1992 by and between PDA and Public Service Company of New Hampshire ("PSNH"), the utility Sublease and License Agreement dated May 10, 1995 by 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, 1988 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, L.L.C. and such other agreements as PDA shall reasonably require for the provision of utilities and the operation, maintenance and repair of the Airport.

The Government reserves for the use and benefit of the public, an avigation 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.

### 1.3. Access

Sublessee shall have the right of access to and from the Premises to the nearest public road or public way along airport roadways designated by the PDA as open to public use in common with other airport tenants and Authorized Airport Users of the Airport. The term Authorized Airport Users shall include Sublessee, its customers, employees, contractors, invitees, vendors and other trade suppliers regularly associated with or necessary to Sublessee's use of, and parking for, the Subleased Premises.

The rights of Sublessee under this Section 1.3 shall be subordinate to PDA's rights, to manage the common areas and roadways which rights shall include, without limitation, the right to impose reasonable rules and regulations relating to use of the common areas and roadways and the right to add, delete, alter or otherwise modify the designation and use of all parking areas, entrances, exits, roadways and other areas of the Airport, provided, however, that during the term of this Sublease, Sublessee shall have reasonable access to the Premises. Sublessor warrants that, in the event of any modification of parking areas, the distance to the new parking areas for the Subleased Premises shall not be significantly greater from the Subleased Premises than the current adjacent parking areas.

## ARTICLE 2 CONDITION OF SUBLEASED PREMISES - SUBLESSEE'S IMPROVEMENTS

2.1 Sublessee shall accept the premises in their present condition with the following improvements prior to occupancy:

1. Add 22' of reception walls with 2 60" x 48" reception windows.
  - a. add lighting
  - b. 8 outlets in reception area
  - c. 10" counter-top sills on inside and outside of windows
2. Demo wall between kitchen and storage.
3. Add handicap operational button to front, main exterior entrance.
4. Install new flooring and re-paint throughout.
5. Separate electrical panel and code requirements for new suite demising.
6. Separate HVAC for new suite demising.

Sublessor will contribute \$25,000 toward the above Tenant Improvements. Sublessee will fund the balance of the cost of the TI's estimated at lease signing to be \$23,447.60.

The following repairs will be funded by the Sublessor:

1. Repair window and sills
2. Cosmetic repairs
3. Acoustical ceiling repairs

The Sublessor warrants that the Premises are, at the commencement of the Sublease period, in good order repair and that all utilities are operating and sufficient for the intended use of Sublessee. The HVAC is in good working order and condition rated at not less than one (1) ton

per 300 s.f., and 3-phase 200 amp electrical service.

2.2. Sublessee will undertake at its sole cost and expense the following work as part of Sublessee's Alterations of the Subleased Premises:

1. Supply all kitchen appliances
2. Supply a separate AC unit for the server room, if desired
3. Any LAN cabling and telephone system.
2. Office furniture, fixtures and equipment.
3. Security access and surveillance systems.
4. Any Interior window treatments

2.3. Sublessee acknowledges to the extent it performs any Alterations (as defined in Section 15.1) or other improvements at the Subleased Premises, it will be responsible for assuring that such Alterations or other improvements comply with Article 15 and PDA Land Use Controls, as hereinafter defined, and for obtaining any required building permits or certificates of occupancy with respect to such Alterations or other improvements.

#### ARTICLE 3. TERM

3.1. This Sublease shall be for a base term of ten (10) years ("Base Term") which term shall commence on December 1, 2019 ("Term Commencement Date"), and continue for one hundred twenty months.

3.2. Occupancy date is November 26, 2019.

3.3. As long as Sublessee is not in default during the term of this Sublease, Sublessee shall have the first opportunity to rent any additional space in Suite 203 at market rate that may become available. Sublessee shall have ten (10) business days to exercise this option upon written notification of availability by Sublessor.

#### ARTICLE 4. BASIC RENT

4.1. Sublessee shall pay to Sublessor basic rent ("Basic Rent") at the following annual rates for the areas of the Subleased Premises described in Section 1.1, based on 3,269 rentable square feet:

<u>Year</u>		<u>Square Foot</u>	<u>Per Month</u>	<u>Per Year</u>
1	12/01/2019 - 11/30/2020	\$ 8.00	\$2,179.33	\$26,152.00
2	12/01/2020 - 11/30/2021	\$ 8.24	\$2,244.71	\$26,396.56
3	12/01/2021 - 11/30/2022	\$ 8.49	\$2,312.82	\$27, 753.84
4	12/01/2022 - 11/30/2023	\$ 8.74	\$2,380.92	\$28,571.06
5	12/01/2023 - 11/30/2024	\$ 9.00	\$2,451.75	\$29,421.00
6	12/01/2024 - 11/30/2025	\$ 9.27	\$2,525.30	\$30,303.63

7	12/01/2025 - 11/30/2026	\$ 9.55	\$2,601.57	\$31,218.95
8	12/01/2026 - 11/30/2027	\$ 9.84	\$2,680.58	\$32,166.96
9	12/01/2027 - 11/30/2028	\$ 10.13	\$2,759.58	\$33,114.97
10	12/01/2028 - 11/30/2029	\$ 10.44	\$2,844.03	\$34,128.36

#### 4.2. ADDITIONAL RENT - COMMON AREA CHARGES

In addition to the Basic Rent, Sublessee shall be responsible for the monthly payment of operating costs and expenses associated with the Common Area Maintenance of the Premises. The amount of such costs and expenses which shall be payable by the Sublessee shall be Proportionate Share (defined herein) of the ratable square feet of the Building that is represented by the Premises which is sublet to the Sublessee hereunder, whether the other ratable square feet of the Building is occupied or not. The Sublessee's proportionate share shall be readjusted accordingly should Sublessor increase its rentable area of the Building. These costs include, but are not limited to, real estate taxes and payments in lieu of taxes levied against the land and building, underlying rent to the Pease Development Authority, utility costs attributable to the common area spaces, water and sewer utility, costs of cleaning and maintaining common areas, removal of rubbish and snow from common areas, elevator maintenance, routine maintenance of plumbing, heating and air conditioning systems, grounds care, insurance, and reasonable management fees consistent with those charged for comparable buildings in the Portsmouth, New Hampshire area. EXCLUDED from CAM are roof replacement, structural maintenance and structural repair to the Building including exterior walls, concrete slab; resurfacing, repaving, and any upgrades of the Building's parking lot; financing expense, (including debt service), cost of negotiation of leases and enforcement of leases and other costs which customarily would be collected from tenants; separately metered tenant electrical charges; special charges for additional water, heat or air conditioning service provided to additional tenants, the cost of leasehold improvements or allowances therefore provided on behalf of particular tenants; real estate brokerage commissions or administrative costs (such as telephone charges) not incurred on the Property; transfer, gains, franchise, inheritance, estate, occupancy, succession, gift, corporation, unincorporated business, gross receipts, profit and income taxes imposed on Sublessor; costs incurred with respect to a sale or transfer of the Premises, financing and refinancing costs with respect to the Premises; costs for which Sublessor receives compensation through proceeds of insurance or otherwise; cost of any judgment, settlement, or arbitration award resulting from any liability of Sublessor which is the result of negligence, willful misconduct or fraud and all expenses incurred in connection therewith; costs reimbursed by tenants or governmental authorities; artwork in the Premises; advertising costs; depreciation; any expenses that are in excess of Sublessor's actual cost therefor.

Sublessor has calculated the CAM charges to be \$10.06 per square foot for the most recent twelve-month period, thus the CAM charge due shall be  $\$10.06/\text{SF} \times 3,269 \text{ SF} = \$32,886.14$  annually, payable at \$2,740.51 per month in advance, in addition to the basic rent. The CAM charges are subject to review and recalculation each year. Sublessee reserves the right to audit Sublessor's records pertaining to CAM charges at the end of each lease year with thirty (30) days' written notice to Sublessor.



Sublessor shall keep for thirty-six (36) months after the calendar year in which CAM were incurred in its principal place of business, complete and accurate books and records with respect to all of the CAM charged to Sublessee hereunder. If such an audit finds that Sublessor has overcharged by more than three percent (3%) for CAM, Sublessor shall reimburse Sublessee with interest at the rate of eight percent (8%) per annum on such excess payment for the period in which Sublessor had received excess payment. for the period in which Sublessor had received such excess payment. If such an audit finds that Sublessor has undercharged by more than three percent (3%) for CAM, Sublessee shall reimburse Sublessor with interest at the rate of eight percent (8%) per annum on such under payment for the relevant period. Further, if Sublessor's statement of the CAM exceeds the actual CAM as shown by Sublessee's audit of the same by five percent (5%) or more, Sublessor will pay Sublessee's audit expense for that audit. Sublessee further acknowledges and agrees that Sublessor's books and records are confidential. Accordingly, Sublessee and its auditor shall execute and deliver to Sublessor a confidentiality agreement prepared by Sublessor, in favor of Sublessor, prior to any Sublessee audit. The disclosure of information in violation of such confidentiality agreement shall constitute a material breach of this Lease. Sublessee shall be responsible for Sublessor's expenses incurred in the course of such audit, such as for copying and other incidental expenses. Sublessor agrees to keep books and records of CAM, consistently maintained in accordance with generally accepted accounting principles on a year to year basis.

Cleaning of the interior of the suite shall be the responsibility of the Sublessee.

#### 4.3 SECURITY DEPOSIT

Upon execution of this sublease, Sublessee shall pay a security deposit of \$4920.00 to be held by Sublessor during the term of occupancy and returned upon satisfactory termination of the Sublease. In no case shall the security deposit be substituted for rental payments due under the terms of this Sublease. In addition, Sublessee shall provide current financial statements to Sublessor for its review and approval prior to Sublessor's execution of this Sublease.

### ARTICLE 5. IMPOSITIONS

5.1 During the term of this Sublease, Sublessee shall pay when due its proportionate share of all taxes, charges, excises, license and permit fees, assessments, and other government charges, general and specific, ordinary and extraordinary, unforeseen, as well as foreseen, of any kind and nature whatsoever, which during the term of the sublease are assessed or imposed upon or become due and payable or a lien upon the land and buildings of which the Subleased Premises are a part. Proportionate Share is defined as the fraction whose numerator is the part of the building, based on rentable square feet, that is leased to Sublessee, and the denominator is the total leased area of the Building, which is as of the Term Commencement Date equal to 23,350.

### ARTICLE .6. SURRENDER OF SUBLEASED PREMISES

6.1. On the expiration or termination of this Sublease, Sublessee shall surrender to Sublessor the Subleased Premises, including all improvements and fixtures therein owned by Sublessee, 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 Subleased Premises, except that Sublessee shall be allowed to remove its personal property or any trade fixtures and improvements made by Sublessee at its sole expense that can be removed without damage to any buildings, facilities or other improvements to the Subleased Premises. The Subleased Premises, including the improvements and fixtures therein, 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 Sublessor, and, if requested to do so, Sublessee shall execute, acknowledge and deliver to Sublessor such instruments of further assurance as in the opinion of Sublessor are necessary or desirable to confirm or perfect Sublessor's right, title and interest in and to the Subleased Premises including said improvements and fixtures. On or before the end of the Sublease term, Sublessee shall remove all of Sublessee's personal and other property allowed to be removed hereunder, and all such property not removed shall be deemed abandoned by Sublessee and may be utilized or disposed of by Sublessor without any liability to Sublessee. Sublessee's obligation under this Article 6 shall survive the expiration or termination of this Sublease.

#### ARTICLE 7. INSURANCE

##### 7.1.

A. Risk of Loss. Sublessor shall bear all risk of loss or damage to the Subleased Premises, including any building(s), improvements, fixtures or other property thereon, arising from any causes whatsoever except Sublessee's negligence.

B. Sublessor's Insurance. During the entire period this Sublease shall be in effect, the Sublessor at its expense will carry and maintain:

(1) Property insurance coverage for Sublessor 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, of which the Subleased Premises are a part as required pursuant to Primary Sublease.

(2) Comprehensive general liability insurance to a limit of not less than two million (\$2,000,000.) dollars endorsed for 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 land and buildings of which the Subleased premises are a part as required pursuant to the Primary Sublease.

(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 Sublease.

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

Sublessor shall provide a certificate of such policy or policies described in clauses (1) through (4) inclusive to Sublessee annually, prior to the expiration of such policy or policies, and, if requested by Sublessee, shall also supply a copy of such policy or policies.

C. Sublessee's Insurance

(1) Sublessee shall maintain in force during the term of this lease a policy of comprehensive public liability insurance of at least two million dollars (\$2,000,000.) insuring Sublessee against any liability arising out of the use, occupancy, or maintenance of the demised premises.

(2) Worker's 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.

(3) Automobile liability insurance in amounts approved from time to time by Sublessor, but not less than one million dollars (\$1,000,000) combined single limit for owned, hired and non-owned automobiles. The Sublessee will need to demonstrate that it does not have an insurable interest with respect to the use of automobiles in connection with its business. Otherwise, such coverage is required.

(4) The policies of insurance required under this section shall name Sublessor and Sublessor's agents as additional insureds and shall provide that they may not be canceled without thirty (30) days prior written notice to Sublessor.

(5) If Sublessee shall fail to maintain the insurance required under this section, Sublessor may, but shall not be required, to procure and maintain such insurance at the sole expense of Sublessee.

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 Sublease, 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 Sublessor, which approval shall not be withheld unreasonably. The policies of insurance required in sections 7.1 C. (1) shall be for the mutual benefit of Sublessor, PDA, and Sublessee with Sublessor and PDA being named as additional insureds. Upon the execution of this Sublease (and thereafter not less than fifteen (15) days prior to the expiration date of each policy, a certificate of the insurer reasonably satisfactory to Sublessor accompanied by evidence reasonably satisfactory to Sublessor of payment of the premium, shall be delivered by Sublessee to Sublessor.

7.3. (Deleted).

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 Sublessee, or any employee, officer or agent of Sublessee, 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, or ten (10) days in the case of non-payment, by registered mail to Sublessor and PDA and (iii) provide that the insurer shall have no right of subrogation against PDA.

7.5. (Deleted).

7.6. Sublessee shall observe and comply with the requirements of all policies of insurance at any time in force with respect to the Subleased Premises and Sublessee 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 Sublessor shall be willing to write or to continue such insurance. Sublessee 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.

#### ARTICLE 8. SUBLESSOR'S RIGHT TO PERFORM SUBLESSEE'S COVENANTS

8.1. If Sublessee shall at any time fail to make any payment or perform any other act on Sublessee's part required by this Sublease, then Sublessor, after ten (10) days written notice to Sublessee (or, in case of any emergency, without notice, or with such notice as may be reasonable under the circumstances) and without waiving or releasing Sublessee from any obligation of Sublessee hereunder, may (but shall not be required to) make such payment or perform such other act on Sublessee's part to be made or performed as provided in this Sublease, and may enter upon the Subleased Premises for such purpose and take all such action as may be deemed or appropriate by Sublessor to correct such failure or Sublessee.

8.2. All sums so paid by Sublessor and all costs and expenses incurred by Sublessor in connection with the performance of any such act (together with interest thereon at the rate specified in Section 24.1 from the respective date(s) of Sublessor's making of each such payment or incurring of each cost or expenses) shall constitute additional rent payable by Sublessee under this Sublease and shall be paid by Sublessee to Sublessor on demand.

#### ARTICLE 9. USE OF SUBLEASED PREMISES

9.1. The sole purpose for which Sublessee may use the Subleased Premises is a professional office (including but not limited to, the sale and fitting of prosthetic devices, equipment, and

services and related materials, services, and storage of business-associated materials) ("Permitted Use"), and for no other uses without Sublessor's and PDA's prior written consent, which consent shall not be unreasonably withheld. Sublessee shall not use, or permit to be used, the Subleased Premises for any other purpose without the prior express written consent of Sublessor and PDA. Sublessor's and PDA'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 Sublessor and PDA. Sublessee is prohibited from any use of the Subleased Premises not specifically granted in this Section 9.1.

9.2. No provision of this Sublease shall be construed as granting or authorizing the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act as the same may be amended from time to time. Sublessee acknowledges and agrees that the uses authorized in Section 9.1 are not granted on an exclusive basis outside of the Subleased Premises which comprise the Primary Sublease and that PDA may enter into subleases or other agreements on all or any portion of the Airport for similar, identical, or competing uses. No provision of this Sublease shall be construed as granting or authorizing the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act as the same may be amended from time to time.

9.3. Sublessee agrees that it will keep the Premises in a neat, clean and orderly condition in accordance the provisions of Chapters 300 through 500 of the Pease Development Authority 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 Sublessee shall not be bound by any such rules and regulations until such time as it receives a copy thereof. The Land Use Controls are available on-line at [www.peasedev.org](http://www.peasedev.org). Click on About Us, then select Facilities / Engineering to view the latest version of the Land Use Controls.

9.4. Sublessee warrants that it holds all certificates, permits, licenses or other entitlements required by federal, state or local laws in order to allow Sublessee to conduct the permitted uses hereunder, and that the same are and will be kept current, valid and complete. Sublessee 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 Sublessor of any additions, renewals, amendments, suspensions or revocations. In the use and occupation of the Subleased Premises and the conduct of such business thereon, Sublessee, 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. Sublessee shall have the right to contest by appropriate proceedings diligently conducted in good faith, without cost or expense to Sublessor, 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

Subleased Premises or Sublessee's interest therein and without subjecting Sublessor to any liability, civil or criminal, for failure so to comply therewith, Sublessee 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, Sublessee may, with the prior written consent of Sublessor, contest as aforesaid and delay as aforesaid, provided that such contest or delay does not subject Sublessor to criminal liability, damages or expense and provided that Sublessee: (i) furnishes to Sublessor security, reasonably satisfactory to Sublessor, against any loss or injury by reason of such contest or delay; and (ii) prosecutes the contest with due diligence.

Sublessor and PDA 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 Sublessor and/or PDA and Sublessor and/or PDA determines that such action is in its best interests, in which event Sublessor and/or PDA shall join in the proceedings, or permit the same to be brought in its name, if Sublessee shall pay all expenses in connection therewith.

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

9.7. Sublessee's use of the Subleased Premises shall be orderly and efficient and shall not cause any disruptions to other Airport activities or other tenants in the building in which the Subleased Premises are a part. Sublessee shall not cause or maintain any noise, odor or environmental nuisance on the Subleased Premises. Sublessee shall conduct all of its activities hereunder in an environmentally responsible manner.

9.8. Sublessee shall have the right to obtain supplies or services from suppliers, vendors or contractors of its own choice at the Subleased Premises, provided that PDA in the Primary Sublease reserved 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 PDA and said persons.

9.9. Sublessee acknowledges that PDA is subject to certain restrictions on the use of the Airport Property in accordance with the terms and conditions of a Quitclaim Deed to PDA dated September 16, 2005 from the United States of America acting by and through the Secretary of the Air Force, which said Deed is recorded at the Rockingham County Registry of Deeds at Book 4564 Page 985. Notwithstanding any other provision of this Sublease, the Sublessee shall also comply with and be subject to all other restrictions and conditions of the Deed to the extent applicable to the Subleased Premises.

9.10. Exclusive. Sublessor covenants and agrees that, so long as this Lease shall remain in full force and effect, and Sublessee is not in default hereunder and is open and operating the Permitted Use at the Premises, Sublessor shall not lease, rent, occupy, or the building located at 20 International Drive or suffer or permit to be occupied, any part of the Building other than that leased by Sublessee for the purpose of selling or fitting prosthetic devices, equipment or services,

as its primary business; provided that the foregoing shall become null and void if Sublessee ceases to operate for more than ninety (90) consecutive days (the "Exclusive"). Sublessee's rights upon Sublessor's breach of the above Sublessor's covenant and agreement: If there is a breach of any provision of this paragraph, the Sublessee shall have the following rights and remedies, none of which shall be exclusive of the others or any other remedy otherwise available to the Sublessee: (1) Injunction. The Sublessee may institute proceedings to enjoin the violation, either in its name or that of the Sublessor; (2) Termination. If the conflicting use continues for a period of ten (10) days after the Sublessee gives written notice to Sublessor, Sublessee may, at any time thereafter, elect to terminate this lease. If Sublessee so elects, this Lease shall be terminated on the date fixed in the notice of such election, and Sublessee shall be released and discharged from all further liabilities hereunder; (3) Rent. So long as such condition exists and Sublessee has not exercised its option to terminate the Lease, the Sublessee's only obligation with respect to rental payments shall be the payment of Sublessee's monthly proportionate share of CAM; (4) Expenses. The Sublessee may hold the Sublessor liable for all costs and expenses, including attorney fees, sustained or incurred in connection with any proceedings instituted by the Sublessee. If the Sublessor does not institute and proceed diligently with a suit to enjoin such conflicting use, the Sublessee may hold it liable for any other damages sustained or to be sustained by reason of the violation of such covenant and agreement.

#### ARTICLE 10. LIENS

10.1. During the term of this Sublease, Sublessee shall not permit to remain, and shall promptly discharge, at its cost and expense, all liens, encumbrances and charges upon the Subleased Premises, resulting from acts of Sublessee, or any part thereof; provided, that the existence of any mechanics', laborers', material men'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. Sublessee shall, however, have the right to contest with due diligence the validity or amount of any lien or claimed lien, if Sublessee shall give to Sublessor such security as Sublessor may reasonably require to insure payment thereof and prevent any sale, foreclosure or forfeiture of Sublessee's interest in the Subleased Premises or any portion thereof by reason of such nonpayment. On final determination of the lien or claim for lien, Sublessee shall immediately pay any judgment rendered with all proper costs and charges and shall have the lien released or judgment satisfied at Sublessee's own expense, and if Sublessee shall fail to do so, Sublessor may at its option pay any such final judgment and clear the Subleased Premises therefrom. If Sublessee shall fail to contest with due diligence the validity or amount of any such lien or claimed lien, or to give Sublessor security as hereinabove provided, Sublessor 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 Subleased Premises or the building in which the Subleased Premises are a part, or should any action of any character affecting the title thereto be commenced, Sublessee shall give to Sublessor written notice thereof as soon as notice of such lien or action comes to the knowledge of Sublessee.

## ARTICLE 11. REPAIRS AND MAINTENANCE

11.1. Sublessee covenants and agrees, throughout the term of this Sublease, without cost to Sublessor, to take good care of the Subleased Premises and related improvements, systems and fixtures serving the Subleased Premises, and to keep the same in good, safe and clean condition. Any malfunction of fixtures or mechanical equipment or systems provided by Sublessor shall be reported to Sublessor, who shall repair same at Sublessor's expense, unless said malfunction is the direct result of neglect or abuse by Sublessee, in which case Sublessee shall be billed for the repair.

11.2. Sublessor covenants and agrees, throughout the term of this Sublease, as part of the Common Area Charges, to maintain the mechanical systems, including the HVAC, electrical and plumbing systems of the Building, and the common areas of the building of which the Subleased Premises are a part in good, operational, safe, clean condition which shall include grounds and parking areas maintenance, and snow and ice removal from all walkways and parking areas serving the Subleased Premises. Sublessor warrants that the Premises and buildings of which the Premises are a part are and shall remain in compliance with all buildings and other codes including all requirements of Americans with Disabilities laws.

## ARTICLE 12. RIGHT OF SUBLESSOR TO INSPECT AND REPAIR

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

12.2. Sublessee acknowledges that from time to time PDA may undertake construction, repair or other activities related to the operation, maintenance and repair of the Airport which will require temporary accommodation by Sublessee. Upon reasonable notice and at reasonable times, Sublessee agrees to accommodate PDA in such matters, even though Sublessee's own activities may be inconvenienced or partially impaired, and Sublessee agrees that no liability shall attach to PDA, its members, employees or agents by reason of such inconvenience or



impairment, unless such activities of PDA hereunder are performed in a negligent manner.

12.3. Upon reasonable notice and at reasonable times, Sublessee shall allow PDA, its officers, agents, employees and contractors to enter upon the Subleased Premises for any purposes not inconsistent with Sublessee's quiet use and enjoyment, including but not limited to the purpose of inspection. Notwithstanding the preceding sentence, in the event the Air Force or any other agency having a right of entry under the Federal Facilities Agreement (FFA) as defined in Section 25.8) or PDA as Sublessor under the Primary Lease determines that immediate entry is required for safety, environmental, operations or security purposes they may effect such entry without prior notice. The Sublessee shall have no claim against PDA or any officer, agent, employee or contractor thereof on account of any such entries.

### ARTICLE 13. GENERAL INDEMNIFICATION BY SUBLESSEE

13.1. In addition to any other obligation of Sublessee under this Sublease to indemnify, defend and hold harmless Sublessor, Sublessee agrees to indemnify, defend and hold harmless Sublessor against and from any and all third party 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 Sublease except to the extent arising from any intentional or negligent act or omission by Sublessor or any of Sublessor's agents, employees, contractors and subcontractors:

(1) from any condition of the Premises caused by the Sublessee (except as otherwise set forth in Article 23), excluding any building structure or improvement thereon;

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

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

In the event that any action or proceeding is brought against Sublessor by reason of any matter for which Sublessee has hereby agreed to indemnify, defend, or hold harmless Sublessor, Sublessee, upon notice from Sublessor, covenants to resist or defend such action or proceeding with counsel acceptable to Sublessor. Nothing herein shall be interpreted as obligating Sublessee to indemnify, defend or hold harmless Sublessor, the PDA or the State of New Hampshire against their intentional or negligent act(s) or omission(s).

13.2. The term "Person" as used in this Article and Article 23 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.

13.3. (deleted).

13.4. The Sublessee further agrees to indemnify, save, hold harmless and defend PDA and the State of New Hampshire to the same extent required of the Sublessor under the Primary Lease.

#### ARTICLE 14. UTILITIES

14.1. Sublessor shall bring or shall cause utility lines to be brought to the Subleased Premises at the points existing as of the Term Commencement Date or such other points as may be designated by Sublessor (in consultation with Sublessee). The utility lines shall have the capacities existing as of the Term Commencement Date and as set forth in the plans and specifications, which Sublessee acknowledges are sufficient to enable Sublessee to obtain for the Subleased Premises, as of the date of commencement of Sublessee's activities, sufficient water, electricity, telephone and sewer service. Sublessee 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 Subleased Premises. If Sublessee desires to install any equipment which shall require additional utility facilities or utility facilities of a greater capacity than the facilities provided by Sublessor, such installation shall be subject to Sublessor's and PDA's prior written approval of Sublessee's plans and specifications therefor, which approval shall not be unreasonably withheld. If such installation is approved by Sublessor and PDA and if Sublessor and PDA agrees to provide any additional facilities to accommodate Sublessee's installation, Sublessee agrees to pay Sublessor and/or PDA, in advance and on demand, the cost for providing such additional utility facilities or utility facilities of greater capacity.

PDA under the Primary Lease also reserved the right to run such utility lines as it deems necessary in connection with the development of the Airport to, from, or through the Subleased Premises, provided, however, that PDA in exercising such reserved right shall provide reasonable prior notice and the opportunity to confer with PDA and shall exercise reasonable efforts to avoid or minimize interference with use of the Subleased Premises.

PDA under the Primary Lease, 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 Subleased Premises and Sublessee agrees to execute and deliver to PDA such documentation as may be required to effect such alteration. Sublessee agrees to pay all charges for the above enumerated utilities supplied by Sublessor, public utility or public authority, or any other person, firm or corporation which are separately metered to the Subleased Premises to the extent used or consumed on the Premises by Sublessee.

PDA under the Primary Lease, shall have the option to supply any of the above enumerated utilities to the Subleased Premises. If PDA shall elect to supply any of such utilities to the Subleased Premises, Sublessee will purchase its requirements for such services tendered

by PDA, and Sublessee will pay PDA, within ten business (10) days after mailing by PDA to Sublessee of statements therefor, at the applicable rates determined by PDA from time to time which PDA 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 PDA so elects to supply any of such utilities, Sublessee shall execute and deliver to PDA, within ten business (10) days after request therefor, any documentation reasonably required by PDA to effect such change in the method of furnishing of such utilities. Sublessor will cooperate with Sublessee in connection with the efforts of Sublessee to develop a plan for the PDA to obtain electricity from alternative wholesale suppliers.

14.2. Sublessor shall provide separate meters for utilities where practical and applicable to the subleased premises, and Sublease shall contract directly with the utility companies supplying its electricity, heating, cooling, air conditioning and telecommunications. Sublessee shall have the obligation to pay all applicable utility bills promptly and shall maintain its premises at a minimum of sixty (60) degrees Fahrenheit at all times from October 1st to May 1<sup>st</sup> to the extent appropriate utilities are provided.

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

#### ARTICLE 15. ALTERATIONS - SIGNS

15.1. Sublessee 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 Subleased Premises without Sublessor's and PDA's written consent. Unless Sublessee is subject to an earlier notice requirement under the PDA's land use controls or other applicable requirements with respect to the information required under this section, any request for Sublessor's and PDA'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 Sublessor and PDA, working drawings. If Sublessor and PDA each grants its consent all such work shall be done at Sublessee'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 PDA and with the provisions of Article 23 of this Sublease. This obligation shall include compliance with all applicable provisions of the FFA (as defined in Section 23.8), including obligations imposed upon Sublessor 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 Sublessor and PDA and shall not be disruptive of the overall operation the Airport.

(3) During the period of construction of any Alterations, Sublessee or any contractor,

subcontractor or sublessee of Sublessee shall maintain or cause to be maintained the following insurance:

(i) The comprehensive general liability and automobile insurance provided for in Section 7.1.C. (1) shall be maintained for the limits specified thereunder and shall provide coverage for the mutual benefit of Sublessor, PDA, and Sublessee as named or additional insured (as is appropriate) in connection with any Alteration permitted pursuant to this Article 15;

(ii) 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 Subleased 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 PDA, Sublessor, Sublessee or the Subleased 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 Sublease shall apply to all insurance provided for in this Section.

15.2. Sublessee may erect and maintain suitable signs only within the Subleased Premises and upon receiving the prior written approval of Sublessor and PDA. Sublessee shall submit drawings of proposed signs and information on the number, size, type, and location, all of which Sublessor and PDA may review for harmony and conformity with the overall structure and architectural and aesthetic setting of the building in which the Subleased Premises are a part and the Airport as well as with PDA's own land use control regulations and may approve or disapprove accordingly. Sublessor shall provide Sublessee a name plaque on the "tombstone" sign board by the front walk for 30 International Drive, and also a listing on the directory board inside the front foyer of the building. Sublessee may install its own sign in the hall immediately outside its suite, in keeping with the scale of other interior signs now existing.

#### ARTICLE 16. DESTRUCTION AND RESTORATION

16.1. In the event of damage to or destruction of any portion or component of the Subleased Premises, (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 Sublessor, with such determination to be made within thirty (30) days of the date of the fire or other casualty event; the Sublessor or the Sublessee shall have the election either to terminate this Sublease in accordance with Section 16.2 or, if neither party so terminates, Sublessor shall repair and restore in accordance with Sections 16.3 and 16.4, subject to the rights of the PDA under the Primary Lease. In the event that the Sublessor fails to make a determination within the above time frame, the Sublessee may make such determination.

16.2. In the event that either the Sublessor or the Sublessee elects to terminate this Sublease as allowed in Section 16.1, the terminating party shall provide written notice of such termination to the other party within thirty (30) days following receipt of Sublessor's determination of the extent of damage, 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 Sublessor, and second to any sums owed by Sublessee to the Sublessor subject to rights of the PDA under the Primary Lease. Any balance remaining from any insurance proceeds shall then be apportioned between the Sublessor and Sublessee as follows:

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

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

Third, to Sublessor any remaining balance; subject to the rights the PDA under the Primary Lease.

16.3. In the event that neither the Sublessor or Sublessee elects to terminate the Sublease in accordance with Article 16.1, Sublessor shall promptly repair and restore the damaged property to its condition immediately prior to the occurrence of the fire or other cause, subject to the rights of the PDA under the Primary Lease.

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

16.5. Except as otherwise expressly provided in this Article, no destruction of, or damage to the Subleased Premises or any part thereof by fire or any other cause shall permit Sublessee to surrender this Sublease or shall relieve Sublessee from its obligations to pay the Base Rent, and Additional Rent payable under this Sublease or from any of its other obligations under this Sublease, and Sublessee waives any rights now or hereafter conferred upon it by statute or otherwise to quit or surrender this Sublease or the Subleased Premises provided that until repairs and restoration to such destruction or damage have been accomplished, a portion of the Base Rent and Additional Rent shall abate equal to the proportion of the Premises rendered unusable by the destruction or damage.

#### ARTICLE 16(A). EMINENT DOMAIN

16A.1. In the event that there is a taking by eminent domain of the whole or any portion of the Subleased Premises, this Sublease shall terminate and the entire damages shall accrue to Sublessor and the PDA pursuant to ARTICLE 16A of the Primary Sublease except that Sublessee will receive that amount equal to the unamortized balance of any such improvements

made by Sublessee at its sole expense calculated over their useful life on a straight line basis and the Security Deposit.

#### ARTICLE 17. DEFAULT BY SUBLESSOR

17.1. The occurrence of the following events shall constitute a default and breach of this Sublease by Sublessor:

The failure by Sublessor 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 Sublessee to Sublessor, provided that if the default is such that the same cannot reasonably be cured within such 30-day period, Sublessor 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 Sublessor, Sublessee may elect among any of the following remedies:

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

#### ARTICLE 18. DEFAULT BY SUBLESSEE

18.1. The occurrence of any of the following events shall constitute a default and breach of this Sublease by Sublessee:

A. The failure by Sublessee to pay when due the basic rent or to make any other payment required to be made by Sublessee to Sublessor hereunder where such failure continues for seven (7) working days after written notice thereof by Sublessor to Sublessee.

B. The abandonment or vacation of the Subleased Premises by Sublessee while in breach or default of any provision of this Sublease or that lasts for 14 days or more.

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

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

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

- (1) subject to available legal and factual defenses,
  - a decree or order of a court of competent jurisdiction compelling specific performance by Sublessee of its obligations under the Sublease;
  - a decree or order by a court of competent jurisdiction restraining or enjoining the breach by Sublessee of any of its obligations under the Sublease; and
- (2) to the extent allowed by law, the right to undertake to cure Sublessee's default, in which event Sublessee shall pay Sublessor the reasonable costs incurred in such undertaking, provided that such cost does not exceed the value of the rental payments to Sublessor due under this Sublease for the year in which such default occurs. Except for emergency conditions, Sublessor shall provide Sublessee with two (2) business days prior written notice of its intent to exercise the right to undertake to cure Sublessee's default. In the event Sublessee commences to cure such default within this two (2) day period and diligently prosecutes the same to

completion, Sublessor shall refrain from exercising the right to undertake its own cure of Sublessee's default.

In the event that Sublessor shall elect to so terminate this Sublease, then Sublessor may recover from Sublessee:

(i) any unpaid rent up to the effective date of termination; plus

(ii) any other amount necessary to compensate Sublessor for all the detriment approximately caused by Sublessee's failure to perform its obligations under this Sublease or which in the ordinary course of things would be likely to result therefrom including the discounted value of the rental payments to Sublessor under the full term of this Sublease not otherwise offset by rentals realized from a subsequent sublease with a third party, including a sublessee provided by Sublessee and reasonably acceptable to Sublessor; 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 Sublessee, Sublessor shall also have the right, with or without terminating this Sublease and upon two (2) days' written notice to Sublessee, to reenter the Subleased Premises and remove all persons and property from the Subleased 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 Sublessee. Except for Sublessor's negligence or willful misconduct, under no circumstances shall Sublessor be held liable in damages or otherwise by reason of any such reentry or eviction or by reason of the exercise by Sublessor of any other remedy provided in this Article. All property of Sublessee which is stored by Sublessor may be redeemed by Sublessee within thirty (30) days after Sublessor takes possession upon payment to Sublessor in full of all obligations then due from Sublessee to Sublessor and of all costs incurred by Sublessor in providing such storage. If Sublessee fails to redeem such property within this thirty (30) day period, Sublessor 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 Sublessee.

18.4. In the event of the vacation or abandonment of the Subleased Premises by Sublessee for seven (7) days or in the event that Sublessor shall elect to reenter as provided in Section 18.3 or shall take possession of the Subleased Premises pursuant to any provision of New Hampshire law or pursuant to any notice provided by law, then if Sublessor does not elect to terminate this Sublease as provided in Section 18.2, Sublessor may from time to time, without terminating this Sublease, either recover all rental as it becomes due or relet the Subleased Premises or any part thereof for such terms and conditions as Sublessor in its sole discretion may deem advisable, including the right to make alterations and repairs to the Subleased Premises. In the event that Sublessor shall elect to relet, then rentals received by Sublessor from such reletting shall be applied: first, to the payment of any indebtedness other than rent due hereunder from Sublessee to Sublessor; second, to the payment of any cost of such reletting; third, to the payment of the



cost of any alterations and repairs to the Subleased Premises which are necessary to relet the Premises; fourth, to the payment of rent due and unpaid hereunder; and the residue, if any, shall be held by Sublessor 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 Sublessee under this Sublease, then Sublessee shall pay such deficiency to Sublessor immediately upon demand by Sublessor. Such deficiency shall be calculated and paid monthly. Sublessee shall also pay to Sublessor, as soon as ascertained, any costs and expenses incurred by Sublessor 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 Sublessor, including those not specifically described under this Sublease, 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 Sublease, Sublessor may pursue any or all of such rights and remedies, whether at the same time or otherwise.

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

18.7. Notwithstanding any other provision of this Sublease, in the event the breach by Sublessee in the reasonable opinion of Sublessor or PDA 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, Sublessor and PDA under the terms of the Primary Sublease shall also be entitled (but shall not be obligated) to take whatever actions is deemed necessary by Sublessor and/or PDA to abate or cure such situation and Sublessee shall reimburse Sublessor and/or PDA for all costs incurred by Sublessor and/or PDA in taking such action.

#### ARTICLE 19. DELEGATION - ASSIGNMENT - SUBLEASES - MORTGAGES

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

19.2. Assignment. Sublessee may, without the approval of Sublessor, assign its rights under this Sublease to Sublessee's parent company, any subsidiary or affiliate of it or its parent company or to any successor-in-interest or entity acquiring fifty-one percent (51%) or more of its stock or assets, subject to any financing entity's interest, if any, in this Sublease. Except, as provided above, all other assignments shall be subject to approval of Sublessor, which approval shall not be withheld unreasonably.

19.3. Subleases. Sublessee may not enter into any sublease of the Subleased Premises without Sublessor's prior written approval. Any request for Sublessor's approval shall be made at least forty-five (45) days prior to the commencement of such tenancy and shall provide detailed information concerning the identity and financial condition of the proposed sublessee and the terms and conditions of the proposed sublease. Sublessor shall not unreasonably withhold its consent to such sublease if: (1) the use of the Subleased Premises associated with any

sublease(s) is permitted under Article 9, (2) the sublease(s) are consistent with the terms and conditions of this Sublease and the Primary Sublease; provided, however, that Sublessee may rent the subleased area at rentals deemed appropriate by Sublessee, (3) Sublessee remains primarily liable to Sublessor to pay rent and to perform all other obligations to be performed by Sublessee under this Sublease, (4) the proposed sublessee is financially and operationally responsible and (5) PDA has given its approval to the proposed sublease.

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

19.5. Bankruptcy. If a petition is filed by or against Sublessee for relief under Title 11 of the United States Code, as amended (the "Bankruptcy Code"), and Sublessee (including for purposes of this Section Sublessee's successor in bankruptcy, whether a trustee or Sublessee as debtor-in-possession) assumes and proposes to assign, or proposes to assume and assign, this Sublease 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 Sublease, 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 Sublease, shall be given to Sublessor by Sublessee no later than twenty (20) days after Sublessee has made or received such offer, but in no event later than thirty (30) days prior to the date on which Sublessee applies to a court of competent jurisdiction for authority and approval to enter into the proposed assignment. Any person or entity to which this Sublease is assigned pursuant to the provisions of the Bankruptcy Code shall be deemed, without further act or documentation, to have assumed all of the Sublessee's obligations arising under this Sublease on and after the date of such assignment. Any such assignee shall, upon demand, execute and deliver to Sublessor an instrument confirming such assumption. No provision of this Sublease shall be deemed a waiver of Sublessor's rights or remedies under the Bankruptcy Code to oppose any assumption and/or assignment of this Sublease, to require a timely performance of Sublessee's obligations under this Sublease, or to regain possession of the Premises if this Sublease 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

Sublease to the contrary, all amounts payable by Sublessee to or on behalf of Sublessor under this Sublease, 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 Sublease, any assignment or sublease shall comply with the provision of Article 23 including the notice requirements of Condition 10.8 of the FFA (as that term is defined in Section 23.8) and the terms and conditions of the Primary Sublease.

19.7. Mortgages. Except as otherwise expressly agreed to by PDA in writing, Sublessee shall not have the right to engage in any financing or other transaction creating any mortgage upon the Subleased Premises. Any approval of PDA shall be expressly subject to the provisions of the Primary Sublease.

#### ARTICLE 20. INVALIDITY OF PARTICULAR PROVISIONS

If any term or provision of this Sublease, or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Sublease, 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 Sublease shall be valid and be enforced to the fullest extent permitted by law.

#### ARTICLE 21. NOTICES

Whenever Sublessor or Sublessee shall desire to give or serve upon the other any notice, demand, request or other communication with respect to this Sublease or with respect to the Subleased 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 Sublessor:                   30 International Drive, LLC  
  39 Freetown Rd., Unit #1  
  Raymond, NH 03077

If to Sublessee:                   New Hampshire Prosthetics, LLC  
  30 International Drive, Suite 201  
  Portsmouth, NH 03801

or at such other address or addresses as Sublessor or Sublessee 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.

## ARTICLE 22. QUIET ENJOYMENT

Sublessor covenants and agrees that Sublessee, upon paying the rent and all other charges herein provided for and observing and keeping all material covenants, agreements, and conditions of this Sublease on its part to be observed and kept, shall quietly have and enjoy the Subleased Premises during the term of this Sublease without hindrance or molestation by anyone claiming by or through Sublessor, or a third party, subject, however, to the exceptions, reservations and conditions of this Sublease including, but not limited to the provisions of Article 23, Environmental Protection/Premises I.

## ARTICLE 23. ENVIRONMENTAL PROTECTION

23.1. Sublessee and any sublessee or assignee of Sublessee shall comply with all federal, state, and local laws, regulations, and standards that are or may become applicable to Sublessee's or Sublessee's or assignee's activities at the Subleased Premises, including but not limited to, the applicable environmental laws and regulations identified in Exhibit 4, as amended from time to time.

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

23.3. Sublessee shall indemnify, defend and hold harmless Sublessor, PDA and the Air Force 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, or any other action by the Sublessee, or any sublessee or assignee of the Sublessee, giving rise to Sublessor or PDA or Air Force liability, civil or criminal, or responsibility under federal, state or local environmental laws.

This indemnification of Sublessor and PDA and Air Force by Sublessee includes, without limitation, any and all claims, judgment, damages, penalties, fines, costs and expenses, liabilities and losses incurred by Sublessor or PDA 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 Sublessee or any sublessee or assignee of the Sublessee at the Subleased Premises after the Occupancy Date. "Occupancy Date" as used herein shall mean the earlier of the first day of Sublessee's occupancy or use of the Subleased Premises or the date of execution of this Sublease. "Occupancy" or "Use" shall mean any activity or presence including preparation and construction in or upon the Subleased Premises.

The provisions of this Section shall survive the expiration or termination of the Sublease, and the Sublessee's obligations hereunder shall apply whenever the Sublessor or the Air Force

incurs costs or liabilities for the Sublessee's actions of the types described in this Article.

23.4 Sublessor shall indemnify, defend and hold harmless Sublessee 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, or any other action by the Sublessor, or any sublessor or assignee of the Sublessor, giving rise to Sublessee liability, civil or criminal, or responsibility under federal, state or local environmental laws.

This indemnification of Sublessee by Sublessor includes, without limitation, any and all claims, judgment, damages, penalties, fines, costs and expenses, liabilities and losses incurred by Sublessee 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 Sublessor or any Sublessor or assignee of the Sublessor at the Subleased Premises before the Occupancy Date. "Occupancy Date" as used herein shall mean the earlier of the first day of Sublessor's occupancy or use of the Subleased Premises or the date of execution of this Sublease. "Occupancy" or "Use" shall mean any activity or presence including preparation and construction in or upon the Subleased Premises.

The provisions of this Section shall survive the expiration or termination of the Sublease, and the Sublessor's obligations hereunder shall apply whenever the Sublessee incurs costs or liabilities for the Sublessor's actions of the types described in this Article.

23.5. Notwithstanding any other provision of this Sublease, Sublessee 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 Hazardous Substances, the PDA, the Sublessor or any other third party's on any portion of the Airport, including the Subleased Premises, or any hazardous wastes, substances or materials existing at the Premises prior to Sublessee's occupancy. The Sublessee 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 Subleased Premises) of any Hazardous Substances prior to the Occupancy Date.

23.6. As used in this Sublease, 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

Part Hc. P 1905 ("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 Sublease, 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.

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

23.8. Notwithstanding any other provision of this Sublease and pursuant to the Primary Lease, PDA is not responsible for any removal or containment of asbestos. If Sublessee and any sublessee or assignee intend to make any improvements or repairs that require the removal of asbestos, an appropriate asbestos disposal plan must be incorporated in the plans and specifications. 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 Sublessee will be abated by Sublessee at its sole cost and expense.

23.9. Sublessor and Sublessee acknowledge that the Airport has been identified as a National Priority List (NPL) Site under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) of 1980, as amended. Sublessee acknowledges that Sublessor 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 the terms of the FFA to the extent the same may be applicable to the Subleased Premises and the terms of this Sublease and that should any conflict arise between the terms of the FFA and the provisions of this Sublease, the terms of the FFA will take precedence. The Sublessee further agrees that the Sublessor and PDA assume no liability to the Sublessee or any sublessee or assignee of Sublessee should implementation of the FFA interfere with their use of the Subleased Premises. The Sublessee and its sublessee(s) and assignee(s) shall have no claim on account of any such interference against the Sublessor, or PDA or any officer, agent, employee or contractor thereof, other than a claim to Sublessor for abatement of rent.

23.10. The Air Force, EPA, and NHDES and their officers, agents, employees, contractors, and subcontractors have the right, upon reasonable notice to the Sublessee and any sublessee or

assignee, and with due provision for noninterference with Sublessee's business, to enter upon the Subleased 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, test-pitting, borings and other activities related to the Pease Installation Restoration Program ("IRP") or the FFA;

(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 Subleased Premises or to verify any data submitted to the EPA or NHDES by the Air Force relating to such conditions;

(4) to construct, 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.

23.11. Sublessee and its sublessees and assignees agree to cooperate with Sublessor in its compliance with the provisions of any applicable 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 Sublessee and any sublessee or assignee. Sublessee and any sublessee or assignee shall have no claim on account of such entries against the State as defined in FFA or any officer, agent, employee, contractor, or subcontractor thereof.

23.12. Sublessee further agrees that in the event of any authorized sublease or assignment of the Subleased 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 Subleased Premises within fourteen (14) days after the effective date of such transaction. Sublessee may delete the financial terms and any other proprietary information from any sublease or assignment submitted to the above mentioned entities.

23.13. The Airport air emissions offsets and Air Force accumulation points for hazardous and other wastes will not be made available to Sublessee. Sublessee 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 Sublease.

23.14. Any permit required under Hazardous Substance Laws for the management of Hazardous Substances stored or generated by Sublessee or any sublessee or assignee of Sublessee shall be obtained by Sublessee 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 Sublease. Sublessee 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.

23.15. Sublessee, and any sublessee or assignee of Sublessee 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 Subleased Premises. Such plan shall be independent of, but not inconsistent with, any plan or other standard of PDA applicable to the Airport and except for initial fire response and/or spill containment, shall not rely on use of the Airport or Sublessor personnel or equipment. Should the Sublessor provide any personnel or equipment, whether for initial fire response and/or spill containment or otherwise, on request of the Sublessee, or because the Sublessee was not, in the opinion of Sublessor, conducting timely cleanup actions, the Sublessee agrees to reimburse the Sublessor for its costs.

23.16. Sublessee, and any sublessee or assignee of Sublessee, must maintain and make available to PDA, 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. PDA and the Air Force reserve the right to inspect the Subleased Premises and Sublessee'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 PDA and the Air Force to appropriate regulatory agencies, as required by applicable law. The Sublessee, its sublessees or assignees shall be liable for the payment of any fines and penalties or costs which may accrue to the United States of America or PDA as a result of the actions of Sublessee, its sublessees or assignees, respectively.

#### ARTICLE 24. MISCELLANEOUS

24.1. All rent and all other sums which may from time to time become due and payable by Sublessee to Sublessor under any of the provisions of this Sublease shall be forwarded by the Sublessee direct to Sublessor at the address specified in Article 21. All such rent and other sums if not paid within fifteen (15) days of 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 twelve percent (12%) per annum; provided, however, that such interest shall in no event exceed the maximum rate permitted by law.

24.2. In all cases the language in all parts of this Sublease shall be construed simply, according to its fair meaning and not strictly for or against Sublessor or Sublessee.

24.3. 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.

24.4. 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 Sublease, 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.



24.5. If Sublessee should remain in possession of the Subleased Premises after the expiration of the term of this Sublease 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 Sublease insofar as the same are applicable to a month to month tenancy.

24.6. The individual executing this Sublease on behalf of Sublessee represents and warrants that he or she is duly authorized to execute and deliver this Sublease on behalf of said entity, and that this Sublease is binding upon said entity in accordance with its terms.

24.7. This Sublease covers in full each and every agreement of every kind or nature whatsoever between the Parties hereto concerning the Subleased Premises and all preliminary negotiations and agreements of every kind or nature whatsoever with respect to the Subleased Premises; and no other person, firm or corporation has at any time had any authority from Sublessor to make any representations or promises on behalf of Sublessor, and Sublessee expressly agrees that if any such representations or promises have been made by Sublessor or others, Sublessee 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 Sublease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest. Sublessee 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 Sublease.

24.8. Subject to the provisions hereof, this Sublease 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 Sublease 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.

24.9. Nothing contained in this Sublease 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 Sublessor and Sublessee, and neither the method of computation of rent nor any other provision contained in this Sublease nor any acts of the Parties hereto shall be deemed to create any relationship between Sublessor and Sublessee other than the relationship of landlord and tenant.

24.10. Sublessee hereby acknowledges that late payment by Sublessee to Sublessor of rent and other sums due under this Sublease will cause Sublessor to incur additional costs not contemplated by this Sublease, 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 Sublessor 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 Sublessee shall not be received within fifteen (15) days of the date that such amount shall be due, Sublessee agrees to pay, and shall pay, to Sublessor a late charge equal to ten percent (10%) of the overdue amount. The late charge in the preceding sentence shall be in lieu of the 12% interest set forth in Section 24.1. The Parties hereby agree that such late charge represents a fair

and reasonable estimate of the costs Sublessor will incur by reason of late payment by Sublessee. Acceptance of such late charge by Sublessor shall in no event constitute a waiver of Sublessee's default with respect to such overdue amount or prevent Sublessor from exercising any or all of the other rights and remedies granted under this Sublease.

24.11. Sublessor acknowledges the parties have entered into this transaction as the result of the marketing efforts of Grubb & Ellis / Coldstream Real Estate Advisors, the "Broker", and that the Sublessor shall be solely responsible for paying any real estate commission due the Broker as a result of this Sublease.

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

24.13. Any actions or proceedings with respect to any matters arising under or growing out of this Sublease shall be instituted and prosecuted only in courts located in the State of New Hampshire. Nothing contained in this Article or any other provision of this Sublease shall be deemed to constitute a waiver of the sovereign immunity of the State of New Hampshire, which immunity is hereby reserved to PDA and to the State of New Hampshire.

24.14. 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.

24.15. Sublessee shall faithfully observe and comply with such rules and regulations as the PDA may adopt for the operation of the Airport and such rules and regulations as Sublessor may adopt for the operation of the building and lot of which the Subleased Premises are a part, which rules and regulations are reasonable and nondiscriminatory as well as all modifications thereof and additions thereto. PDA shall not be responsible to Sublessee for the violation or nonperformance by any other tenant of the PDA of such airport rules and regulations, and Sublessor shall not be responsible to Sublessee for the violation or nonperformance by any other tenant of Sublessor of any of such rules and regulations pertaining to the building and the lot of which the Subleased Premises are a part which were or are adopted by PDA, but Sublessor shall be responsible to Sublessee for the violation or nonperformance by any other tenant of Sublessor of any rules and regulations pertaining to the building and the lot of which the Subleased Premises are a part that are adopted by Sublessor.

24.16. Sublessee agrees 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 a portion thereof.

24.17. This Sublease is subject and subordinate to any agreements heretofore or hereafter made between PDA and the United States or the Air Force. Sublessee shall abide by requirements of any agreement between PDA and the United States or the Air Force applicable to the Subleased Premises or Sublessee's activities at the Airport and shall consent to amendments and modifications of this Sublease if required by such agreements or as a condition of Sublessor's entry into such agreements.

This Sublease is further subject and subordinate to the Primary Sublease between PDA and Sublessor, and Sublessee shall abide by the provisions of the Primary Sublease applicable to the Subleased Premises or Sublessee's activities at the Airport and shall consent to amendments and modifications of this Sublease if required by the Primary Sublease.

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

24.19. Sublessee agrees that it will not record this lease. Both parties shall, upon the request of the other, execute and deliver a notice or short form of this Lease in such form, if any, as may be permitted by applicable statute and which a party may record. If this lease is terminated before the term expires, the parties shall execute, deliver and record an instrument acknowledging such fact and the actual date of termination of this lease, and Sublessee hereby appoints Sublessor, its attorney-in-fact in its name and behalf to execute such instruments.

24.20. The Sublessee herein covenants by and for itself, its heirs, executors, administrators, and assigns, and all persons claiming under or through it, that this Sublease 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 nor shall the Sublessee, 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 Subleased Premises herein leased.

24.21. All obligations of Sublessee to indemnify, defend and hold harmless Sublessor, PDA and the Air Force and to make any monetary payment to Sublessor, PDA and the Air Force shall survive the termination or expiration of this Sublease.

[Remainder of page left intentionally blank for signatures on next page]

EXECUTION

IN WITNESS WHEREOF, Sublessor and Sublessee have executed this Sublease effective as of the \_\_\_ day of \_\_\_\_\_, 2019.

“Sublessor:” 30 International Drive, LLC

By: Kellie Jewett

Kellie Jewett, duly authorized

STATE OF NEW HAMPSHIRE  
COUNTY OF ROCKINGHAM, SS.

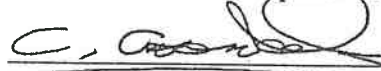
On this 15<sup>th</sup> day of October, 2019 personally appeared Kellie Jewett, in her capacity as Manager of 30 International Drive, LLC and acknowledged the foregoing as the voluntary act and deed of 30 International Drive, LLC.

Before me,

Prescilla J. Stephens  
Justice of the Peace / Notary Public  
My commission expires: 8/26/20

"Sublessee" New Hampshire Prosthetics, LLC

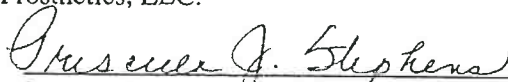
By:

  
Christopher Croasdale, duly authorized

STATE OF NEW HAMPSHIRE  
COUNTY OF ROCKINGHAM, SS

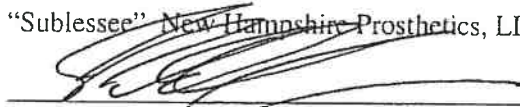
On this 15<sup>th</sup> day of October, 2019 personally appeared Christopher Croasdale, in his capacity as Member of New Hampshire Prosthetics, LLC and acknowledged the foregoing as the voluntary act and deed of New Hampshire Prosthetics, LLC.

Before me,

  
Justice of the Peace / Notary Public  
My commission expires: 8/26/20

"Sublessee" New Hampshire Prosthetics, LLC

By:

  
Christopher Phillips, duly authorized

STATE OF NEW HAMPSHIRE  
COUNTY OF ROCKINGHAM, SS

On this 15<sup>th</sup> day of October, 2019 personally appeared Christopher Phillips, in his capacity as Member of New Hampshire Prosthetics, LLC and acknowledged the foregoing as the voluntary act and deed of New Hampshire Prosthetics, LLC.

Before me,

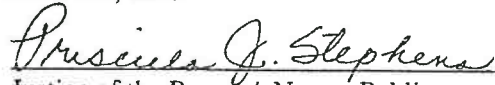
  
Justice of the Peace / Notary Public  
My commission expires: 8/26/20

EXHIBIT 1  
PRIMARY SUBLEASE

EXHIBIT 2  
SUBDIVISION PLAN

EXHIBIT 3  
FLOOR PLAN OF LEASED PREMISES



EXHIBIT 4  
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  
40 CFR Title 100-143, 401 and 403
  - (c) RSA ch. 146-A, Oil Spillage in Public Waters, and rules adopted thereunder
  - (d) RSA ch. 485, New Hampshire Safe Drinking Water Act, and rules adopted thereunder
  - (e) RSA ch. 485-A, Pollution and Waste Disposal, and rules adopted thereunder

## EXHIBIT 5

### SUBLEASE PROVISIONS REQUIRED by the FEDERAL AVIATION ADMINISTRATION

1. Sublessee, 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 Subleased 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, Sublessee 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.
2. Sublessee, 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 Sublessee 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.
3. That in the event of breach of any of the above nondiscrimination covenants, Sublessor shall have the right to terminate the Sublease, 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. Sublessee 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 Sublessee 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 Sublessor shall have the right to terminate this Sublease, and the estate hereby created without liability therefore or at the election of the Sublessor or the United States either or both of Sublessor or the United States shall have the right to judicially enforce provisions.

6. Sublessee agrees that it shall insert the above five provisions in any lease agreement, by which said Sublessee grants a right or privilege to any person, firm or corporation to render accommodations and/or services to the public on the Subleased Premises.
7. Sublessee 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. Sublessee 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. Sublessee assures that it will require that its covered sub-organizations provide assurance to the Sublessor, that they similarly will undertake affirmative action programs and that they will require assurances from their sub-organizations, as required by 14 CFR Part 152, Subpart E, to the same effect.
8. Sublessor 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 Sublessee and without interference or hindrance.
9. Sublessor reserves the right, but shall not be obligated to the Sublessee 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 Sublessee in this regard.
10. This Sublease shall be subordinate to the provisions and requirements of any existing or future agreement between the Sublessor and the United States, relative to the development, operation or maintenance of the airport.
11. There is hereby reserved to Sublessor, 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 Subleased 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. Sublessee agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations in the event future construction of building is planned for the Subleased Premises, or in the event of any planned modification or alteration of any present or future building or structure situated on Subleased Premises.
13. Sublessee, by accepting this Sublease expressly agrees for itself, its successors and assigns that it shall not erect nor permit the erection of any structure or object nor permit the growth of any tree on the land leased hereunder above the mean sea level elevation of [\_\_\_\_\_] feet. In the event the aforesaid covenants are breached, Sublessor 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 Sublessee.
14. Sublessee, by accepting this Sublease, agrees for itself, its successors and assigns that it will not make use of the Subleased 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, Sublessor reserves the right to enter upon the Subleased Premises, and cause the abatement of such interference at the expense of the Sublessee.

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 Section 308a of the Federal Aviation Act of 1958 (49 U.S.C. 1349a).

16. This Sublease 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.

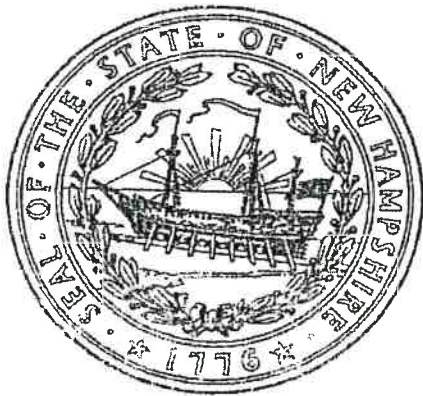
State of New Hampshire  
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that NEW HAMPSHIRE PROSTHETICS, LLC is a New Hampshire Limited Liability Company registered to transact business in New Hampshire on March 12, 2013. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 688440

Certificate Number: 0004616389



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 8th day of November A.D. 2019.

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

William M. Gardner  
Secretary of State



## MOTION

Director Allard:

The Pease Development Authority Board of Directors authorizes the Executive Director to enter into a Cooperative Service Agreement with the United States Department of Agriculture Animal and Plant Health Inspection Service and Wildlife Services (USDA / WS), to continue its integrated wildlife control and monitoring duties at Portsmouth International Airport at Pease (PSM) and Skyhaven Airport (DAW); any taking of wildlife at Pease will be confined within the airport perimeter fence and be in compliance with Federal and State permits, for the period of January 1, 2020, through December 31, 2020, in the amount of \$21,707.71; all in accordance with the memorandum of Andrew B. Pomeroy, Airport Operations Manager, dated November 6, 2019, and attached hereto.

In accordance with the provisions of RSA 12-G:8 VIII, the Board justifies the waiver of the RFP requirement based on the following reasons:

1. PDA has a long-standing relationship with USDA / WS stemming back to the time PDA was formed. As a part of that ongoing relationship, USDA / WS has maintained ongoing wildlife surveys, with data dating back to its first work at Pease and PDA does not want to interrupt this data stream;
2. USDA / WS conducts training classes for PDA Airport Operations Personnel on Airport Wildlife Hazard Management to meet the 14 CFR 139 requirements; and
3. USDA / WS is the FAA recognized authority for airport wildlife hazard management and training.

**Note: This motion requires 5 affirmative votes.**

N:\RESOLVES\2019\USDA - WS Wildlife Control (Airports 11-21).docx





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INTEROFFICE MEMORANDUM

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TO: DAVID R. MULLEN, EXECUTIVE DIRECTOR *DM*  
FROM: ANDREW B. POMEROY, C.M., AIRPORT OPERATIONS MANAGER *ABP*  
SUBJECT: USDA/WS WILDLIFE CONTROL PROPOSAL  
DATE: 11/6/2019  
CC: PAUL BREAN, AIRPORT DIRECTOR

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In accordance with USDA/WS responsibilities under 7 U.S. Code 426-426c, 46 Statute 1468, USDA/WS and the FAA have entered into a Memorandum of Understanding (No. 12-34-71-0003-MOU) establishing the USDA/WS as the recognized authority on wildlife hazard management at airports.

For many years PDA has contracted with USDA/WS for wildlife hazard management services at Portsmouth International Airport at Pease (PSM) and Skyhaven Airport (DAW). The most recent contract commenced January 1, 2019 and expires on December 31, 2019. It is important that these hazard management services continue to ensure the safety of the flying public, as well as compliance with 14 CFR part 139.

The USDA has proposed a new contract beginning January 1, 2020 in the amount of \$21,707.71. The new contract incorporates the provisions of the long standing USDA Wildlife Services Agreement, including woodchuck control, wild turkey control, as well as large bird and mammal control to include trapping of coyotes, fox and raptors. The contract includes the use of wildlife mitigation techniques, equipment, and training of airport staff. The \$21,707.71 contract amount is a \$1,499.60 (7.42%) increase over last year and represents the PDA's share of the cost of the agreement, the other half is funded by a cooperative agreement with the New Hampshire Air National Guard.

The collaborative efforts of the airport staff and USDA/WS have been very successful and we need to continue the program to ensure the continued safety of the airfield and the flying public. I recommend that the PDA accept the attached proposal as presented.

In accordance with the provisions of RSA 12-G:8 VIII, we recommend waiving the RFP requirement for the following reasons: the PDA has a long standing relationship with USDA/WS stemming back to the time the PDA was formed; as part of that relationship the USDA/WS has maintained ongoing wildlife surveys, with data dating back to its first work at Pease and PDA does not want to interrupt this data stream; the USDA/WS conducts training classes for PDA Airport Operations Personnel on Airport Wildlife Hazard Management to meet 14 CFR 139 requirements; and the USDA/WS is the FAA recognized federal authority for airport wildlife hazard management and training.

I request that you seek the Board of Directors' approval at its November, 2019 meeting to enter into a cooperative service agreement with the United States Department of Agriculture Animal and Plant Health Inspection Service and Wildlife Services, to continue its integrated wildlife control and monitoring duties. Any taking of wildlife at PSM will be confined within the airport perimeter fence and in compliance with Federal and State permits. The contract's effective date is January 1, 2020 and will expire December 31, 2020. Attached is a copy of the proposed agreement.



**COOPERATIVE SERVICE AGREEMENT**  
between  
**PEASE DEVELOPMENT AUTHORITY (PDA)**  
and  
**UNITED STATES DEPARTMENT OF AGRICULTURE**  
**ANIMAL AND PLANT HEALTH INSPECTION SERVICE (APHIS)**  
**WILDLIFE SERVICES (WS)**

**ARTICLE 1**

The purpose of this Cooperative Service Agreement is to conduct an integrated wildlife control and monitoring project with an emphasis on wild turkeys on the Air Operations Area (AOA) at the Pease International Tradeport facility Portsmouth, NH. The project's objective is to reduce the threat of strikes involving wild birds and mammals and to prevent wildlife damage to air traffic and air passengers. WS activities are described in attached Work and Financial Plans.

**ARTICLE 2**

APHIS WS has statutory authority under the Act of March 2, 1931 (46 Stat. 1468; 7 USCA 8351-7 USCA 8352) as amended, and the Act of December 22, 1987 (101 Stat. 1329-331, 7 USCA 8353), to cooperate with States, local jurisdictions, individuals, public and private agencies, organizations, and institutions while conducting a program of wildlife services involving mammal and bird species that are reservoirs for zoonotic diseases, or animal species that are injurious and/or a nuisance to, among other things, agriculture, horticulture, forestry, animal husbandry, wildlife, and human health and safety.

**ARTICLE 3**

APHIS WS and PDA mutually agree:

1. The parties' authorized representatives who shall be responsible for carrying out the provisions of this Agreement shall be:

PDA: Paul Brean, Airport Manager  
Pease International Tradeport  
55 International Drive  
Portsmouth, NH 03801

APHIS-WS: David Allaben, State Director, NH/VT  
USDA, APHIS, WS  
59 Chenell Drive, Suite 7  
Concord, NH 03301-8548

2. To meet as determined necessary by either party to discuss mutual program interests, accomplishments, needs, technology, and procedures to maintain or amend the Work Plan (Attachment A). Personnel authorized to attend meetings under this Agreement shall be Pease International Tradeport Airport Manager or his/her designee, the State Director or his/her designee, and/or those additional persons authorized and approved by the Pease International Tradeport Airport Manager and the State Director.
3. APHIS WS shall perform services more fully set forth in the Work Plan, which is attached hereto and made a part hereof. The parties may mutually agree in writing, at any time during the term of this Agreement, to amend, modify, add or delete services from the Work Plan.

#### ARTICLE 4

PDA agrees:

1. To authorize APHIS WS to conduct direct control activities to reduce human health and safety risks and property damage associated with turkeys, other large birds and as requested mammals attracted to Pease International Tradeport in Portsmouth, New Hampshire. These activities are defined in the Work Plan. APHIS WS will be considered an invitee on the lands controlled by PDA. PDA will be required to exercise reasonable care to warn APHIS WS as to dangerous conditions or activities in the project areas.
2. To reimburse APHIS WS for costs of services provided under this Agreement up to but not exceeding the amount specified in the Financial Plan (Attachment B). PDA will begin processing for payment invoices submitted by APHIS WS within 30 days of receipt. The PDA ensures and certifies that it is not currently debarred or suspended and is free of delinquent Federal debt.
3. To designate to APHIS WS the PDA authorized individual whose responsibility shall be the coordination and administration of activities conducted pursuant to this Agreement.
4. To notify APHIS WS verbally or in writing as far in advance as practical of the date and time of any proposed meeting related to the program.
5. APHIS WS shall be responsible for administration and supervision of the program.
6. There will be no equipment with a procurement price of \$5,000 or more per unit purchased directly with funds from the cooperator for use solely on this project. All other equipment purchased for the program is and will remain the property of APHIS WS.
7. To coordinate with APHIS WS before responding to all media requests.

8. To obtain the appropriate permits for removal activities for wildlife and migratory birds and list USDA, APHIS, Wildlife Services as sub-permittees.
9. To provide an indoor working space to complete necessary paperwork.
10. To designate airport staff to conduct bird harassment activities that will be trained by WS to apply techniques to effectively keep birds from using the AOA when WS personnel are not present at the facility.

## ARTICLE 5

### APHIS WS Agrees:

1. To conduct activities at the Pease International Tradeport as described in the Work and Financial Plans. All WS activities except monitoring will be conducted solely inside the airport perimeter fence as detailed in the Work and Financial Plans. WS could potentially conduct future non-lethal harassment activities at identified and approved sites outside the airport perimeter fence upon approval by PDA if it is determined necessary. WS will provide all resources necessary for accomplishment of the program including personnel, equipment, supplies and other support materials.
2. Designate to PDA the authorized APHIS WS individual who shall be responsible for the joint administration of the activities conducted pursuant to this Agreement.
3. To bill PDA monthly for costs incurred by APHIS WS, during the performance of services agreed upon and specified in the Work Plan. APHIS WS shall keep records of all reimbursable expenditures hereunder for a period of not less than one year from the date of completion of the services provided under this Agreement and PDA shall have the right to inspect and audit such records.
4. To provide qualified personnel to continue the conduct of control activities as outlined in the Work and Financial Plans referenced in Agreement.
5. To annually prepare a final report of activities conducted under this Agreement.
6. To help secure all necessary wildlife permits for implementation of the integrated program.
7. To wear appropriate safety equipment and follow safety guidelines that comply with APHIS-WS and Pease International Tradeport procedures.
8. To monitor bird presence at identified properties adjacent to the facility.
9. The PDA shall have the right to use or permit the use of all estimates, reports, records, data, charts, documents, models, designs, renderings, drawings, specifications, computations and other papers of any type whatsoever, whether in

the form of writing, figures, or delineations, or any ideas or methods represented by them, which are prepared or compiled in connection with this Agreement, for any purpose and at any time without other compensation than that specifically provided herein.

10. To coordinate with PDA before responding to all media requests.

#### **ARTICLE 6**

This Agreement is contingent upon the passage by Congress of an appropriation from which expenditures may be legally met and shall not obligate APHIS WS upon failure of Congress to so appropriate. This Agreement may also be reduced or terminated if Congress only provides APHIS WS funds for a finite period under a Continuing Resolution.

#### **ARTICLE 7**

APHIS WS assumes no liability for any actions or activities conducted under this Cooperative Service Agreement except to the extent that recourse or remedies are provided by Congress under the Federal Tort Claims Act (28 U.S.C. 1346(b), 2401(b), and 2671-2680).

#### **ARTICLE 8**

Pursuant to Section 22, Title 41, United States Code, no member of or delegate to Congress shall be admitted to any share or part of this Agreement or to any benefit to arise therefrom.

#### **ARTICLE 9**

Nothing in this Agreement shall prevent APHIS WS from entering into separate agreements with any other organization or individual for the purpose of providing wildlife damage management services exclusive of those provided for under this agreement.

#### **ARTICLE 10**

PDA certifies that APHIS WS has advised PDA that there may be private sector service providers available to provide wildlife management services that PDA is seeking from APHIS WS.

#### **ARTICLE 11**

The performance of wildlife damage management actions by APHIS WS under this agreement is contingent upon a determination by APHIS WS that such actions are in compliance with the National Environmental Policy Act, Endangered Species Act, and any other applicable federal statutes. APHIS WS will not make a final decision to conduct requested wildlife damage management actions until it has made the determination of such compliance.

#### ARTICLE 12

This Cooperative Service Agreement may be amended at any time by mutual agreement of the parties in writing. Also, this Agreement may be terminated at any time by mutual agreement of the parties in writing, or by one party provided that party notifies the other in writing at least 120 days prior to effecting such action. Further, in the event the PDA does not provide necessary funds, APHIS WS is relieved of the obligation to provide services under this agreement.

In accordance with the Debt Collection Improvement Act of 1996, the Department of Treasury requires a **Taxpayer Identification Number** for individuals or businesses conducting business with the agency.

PDA Taxpayer Identification Number (TIN) 02-0440365

**Pease Development Authority (PDA)**

BY: \_\_\_\_\_ Date \_\_\_\_\_  
David Mullen  
Executive Director  
Pease Development Authority (PDA)  
55 International Drive  
Pease International Tradeport  
Portsmouth, NH 03801

**UNITED STATES DEPARTMENT OF AGRICULTURE  
ANIMAL AND PLANT HEALTH INSPECTION SERVICE  
WILDLIFE SERVICES**

BY: \_\_\_\_\_ Date \_\_\_\_\_  
David Allaben, State Director, NH/VT  
USDA, APHIS, Wildlife Services  
59 Chenell Drive, Suite 7  
Concord, NH 03301

BY: \_\_\_\_\_ Date \_\_\_\_\_  
Willie Harris  
Director, Eastern Region  
USDA, APHIS, WS  
920 Main Campus Drive; Suite 200  
Raleigh, NC 27606



## ATTACHMENT A WORK PLAN

### Introduction

The U.S. Department of Agriculture (USDA) is authorized to protect American agriculture and other resources from damage associated with wildlife. The primary authority for APHIS WS is the Act of March 2, 1931 (46 Stat. 1468; 7 U.S.C.426-426b) as amended, and the Act of December 22, 1987 (101Stat. 1329-331, 7 U.S.C. 426c). Wildlife Services activities are conducted in cooperation with other Federal, State and local agencies; private organizations and individuals.

The APHIS WS program uses an Integrated Wildlife Damage Management (IWDM) approach (sometimes referred to as IPM or “Integrated Pest Management”) in which a series of methods may be used or recommended to reduce wildlife damage. These methods include the alteration of cultural practices as well as habitat and behavioral modification to prevent damage. However, controlling wildlife damage may require that the offending animal(s) are killed or that the populations of the offending species be reduced.

### Purpose

To reduce threats to air traffic and air passengers associated with turkeys, other large birds and mammals attracted to the AOA at Pease International Tradeport Portsmouth, NH through the conduct of integrated bird and mammal harassment, removal and monitoring activities.

### Planned USDA, APHIS, Wildlife Services Activities

1. WS will staff the integrated harassment program one to two working days (8-9 hours) per week for up to a 7 month period (4/1/20-10/31/20). Staffing will coincide with periods of greatest concern regarding wildlife presence on the AOA and biological behaviors (flocking and movements) that pose the greatest safety concerns to air traffic. Additional wildlife coverage will be provided, as requested, as funding allows during off peak months. Scheduling (days and hours worked) will vary throughout the project to reduce bird habituation to harassment timing.
2. WS shall patrol the airport property, attempting to keep it free of turkeys and other large birds such as Canada geese, gulls, turkey vultures and crows by pyrotechnic harassment and limited shooting to reinforce the deterrent effect of non-lethal pyrotechnics. Additional wildlife hazard mitigation activities will include treating woodchuck burrows, raptor trapping, and blackbird trapping and trapping of mammals including carnivores, as need and/or requested.
3. All harassment and bird removal activities will be conducted inside the perimeter fence. Bird removal (shooting) will be conducted in accordance with strict shooting

protocol and only when considered absolutely safe. Shells will be retrieved by shooter. Carcasses will be disposed of in accordance with depredation permit conditions.

4. No harassment or bird removal activities will be conducted outside the perimeter fence unless non-lethal harassment is approved by PDA at specific key locations. Non-lethal harassment is recommended at identified turkey "hot spots" located outside the perimeter fence. Should PDA provide WS authority to conduct non-lethal harassment activities at these sites in the future, they will be incorporated into the project monitoring and harassment protocol.
5. As requested by PDA, WS may remove resident mammals including; coyotes, foxes, raccoons, skunks, beaver, deer and woodchucks by harassment, shooting, snares, trapping, or the use of gas cartridges as needed during the calendar year.
6. WS will be badged or accompanied by a badged escort.
7. WS will supply all bird harassment and removal materials. WS vehicle will be properly identified in accordance with established protocols and maintain appropriate materials for proper communication with the Air Traffic Control Tower.
8. Wildlife Services will provide bird harassment training as required of Pease personnel.
9. WS will record and submit the date, general location and number of pyrotechnics, live rounds and species of birds harassed or removed.
10. All bird removal activities will be conducted in accordance with the applicable Federal or State permit. Wildlife Services will assist Pease in renewing or amending if necessary the appropriate USFWS or State depredation permit.
11. Wildlife Services may implement additional non-lethal methods that have shown promise for use in frightening or repelling large birds. Techniques may include: 1) the hand held Avian Dissuader laser, 2) strategically placed Scare Windmills, and 3) Methyl Anthranilate (artificial grape flavoring food additive) sprayed at sections along the perimeter fence.
12. Wildlife Services will provide two wildlife hazard trainings classes per year.
13. A Wildlife Services representative will be a member of and attend the quarterly wildlife working group meetings.
14. Wildlife Services will provide PDA and other interested parties a summary report including recommendations of integrated harassment activities.

#### Effective Dates

The cooperative agreement shall become effective on 1/1/2020, and shall expire on 12/31/2020.

**ATTACHMENT B  
FINANCIAL PLAN  
Project Financial Plan for the Conduct of an Integrated Wildlife  
Control and Monitoring Project Under a Cooperative Agreement  
between  
The Pease Development Authority (PDA)  
and  
USDA, APHIS, Wildlife Services (WS)**

**WILDLIFE DAMAGE MANAGEMENT ACTIVITIES CONDUCTED FROM 1/1/2020-  
12/31/2020**

Personnel Costs .....	\$14,572.52
Vehicle Usage .....	\$ 1,200.00
Supplies/Equipment.....	<u>\$ 1,300.00</u>
Subtotal (Direct Costs).....	\$17,072.52
Indirect Cost.....	\$ 1,877.98
Program Support .....	\$ 2,757.21
<b>TOTAL .....</b>	<b>\$21,707.71</b>

Activities will be conducted with regular and overtime hours worked as necessary to accomplish the objectives of the program.

The distribution of the Budget from this project Financial Plan may vary as necessary to accomplish the purpose of this Agreement but may not exceed the **TOTAL COST of \$21,707.71**

**Financial Point of Contact**

PDA: Andrew Pomeroy

(603) 433-6536


APHIS, WS: Lori Freeman

(603) 223-9623





## Memorandum

**To:** Board of Directors  
**From:** David R. Mullen, Executive Director   
**Date:** November 12, 2019  
**Subject:** Solar Feasibility Study

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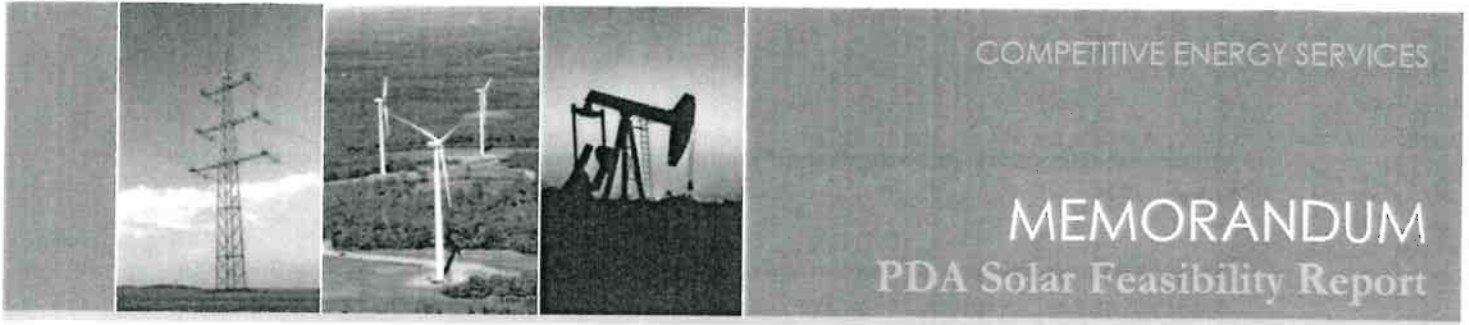
At the August 22, 2019, Board meeting the Pease Development Authority (“PDA”) Board of Directors authorized the retention of Competitive Energy Services (“CES”) of Portland, Maine to conduct a solar feasibility study for the PDA. The intent was to determine if there might be viable larger scale solar energy projects that the PDA should be considering as a way of reducing its electricity usage and costs.

Last month CES submitted its draft Solar Feasibility Report to the PDA (see attached). The Report succinctly discusses the types of solar project structures, system ownership possibilities, electricity costs and evaluation metrics, and sets forth various project scenarios. Additionally, the Report addresses project risks and the current regulatory environment in New Hampshire.

Ultimately, the Report makes clear that the potential economic outcomes of any of the project scenarios are currently too risky to warrant moving ahead. Specifically, the current one megawatt limit in New Hampshire on the ability to net meter (send excess power back onto the electricity grid for a monetary credit), and the requirement to use Eversource (at their potentially higher supply cost rates) as the default energy supplier when net metering, make the economic downside of proceeding with a solar project too great.

Regardless, the Report is a beneficial guidance document for the PDA. Should there be legislative changes in Concord that alter the limits/requirements noted above, the PDA can utilize the Report to consider what solar options may warrant further consideration. In the interim, the PDA will continue to engage in other energy savings projects such as conversion to LED lights and consider small scale solar projects where appropriate.





TO: Pease Development Authority  
FROM: Competitive Energy Services  
DATE: October 2019  
RE: **Solar PV Project Feasibility Analysis**

## Solar PV Feasibility

### 1. Executive Summary

Solar PV costs have fallen over the past few years, providing a better economic opportunity for electricity consumers considering solar photovoltaic (“PV”) systems to benefit from this renewable generation source. Recent legislation in New Hampshire has sought to expand opportunities available for solar PV development, and there appears to be gathering momentum for further expansion in the future. Lastly, the upcoming phaseout of the federal investment tax credit (ITC) has provided a window of opportunity for those consumers considering solar PV.

The following memo serves to detail the key project features, ownership and contractual structures, timelines, and considerations that should be taken into account in evaluating a solar PV project. CES will examine each of these factors to determine the potential opportunity solar PV could offer to Pease Development Authority (“PDA”), based on the information provided by the Authority and how PDA elects to participate in these programs.

CES has found that a system located behind-the-meter at one of PDA’s largest utility meters could present the best opportunity for financial benefits. However, existing net metering policy constrains PDA’s options through system size limitations and requirements regarding third-party supply service. This structure and possible risks are detailed in the balance of this memo.

### 2. Project Structures

There are three primary organizational structures through which PDA may develop solar PV. The consequences of each depend on siting options, electricity consumption, and PDA’s objectives.

- 1. Behind-the-meter Generation:** Under this structure, the solar PV system will generate electricity “behind” the Eversource utility meter serving the property. All electricity generated by the system would flow directly to PDA’s needs on site, directly offsetting the need to purchase this electricity from the grid. However, it is important not to simply assume each kilowatt-hour (kWh) of electricity generated will have the same value as PDA’s average annual rate paid per kWh. Depending on the

structure of utility tariffs and energy supply products, there are certain costs that may or may not be offset.

Finally, when considering a behind-the-meter project, it is important to pay attention to whether or not any generation is expected to exceed consumption. In the absence of an effective means of storing this electricity, any electricity generated in excess of instantaneous consumption must flow back to the grid. This excess electricity may be treated a few different ways, which will be addressed in the next project structure.

2. **Net Metering:** When a solar PV system generates electricity that exceeds instantaneous onsite electricity consumption, this electricity flows out to the larger electricity grid. This can occur either from (1) a system located behind-the-meter, (2) from a system located onsite that directly connects to the grid to export all generation or (3) from a remote system located in the absence of any onsite electricity demand. In each case, this generation may be compensated through net metering. Under net metering, excess generation can be compensated through a monetary credit. Credits may also be paid out to other accounts through the “Group Net Metering” program. The credit’s value is based on a specified set of Eversource’s per-kWh charges for the account generating credits and are influenced by the solar project’s nameplate capacity. These charges vary based on the account’s rate class: for instance, credits applied to a residential rate account carry more value than those applied to a general service rate account because the charges per kWh are higher for a residential account (Table 1). Note that PDA’s largest accounts are classified as Primary General (“GV”) Service.

Table 1. Supply and delivery kWh-based charges by rate class.

	Electricity Charges			Total
	Delivery-Distribution	Delivery-Transmission	Supply Service	
<b>Residential</b>	\$0.04	\$0.07	\$0.10	\$0.21
<b>General</b>	\$0.01	\$0.01	\$0.10	\$0.12
<b>Primary General</b>	\$0.006	\$0.00	\$0.10	\$0.11

The net metering program distinguishes between large and small generation projects. Credits generated by small systems (smaller than 100kW) are based on kWh-based supply charges, 100% of the kWh transmission charge, and 25% of the kWh distribution charge (see Table 1 for these values). Credits generated by large systems (larger than 100 kW, up to and including 1 MW), are only applied to kWh-based supply charges. In order to receive the supply-based portion of this credit, an account must be on Eversource default service. With most of PDA’s load being under a contract with a third-party supplier, PDA would not be able to receive this credit for supply costs until the expiry of that supplier agreement. It must be noted that moving to default supply would give PDA less control over its supply costs, compared to the third-party contract flexibility it currently enjoys.

Net energy generation credits from small systems – defined as all solar PV systems with a nameplate capacity up to and including 100kW- can be applied to both delivery and supply charges, and thus carry marginally more value per kWh than large system credits. An account receiving third-party



supply will still only generate credits that include the supply charge component if the account is on Eversource default service. As such, PDA accounts that are under a third-party supply contract could be tied to small net metered systems but would not be able to monetize the full credit value until the expiry of each respective agreement.

In New Hampshire, both small and large systems can participate in net metered solar projects through group net metering. This structure allows excess generation credits at the primary or “host” account to be applied to a group of non-generator accounts in the form of a utility payment. As long as the “host” account is on utility default service, credits will be generated at that value and can be allocated to other accounts that remain under a third-party supply contract. This presents a good option for those considering a project at an “offsite” location, absent of any existing electricity service.

- 3. Site Lease:** Finally, PDA may consider strictly leasing its property to host a solar PV system. While a behind-the-meter system would also require a site lease, we differentiate a strict site lease as an arrangement in which PDA is solely offering its property to host a solar PV system in exchange for a lease payment. This type of arrangement does not include any agreement to purchase the electricity generated. The solar project developer would need to either register to sell group net metering credits to another entity, sign an agreement to sell its energy directly to another entity or in New England’s wholesale electricity market.

### 3. System Ownership

When considering a solar PV project, another key question to contemplate is whether to make a direct investment to purchase and own a system or rely on a third-party ownership structure. A critical determinant in this decision is the federal investment tax credit (“ITC”). The ITC is a federal incentive available to solar PV projects equal to a percentage of the installed system cost. This value is 30% for 2019 and begins a phase-out in 2020, when it will decline to 26%. The system owner must have a sufficient tax liability so that it can fully monetize this credit, along with the tax value associated with the favorable accelerated depreciation these investments qualify for.

Since public and non-profit entities do not pay income taxes, they receive no direct value from these tax credits and benefits. As a result, most public entities focus on third-party ownership models in order to take advantage of the ITC as a project incentive. Under this approach, a private project developer will install and own the solar PV system. PDA will contract with this project owner to either provide the property to host a system, purchase the generation from the system, or both. This type of relationship allows PDA to participate in solar PV, while still maximizing the project’s economic benefit by allowing a third-party to own and operate the system and receive the tax credits. Typically, these arrangements will require no upfront investment. Instead, PDA would enter into a Power Purchase Agreement (“PPA”) and commit to buy all the power (or associated credits) generated by a project. Such an agreement will generally allow PDA to buy out the system at fair market value after year 7 of the project’s operations, at which point the tax and depreciation benefits have been fully monetized. If PDA opts to buyout a system, ongoing maintenance and system operations will become PDA’s responsibility, which must be factored into any purchasing decision.

PDA should understand the term associated with each of the above commitments. A typical PPA or Site Lease with a third-party project developer will last 20 years, though can sometimes last up to 30 years. This means committing to hosting a system and/or receiving all generation (or utility bill credits) for that full term.

In a recent development pertaining to the ITC, on July 25, 2019 a bipartisan team of lawmakers introduced legislation that would extend the ITC at the current 30% value for an additional five years. This proposed extension aims to address concerns over increased development costs resulting from recently imposed trade tariffs may damper the solar market, at a time when states across the U.S. continue to rollout clean energy mandates and climate change proposals. This may extend the window during which PDA could take advantage of the full ITC; however, the legislation faces significant political obstacles and at this time there is no certainty that the full subsidy will be available beyond 2019.

Due to the value of the ITC and the resulting benefits for PDA, CES has focused on third-party ownership options in this study.

#### 4. Electricity Costs and Evaluation Metrics

In evaluating a potential solar PV project, it is critical to determine the value of the solar energy generated in comparison with PDA's own electricity costs for each utility account. By comparing the avoided electricity cost and/or the value of the net metered generation, to the price being offered by a solar project developer, PDA can evaluate the financial impact of the project. (Note: if PDA selects to proceed under a site lease, the project will not impact PDA electricity costs. In this case, the financial benefit will be equal to the value of the real estate over the term of the site lease.)

For a behind-the-meter project, solar PV generation is going to directly offset purchases from the electricity grid. To estimate and project this value, CES has determined which charges PDA will avoid based on applicable utility delivery tariff and supply rates.

Certain delivery tariff charges, such as the fixed monthly customer charge, will not be avoided at all through the installation of solar PV. Conservatively, CES assumes that kWh-based charges can be avoided during times of solar generation, but does not place any value on avoided kW demand-based charges which are assessed based on a utility account's peak import for a half-hour window in a given billing month. This is because although solar PV generation may overlap with PDA periods of peak use, it may merely shift the peak kW reading to a marginally lower period in which the sun is not shining. CES then projects these utility rates forward based on existing rate cases, a regional transmission outlook, and inflation factors.

For supply charges, CES maintains a model that forecasts future rates based on commodity futures prices and generation technology. This model projects wholesale electricity prices into the future, while forecasting improvements in generation technology and the impact of new generating plants. The model also forecasts the impacts of existing policy, such as the renewable portfolio standard, which requires all energy suppliers to procure a certain percentage of their generation mix from renewable sources. This renewable portfolio standard was expanded slightly under recent legislation and is expected to drive further increases in supply costs. Altogether, this forecast serves to estimate the value of solar PV generation behind-the-meter for a period of 20 years. A breakdown of the major components of this projection is shown below. Note that the "Supply" component of this projection will change depending on the size of the system installed, as this influences the forward capacity market charges paid on this account.



### CES Projected Value per MWh for Solar

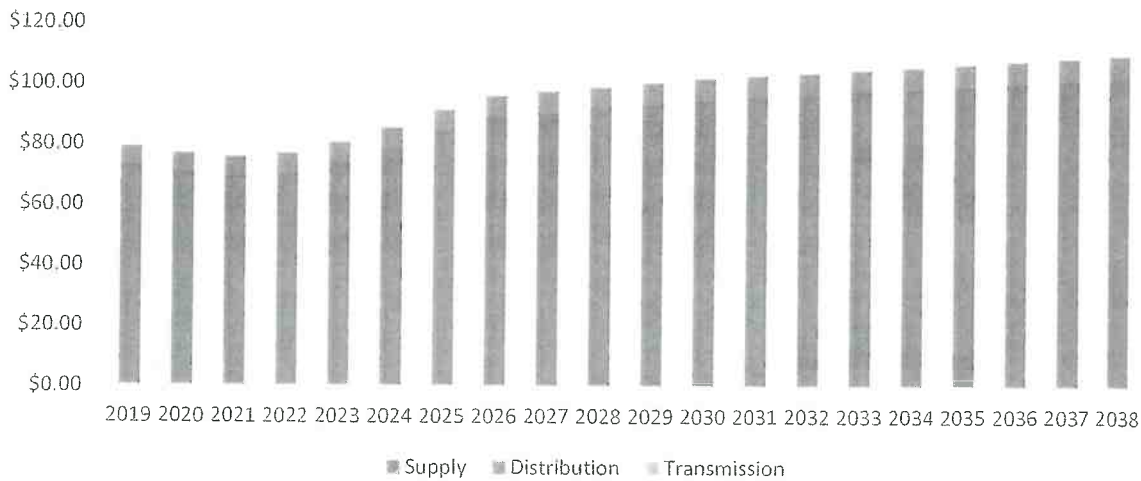


Figure 1

CES has generated a similar long-term forecast for projects that are net metered and deliver energy to the grid. In this case it is assumed that the account at which credits are generated receives default supply service from Eversource. CES has created a projection of future distribution and transmission rates based on existing rate cases, a regional transmission outlook, and inflation factors. Notably, these components of a delivery tariff could change as utilities review rate designs and implement new programs. CES also has a forecast of standard offer supply charges based on projected costs of electricity over the upcoming 20 years, which closely resembles the supply values estimated for a behind-the-meter project, as shown above.

**REC Ownership:** Every REC generated by a solar PV project (equal to 1 megawatt-hour) will have value in complying with renewable portfolio standards in state compliance markets around New England. Current REC pricing would put this value around \$20/REC or \$0.02/kWh, though these markets can be volatile year-to-year. By retaining and retiring these RECs, PDA may claim the carbon benefits associated with this solar PV generation. If RECs are not retained and retired, they may be sold to enhance project financial benefits, but PDA relinquishes the ability to claim any carbon benefits. Under either a behind-the-meter or net metering arrangement, PDA must determine the potential value in retaining the RECs or allowing the developer to retain and sell on PDA’s behalf. Depending on PDA preferences, CES can assist in releasing an RFP that requests pricing with or without some degree of REC ownership by PDA.

### 5. Project Scenarios

CES has analyzed a few possible scenarios for a solar PV development at Pease Development Authority. The first scenario envisions solar systems that would connect behind-the-meter (“BTM”) to directly to offset the load of the GV electricity accounts at the Portsmouth International Airport. The next scenario looks at a behind-the-meter project interconnected behind one of Pease’s smaller, General Service electricity accounts. Finally, we analyzed an entirely net metered scenario, where the project will connect directly to the grid and generate monetary credits allocated to Pease accounts. These net metered scenarios could represent projects located offsite in Eversource territory, or on a Pease site but directly connected to the grid.

**Scenario #1. BTM at the Portsmouth International Airport**

Year 1 Net Savings		System Size (kW)			
		100	250	500	1000
PPA Price (\$/kWh)	\$0.08	(\$2,792)	(\$6,764)	(\$11,795)	(\$15,791)
	\$0.09	(\$4,019)	(\$9,830)	(\$17,927)	(\$28,055)
	\$0.10	(\$5,245)	(\$12,896)	(\$24,059)	(\$40,319)
	\$0.11	(\$6,472)	(\$15,962)	(\$30,191)	(\$52,583)
Year 20 Net Savings		System Size (kW)			
		100	250	500	1000
PPA Price (\$/kWh)	\$0.08	\$30,953	\$82,719	\$204,172	<b>\$402,353</b>
	\$0.09	\$7,555	\$24,226	\$87,187	\$168,382
	\$0.10	(\$15,842)	(\$34,267)	(\$29,799)	(\$65,590)
	\$0.11	(\$39,239)	(\$92,760)	(\$146,785)	(\$299,561)
Est. % of Generation Net Metered		0%	5%	25%	70%

Figure 2

In Scenario #1, a third-party developer would build, own and maintain an onsite solar PV system located behind the meter at PDA’s facility, offsetting onsite electricity purchases from the utility and exporting excess generation to the grid as a qualified net metered facility. Based on the generation profile associated with these system sizes and an hourly annual consumption profile associated with the GV account with an address of 42 Airline Drive, we have estimated the percentage of the generation that would be exported and compensated under net metering – this is shown in the bottom row of the table above. Exported generation would be credited under net metering rules, which would require this account to be placed on Eversource’s default service. Therefore, it is important to consider these savings versus the economic impact of placing this account on default service rather than contracting with a third-party supplier. As shown in Figure 3, with PDA’s current electricity consumption profile, the maximum system size from which PDA could consume close to 100% of generation would be just under 250 kW. At a system size of 250 kW and larger, PDA would need to place the account on default service in order to receive credits associated with exported generation.

Under the PPA scenarios in this sensitivity analysis, PDA would pay the developer a fixed rate for every kWh of generation. Based upon a range of system sizes, 100 kW to 1000 kW, and a range of PPA rates, \$0.08/kWh to \$0.11/kWh, CES calculates that the project over 20 years would produce a net economic outcome ranging between -\$300,000 to \$400,000.



**Scenario #2: BTM at a Small “General Service” Location**

Year 1 Net Savings		System Size (kW)			
		50	100	250	500
PPA Price (\$/kWh)	\$0.09	(\$883)	(\$1,630)	(\$5,176)	(\$10,998)
	\$0.11	(\$2,109)	(\$4,082)	(\$11,308)	(\$23,262)
	\$0.13	(\$3,335)	(\$6,535)	(\$17,440)	(\$35,526)
	\$0.15	(\$4,562)	(\$8,988)	(\$23,572)	(\$47,790)
Year 20 Net Savings		System Size (kW)			
		50	100	250	500
PPA Price (\$/kWh)	\$0.09	\$28,733	\$61,138	<b>\$131,589</b>	<b>\$252,068</b>
	\$0.11	\$5,336	\$14,344	\$14,603	\$18,097
	\$0.13	(\$18,061)	(\$32,450)	(\$102,382)	(\$215,875)
	\$0.15	(\$41,458)	(\$79,244)	(\$219,368)	(\$449,846)
Est. % of Generation Net Metered		10%	25%	50%	80%

Figure 3

Scenario #2 envisions a similar arrangement to Scenario #1, where a third-party developer would build, own and maintain an onsite solar PV system located behind the meter at PDA’s facility, offsetting onsite electricity purchases from the utility and exporting excess generation to the grid as a qualified net metered facility. However, in this scenario we assume this system is located at a smaller PDA meter and adjust for a smaller system size and higher cost PPA rate. This Scenario is meant to apply generally to any of PDA’s General Service utility meters and we have estimated some assumed percentages of the generation that would be exported and compensated under net metering – this is shown in the bottom row of the table above. These percentages would vary based on the actual consumption profile for the applicable PDA meter. Exported generation would be credited under net metering rules, which would again require this account to be placed on Eversource’s default service. Notably for any systems up to 100 kW, exported generation is credited based on not only default service rates, but also for a portion of the distribution and transmission charges.

Like Scenario #1, PDA would pay the developer a fixed PPA rate for every kWh of electricity generated by the system. PDA in return would be then receive value through avoided kWh purchases and/or net metering payments. Under these smaller system sizes and higher PPA rates, CES calculates that the project over 20 years would produce financial outcomes ranging from -\$450,000 up to \$250,000.

**Scenario #3: Direct To Grid Using Net Metering**

Year 1 Net Savings		System Size (kW)			
		100	250	500	1000
PPA Price (\$/kWh)	\$0.08	\$728	(\$2,648)	(\$5,296)	(\$10,591)
	\$0.09	(\$499)	(\$5,714)	(\$11,428)	(\$22,855)
	\$0.10	(\$1,725)	(\$8,780)	(\$17,560)	(\$35,119)
	\$0.11	(\$2,951)	(\$11,846)	(\$23,692)	(\$47,383)
Year 20 Net Savings		System Size (kW)			
		100	250	500	1000
PPA Price (\$/kWh)	\$0.08	\$54,436	\$38,083	\$76,167	\$152,334
	\$0.09	\$31,038	(\$20,409)	(\$40,819)	(\$81,638)
	\$0.10	\$7,641	(\$78,902)	(\$157,804)	(\$315,609)
	\$0.11	(\$15,756)	(\$137,395)	(\$274,790)	(\$549,580)
Est. % of Generation Net Metered		100%	100%	100%	100%

Figure 4

Scenario #3 envisions a project that could be located at PDA’s facility, or at a remote location, that would export all generation to the grid and PDA would receive a monetary credit for this generation from Eversource. As described in Scenarios #1 and #2, PDA would pay the developer for every kWh of electricity generated based on a fixed rate. The net value retained by PDA will depend on the differential between the credit value of exported electricity and the PPA rate owed back to the developer.

CES calculates that with the same set of system sizes and pricing used in Scenario #1 (noting that 1,000 kW is the current maximum system size allowed under the net metering program) the project over 20 years would produce financial outcomes ranging from -\$550,000 up to \$150,000. In this scenario, only the meter at which the generation is being exported must be placed on Eversource’s default service. PDA could receive payments under group net metering, while leaving those accounts affiliated with the project on third-party supply service. This may be economically advantageous as compared with Scenario #1, depending on the differential between PDA’s third-party supply rates and default service rates over time.

## 6. Risks and Regulatory Environment

There are a few key risk factors that PDA must consider in proceeding with a solar PV project. CES summarizes these factors and their influence on a potential project below.

**Price Risk:** In signing any long-term purchase agreement with a third-party supplier, PDA must be careful to consider the future value of solar PV generation either behind-the-meter or net metered. While many assume that retail electricity rates will continue to rise as they have historically, it is vital to recognize which components of the tariff are expected to rise and whether there is a risk that the PPA or utility credit purchase price exceeds the value of that future generation. For a behind-the-meter system, increases in certain components of PDA utility tariff will not be avoided through solar PV generation, such as an increase in monthly customer charges or peak monthly demand charges. CES has factored this into our analysis and projections, but it is impossible to perfectly predict 20-year trends.

For net metered systems, the value of the credit rate components could change in the future. To protect against these risks, a percent discount pricing structure might be used to ensure that PDA is never paying more for a credit than the credit is worth.

Many New England states have adjusted their net metering programs through legislative action in recent years, and New Hampshire has made similar attempts (though none have been successful to date). These changes could contemplate expanding the system size that could qualify for net metering, or adjusting the calculation used to compensate exported generation. Either of these changes could significantly improve the economics for a net metered project.

**Project Timeline:** There are a few key dates to keep in mind if PDA proceeds with a solar PV project. First, in order to safe harbor investment tax credit benefits available for a particular year, a project must spend 5% of its cost in that year. Different project developers will have different requirements for what this means and how PDA may lock in that value, so it is worth noting in any subsequent RFP or discussions with a potential developer. Ultimately, the drop in value from 30% to 26% in ITC value in 2020 will not drastically alter project economics, but this does result in a marginal loss in economic value. CES estimates this is equal to about a 7% increase in PPA rates.

**Interconnection:** Interconnection costs have been a significant variable and a growing cost component on solar projects developed in much of Southern New England, as the grid must incur significant upgrades to accommodate increased levels of distributed generation putting power back onto the grid. These upgrade costs, if deemed necessary in order to interconnect to the utility grid, can significantly impact project economics. While interconnection timelines and costs are out of PDA's control, they are worth keeping in mind throughout the process as they have the potential to significantly impact the project. Generally, projects being developed in the near term are more likely to have lower interconnection costs than projects being developed in latter years, when sections of the distribution grid may become more saturated with solar generation.

## 7. Recommendation

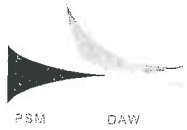
Based on this analysis, CES projects the best economic outcomes could come from a behind-the-meter system located at one of PDA's largest meters, in which PDA would purchase all power generated by a third-

party project developer pursuant to a Power Purchase Agreement. However, unless the system is sized such that generation could be entirely consumed behind the meter (calculated around 200 kW), the account would need to be placed on default service with Eversource in order to be compensated for exported generation. There is legislation pending that could allow accounts to remain on third-party supply contracts and still be compensated for exported generation, the passage of which would improve the economic opportunity available to PDA.

Alternative to a behind-the-meter system where most generation is used to offset kWh purchases, PDA could also consider a net metered project up to 1,000 kW. CES has seen pricing for these types of systems with marginal economic benefits and it could allow PDA to move forward with a project without transitioning accounts back to Eversource default service. Recently vetoed legislation would have expanded this net metering program to allow systems up to 5,000 kW to qualify. If such an expansion is passed in the future, it would likely make these projects more financially attractive.

If PDA is interested in further exploring options for solar development, CES is ready to assist in drafting an RFP that would solicit competitive proposals for sites that PDA has identified for solar development. This would allow CES and PDA to see how specific pricing for PDA locations compares to the sensitivity ranges provided here.





## Memorandum

**To:** Paul Brean, Airport Director *AB*  
**From:** Sandra McDonough, Airport Community Liaison *SM*  
**Date:** 11/14/2019  
**Subj:** Noise Report for October, 2019

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The Portsmouth International Airport at Pease received one noise inquiry in October, 2019. The inquiry from Dover, NH was more of an informational call concerning a Boeing E-3 Sentry (AWACS). The AWACS aircraft is a Boeing 707 with a large radar disk on the top. The aircraft was practicing multiple approaches with one or two of them being done at a lower altitude as published.

All inquiries are reviewed and logged in the airport database. Individual inquiries are researched and followed up on with phone calls where appropriate. Certain callers have indicated that call backs are unnecessary.





MOTION

Director Loughlin:

The Pease Development Authority Board of Directors authorizes the Executive Director to expend funds in the total amount of \$20,027.00 for legal services to the Pease Development Authority rendered as follows:

Sheehan Phinney Bass & Green, PA

September 1, 2019 – September 30, 2019	\$ 1,711.00
September 1, 2019 – September 30, 2019	\$ 7,963.00
August 23, 2019 – September 30, 2019	<u>\$10,353.00</u>
	<b>\$20,027.00</b>



SHEEHAN PHINNEY BASS & GREEN PA  
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  
Invoice Number: 341531

TOTAL FOR PROFESSIONAL SERVICES RENDERED:	\$1,711.00
TOTAL EXPENSES:	\$0.00
	-----
TOTAL THIS BILL:	\$1,711.00
	-----
PREVIOUS BALANCE:	\$0.00
	-----
TOTAL BALANCE DUE:	\$1,711.00
	-----

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... \$ \_\_\_\_\_

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SHEEHAN PHINNEY BASS & GREEN PA  
1000 ELM STREET  
P.O. BOX 3701  
MANCHESTER, NH 03105-3701

SERVICE AND EXPENSE MAILBACK SUMMARY

RE: Trade Port - General Representation  
-----

CLIENT/CASE NO. 14713-10167  
BILLING ATTORNEY: Robert P Cheney

TOTAL FOR PROFESSIONAL SERVICES RENDERED:	\$7,963.00
TOTAL EXPENSES:	\$0.00
	-----
TOTAL THIS BILL:	\$7,963.00
	-----
BALANCE DUE:	\$7,963.00
	-----

PAYMENT DUE 30 DAYS FROM INVOICE DATE

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SHEEHAN PHINNEY BASS & GREEN PA  
1000 ELM STREET  
P.O. BOX 3701  
MANCHESTER, NH 03105-3701

SERVICE AND EXPENSE MAILBACK SUMMARY

RE: Permit Implementation  
-----

CLIENT/CASE NO. 14713-19658  
BILLING ATTORNEY:Lynn J. Preston

TOTAL FOR PROFESSIONAL SERVICES RENDERED:	\$10,353.00
TOTAL EXPENSES:	\$0.00
	-----
TOTAL THIS BILL:	\$10,353.00
	-----
BALANCE DUE:	\$10,353.00
	-----

PAYMENT DUE 30 DAYS FROM INVOICE DATE

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*Division of Ports and Harbors Advisory Council 555 Market St.  
Portsmouth, NH 03801  
Tel 603-436-8500  
Fax 603-436-2780*

**PORT ADVISORY COUNCIL MEETING MINUTES  
WEDNESDAY, OCTOBER 9, 2019**

PRESENT: Roger Groux, Chairman  
Don Coker, Vice Chairman  
Jeff Gilbert, Treasurer, excused at 7:15 pm  
Erik Anderson  
Brad Cook  
Chris Holt  
Chris Snow  
Geno Marconi, Secretary, Director, DPH

1. CALL TO ORDER

The meeting was called to order at 6:02 pm after a public hearing on proposed pier use fees.

2. APPROVE MINUTES

Jeff made a motion to accept the June 12, 2019 minutes, Erik seconded, no further discussion, the council voted and the motion carried.

3. FINANCE REPORT

Jeff spoke on the consolidated financial report, fiscal year ending June 30, 2019. The financial performance is significantly better than the estimated budget. An important item to note is that the depreciation expenses are typically items that have been paid for in the past by capital improvements. So although it looks as if we have a negative operation, in reality, we don't need to generally replace the assets that are being depreciated with income from typical operations, they come as a result of a capital budget item. It's more the operating income is the key measure on how well the Port is doing. Geno commented that he is waiting for the PDA auditors to certify the year ending financials so he can continue to go through the details. He is planning on asking for a reorganization of the report for his benefit and the benefit of the staff to be sure that revenue and expenses are being assigned to the correct areas.

4. DIRECTOR'S REPORT

Geno updated the council on the Portsmouth Fish Pier. The negotiated budget between the legislature and the Governor included \$3.25 million to replace the failed seawall. He presented a photo showing the batter pilings that were installed by Riverside & Pickering Marine to stabilize the wall to prevent any further deterioration. When the Governor signed the budget, Geno asked Appledore Marine (on call marine engineers) for a proposal for the design, engineering, and permitting for the replacement project. He received the proposal today and will be presenting to the PDA Board at their next meeting Oct 17 so we can get started right away. Work is expected to be started around this time next year, the project requires a major impact wetlands permit and we may be limited to the time we can work in the water.

Geno reported on the funding for the Hampton/Seabrook and Rye dredging and presented the HB 25-A. The \$118,750 for Hampton is to remove and replace the moorings. The \$125,000 is for dredging the 3 acre state anchorage in Hampton Harbor. Pepperell Cove was awarded the contract for removing and replacing the moorings and they started yesterday removing the moorings on the Seabrook side. The amount for Rye Harbor is \$637,500 and includes the cost of dredging [the state anchorage] and removal and replacement of the moorings. Erik asked if that

amount would be adjusted based on final determination of the disposal of the dredge materials. Geno said the figure is an estimate and was provided by the Army Corp of Engineers and they used the Arundel disposal site for their estimate.

Geno presented and explained the following items from the August and September PDA board meetings for the committee's review:

**A. PDA board items from the August 22, 2019 meeting**

- i. Commercial Mooring for Hire Permit, Kittery Point Yacht Club
- ii. Commercial Mooring Transfer, Adam Baker to Jason Townsend
- iii. Jocelyn Marine Services, Right of Entry renewal, Hampton
- iv. Kokosing Industrial/Durocher Marine Division, Right of Entry, Market St. Terminal
- v. LS Cable, Right of Entry, Market St. Terminal

**B. PDA board items from the September 19, 2019 meeting**

- vi. Burge Dock-Guide Pile replacement
- vii. Pier Use permit fees
- viii. ROE-Juliet Marine, GHOST boat
- ix. ROE-Riverside & Pickering, Buoy project
- x. ROE-New England EcoAdventures, Hampton
- xi. Final proposal, Pda 500 rules

Geno asked if the council would be interested in a presentation on the Healy Buoy project, the Port staff received one last week which was very informative. The council was interested and Geno will reach out to see when the company might be available.

Roger asked about the study that was done regarding the replacement of the fish pier in its entirety. Geno reported that there was a concept plan done, and there were discussions going on back and forth, one of the biggest deterrents is the cost and finding funds. To build a first class facility to last we would be looking at over \$10 million as construction costs have gone up 40% in the last 2 years. There are 2 grant options he is looking into, one through EDA and one through a BUILD grant. Geno confirmed the \$3.25 million is the estimated cost in 2020 dollars to do the design, engineering, permitting, bid documents, and construction to replace the seawall only. This would also include replacing the fuel system and the floating dock system. Erik commended the folks that got engaged and made contact with the State to help push this through. Geno said this project has received a lot of attention from local Senators who have been visiting the site frequently. Erik commented that even though the Port is under the oversight of PDA, it seems like this was thrown back to you, Geno reported that a lot goes on behind the scenes with PDA and they have been involved. Geno has a problem-solving team over there that he goes to, which includes the Executive Director, Deputy Director, Engineering, Legal etc. and they all sit down and discuss ideas and recommendations. Geno confirmed that the PDA cannot contribute any money to these facilities as they are state property and were merged administratively with PDA. Under the public benefit land transfer when the FAA turned the property over to the Pease Redevelopment Authority, the FAA regulations stipulated revenues generated from the airport can only be used by the airport.

**5. COMMITTEE REPORTS**

**Fisheries**-The expected bait shortage was avoided as there were plenty of Poagies available for lobster bait over the summer. Erik stated possibly over 2 million pounds were landed here, at this facility, which helped. Erik stated that he believes less than 1% stayed in the state to help the industry but according to Geno, at least 1/3 of the fish that were offloaded at this facility went to NH companies. Erik is hoping the same can take place next year.

Some of the fishermen met with a staff member from Senator Shaheen's staff, she is the head of the Appropriations for Commerce, regarding funding of fishing issues, and it appears to have been a productive meeting.

The lobster industry is still engaged with the ongoing Right Whale regulatory issues. All Atlantic States will need to follow whatever the federal regulations become which makes it difficult for NH since the Right Whales aren't typically in NH waters but they will have to follow the same stringent regulations. According to Erik, there have only been 5 sightings in the last 40 years in the State of NH waters. They expect regulations to go into effect at the 1<sup>st</sup> of the year 2020.

**Government-N.** Raynolds was not in attendance, no report. With the upcoming elections the Council spoke about the process of the Mayor's designee appointment to the Port Advisory Council. All agree that it is difficult for any City Council member to attend the Port meetings with being on conflicting committees etc. Since there is no requirement that the designee be on the City Council, the PAC talked about reaching out to the new Mayor to recommend some people in the industry that would be able to attend the majority of the Port Council meetings.

**Moorings-** Chris S. has nothing significant to report.

**PDA liaison-** Roger reported some turnover at the PDA with retirement of the Executive Director and legal counsel. With that the conversation turned to retirement of some folks over at Fish & Game, specifically, Commissioner Glenn Normandeau and Chief Doug Grout. Along those lines Roger spoke on the fee increases that F & G is proposing. Erik added that a lot of their funding goes to search and rescue, Roger added that there are about 8-10 open officer positions. They have a lot on them with marine and land issues. So along with that F & G will be looking for more revenue in the way of boat registrations. Roger referred to the last page of the packet that shows the increase in tidal boat registrations since a conversation was held between this Division and Marine Patrol regarding a myth that boats registered as tidal cannot be operated on the lakes.

**Maritime/Public Affairs-** Don reported PMC Brewfest was held at the Seacoast Science Center, unfortunately it was not a very good turnout but next year they are planning on partnering up with someone and hopes that each year will see an improvement. Jeff added that because of the proliferation of brewfests there seems to be a downturn in attendance on these types of events.

The Eagle visit was a success, the official number of people that boarded the Eagle was 10,250. Sail Portsmouth went well, 685 day sails were sold which is a fundraiser for the PMC. There were 167 vessels in the Parade of Sails. From the PMC side of things, there seemed to be a general consensus that there was "over control" from the Coast Guard. Some of the issues were volunteers, staffing, how the things were laid out, not using cadets, those kind of things.

The Sea Challenge is looking to do 3 ships in 2020, which works out to be 56 kids. Fundraising has begun for that.

Tall Ships America notes that 2020 will be a big deal in Portland, the PMC is hoping to get a couple of ships from that event but the TSA charges a fee if they become involved, to the tune of 25 – 30 thousand dollars which is out of the budget and they will try to find a way around that.

**Dredging-**Chris H. reported the Government is operating under a continuing resolution for the bill, so that won't come up until Nov. 21<sup>st</sup>. According to a spokesperson for Sen Shaheen, who is on the Senate Appropriations Committee, they are pushing to get money directed this way. If we could get on the 2020 budget, it would put us on the schedule for 2021. Chris asked each member of this group write a letter to their senators to support the funding. The turning basin up river is ready to go just waiting for money. Capt. Marconi gave an update on Hampton/Seabrook, and Chris added that all of the issues have been ironed out and the dredge materials will either be going on Seabrook or Hampton Beach. There are 150,000 cubic yards of material coming out of

Hampton/Seabrook, they are trying to be done by the end of this year, but realistically will most likely be the end of Feb, and it definitely has to be done by end of March. Rye Harbor has another study to be done on Endangered Species and needs to complete an Environmental Assessment by the end of 2019 then they can put out a plan and bids for a contractor around June of 2020 and hopefully start dredging by fall of 2020. There is approx. 58,000 cubic yards coming out of Rye. Tonight in Kittery there is a meeting to propose a new disposal site as an alternative to Arundel, called Isles of Shoals North. There is about 750,000 cubic yards of material coming out of the turning basin. Further discussion ensued regarding disposal options. Roger asked about the letters Chris mentioned and Chris said it is called the WRDA bill and they recommend we reach out. Roger asked that Geno and Chris work together to get the wording together and we can prepare a letter to send out. A motion was made by Don to submit a letter to the Congressional Delegation to help get our projects recognized as recommended, Chris H. seconded the motion and all were in favor.

**Recreational Piers**-Brad reported that the passenger industry had an up and down year. From Memorial Day to Labor Day the recreational industry did pretty good. The weather was a detriment at the beginning and after Labor Day. Rye was a mess because of the need for dredging and Brad reported that from walking around talking to folks, there has been nothing but praise for Judy, Leo and the rest of the crew at Rye Harbor for being able to work with the limited space and impatient people. They did their work professionally and happily.

6. NEW BUSINESS

Geno explained the proposed pier use fees were presented to the PDA Board in September. Unfortunately, this body was not given the opportunity for comment prior to that meeting as the September PAC meeting was not held. Discussion regarding the fees ensued. Jeff made a motion to recommend to the PDA Board to adopt the pier use fees, Brad seconded the motion and all were in favor. Geno confirmed he will go to the PDA board in November, after the public hearing comment period of November 9, and ask them to approve the proposed fees to go into effect January 1<sup>st</sup>.

Roger added there was a Port Committee meeting last week (Oct 3<sup>rd</sup>) and he spoke to them regarding the unfair assessment of mooring and pier fees since the boat owners in the private marinas or that have private docks do not pay fees and as such do not contribute to the maintenance of the harbors. Brad added that in Newburyport they do have a similar program and he will try to find more information on how their program works. Discussion ensued regarding what the process would be to have a harbor use fee established. In the end it was decided that there is some legitimacy to this but there are still a lot of questions on process and planning. The members will think on possible concepts to be put on paper that can be submitted to someone who can sponsor a bill. The topic will be discussed at a future meeting.

7. OLD BUSINESS

No old business.

8. PUBLIC COMMENT

There were no members of the public present.

9. PRESS QUESTIONS

There were no members of the press present.

10. ADJOURNMENT

Don made a motion to adjourn, Chris H. seconded, all were in favor and the meeting adjourned at 7:33 P.M.



**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: November 1, 2019  
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 #1465, from James Willwerth to Gerald Worcester.

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.

# Division of Ports & Harbors

## Memorandum

To: Captain Geno J. Marconi, Director

From: Tracy R. Shattuck, Chief H/M *TRS*

Re: Commercial Mooring Permit Transfer

Date: 23 July 2019

---

James Willwerth is selling his commercial fishing business to Gerald Worcester. The Port Revolving Loan Fund is financing the transaction. Willwerth is making application to the Division to transfer the Commercial Use Mooring Permit in Seabrook Harbor as part of the sale. Currently the harbor is being dredged and all moorings have been removed for that process. Worcester will pay the mooring application fee, the transfer fee and the initial application fee. Because the harbor is not available the Division will apply the mooring application fee to the 2020/2021 season.

A handwritten signature in black ink, appearing to be "TRS" with a large flourish underneath.





MOTION

Director Levesque:

In accordance with the provisions of RSA 541-A, the Administrative Procedure Act, the Pease Development Authority (PDA) Board of Directors hereby approves the text of the Conditional Approval Response and amending the proposed administrative rules, Pda 500 Moorings and Anchorages, consistent therewith, as conditionally approved by the Joint Legislative Committee on Administrative Rules on October 17, 2019;

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; all in accordance with the Memorandum of Geno Marconi, Division Director, dated October 25, 2019 attached hereto.





# PEASE

INTERNATIONAL

PORTS AND HARBORS

555 Market Street, Suite 1 Portsmouth, NH 03801

Date: October 25, 2019

To: Pease Development Authority, Board of Directors *Geno*

From: Geno Marconi, Division Director *Geno*

Subject: Conditional Approval Response ~~Administrative Rules~~; Pda 500 Moorings and Anchorages

In accordance with RSA 12-G:42 X (c), the Pease Development Authority ("PDA"), acting through its Division of Ports and Harbors (the "Division"), shall adopt rules pursuant to RSA 541-A. The Administrative Rules Chapter Pda 500, Moorings and Anchorages, became effective August 20, 2011, and, as you know, the Division is currently engaged in the Rulemaking process to readopt with amendments Pda 501-511 and Pda 513-515 to become effective on January 1, 2020.

The Pda 500 rules final proposal-annotated text (the "Rules") was submitted to and approved by the PDA Board of Directors at its meeting on September 19, 2019. Shortly thereafter the Division submitted the approved Rules to the Office of Legislative Services ("OLS") in preparation for the Joint Legislative Committee on Administrative Rules ("JLCAR") meeting on October 17, 2019. Prior to that meeting, the Division received comments back from OLS and it was recommended the Division submit a Conditional Approval Request to JLCAR to address two substantive items and a few minor editorial items. The Division was able to prepare the request and present it to JLCAR at its October 17, 2019, meeting at which time JLCAR approved the final proposal conditioned on amending the Adopted Rule per the Conditional Approval Request. Upon receipt of the PDA Board approval of the text, OLS will send confirmation of receipt to PDA. Final adoption of the rules can then take place and will be presented to the PDA Board at its December 19, 2019, meeting. Attached is the Conditional Approval Response, annotated.

Therefore, the Division of Ports and Harbors recommends that the PDA Board of Directors approve the text of the Conditional Approval Response, attached hereto.



**Amend Pda 510.05 (e), effective 8-20-11 (Document # 9975), to read as follows:**

Pda 510.05 Safety and Placement of Moorings.

(e) Subject to the Army Corps of Engineers Programmatic General Permit for New Hampshire which authorizes the division to permit moorings within the costal and tidal waters of the state, if the requested location for a mooring permit is in a special aquatic site as defined in 40 CFR § 230.3 (m), then no mooring permit shall be issued unless the equipment used is designed to provide the least possible impact upon the sensitive nature of the location.

~~(e) The Army Corps of Engineers (ACOE) grants the division the authority to permit mooring structures affecting the navigable waters of the United States through a General Permit (GP). The ACOE delegation authority is derived from Section 10 of the Rivers and Harbors Act of 1899 (33 U.S.C. 403).~~

~~The Department of the Army General Permit for the State of New Hampshire (GP No: NAE 2016 02415) states "Locating new individual moorings in [Special Aquatic Sites] SAS (e.g., vegetated shallows) should be avoided to the maximum extent practicable. If SAS cannot be avoided, plans should show elastic mooring systems that prevent mooring cable connections from resting or dragging on the bottom substrate at all tides or helical anchors, or equivalent SAS protection systems, where practicable."~~

~~Therefore, if the requested location for a mooring permit is in a special aquatic site as defined in the Army Corps of Engineers General Permit, then no mooring permit shall be issued unless the equipment used is designed to provide the least possible impact upon the sensitive nature of the location.~~

**Amend Pda 514.03 effective 8-20-11 (Document # 9975), to read as follows:**

Pda 514.03 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 or authority 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;
- (d) Include any new or additional information relevant to the matter proposed for reconsideration that was not available at the time the application was filed or the revocation was made;
- (e) In the case of denial of a permit because of a late filing under Pda 506.04(d), state the reason for the late filing; and
- (f) Shall bear the petitioners signature including the following certification:

"I certify under penalty of law that I have personally examined, and am familiar with, the information submitted in this petition for reconsideration and all of its attachments. I certify that the statements and information submitted therewith are to the best of my knowledge and belief true, accurate and complete."



STATE OF NEW HAMPSHIRE



RECEIVED OCT 21 2019

OFFICE OF LEGISLATIVE SERVICES

STATE HOUSE  
107 NORTH MAIN STREET, ROOM 109  
CONCORD, NEW HAMPSHIRE 03301-4951

October 17, 2019

Board of Directors  
Pease Development Authority  
Division of Ports and Harbors  
555 Market Street  
Portsmouth, NH 03801

Re: Conditional Approval of Final Proposal 2019-69

Dear Board Members:

At its meeting on October 17, 2019, the Joint Legislative Committee on Administrative Rules (Committee) voted, pursuant to RSA 541-A:13, V(a), to conditionally approve Final Proposal 2019-69 of the Board of Directors (Board) of the Pease Development Authority (Authority) containing Pda 501-511 and Pda 513-515 relative to permitting and setting moorings and anchorages. The Committee's approval was conditioned on amending Final Proposal 2019-69 as specified in the Board's conditional approval request received on October 14, 2019.

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 November 21, 2019. In this instance, the 7<sup>th</sup> day following the next regularly scheduled meeting of the Board falls on November 28, 2019, which falls on a holiday. Pursuant to RSA 541-A:16, IV, the deadline will be extended to Monday, December 2, 2019. 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 2019-69  
October 17, 2019  
Page 2

If you have any questions concerning the provisions in RSA 541-A relative to objections, responses, or adoptions, please call me at 271-3680.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Morrell", is written over a horizontal line.

Michael Morrell  
Sr. Committee Attorney

Enc.

cc: Brenda Therrien, Admin. Assistant, Div. of Ports and Harbors  
Grant M. Nichols, Deputy Chief, N.H. Port Authority






MOTION

Director Lamson:

In accordance with RSA 12-G:42, XI, the Pease Development Authority (PDA) Board of Directors hereby adopts the Final Proposed Schedule of Pier Use Permit Fees (attached hereto) effective January 1, 2020 and authorizes the Director of the Division of Ports and Harbors to submit the Fee schedule to the Office of Legislative Services, Administrative Rules for publishing pursuant to RSA 541-A; all in accordance with the Memorandum of Geno J. Marconi, Division Director, dated November 10, 2019 attached hereto.

N:\RESOLVES\2019\DPH-Pier Use Fee Schedule - 11-21.docx



Date: November 10, 2019  
To: Pease Development Authority ("PDA"), Board of Directors  
From: Geno Marconi, Division Director   
Subject: Final Proposed Schedule of Fees: Commercial Piers and Associated Facilities

The Division of Ports and Harbors (the "Division") is presenting the Board with the Final Proposed Schedule of Pier Use Permit Fees ("Fees") for adoption. The Fee schedule is attached for reference.

The Division had planned on seeking a recommendation to approve the Fees from the Port Advisory Council ("PAC") prior to submitting them to the PDA Board, however, the PAC did not hold a meeting in September and in the interest of time the Division presented the Fees to the PDA Board at its meeting on September 19, 2019. The Board approved the Fees at that meeting. The Fees were then presented to the Division of Ports and Harbors Advisory Council at their monthly meeting on October 9, 2019. The Council voted to recommend to the PDA Board, the adoption of the Fees to become effective on January 1, 2020.

After publishing a Notice of Public Hearing in two (2) newspapers of general circulation and posting the notice in public facilities, the Division Director held a Public Hearing at the Division office on October 9, 2019. There were no members of the public in attendance. The public comment period remained open for written comment until the end of business on November 9, 2019, during which time no further public comment was received.

Therefore, the Division recommends that the PDA Board of Directors adopt the Final Proposed Pier Use Permit Fees as presented by the Division, set an effective date of January 1, 2020, and submit the Fee schedule to the Office of Legislative Services, Administrative Rules for publishing pursuant to RSA 541-A.

**Schedule of Fees for Recreational and Commercial Piers  
Portsmouth, Hampton Harbor and Rye Harbor, NH**

**Effective January 1, 2020**

<b>Fee name</b>	<b>Fee</b>
Annual Pier Use	\$12.00 per ft. (\$200 minimum)
Single Use Pier Permit	\$6.00 per ft.

<b>Rule Number</b>	<b>State Statute</b>
Pda 610.01	RSA 12-G:42, XI-d

## MOTION

Director Loughlin:

The Pease Development Authority (PDA) Board of Directors (Board) states that on July 19, 2018, the Pease Development Authority - Division of Ports and Harbors (the "Division") applied for a Better Utilizing Investments to Leverage Development (BUILD) grant through the US-DOT for the rehabilitation and modification of the Main Wharf at the Market Street Marine Terminal. On December 6, 2018, the Division received a grant award notice from US-DOT in the amount of \$7,504,854. Since that time, the Division has completed its required NEPA review, obtained approval from the Capital Budget Overview Committee for the required non-Federal match in the amount of \$5,003,235 from the Port Expansion Fund, and worked with the US Maritime Administration (MARAD), as the grant administrator for US-DOT, to finalize a draft grant agreement in hopes of commencing work in 2020. Therefore, the PDA Board of Directors hereby authorizes the Executive Director and the Division Director to take all action(s) necessary or appropriate to:

- Complete the draft grant agreement with MARAD;
- Submit the draft grant agreement to the Office of the Attorney General for review;
- Following sign-off from the Attorney General's Office, submit the grant agreement to the Fiscal Committee and the Governor and Executive Council for consideration and approval;
- Following the foregoing approvals, execute the grant agreement with MARAD and accept the grant funds; and




- Accept and expend the BUILD grant and the non-Federal match in order to rehabilitate and modify the Main Wharf at the Market Street Marine Terminal.

All in accordance with the Memorandum of Geno J. Marconi, Division Director, dated November 7, 2019, attached hereto.





Date: November 7, 2019  
To: Pease Development Authority ("PDA") Board of Directors  
From: Geno Marconi, Division Director   
Subject: BUILD Grant

On April 27, 2018, the U.S. Department of Transportation ("US-DOT") published a Notice of Funding Opportunity under the discretionary grant program known as Better Utilizing Investments to Leverage Development ("BUILD").

On June 21, 2018, the Division of Ports and Harbors ("Division") recommended to the PDA Board of Directors a proposal from Appledore Marine Engineering, LLC. ("AME"), the Divisions on-call marine engineers, to assist the Division in preparing a BUILD grant application and to request funding of the proposal from the Port Expansion Fund by the Capital Budget Overview Committee ("CBOC") pursuant to the provisions of Chapter 351:5, Laws of 1991, amended by Chapter 2, Laws of 2013. The purpose of the application was to rehabilitate and modify the Main Wharf at the Market Street Marine Terminal. The PDA Board approved the AME contract on June 21, 2018.

The Division submitted the BUILD Grant application on July 19, 2018. On December 6, 2018, the Division received a Grant Award Notice from US-DOT for the amount of \$7,504,854.00. The Division reported the Grant Award Notice to the PDA Board at its December 20, 2018, meeting.

Prior to final award of federal grants, all recipients are required to conduct a National Environmental Policy Act ("NEPA") Review. On April 22, 2019, the CBOC authorized the expenditure of \$74,107 from the Port Expansion Fund for the purpose of securing marine engineering services to conduct the NEPA Review. The NEPA document was issued on October 4, 2019.

The grant application requires a non-Federal match by the Division. In accordance with the above referenced Chapter Law(s), on November 6, 2019, the CBOC authorized the expenditure of \$5,003,235 from the Port Expansion Fund to be used as the Non-Federal match for the grant.

All maritime transportation grants awarded by US-DOT are managed by the U.S Maritime Administration ("MARAD"). The Division has been working with MARAD to finalize the

grant agreement following the completion of the NEPA document (10/4/19). Because the Market Street Marine Terminal is State of New Hampshire property and the final agreement would obligate the State of New Hampshire, the agreement must be approved by the Fiscal Committee and the Governor and Executive Council.

Therefore, the Division of Ports and Harbors recommends that the Pease Development Authority Board of Directors authorize the Executive Director and the Division Director to do the following:

- Complete the draft agreement with MARAD;
- Submit the draft agreement to the Office of the Attorney General for review;
- Following sign-off from the Attorney General's Office, submit the agreement to the Fiscal Committee and the Governor and Executive Council for consideration and approval;
- Following the foregoing approvals, execute the grant agreement with MARAD and accept the grant funds; and
- Take all other action necessary and appropriate to accept and expend the BUILD grant and the non-Federal match in order to rehabilitate and modify the Main Wharf at the Market Street Marine Terminal.



**U.S. Department of Transportation**  
Office of the Secretary of Transportation

1200 New Jersey Ave., S.E.  
Washington, DC 20590

## GRANT ADVANCE NOTICE

Date: **12/06/2018**

**NOTICE TO CONGRESS OF DOT DISCRETIONARY GRANT AWARDS:** This notification is provided to the Committee pursuant to one of the following requirements governing the public announcement of a Department of Transportation discretionary grant, letter of intent, or Federal Transit Administration full funding grant agreement:

(1) Currently applicable General Provision of the Appropriations Act, Continuing Resolution, or Supplemental Appropriation governing Department of Transportation appropriations, containing a prohibition on the use of funds made available unless the Secretary notifies the House and Senate Committees on Appropriation at least three full business days before the Department or its operating administrations announces any discretionary grant award, letter of intent, or full funding grant agreement from: (A) any discretionary grant or federal credit program of the FHWA, including the emergency relief program; (B) the airport improvement program of the FAA; (C) any program of the FRA; (D) any program of the FTA other than the formula grants and fixed guideway modernization programs; (E) any program of the Maritime Administration; or (F) any funding provided under the heading "National Infrastructure Investments" in the Appropriations Act;

(2) Section 311 of title 49, United States Code;

(3) Section 159(b) of the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (AIR-21); or

(4) Section 5334(j) of title 49, United States Code.

Notice:

Title: **FY18 Better Utilizing Investment to Leverage Development (BUILD) Grants**

Grant Amount: **\$ 7,504,854.00**

Description:

The project will rehabilitate approximately 17,500 square feet of the Main Wharf at the Market Street Marine Terminal by replacing the deteriorating wharf access bridge and decking the area between the shoreline and the back of the Main Wharf.

Please see below two optional quotes from Secretary of Transportation Elaine L. Chao for possible use in your media outreach:

"The Department is committed to following through on the President's commitment to rebuild our country's infrastructure by investing in road, rail, transit, and port projects, to strengthen economic growth, increase competitiveness and improve quality of life," said U.S. Transportation Secretary Elaine L. Chao.

"The Administration's continued investment in infrastructure promises to stimulate economic investment, improve quality of life, and create safe, reliable transportation in our communities," said U.S. Transportation Secretary Elaine L. Chao.

Congressional members affected:

**Chris Pappas**

Senators affected:

**Maggie Hassan**  
**Jeanne Shaheen**

Should you have any questions, please contact the Office of Governmental Affairs (202)366-4573.

