

**BOARD OF DIRECTORS' MEETING**

Pursuant to NH RSA 91-A:2 III (b) PDA Chairman Kevin Smith has declared COVID-19 an emergency condition and has waived the requirement that a quorum be physically present at the Board meeting in accordance with the Governor's Executive Order 2020-04, Section 8 and Emergency Order #12, Section 3. PDA Directors will be participating remotely and will identify their location and any person present with them at that location. All votes will be by roll call. Members of the public may participate by using the access information provided. Please note that this meeting will be audio recorded.

**(THERE IS NO VIDEO COMPONENT FOR THIS MEETING)**

To access by phone call: 1-929-205-6099

Meeting ID: 451 805 1950

IF PROMPTED FOR AN ADDITIONAL ID, PLEASE PRESS #

*\*\*\*Any member of the public having difficulty accessing the conference line listed above during the telephonic public meeting should contact Jessica Patterson at 603-766-9290 or via e-mail at [j.patterson@peasedev.org](mailto:j.patterson@peasedev.org).*

**AGENDA**

**I. Call to Order:**

*Chairman Smith: Welcome PDA Board of Directors, PDA Staff and members of the public. We would especially like to welcome Director Erik Anderson representing the City of Portsmouth to his first meeting of the PDA. This meeting is being held under the emergency provisions of NH RSA 91-A and the Governor's Executive Order 2020-04 and Emergency Order #12. Our moderator for this telephone conference is Greg Siegenthaler who will explain some procedures.*

*At this time, I will poll the Board of Directors to confirm their presence and their location. Also, please advise if there is any other person present with you at your location.*

*Neil Levesque*

*Peter Loughlin*

*Bob Allard*

*Erik Anderson*

*Frank Torr*

*Peggy Lamson*

*The Chair is presently at:*

**II. Acceptance of Meeting Minutes: January 16, 2020 \* (Motion Director Torr)**

III. **Public Comment:**

*Chairman Smith: The moderator will remind members of the public who would like to speak what the process is for recognition. We welcome your participation but ask that you limit your comments to three minutes.*

IV. **Audit - FY2020 Audit Engagement (Berry Dunn)**

*Chairman Smith: I would like to recognize Irving Canner, Director of Finance*

- A. Reports:
  - 1. Engagement Letter \*
  - 2. Pre-Audit Communications \*

V. **Finance:**

*Chairman Smith: Your package includes an Executive Summary of the Financial Reports prepared by Irv Canner, Director of Finance. Before we move on to Approvals, does anyone have any specific questions on the financial reports for Irv.*

- A. Executive Summary \*
- B. Reports:
  - 1. FY2020 Financial Report for the Eight Month Period Ending February 29, 2020 \*
  - 2. Cash Flow Projections for the Nine Month Period Ending December 31, 2020 \*
  - 3. Revolving Loan Fund – Semi-Annual Filing to EDA \*
  - 4. Capital Improvement Plan FY2020 - FY2026 \*
- C. Approvals \* (Motion Director Anderson):
  - 1. Revolving Loan Fund - Interest Rate Reduction \*

VI. **Licenses/ROEs/Easements/Rights of Way:**

- A. Reports: Reports generated since January 16, 2020 will be made at the next regular Board Meeting

VII. **Leases:**

- A. Reports: Reports generated since January 16, 2020 will be made at the next regular Board Meeting
- B. Approvals \* (Motion Director Torr):
  - 1. Cell Tower Lease Agreement Amendment with Green Mountain \*
- C. Ratifications \* (Motion Director Lamson):
  - 1. 119 International Drive, L.L.C. – Amended and Restated Lease \*

VIII. **Contracts/Agreements:**

- A. Reports: Reports generated since January 16, 2020 will be made at the next regular Board Meeting

*Chairman Smith: Please note that to the extent possible items requiring Approval, Ratification and/or Waiver of the RFP Requirements have been grouped into one motion. Immediately after the motion is read and seconded, I will ask if any Director wishes to set aside one or more items for an individual vote.*

- B. Approvals \* (Motion Director Allard):
1. Dan Fortnam – Air Service Consulting Agreement \*
  2. Grant Agreement Between PDA and NH DES and Wheel Loader Purchase \*
- C. Ratifications \* (Motion Director Lamson):
1. Long Term Disability Insurance, Short Term Disability Insurance, and Life and Accidental Death and Dismemberment Insurance \*
- D. Waivers of RFP Requirement \* (Motion Director Loughlin):
1. LED Airport Signage \*
  2. Self-Serve Fuel Point of Sale Credit Card System Replacement – Skyhaven Airport \* (includes ratification)
  3. Turf Products LLC – Golf Course Large Rough Mower \*
  4. Maintenance Vehicle Replacement, 2020 Chevrolet 2500 pickup \*

IX. **Signs:**

- A. Approvals \* (Motion Director Levesque):
1. Wentworth Douglass Hospital \*
  2. Rochester Electronics \*
  3. Fedpoint \*

X. **Executive Director:**

- A. Reports :
1. Coronavirus Aid Relief Economic Security (CARES) Act \* - Presentation by PDA Deputy Director / PSM Airport Director Paul Brean (Director Erik Anderson)
  2. Airport Operations
    - a) Portsmouth International Airport at Pease (PSM)
      - (i) New England Aircraft Detailing License Agreement \*
    - b) Skyhaven Airport (DAW)
  3. Golf Course Operations
- B. Approvals \* (Motion Director Loughlin):
1. Sheehan Phinney Bass & Green PA \*







**MOTION – II.**

Director Torr:

I make a motion to approve the minutes of the Pease Development Authority Board of Directors Meeting dated Thursday, January 16, 2020.

**THIS MOTION REQUIRES A ROLL CALL VOTE.**

N:\RESOLVES\2020\Approval of Minutes 01-16-2020.docx

PEASE DEVELOPMENT AUTHORITY  
BOARD OF DIRECTORS MEETING  
MINUTES

Thursday, January 16, 2020

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

**AGENDA**

**I. Call to Order:**

Chairman Smith (“Smith”) called the meeting to order at 8:51 a.m. in the Board conference room on the Pease International Tradeport at 55 International Drive, Portsmouth, New Hampshire; start of the meeting was delayed due to inclement weather.

**a. Introduction of Information Technology Director Greg Siegenthaler (“Siegenthaler”)**

Smith welcomed Siegenthaler and asked how long Siegenthaler has been an employee of PDA and the response was a little over a month. Siegenthaler explained to the Board that he has twenty (20) years in IT over a very diverse background of healthcare, retail, wholesale, distribution and manufacturing. Currently is in a discovery/analytical phase at the moment and putting together some plans to reduce the security risk and drive new technology.

Peggy Lamson (“Lamson”) welcomed Siegenthaler and asked where he is from; Siegenthaler stated he is from Wisconsin.

**b. Introduction of John Tabor by Peter Loughlin (“Loughlin”)**

Loughlin introduced the new Portsmouth City Council liaison, John Tabor, to the PDA Board of Directors. Tabor indicated that his appointment is pending the vote of the Portsmouth City Council which will be on Tuesday (1/21/20).

**II. Acceptance of Meeting Minutes: December 19, 2019**

Director Lamson moved the motion and Director Loughlin seconded that the Pease Development Authority Board of Directors hereby accept the minutes of the December 19, 2019 Board meeting.

**III. Public Comment:**

There were no public comments.

**IV. Old Business:**

**A. Approval:**

**1. IAPP – 68 New Hampshire Avenue - Preliminary Concept Plan**

Director Louglin moved the motion and Director Torr seconded that the Pease Development Authority (PDA) Board of Directors hereby approves the attached conceptual site plan and building renderings for IAPP at 68 New Hampshire Avenue and:

1. Authorizes the Executive Director with the concurrence of General Counsel to complete negotiations of an Amendment to Lease with IAPP on substantially the terms and conditions of the Cinthesys Lease, and with such modifications as have been set forth in the attached memorandum dated December 3, 2019;
2. Authorizes the Executive Director to complete negotiations and to approve execution of a Consent of Lessor to the Assignment and Assumption of the Lease;
3. Authorizes and approves such other action(s) and the execution of such other document(s) as the Executive Director and General Counsel deem necessary or advisable to facilitate the implementation of the transaction contemplated; and
4. Authorizes the Executive Director to seek reimbursement from IAPP for the cost to PDA to obtain the required third-party review of stormwater treatment design.

All in accordance with the memoranda from Lynn Marie Hinchee, General Counsel dated December 3, 2019 and Maria J. Stowell, P.E., Manager, Engineering, dated January 8, 2020.

Discussion: Maria Stowell (“Stowell”) spoke to the concept plan and indicated that IAPP is looking to expand the site and wants to see if adequate for its uses. Stowell indicated that the site contains wetlands and wetland buffers. Wetland buffers would be impacted (the buffers would have both temporary and permanent impacts) in order to access the back part of the lot for additional parking. Indicated that members from both IAPP, their architect and their engineer are present and could speak with the Board to provide clarification. Mark Gianniny (“Gianniny”) from McHenry Architecture introduced Kirsten Calkins and Rita Heimes of IAPP, Eric Weinrieb (Weinrieb”) from Altus Engineering. Gianniny stated that IAPP is a non-profit membership association that serves privacy and data protection professionals. IAPP moved to PDA in 2011 with less than 14 employees occupying one suite of the current building they are in at 75 Rochester Avenue. Since they have expanded to over 200 employees at that location, renovated the building and occupy the entire facility. Anticipates if and when the privacy law were to pass by the federal government that they will grow exponentially. In order to deal with the anticipated growth IAPP is looking to purchase the building at 68 NH Avenue to address its needs. The conceptual basis is shown in two phases with the first phase being to renovate the 18,000 square feet of the existing building and develop site to the north for additional parking. Phase 2 would be a 15,000 square foot two story office addition with development of additional parking. Gianniny affirmed that there are challenges with the site with stormwater - turned the discussion over to Weinrieb to talk about stormwater challenges. Weinrieb indicated that the wetland had been mapped when the site had originally been surveyed and when Weinrieb went back recently the wetland had grown substantially which created additional challenges with the site. Initially IAPP was going to maintain two access points to the property but in doing so it limited the ability to use the north side of the site for parking. Now creating a parking area on the north side with its own designated driveway so when entering, can loop around to the rear portion to get to the rear portion. To get

to the rear portion of uplands it is constricted area so it will be necessary to encroach into the wetland buffer for the driveway and shoulder slope areas which is approximately 1,000 square feet of permanent wetland buffer impact.

Lamson asked Weinrieb to point out what he is speaking to and that she will be speaking to him about vegetation. Weinrieb pointed out the impact to maintain a 24 foot wide isle in order to have the access to the rear portion of the site; there is also temporary impact to the slope for the stormwater management areas. Weinrieb indicated because the drawing is two dimensional, they have been conservative showing more area than he thinks will be necessary. Weinrieb indicated will be using permeable surface for pavement and through DES AOT permit regulations that will allow for a 5 to 1 ratio on pervious to impervious to treat. Therefore, will be taking the aisle areas and making those traditional pavement and the parking stalls will be permeable surface which will minimize the surface stormwater management area. In likelihood, there will be less impacts on the site. Recognizing there are challenges with soils in the area and have designated a stockpile area for excess materials which will be some sort of mounded area which will have a landscaped area. On the south side, taking the entrance on Stratham Street and moving the driveway west in order to increase the parking on that side. Weinrieb pointed out the loading area and indicated it will essentially stay the same and provide two smaller stormwater management areas in that location. Lamson indicated that she was pleased on the preservation shown and the stormwater controls so that there are no problems by the road.

Lamson spoke to vegetation and wanting to make sure that there is sun coming to the building. Weinrieb indicated he had not looked at solar gain but it is north south orientation and deferred to Gianniny to address solar gain. Gianniny indicated with the addition trying to create more of a focal point than what is there currently located on the corner of NH Avenue and Stratham which is a more southern exposure so there will be glazing there to capture the solar gain. Also looking at an outdoor patio space for staff which would be located between the addition and the existing building and would be screened from NH Avenue. Lamson indicated it would be very upscale.

Disposition: Resolved by unanimous roll call vote for; motion carried.

V. **Finance:**

A. **Reports:**

1. **FY 2020 Financial Report for the Five Month Period Ending November 30, 2019**

Finance Director Irving Canner ("Canner") indicated that revenues are in line and less than 1% within budget tolerance range and lower operating expenses by about 5% due to decrease in fuel sales at Portsmouth Fish Pier (PFP). This loss of revenue corresponds to the underrun and the other operating expenses. Through five months PDA is ahead of budget in terms of operating income. Staffing was at 109 employees, of which 65 were permanent benefited employees; recent payroll was at 111 employees but transition from golf/summer season is what is captured. There are two open positions; one of which is Manager of Airport Administration which is actively being recruited and the other is the Equipment Operator which at this time will remain open. Lamson asks if there has been any interest in filling the Equipment Operator position; Paul Brean ("Brean"), PDA Deputy Director / PSM Airport Director, indicated that PDA is currently staffed appropriately but if there needs to be a change in the future due to the guardsmen being activated, we will address it. Lamson asked about the Manager of Airport Administration; Brean indicated resumes are being received for this position and hope to start interviews in the next week and it is part of the succession plan for administrative strength at the airport. Canner

spoke to professional services which indicates Legal being over budget somewhat due to the CLF settlement and corrective actions. Canner indicated to the Board that the data does not take into account the costs associated with the past four or five snow storms.

Canner indicated that the balance sheet is very strong and cash balances have increased. Primary areas of capital expenditure are the terminal, functional replacement and the main pier improvement so the operating income will be used in part to pay off the construction activity.

PDA will need to access the Revolving Line of Credit (RLOC) sometime in April. Lamson asked Canner about a previous discussion where he indicated the revenues were down 1% and wondered if that was in association with the runway project. Canner indicated that at that time the revenue was less than expected (currently we are below by about 0.8%, then we were below by about 1.2%) which was due to inflation. Inflation drives the monthly revenue billings and so budgeted 2.5% and at that time it was less than 2% which had a small impact on the revenue streams and most of the agreements are tied to adjustments during the year for inflation.

The last long-term payment to the City will be paid at the end of January and PDA will have no debt on the books, but will access the RLOC in the spring when the terminal expansion / runway project ramps up.

Regarding the airports, Canner informed the Board that through December, Portsmouth International Airport (PSM) had 116,000 enplanements and the overall passenger count exceeded 200,000. Skyhaven remains in line with the operating budget, revenues are slightly ahead due to an increase in fuel sales and operating costs are managed tightly. Canner directed the Board to the number in the lower left hand corner would represent the cumulative operating loss since PDA has taken over the operations at Skyhaven.

With respect to the golf course, Canner indicated that in excess of 55,000 rounds of golf were played this season versus 51,000 last season. Grill 28 2019 sales have exceeded the prior year's by approximately 10%.

Canner indicated that the operating revenues for the Division of Ports and Harbors ("DPH") (unrestricted funds) are slightly under budget due to the decrease in fuel sales in association to the PFP.

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

Canner indicated that the cash flow will be slowing down by the end of September which will include external financing through the RLOC with the Provident Bank as PDA will be expending close to \$17 million in capital during that time. The two capital projects which will require PDA to utilize its RLOC are the PSM runway for approximately \$6 million and the PSM terminal project for approximately \$10 million. The attention and focus will be tightly managing those two projects over the next nine months. It is anticipated that PDA will be by the end of fiscal year 2023, approximately \$13 million in debt in order to finance these two projects. Regarding the RLOC, Canner indicated that the interest rate has continued to drop and it is currently at 4.33% which is the lowest it has been in two years.

Regarding DPH (unrestricted operations), this is the time DPH starts to collect the mooring revenues resulting in an increase in DPH cash balances. The Revolving Loan Fund (RLF – restricted funds) was started approximately 20 years ago with a grant from the EDA in the amount of \$800,000 and



since then the fund has loaned out approximately \$4.8 million dollars, saved over 250 jobs and created another 120+ jobs and has served the fishing industry.

#### VI. 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 – Exercise of Second One Year Option Lonza – 70/80 Corporate Drive**

Mr. Mullen indicated that Lonza has exercised its second of four allocated one year options for a Right-of-Entry at 70/80 Corporate Drive (a/k/a Iron Parcel) for the purpose of providing temporary contractor and employee parking.

#### VII. Leases:

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

##### A. Approvals:

1. **Assignment and Assumption of the Jet-A Fuel Farm from Sumner Properties, LLC as Licensee and/or Assignor, and B&H Airpower, LLC (“B&H”) as Assignee**

Director Torr moved the motion and Director Lamson seconded that the Pease Development Authority Board of Directors hereby approves of the assignment of the Skyhaven Airport Jet-A-Fuel Farm License Agreement from Sumner Properties, LLC to B&H Airpower, LLC, and authorizes the Executive Director to complete negotiations and to execute an Assignment and Assumption of the Jet-A-Fuel Farm License between said parties, all in accordance with the memorandum of Andrew Pomeroy, Airport Operations Manager, dated January 10, 2020, and the draft Assignment and Assumption of Jet-A-Fuel Farm License.

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

#### VIII. Contracts/Agreements:

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

##### A. Reports:

1. **Purchase of Dell Computer Equipment**

Mr. Mullen indicated that reported that Director Peter Loughlin authorized the purchase of ten (10) Dell computer systems in the amount of \$8,070.00 on December 31, 2019.

## 2. Environmental Contract Report

Mr. Mullen indicated that this report states there was one (1) expenditure to Ransom totaling \$285 to review proposed stormwater treatment for new impervious surfaces and confirm that advanced treatment is being provided which is part of the environmental work being done related to the CLF settlement and PDA's pending ms4 application.

### B. Approvals:

#### 1. Restroom Improvements at Pease Golf Course Clubhouse

Director Allard moved the motion and Director Torr seconded that **the Pease Development Authority Board of Directors hereby approves of and authorizes the Executive Director to execute a contract for restroom renovations at the golf course clubhouse to the lowest qualified bidder in an amount not to exceed \$45,000.00; all in accordance with the memorandum from Michael R. Mates, P.E. Engineering Project Manager, dated January 8, 2020.**

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

#### 2. Purchase of a 2020 Chevy 2500 Replacement Vehicle for Airport Operations

Director Lamson moved the motion and Director Torr seconded that **the Pease Development Authority Board of Directors hereby approves of and authorizes the Executive Director to purchase a 2020 Chevrolet 2500 pickup truck from MacMulkin Chevrolet of Nashua, NH in the amount of \$38,165.00 all in accordance with the memorandum of KC Conley, Fleet Manager, dated January 13, 2020, and in accordance with the provisions of RSA 12-G:8 VIII, the Board justifies the waiver of the RFP requirement as this vehicle will be purchased under the State of New Hampshire's Vehicle Procurement Contract.**

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

## IX. Executive Director:

### A. Reports:

#### 1. Golf Course Operations:

Golf Course General Manager Scott DeVito (DeVito) indicated that currently in peak season for the simulators and running 4 to 5 days at full capacity (selling out on a regular basis on Fridays, Saturdays and Sundays). The maintenances staff is going through all of the equipment and with the mild weather the last couple of days were able to get on the golf course to check the greens and do a little bit of clean up. DeVito indicated that in 2019 there were 243 season pass holders and for the upcoming 2020 season there are already 182 pass holders which puts the course on pace for last year. Also looking at budgets and getting ready for the 2020 season.

#### 2. Airport Operations:

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

(i) *Correction: Date of NH ANG Air Open House September 11, 2021*

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

Brean informed the Board that PSM had a great December that wrapped up a strong year at the airport. Overall PSM was up 32% in the flight / passenger activity and when that is broken down PSM grew 40% commercially; next year will trend differently mainly due to the runway project which will limit the heavy operations of the Atlas activity for a limited time. For two weeks in August will halt ticket sales for Allegiant when at the height of the runway repaving project. Will celebrate the 250,000 passenger this coming year and will get into a growth mode in 2021.

Fuel flowage in December was very strong; usually some of the larger aircraft schedule maintenance to be done in December but we did get the activity.

Parking revenue was strong in December with about 800 people parking at the airport in December for Allegiant activity which closed out the year well over budgeted forecast. Currently the parking lot is currently at 40% capacity but anticipating parking will ramp up during the college spring break and school vacations.

Allegiant has announced service out of Boston; has informed PSM that they are treating Boston as a separate station than Portsmouth. Allegiant is offering flights from smaller stations (Knoxville, TN; Asheville, NC; Grand Rapids, MI; and Destin/Ft. Walton Beach, FL) into Boston; Brean indicates he is unsure if PSM could handle the capacity that is needed for those smaller stations. PSM has been assured that it is the focus of the bigger markets out of the northeast and the Boston station will not have an impact on the proposed growth at PSM. Brean indicates that he sees this as good with people utilizing the Allegiant website more and seeing flights out of PSM and legitimizes the brand in the local market.

Brean made a correction to the Board that he misspoke at the last meeting and the NH ANG Open House with the Thunderbirds will be on September 11, 2021 and not 2020 as he previously stated.

Port City Air will also have a lean year but have many capital improvements lined up at the PSM which will bode well with the improvements being undertaken by PDA.

Brean indicated that regarding the runway reconstruction project that a lot of work has been mobilized so that as soon as the weather breaks they can move ahead in early spring. Some infield mitigation work has also been completed. Lamson spoke to Brean regarding the asphalt plant at the north apron and her concerns of odor control as Newington has been impacted by odor from another operation along the river. Regarding the plant, Lamson asked about air resources as it should conform and be top notch, it is unacceptable to have the odor go up to the school. Brean indicated that depending when the weather breaks the company may start in March, earlier or later and the temporary asphalt plant will have a DES air quality that has conditional standards to it. Brean also indicated that this is one of the largest aviation projects in the region and therefore all eyes will be watching closely from State, Federal and PDA and there will be 24/7 supervision at the site. Lamson stated that her concerns are air quality on the Seacoast and asked if both Brean and Stowell would have an opportunity to have the Board of Selectmen come to PDA so that they may be informed as to the timeframes etc. so that they will understand, as the residents are very concerned. Brean indicated PDA would be happy to host such a meeting; Lamson indicated she would speak to the Chairman of the Board in order to get something set up.

Lamson also asked about infield drainage; Stowell indicated that work has been completed and that the goal was to remove the cattail wildlife habitat which is a hazard to the airport. Stowell indicated that some of the vegetation was removed and that PDA put back a filter media that would treat the stormwater. Stowell stated that the stormwater runs through the filter media, stores it / treats it and then



discharges it; however, the hydraulics work the same.

Brean indicated that the terminal project has achieved a milestone as the transition to the new baggage screening area has been completed and TSA is working out of it.

#### c) Noise Line Report

Brean stated that Portsmouth International Airport at Pease received one noise/altitude inquiry in December, 2019 concerning fixed wing aircraft. The inquiry was from a resident in Dover, NH concerning a C-17, a large military cargo aircraft and stated that the C-17 was quieter than usual but still has a concern about the altitude at which they are flying. The caller attended the Noise Compatibility Committee meeting held in December where aircraft departures and arrival procedures were discussed by Air traffic control personnel who were at the meeting.

Lamson indicated to Brean that the article in the Seacoast (believe Lamson was referring to an article recently written for the Portsmouth Herald regarding Pease Greeters) was a well written and hopefully the residents in the Seacoast area read about it. Brean agreed and further indicated that the message was descriptive to the need to adapt to security initiatives and that the soldiers will still be welcomed coming and going through Pease.

### B. Approvals:

#### 1. Land Use Controls

Director Lamson moved the motion and Director Torr seconded that the Pease Development Authority (“PDA”) Board of Directors hereby approves the preliminary draft language of the proposed amendments to the PDA Land Use Controls related to the construction and post-construction stormwater program and the Illicit Discharge Detection and Elimination (“IDDE”) Program, and authorizes the Executive Director, or designee, to consult with and obtain comments and input from the planning departments of both Newington and Portsmouth with regard to the draft language; all in accordance with the memorandum of Maria J Stowell, P.E., Manager, Engineer dated January 8, 2020; attached hereto. The PDA staff is directed to bring final proposed amendments to the March Board meeting.

Discussion: Director Loughlin asked for Stowell to provide a brief explanation on how this came about. Stowell indicated that this is a result of a combination of the ms4 permit and the CLF lawsuit. These are items that municipalities are doing and with the ms4 the PDA is a little accelerated. The first attachment has to do with construction and post-construction erosion control program and are in the AOT regulations currently. Stowell explained that if a development exceeds 100,000 square feet they receive an AOT permit and it is all documented. Even if they don’t, New Hampshire law states that it is necessary to follow AOT rules. It is necessary that they maintain these systems both during the construction and post-construction periods, which PDA has been doing all along.

The second attachment has to do with the IDDE (things that are not supposed to be going into the stormwater) so PDA has to see if there is anything and if so eliminate it. Stowell indicated that as PDA is land owner, knows everyone that moves in and what its operations will be, and as most of the facilities are new PDA knows how they are hooked up. Stowell stated that PDA staff will be going out to prioritize some outfalls, to see if there are any problems or see if something may have been missed. There is a program that has been drafted and which PDA will be implementing. In order for PDA to enforce it we are putting

it into the zoning regulations. General Counsel Lynn Marie Hinchee (“Hinchee”) indicated that one of the aspects of this is to give additional authority to the local municipalities who are the enforcement agent in the business/commercial/industrial side of the Tradeport, particularly the City of Portsmouth because the City has its own enforcement mechanisms for Portsmouth owners of property. Because the City manages the public works and the PDA roads it is necessary to ensure they have parallel rights at PDA vis-à-vis the leases without PDA having to take an action directly under the lease. PDA will provide some authority to its enforcement agents which is why the recommendation is that we spend time with the City and the Town to work with them on language before language is brought back which will then go to public hearing.

Disposition: Resolved by unanimous roll call vote for; motion carried.

#### X. **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. **Port Advisory Council Meeting Minutes of December 11, 2019**

Marconi indicated that the approved minutes of the December 11, 2019 meeting were included for the Board’s review.

Marconi indicated that the Hampton/Seabrook dredging has been completed and approved by the Army Corps of Engineers, all moorings are back in place and doing a final accounting of that. Marconi stated to the Board that when the bid came in the cost per cubic yard was less than anticipated so waiting to see final financials concerning that.

Marconi indicated that on Monday he went before the Capital Budget Overview Committee (“CBOC”) and the CBOC approved the not to exceed the expenditure core samplings in Rye Harbor. The project is moving along and as explained at the last meeting Marconi wants to make sure that all DPH requirements are in place so that DPH doesn’t hold up the Corps when they want to go out to bid for the project.

Regarding the Portsmouth Fish Pier, Marconi indicated that the wetlands permit had been submitted through the City of Portsmouth to NHDES for the reconstruction of the seawall. Last week DPH went before the Conservation Commission (“CC”), which is required under DES regulations, and the CC voted to recommend the project to NHDES.

The MARAD Build Grant is being reviewed at the Attorney General’s office and it is DPH’s hope that it will be placed on the next scheduled meeting for the Fiscal Committee and then onto a Governor and Council meeting for approval.

Marconi indicated that there have been many salt ships into the port and that he has ships coming in Monday or Tuesday and another ship a week after that.

Lamson stated that Marconi has a great crew that works for him at the Port; Marconi affirmed and further stated that they are exceptional group of people who take their jobs seriously and do a great job.

**B. Approvals:**

**1. Initial Proposed Schedule of Pilotage Fees and Pilotage Unit Rates and Initial Proposed Amendment PART Pda 311 PILOTAGE FEES**

Director Levesque moved the motion and Director Torr seconded that **the Pease Development Authority Board of Directors hereby approves of the Initial Proposed Schedule of Pilotage Fees and Pilotage Unit Rates and Initial Proposed Amendment PART Pda 311 PILOTAGE FEES, and authorizes the Division Director to take any necessary or recommended action in furtherance of this matter; all in accordance with the memorandum of Geno J. Marconi, Division Director, dated January 9, 2020.**

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

**XI. New Business:**

**XII. Upcoming Meetings:**

Board of Directors

March 19, 2020 @ 8:30 a.m.

All Meetings begin at 8:30 a.m. unless otherwise posted.

**XIII. Directors' Comments:**

**XIV. Non-Public Session:**

Director Loughlin moved the motion and Director Lamson 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 Lease / Sale of Property; and Security Issues.**

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

Went into non-public session at **9:58 a.m.** and returned to public session per vote in non-public session at **10:45 a.m.**

**XV. Vote of Confidentiality:**

Director Allard moved the motion and Director Lamson seconded that **be it 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 and decisions reached in the non-public session of its January 16, 2020 meeting related to acquisition, sale or lease of property and security matters would, if disclosed publically render the proposed actions ineffective and compromise the emergency functions pertaining to security; and further 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 unanimous roll call vote for; motion carried.

**XVI. Adjournment:**

Director Loughlin moved the motion and Director Lamson seconded to adjourn the Board meeting. Meeting adjourned at 10:46 a.m.

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

**XVII. Press Questions:**

No members of the press attended the meeting.

Respectfully submitted,



David R. Mullen  
Executive Director/Secretary





April 6, 2020

Peter Loughlin, Audit Committee Chair  
David Mullen, Executive Director  
Pease Development Authority  
55 International Drive  
Portsmouth, NH 03801

Dear Peter:

We are pleased to confirm our understanding of services we are to provide for Pease Development Authority, a component unit of the State of New Hampshire (the Authority) for the year ending June 30, 2020.

Berry Dunn McNeil & Parker, LLC (BerryDunn) will audit the basic financial statements of the Authority, which comprise the statement of net position as of June 30, 2020 and the related statements of revenues, expenses and changes in net position and cash flows for the year then ending, and the related notes to the basic financial statements. U.S. generally accepted accounting standards provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Authority's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Authority's RSI in accordance with U.S. generally accepted auditing standards. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Schedule of Collective Net Pension Liability
3. Schedule of Employer Contributions (Net Pension Liability)
4. Schedule of Collective Net OPEB Liability (NHRS OPEB Plan)
5. Schedule of Employer Contributions (NHRS OPEB Plan)
6. Schedule of Collective Net OPEB Liability (State OPEB Plan)
7. Notes to the Required Supplemental Information

We have also been engaged to report on the schedule of expenditures of federal awards, which is supplementary information other than RSI that accompanies the Authority's basic financial statements. We will subject the schedule of expenditures of federal awards to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards, and we will provide an opinion on it in



relation to the financial statements as a whole in a separate written report accompanying our auditor's report on the financial statements.

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information:

1. Listing of the Board of Directors
2. Financial Highlights

### **Audit Objectives**

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the third paragraph when considered in relation to the financial statements taken as a whole. The objective also includes reporting on:

- Internal control over financial reporting and compliance with the provisions of laws, regulations, contracts and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs, and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with U.S. generally accepted auditing standards, the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the Single Audit Act Amendments of 1996, and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such an opinion. We will issue written reports upon completion of our single audit. Our reports will be addressed to the Board of Directors of the Authority. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph. If our opinion on the financial statements or

supplementary information or the single audit compliance opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or issue reports, or we may withdraw from this engagement.

Professional standards require that we communicate certain matters to those charged with governance. We plan to communicate those matters in a letter.

### **Audit Procedures – General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Authority or to acts by management or employees acting on behalf of the Authority. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from the Authority's attorneys as part of the engagement, and they may bill the Authority for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from management about its responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts and grant agreements; and other responsibilities required by U.S. generally accepted auditing standards.

### **Audit Procedures – Internal Control**

Our audit will include obtaining an understanding of the Authority and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial



statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under American Institute of Certified Public Accountants professional standards, *Government Auditing Standards* and the Uniform Guidance.

#### **Audit Procedures – Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Authority's compliance with provisions of applicable laws, regulations, contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the Authority's major federal programs. The purpose of these procedures will be to express an opinion on the Authority's compliance with requirements applicable to each of its major programs in our reports on compliance issued pursuant to the Uniform Guidance.

#### **Management Responsibilities**

Management is responsible for (1) designing, implementing, and maintaining effective internal controls, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts and grant agreements. Management is also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Management's responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is responsible for making all financial records and related information available to us, and for the accuracy and completeness of that information. Management is also responsible for providing us with (1) access to all information of which it is aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the Authority from whom we determine it necessary to obtain audit evidence.

Management's responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance, and for the accuracy and completeness of that information. Management's responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Authority involving (1) management, (2) employees who have significant roles in internal control, or (3) others where the fraud could have a material effect on the financial statements. Management's responsibilities include informing us of its knowledge of any allegations of fraud or suspected fraud affecting the Authority received in communications from employees, former employees, grantors, regulators, or others. In addition, management is responsible for identifying and ensuring that the Authority complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review during our interim fieldwork.

Management is responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. Management agrees to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. Management also agrees to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon. Management's responsibilities include acknowledging to us in the written representation letter that (1) management is responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) management believes the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior year (or, if they have changed, the reasons for such changes); and (4) management has disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits or studies. Management is also responsible for providing its views on our current findings, conclusions, and recommendations, as well as its planned corrective actions for the report and for the timing and format for providing that information.

Management agrees to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, related notes, and any other nonaudit services we provide. Management will be required to acknowledge in the management representation letter our assistance with preparation of financial statements, schedule of expenditures of federal awards, and related notes and that management has evaluated the adequacy of our services and has reviewed and approved the results of the services, the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, management agrees to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

#### **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies for our report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's report or nine months after the end of the audit period.

We will provide copies of our reports to the Authority; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection if called for by applicable requirements.

The audit documentation for this engagement is the property of BerryDunn and constitutes confidential information. Notwithstanding the foregoing, we understand and acknowledge that documentation generated as a result of the audit is subject to the provisions of the New Hampshire RSA 91-A (the State's Right to Know Law). Here too, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a grantor agency or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify management of any such request. If requested, access to such audit documentation will be provided under the supervision of BerryDunn personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the



aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the date of the auditor's report or for any additional period requested by federal agencies. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

I am the engagement principal and responsible for supervising the engagement and signing the report. We expect to begin our engagement on June 15, 2020 and to issue our reports no later than October 31, 2020.

In the event that we receive a subpoena or summons requesting that we produce documents from this engagement or testify about the engagement, we will notify you prior to responding to it if we are legally permitted to do so. You may, within the time permitted for us to respond to the request, initiate such legal action as you deem appropriate to protect the information from discovery. If you take no action within the time permitted for us to respond or if your action does not result in a judicial order protecting us from supplying requested information, we may construe your inaction or failure as consent to comply with the request. You agree to reimburse us for our time and out-of-pocket expenses, including attorney's fees, incurred in response to any such subpoena or summons.

We reserve the right to suspend or terminate our work in the event we do not receive timely payment of our billing statements. In the event that our work is suspended or terminated as a result of nonpayment, you agree that we will not be responsible for your failure to meet government and other filing deadlines, or for penalties or interest that may be assessed against you resulting from your failure to meet such deadlines.

Our billings for the services set forth in this letter, which will be based upon our rates for this type of work, will be rendered during the engagement and are payable upon receipt. A late charge is added on all unpaid bills in excess of 30 days at an annual rate of 18% (1½% per month). This engagement includes only those services specifically described in this letter. Appearances before judicial proceedings or government agencies such as the Internal Revenue Service or other regulatory bodies, arising out of this engagement, will be billed to you separately. Fees for the above will not exceed \$55,500. Out-of-pocket expenses for the above services will be billed separately and will not exceed \$800.

We have endeavored to provide for a fixed fee for this engagement. Our fee is based on the assumption that your staff will be well prepared for the engagement and have available any requested documents prior to the start of our work. Our fee also does not provide for any additional time should we encounter any unusual or out of scope situations for which we have not planned, or if consulting services are necessary for any financial reporting or tax matters. In the event we encounter any of these circumstances while performing our engagement, we will endeavor to inform you to discuss any additional procedures necessary, as well as the impact that this might have on our fee.

In addition to the services described in this letter, we would be pleased to discuss additional services we may provide to Authority. Any such nonaudit services, the scope of which would not constitute an audit conducted under, and will not be conducted in accordance with, *Government Auditing Standards*, will not involve performing management functions or making management decisions. In performing any such services, you and we hereby mutually understand and agree that management is responsible for the substantive outcomes of the subject matter of the services and, therefore, has a responsibility to be in a position in fact and appearance to make an informed judgment on the results of the services.

Management also will be responsible for the following:

- Designating an individual who possesses suitable skill, knowledge and/or experience, preferably within senior management, to oversee the service. That individual will be the signer of this letter unless another individual is designated in writing.
- Establishing and monitoring the performance of the service to ensure that it meets management's objectives.
- Assuming all responsibilities that involve management functions related to the service and accepting full responsibility for the results of such service.
- Evaluating the adequacy of the services performed and any findings that result.
- Establishing and maintaining internal controls, including monitoring ongoing activities and custody of all the Authority's assets.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

BERRY DUNN McNEIL & PARKER, LLC

By: Renee Bishop  
Renee Bishop, CPA | Principal

The foregoing letter correctly sets forth our understanding and is accepted by us.

PEASE DEVELOPMENT AUTHORITY

By: \_\_\_\_\_  
Mr. Peter Loughlin, Audit Committee Chair

\_\_\_\_\_  
Date

By: \_\_\_\_\_  
Mr. David Mullen, Executive Director

\_\_\_\_\_  
Date



Auditor Communications  
Board of Directors

Presented By  
Renee Bishop, Rob Smalley and Katy Balukas  
April 16, 2020



**1** REQUIRED AUDITOR  
COMMUNICATIONS

**2** PLANNED  
SIGNIFICANT AUDIT  
AREAS

**3** AUDIT TIMING

**4** PLANNING INQUIRIES



## REQUIRED AUDITOR COMMUNICATIONS

### MANAGEMENT RESPONSIBILITIES

- Preparation and fair presentation of the financial statements
- Design, implementation and maintenance of effective internal controls

### OUR RESPONSIBILITIES

- Express an opinion on the financial statements
- Audit is designed to obtain reasonable assurance that the financial statements are free from material misstatement
- We will not opine on the RSI or Other Information
- Audit does not relieve management and those charged with governance of their responsibility



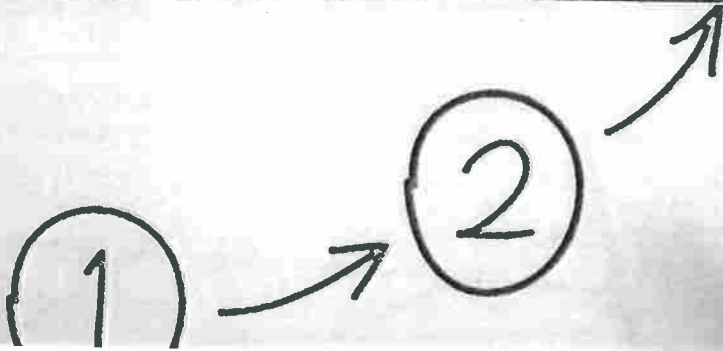


### **REQUIRED SUPPLEMENTARY INFORMATION**

- Management's Discussion and Analysis
- Schedule of Collective Net Pension Liability
- Schedule of Employer Contributions to Pension Plan
- Schedule of Collective Other Post-Employment Benefits (OPEB) Liability for NHRS and State Plans
- Schedule of Employer Contributions to OPEB Plan for NHRS Plan
- Notes to the Required Supplementary Information

### **OTHER INFORMATION**

- Board of Directors
- Financial Highlights



### PLANNING AND PERFORMING THE AUDIT

- We consider internal control, but do not express an opinion on it
- We perform tests in key audit areas; those tests may change from year to year
- We are not aware of any relationships that impair our independence

### FEDERAL COMPLIANCE AUDIT

- We will issue an opinion on PDA's compliance with the direct and material requirements of each major program
- We will provide an opinion on the schedule of expenditures of federal awards in relation to the financial statements
- We will consider internal controls over compliance with the requirements that could have a direct and material effect on a major program, but do not express an opinion on internal controls over compliance
- We will perform certain tests of PDA's compliance with laws, regulations, contracts, and grants, but will not issue an opinion

### COMMUNICATIONS AT THE CONCLUSION OF THE AUDIT

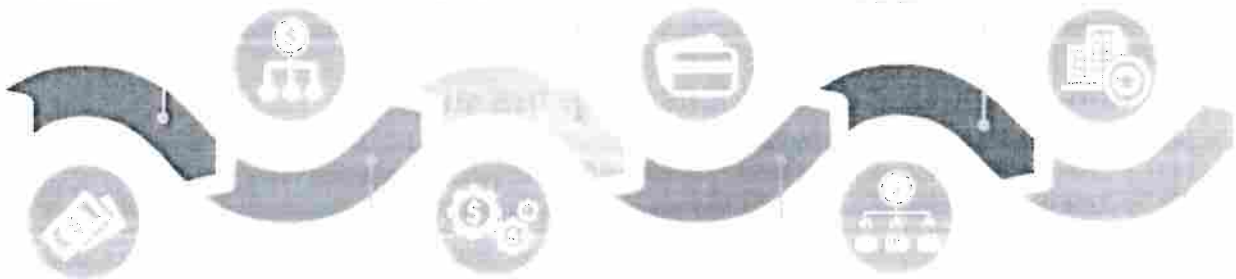
- Qualitative aspects of accounting practices
  - GASB 84 – Fiduciary Activities – effective for the period beginning after December 15, 2018\*
  - GASB 87 – Leases – effective for the period beginning after December 15, 2019\*
  - GASB 89 - Accounting for Interest Costs Incurred before the End of a Construction Period – effective for period beginning after December 15, 2019\*
- Significant audit adjustments, if any
- Unrecorded (passed) audit adjustments, if any
- Difficulties, disagreements, and consultations with other accountants
- Management representations
- Internal control matters, if identified

**PLANNED SIGNIFICANT AUDIT AREAS**

**CASH AND CASH  
EQUIVALENTS**

**CAPITAL ASSETS  
AND EXPENDITURES**

**PAYROLL AND RELATED  
LIABILITIES (PENSION AND OPEB)**

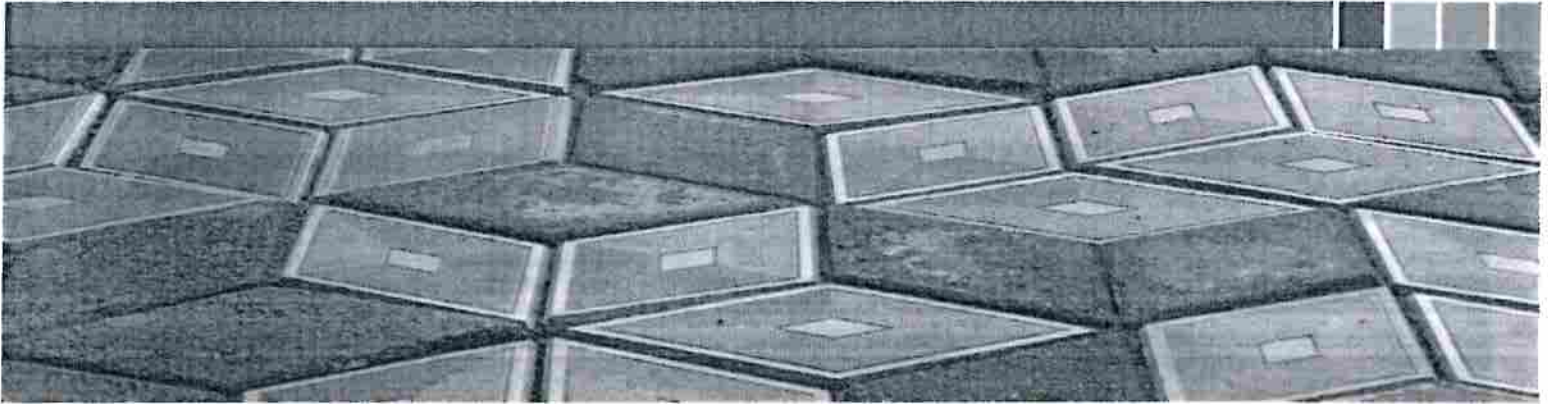


**ACCOUNTS RECEIVABLE AND  
REVENUE RECOGNITION**

**ACCOUNTS PAYABLE AND  
ACCRUED EXPENSES**

**FEDERAL FINANCIAL  
ASSISTANCE PROGRAM**

Interim Fieldwork	Year-End Fieldwork	Draft Reports Provided to Management	Audit Committee Presentation
<ul style="list-style-type: none"> <li>• Financial statement planning procedures</li> <li>• Initial testing for compliance audit</li> <li>• Week of June 15, 2020</li> <li>• Observation of inventory count procedures on June 30, 2020</li> </ul>	<ul style="list-style-type: none"> <li>• Year-end substantive procedures for the financial statement audit</li> <li>• Concluding procedures for compliance audit</li> <li>• Week of August 31, 2020</li> </ul>	<ul style="list-style-type: none"> <li>• Financial Statements</li> <li>• Required Communications Letter</li> <li>• Uniform Guidance Reports</li> <li>• No later than September 18, 2020</li> </ul>	<ul style="list-style-type: none"> <li>• Audit Executive Summary</li> <li>• Financial Statements</li> <li>• Required Communications Letter</li> <li>• Uniform Guidance Reports</li> <li>• October 13, 2020</li> </ul>



What does the Board anticipate for 2020 Results?

Are you aware of any significant, complex, or unusual transactions that we should consider during the audit?

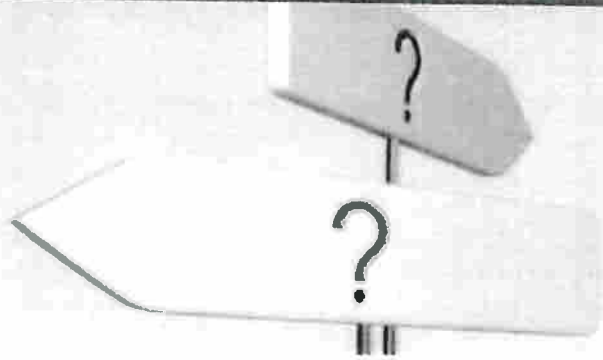
Are you aware of any significant turnover that might impact the audit or internal controls of the Authority?

What is the Board's role in the oversight of management's processes for identifying and responding to fraud risks and the controls established to mitigate those risks?

Are you aware of any claims, risks, or uncertainties

Are there any specific areas of emphasis the Board would like us to consider during the design of our audit procedures?





**Renee Bishop, CPA**  
Principal  
207.942.1600  
rbishop@berrydunn.com



**Rob Smalley, CPA**  
Senior Manager  
603.518.2627  
rsmalley@berrydunn.com

**Katy Balukas, CPA**  
Manager  
603.518.2648  
kbalukas@berrydunn.com



*This communication is intended solely for the information and use of the Board of Directors, Audit Committee, and management and is not intended to be, and should not be, used by anyone other than these specified parties.*








# PEASE INTERNATIONAL

55 International Drive, Portsmouth, NH 03801

## DEVELOPMENT AUTHORITY

Date: April 6, 2020

To: David Mullen, Executive Director

From: Irv Canner, Director of Finance 

Subject: Executive Summary- Financial Reports

In anticipation of the upcoming April 23<sup>rd</sup> Pease Development Authority Board meeting, the following is an Executive Summary of the four financial reports for your review and comment:

### Report #1- Financial Report for the Eight Month Period Ending February 29, 2020

#### Income Statement (Page #2)

Actual operating revenues of \$11,310,000 are 4.2% above budget primarily due to the increase in fee revenues associated with wharfage and dockage, golf course related public play revenues and Grill 28 concession fees. Slightly offsetting these revenue gains were the decreased fuel revenues associated with the Portsmouth Fish Pier and the reconstruction of the pier wall.

Actual operating expenses of \$8,640,000 are 2.0% below budget primarily due to expense under runs in marketing and the cost of fuel at the Portsmouth Fish Pier. To a lesser extent budget underruns have been incurred due to the less than expected winter snow season.

The resulting Operating Income of \$2,670,000 is \$639,000 greater than expected which directly contributed to our ability to address internal working capital requirements without the need to draw-down from the \$15,000,000 Revolving Line of Credit (RLOC) with the Provident Bank.

#### Balance Sheet (Page #8)

The overall financial health of the PDA remains strong providing \$9,491,000 in current assets and \$3,580,000 in current liabilities. Currently the PDA has no debt outstanding including full access to the \$15,000,000 RLOC with the Provident Bank. The final debt payment to the City of Portsmouth in support of the waste-water treatment facility was made in January 2020. During the eight-month period unrestricted cash balances decreased by \$560,000 to \$6,989,000 due to the following activities:

Operating Income	\$ 2,670,000
Capital Expenditures	(4,244,000)
Accounts Receivables	794,000
All Other- Net	<u>220,000</u>
Total	\$ <u>(560,000)</u>



TAKING YOU THERE

1 | Page

**Report #1- Financial Report for the Eight Month Period Ending February 29, 2020** (continued):

The more significant capital expenditures during the period include:

• PSM Terminal Expansion / Phase I	\$ 2,883,000
• PSM Runway Reconstruction Project	754,000
• Functional Replacement- Barge Dock	186,000
• PFP Repair and Construction	133,000
• All Other	<u>288,000</u>
Total	\$ <u>4,244,000</u>

The net pension and OPEB liability for the PDA remains at \$14,897,000. It is anticipated that the updated projections will be received from the actuarial consultants during April 2020.

As noted on page #5, the current PDA Organization Chart reflects 65 filled benefited positions and 2 open benefited positions.

**Business Unit Performance**

**Portsmouth Airport**

Operating revenues total \$1,155,000 which is approximately 4.4% below budget. The primary reason is the budget under-run in pay for parking revenues. Unbudgeted aviation fees have somewhat offset the lower pay for parking revenues. Current enplanements are less than the prior year.

**Skyhaven Airport**

Operating revenues total \$137,000 which is approximately 4.5% above budget. The primary reason is level of fuel sales being 9.5% above budgeted revenues. Cumulative net cash flow losses, since accepting the operational responsibilities for Skyhaven Airport, now total \$(1,721,000).

**Tradeport**

Operating revenues total \$6,306,000 which is approximately 2.3% above budget. The primary reason for the favorable variance is associated with rental of facilities.

**Golf Course**

Operating revenues total \$1,782,000 which is approximately 19.4% above budget. The primary reasons are associated with public play at the golf course and increased level of concession revenues associated with Grill 28. Gross revenues at the Grill 28 are 10.7% greater than the prior eight-month period.

**Division of Ports and Harbors**

Operating revenues total \$1,778,000 which is approximately 3.1% greater than budget. The lost fuel sales at the Portsmouth Fish Pier have been offset by wharfage and dockage fee revenues

## **Report #2- Cash Flow Projections for the Nine Month Period Ending December 31, 2020**

During the next nine-month period internal cash flow projections are dominated by approximately \$33,501,000 in capital expenditures primarily in support of the PSM Runway Reconstruction Project and the PSM Terminal Expansion. Of these monies, \$25,210,000 will be grant funded requiring the PDA to draw upwards of \$11,500,000 through our RLOC with the Provident Bank. Based on current expectations of actual grant reimbursements of \$22,181,000 during this period, the net debt outstanding is projected at \$6,700,000.

Revenue projections have been lowered due to the coronavirus environment as associated with the closure of the golf course and Grill 28 operations. To a lesser extent PSM Pay for Parking revenues are also anticipated to be less than budgeted.

Page # 3 provides the detailed monthly cash flow projections noting the minimum cash balances remain at approximately \$1,000,000 to allow the PDA to address its ongoing working capital requirements. Again, a critical component in developing these cash flow projections is the timely reimbursement process associated with grant funded capital projects.

## **Report #3- Semi-Annual Filing to the EDA at December 31, 2019**

We made a timely filing of our six month report to the EDA during January, 2020. As of December 31, 2019, the fund balance was approximately \$1,218,000 including a total of 22 loans outstanding with a balance due of \$1,051,000. Page #4 provides the current loan portfolio. At the present time there are no delinquent loans.

Given the coronavirus uncertainty, we are exploring with the Revolving Loan Fund Committee possible relief measures with the EDA including the deferral of loan payments for a period of time and or an interest rate reduction. EDA regulations provide the opportunity to adjust borrowing rates to the lessor of 4.0% or 75% of the prime rate as listed in the Wall Street Journal. At present all loans carry a 4.0% interest rate obligation.

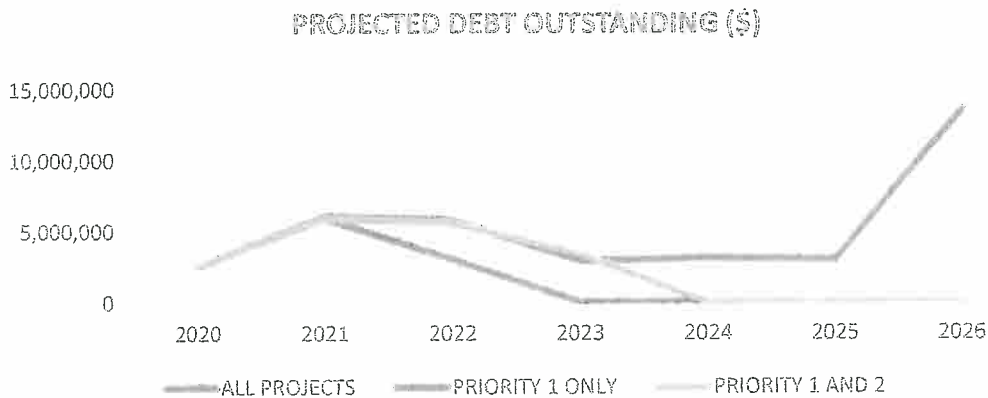
## **Report #4- Capital Improvement Plan for the Period FY 2020 – FY 2026**

The PDA organization undertook its annual Capital Improvement Plan Update with the intent to prioritize all capital project requests based upon either safety, security, regulatory compliance and or demand forecast associated with growth at the PSM. In total, 76 capital projects were identified representing approximately \$111,434,000 in total funding including 21 grant funded projects (\$70,659,000) and 55 internally funded projects (\$40,775,000). If in fact all capital project were approved, the PDA would need to absorb an estimated \$13,500,000 in external debt by the end of FY 2026.

**Report #4- Capital Improvement Plan for the Period FY 2020 – FY 2026** (continued):

The prioritization process provided the following funding allocation:

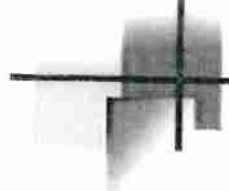
- **Priority #1-** Safety, Security and Regulatory Compliance (\$52,521,000)
  - PSM Runway Reconstruction Project
  - PSM Terminal Expansion / Phase I
  
- **Priority #2-** Demand Forecasted (\$46,283,000)
  - PSM Terminal Expansion / Phase II
  - Tradeport Roadway Intersections
  
- **Priority #3-** Major Demand Forecasted (\$12,630,000)
  - PSM Airport Loop Road
  - PSM Airfield Snow Melter



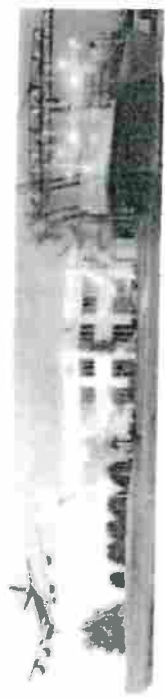
It is anticipated that Priority #1 capital projects will be the focus of capital expenditures going forward. As noted in the above graph, all outstanding debt would be repaid by the end of FY 2023. If however, Priority #2 projects were approved it wouldn't be until the end of FY 2024 where outstanding debt would be repaid. To accept all proposed capital projects, full debt relief would not be achieved until approximately the end of FY 2031.

It should also be noted that the Federal Aviation Administration requires Airport Improvement Plan eligible capital projects to be identified in the company's seven year Capital Improvement Plan for grant fund eligibility. As in the past, the Capital Improvement Plan serves only as a guide and that each individual project would have to come forward for PDA Board review and approval.

At your convenience, I would be pleased to address any questions or supplemental information you may need.



**FY 2020 FINANCIAL REPORT  
FOR THE EIGHT MONTH PERIOD  
ENDING FEBRUARY 29, 2020**



**BOARD OF DIRECTORS MEETING  
APRIL 23, 2020**



# CONSOLIDATED STATEMENT OF REVENUES AND EXPENSES

## FOR THE EIGHT MONTH PERIOD ENDING

### FEBRUARY 29, 2020

(\$ 000's)

**BUDGET VARIANCE ANALYSIS**

- \* OPERATING REVENUES- **HIGHER BY 4.2%** ...
- \* 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 PPP FUEL DELIVERY LOSS
- \* OPERATING COSTS **LOWER BY 3.0%** ...
  - DPH AND DAW FUEL EXPENSE HIGHER TO OFFSET FUEL SALES AT PORTSMOUTH FISH PIER
  - HEALTH INSURANCE PRELIMINARY RATE STRUCTURE MODIFIED- OPEB IMPACT
  - IMPACT OF LIGHTER WINTER SEASON
  - COMPREHENSIVE FY 2019 YEAR END CUT-OFF PROCEDURES (JULY-AUGUST)

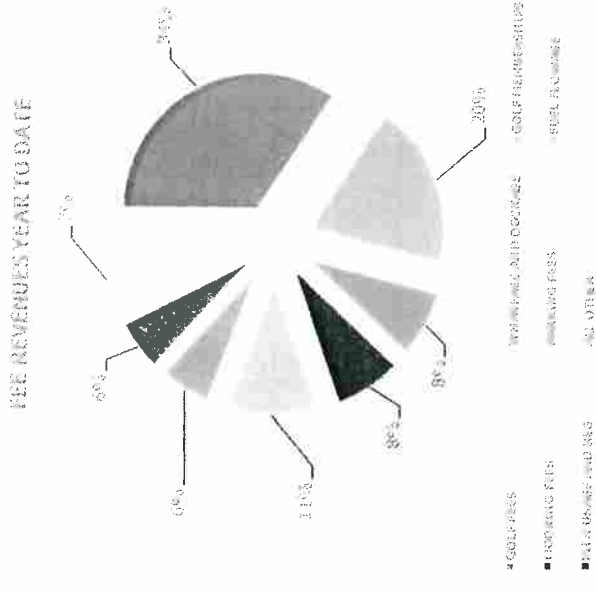
	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	CURRENT YEAR BUDGET
OPERATING REVENUES (PAGE #3)	11,310	10,850	460	10,237
OPERATING EXPENSES				
PERSONNEL SERVICES AND BENEFITS (PAGE #4 AND #5)	4,880	4,746	134	7,188
BUILDINGS AND FACILITIES MAINTENANCE	1,469	1,530	(61)	2,223
GENERAL AND ADMINISTRATIVE (PAGE #6)	888	847	41	1,295
UTILITIES (PAGE #6)	505	489	16	716
PROFESSIONAL SERVICES (PAGE #6)	268	178	90	309
MARKETING AND PROMOTION	110	212	(102)	327
ALL OTHER (PAGE #6)	520	817	(297)	1,265
OPERATING INCOME	3,670	2,031	639	2,914
NONOPERATING (INCOME) AND EXPENSE (PAGE #7)	(129)	187	(316)	281
DEPRECIATION	3,380	4,201	(821)	6,302
NET OPERATING INCOME	(581)	(2,357)	1,776	(3,669)



# CONSOLIDATED OPERATING REVENUES FEBRUARY 29, 2020

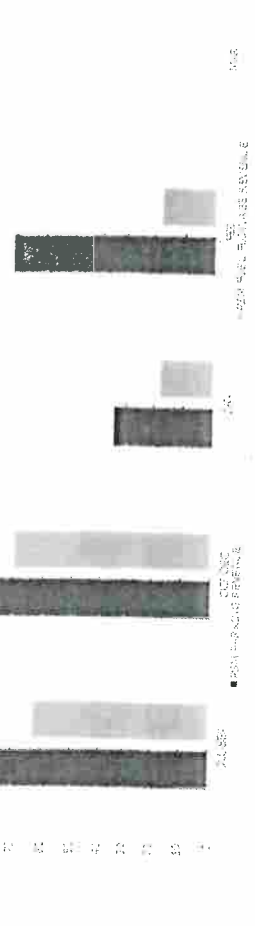
(\$ 000's)

	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VAR	CURRENT YEAR BUDGET
RENTAL OF FACILITIES	7,086	6,907	179	10,091
FEE REVENUES (SEE PIE CHART)	3,008	2,739	269	4,296
FUEL SALES (SEE TABLE BELOW)	352	621	(269)	914
CONCESSION REVENUE	262	210	52	326
GOLF MERCHANDISE	165	134	31	235
ALL OTHER - NET	437	239	198	375
	<b>11,310</b>	<b>10,850</b>	<b>460</b>	<b>16,237</b>



	PSM YEAR TO DATE ACTUAL	PSM YEAR TO DATE BUDGET
PARKING	267	513
FUEL FLOWAGE	166	143

	ACTUAL	BUDGET	VARIANCE
FUEL SALES		340	(340)
PORTSMOUTH FISH PIER			
RYE HARBOR	158	100	58
HAMPTON HARBOR	148	138	10
SKYHAVEN AIRPORT	46	43	3
	<b>352</b>	<b>621</b>	<b>(269)</b>



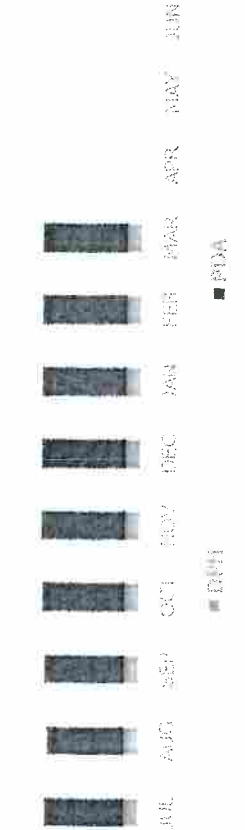
# CONSOLIDATED PERSONNEL SERVICES AND BENEFITS FOR THE EIGHT MONTH PERIOD ENDING FEBRUARY 29, 2020

(\$ 000's)

## CURRENT STAFF ANALYSIS (FILLED POSITIONS) AS OF APRIL 1, 2020

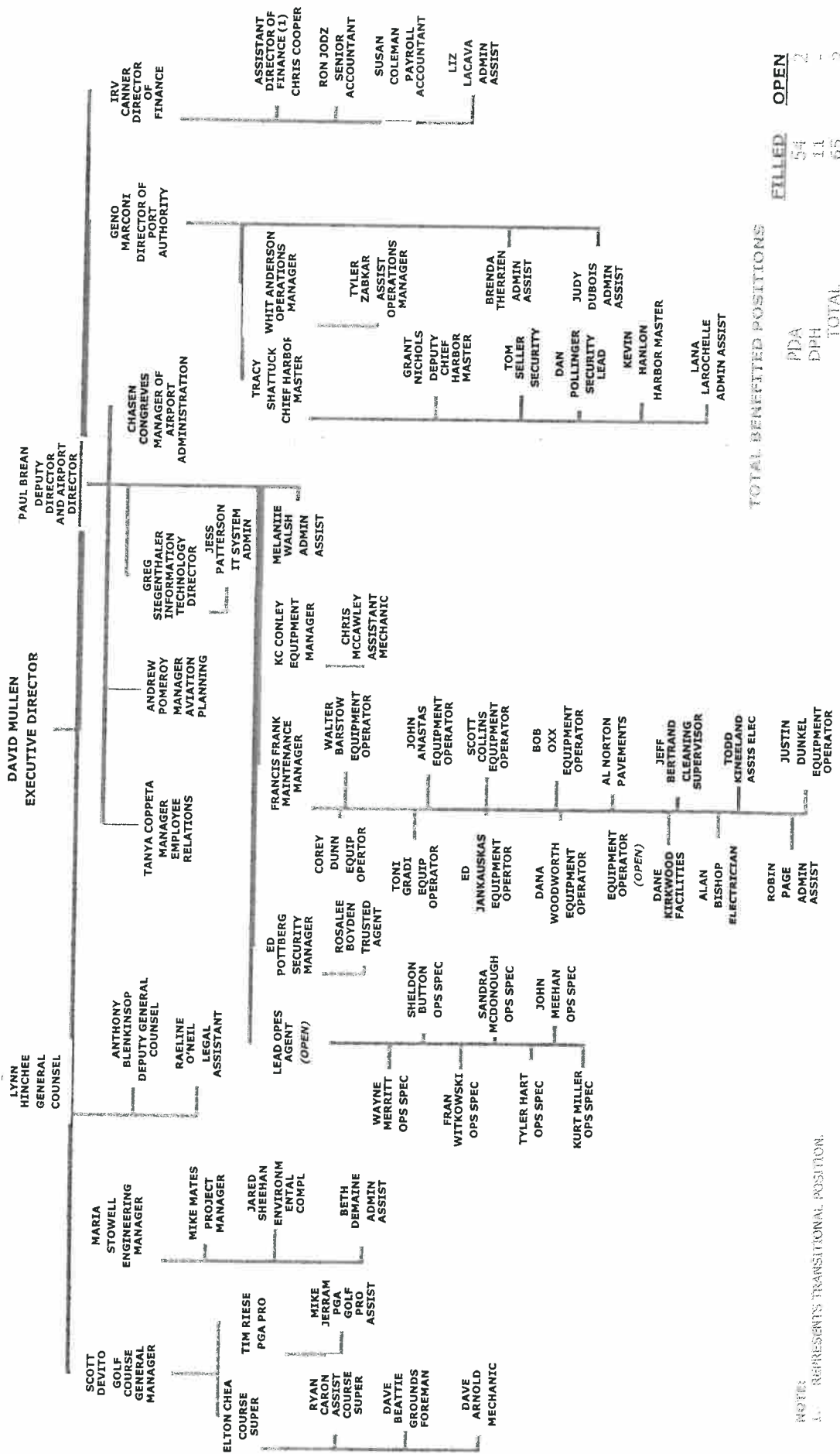
	SAL/ REN	HR/ BEN	HR/ NON	SE	TOTAL
MAINTENANCE	-	18	5	5	28
PORT AIRPORT	5	10	16	-	29
PORT AUTHORITY	1	10	4	9	24
GOLF COURSE	3	4	-	15	22
FINANCE	3	2	-	-	5
ENGINEERING	3	1	-	-	4
LEGAL	2	1	-	-	3
DATA/AIRPORT	-	-	3	-	3
TECHNOLOGY	1	1	-	-	2
HUMAN RESOURCES	1	-	-	-	1
EXECUTIVE	1	-	-	-	1
<b>TOTAL</b>	<b>18</b>	<b>42</b>	<b>28</b>	<b>32</b>	<b>122</b>

## FILLED BENEFITED POSITIONS



	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	CURRENT YEAR BUDGET
<b>PERSONNEL SERVICES</b>				
BENEFITED	2,810	2,892	(49)	9,167
NON-BENEFITED	536	518	18	792
OVERTIME	265	167	99	254
AWARDED VACATION/SICK	14	-	14	-
CHARGE-OUT	3,820	3,537	283	5,213
	(65)	(30)	35	-
	3,755	3,507	248	5,213
<b>FRINGE BENEFITS</b>				
HEALTH INSUR	309	814	5	1,408
RETIREMENT	450	566	84	668
DENTAL INSURANCE	47	46	(1)	71
EPIC PSYCHIATRY P	33	19	12	28
CHARGE-OUT	1,347	1,292	100	4,975
	(30)	(8)	-	-
	1,317	1,284	100	4,975
<b>TOTAL</b>	<b>9,889</b>	<b>9,749</b>	<b>140</b>	<b>24,888</b>

# PEASE DEVELOPMENT AUTHORITY CURRENT ORGANIZATION CHART



TOTAL BENEFITED POSITIONS

OPEN	2
FILLED	54
PDA	11
DPH	11
TOTAL	65

NOTE: L.O. REPRESENTS TRANSITIONAL POSITION.



**CONSOLIDATED NONOPERATING (INCOME) EXPENSE  
FOR THE EIGHT MONTH PERIOD ENDING  
FEBRUARY 29, 2020**

(\$ 000's)

	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	CURRENT YEAR BUDGET	<i>INTEREST EXPENSE</i>	
					YEAR TO DATE	FISCAL BUDGET
INTEREST EXPENSE	3	206	(203)	310	-	305
INTEREST INCOME AND OTHER	(53)	(19)	(34)	(29)	3	5
GAIN ON ASSET DISPOSITION	(79)	-	(79)	-	3	<u>310</u>
	<u>(129)</u>	<u>187</u>	<u>(316)</u>	<u>281</u>		

# CONSOLIDATED STATEMENTS OF NET POSITION

(\$000's)

ASSETS	JUN 30 2019	FEB 29 2020	JUN 30 2019	FEB 29 2020	CASH AND EQUIVALENTS AT FEBRUARY 29, 2020	UNRESTRICTED	RESTRICTED
<b>CURRENT ASSETS</b>							
CASH AND EQUIVALENTS	7,549	6,989	2,100	2,087			
ACCOUNTS RECEIVABLE- NET	1,084	1,978	520	841			
OTHER ASSETS	586	524	573	652	PEASE DEVELOPMENT AUTHORITY		
<b>TOTAL CURRENT ASSETS</b>	<b>9,219</b>	<b>9,491</b>	116	-	GENERAL FUNDS	5,408	-
<b>RESTRICTED ASSETS</b>					TENANT ESCROW	14	-
CASH AND EQUIVALENTS	579	432	<u>2,309</u>	<u>2,580</u>		<u>5,422</u>	-
ACCOUNTS RECEIVABLES- NET	1,012	1,032	11,676	11,676	DIVISION OF PORTS AND HARBORS		
<b>TOTAL RESTRICTED ASSETS</b>	<b>1,591</b>	<b>1,464</b>	<u>12,296</u>	<u>12,256</u>	GENERAL FUNDS	277	-
<b>CAPITAL ASSETS</b>					HARBOR MANAGEMENT	1,290	-
LAND, BUILDINGS AND EQUIPMENT	61,247	60,854	<u>3,221</u>	<u>3,221</u>	REVOLVING LOAN- FISHERY FUND		191
CONSTRUCTION IN PROCESS (PAGE #10-#40)	3,320	4,552	63,931	64,565	HARBOR DREDGING		231
<b>TOTAL ASSETS</b>	<b>64,667</b>	<b>65,406</b>	1,204	1,217	FOREIGN TRADE		10
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					<b>TOTAL</b>	<b>6,989</b>	<b>432</b>
PENSION / OPEB	134	(20)	134	(20)			
FOREIGN TRADE ZONE	4	10	4	10			
UNRESTRICTED	(7,054)	(6,858)	(7,054)	(6,858)			
<b>TOTAL NET POSITION</b>	<b>1,564</b>	<b>1,564</b>	<u>58,219</u>	<u>58,914</u>			



# SUMMARY OF INTERGOVERNMENTAL RECEIVABLES AS OF FEBRUARY 29, 2020

(\$ 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 RUNWAY 16-34 RECONSTRUCTION (AIP 64)	07-06-19	24,035	17,369	588	(74)	-	514	-
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	2,496	-	2,372	124	-
PSM TERMINAL BUILDING EXPANSION (AIP 62)	11-01-18	1,730	1,644	-	-	-	-	-
DAW TAXILANE PAVEMENT AND DRAINAGE CONSTRUCTION (S86 07-2016)	09-22-16	1,830	1,738	1,492	(75)	1,417	-	-
DPH UPGRADE PORT SECURITY AND SOFTWARE	-	58	58	58	-	58	-	-
DPH FUNCTIONAL REPLACEMENT- BARGE DOCK	-	5,000	-	1,216	-	1,216	-	-
DPH MAIN PIER REHABILITATION	-	5,003	-	74	-	74	-	-
DPH HAMPTON HARBOR DREDGING	-	118	-	95	-	52	43	43
DPH PPP REPAIR AND CONSTRUCTION	-	3,250	-	56	-	6	50	50
							<u>896</u>	<u>239</u>

# SUMMARY OF CONSTRUCTION WORK IN PROGRESS

(\$ 000's)

PROJECT NAME	BALANCE AT 06-30-19	CURRENT YEAR EXPENDITURES	TRANSFER TO PLANT IN SERVICE	NET CURRENT YEAR CHANGE	BALANCE AT 02-29-20
<b>PORTSMOUTH AIRPORT</b>					
TERMINAL EXPANSION (NON-GRANT)	1,301	2,716	(1,800)	916	2,217
RUNWAY 16-34 DESIGN (AIP 58)	896	1	(897)	(896)	-
PAY FOR PARKING PROJECT	6	12	(18)	(6)	-
RUNWAY 16-34 RECONSTRUCTION	-	754	-	754	754
RECONSTRUCT TAXIWAY B AND C	-	43	(43)	-	-
AIR NATIONAL GUARD	-	12	(12)	-	-
DOOR ACCESS CONTROL SYSTEM	-	5	(5)	-	-
L3798 SNOW PUSHER	-	24	-	24	24
TERMINAL EXPANSION (AIP 66)	-	163	-	163	163
TERMINAL EXPANSION (AIP 62)	-	4	-	4	4
	<u>2,203</u>	<u>3,734</u>	<u>(2,775)</u>	<u>959</u>	<u>3,162</u>

# SUMMARY OF CONSTRUCTION WORK IN PROGRESS

(CONTINUED):

(\$ 000's)

PROJECT NAME	BALANCE AT 06-30-19	CURRENT YEAR EXPENDITURES	TRANSFER TO PLANT IN SERVICE	NET CURRENT YEAR CHANGE	BALANCE AT 02-29-20
<b>SKYHAVEN AIRPORT</b>					
TAXILANE PAVEMENT AND DRAINAGE	=	<u>27</u>	<u>(27)</u>	=	=
<b>GOLF COURSE</b>					
CLUBHOUSE KITCHEN	4	4	(8)	(4)	-
BATHROOM RENOVATIONS	-	4	(4)	=	=
	4	8	(12)	(4)	=
<b>ADMINISTRATION</b>					
	=	=	=	=	=
<b>MAINTENANCE</b>					
BLUE DIAMOND BRUSH CUTTER	-	6	(6)	-	-
WEEDTECHNICS STEAM MACHINE	=	<u>22</u>	<u>(22)</u>	=	=
	=	<u>28</u>	<u>(28)</u>	=	=

# SUMMARY OF CONSTRUCTION WORK IN PROGRESS

(CONTINUED):

(\$ 000's)

PROJECT NAME	BALANCE AT 06-30-19	CURRENT YEAR EXPENDITURES	TRANSFER TO PLANT IN SERVICE	NET CURRENT YEAR CHANGE	BALANCE AT 02-29-20
<b>DIVISION OF PORTS AND HARBORS (DPH)</b>					
FUNCTIONAL REPLACEMENT- BARGE DOCK	1,071	186	-	186	1,257
PPP BULKHEAD REHAB (HDF)	20	47	(67)	(20)	-
MAIN PIER REHAB	19	55	(74)	(19)	-
PPP CONCEPT STUDY (HDF)	4	3	(7)	(4)	-
PPP REPAIR AND CONSTRUCTION	-	133	-	133	133
UPGRADE SECURITY	-	11	(11)	-	-
BARGE WHARF GUIDE PILLINGS	-	12	(12)	-	-
	<u>1,114</u>	<u>447</u>	<u>(171)</u>	<u>276</u>	<u>1,390</u>
<b>TOTAL</b>	<b>3,221</b>	<b>4,244</b>	<b>(3,013)</b>	<b>1,251</b>	<b>4,552</b>

# LONG TERM LIABILITIES AS OF FEBRUARY 29, 2020

(\$ 000's)

	CURRENT PORTION	LONG TERM PORTION	TOTAL AMOUNT DUE	<u>SCHEDULE OF LONG TERM LIABILITY REPAYMENT</u>	
				FISCAL YEAR	STATE OF NEW HAMPSHIRE (1)
STATE OF NEW HAMPSHIRE	91	182	273	2020	116
POST RETIREE HEALTH CARE PROGRAM (1)				2021	91
CLF PENALTY	400	-	400	2022	91
STATE OF NEW HAMPSHIRE	-	252	252	2023	91
ACCRUED SICK LIABILITY	-	100	100		273
	<u>491</u>	<u>534</u>	<u>1,025</u>	<i>PAID IN FY 2020</i>	<u>116</u>
					<u>273</u>

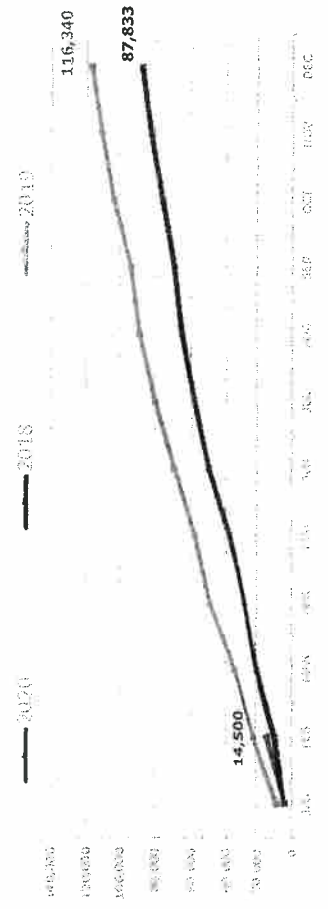
NOTE:  
1. ALLOCATION OF ANNUAL PAYMENT IS \$63 CHARGED TO THE PDA AND \$28 TO THE DPH.

# STATEMENT OF OPERATIONS FOR THE EIGHT MONTH PERIOD ENDING FEBRUARY 29, 2020 PORTSMOUTH AIRPORT

(\$ 000's)

	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	FISCAL YEAR BUDGET
<b>OPERATING REVENUES</b>	<b>1,155</b>	<b>1,208</b>	<b>(53)</b>	<b>1,880</b>
FACILITIES RENTAL	546	489	57	713
PAY FOR PARKING	267	513	(246)	858
FUEL FLOWAGE	166	143	23	215
AVIATION FEES	92	-	92	-
CONCESSION REVENUES	45	48	(3)	72
ALL OTHER	39	15	24	22
	<u>1,155</u>	<u>1,208</u>	<u>(53)</u>	<u>1,880</u>
<b>OPERATING EXPENSES</b>				
PERSONNEL SERVICES AND BENEFITS	623	655	(32)	970
BUILDINGS AND FACILITIES MAINTENANCE	591	422	169	585
GENERAL AND ADMINISTRATIVE	238	231	7	347
UTILITIES	268	213	55	319
PROFESSIONAL SERVICES	18	3	15	5
MARKETING AND PROMOTION	104	41	63	62
ALL OTHER	-	-	-	-
	<u>1,842</u>	<u>1,565</u>	<u>277</u>	<u>2,288</u>
<b>OPERATING INCOME</b>	<b>(687)</b>	<b>(357)</b>	<b>(330)</b>	<b>(408)</b>
NONOPERATING (INCOME) AND EXPENSE	(79)	-	(79)	-
DEPRECIATION	1,761	2,600	(839)	3,900
<b>NET OPERATING INCOME</b>	<b>(2,369)</b>	<b>(2,957)</b>	<b>588</b>	<b>(4,308)</b>

### EMPLOYMENT DATA





# STATEMENT OF OPERATIONS FOR THE EIGHT MONTH PERIOD ENDING FEBRUARY 29, 2020 SKYHAVEN AIRPORT

(\$ 000's)

	YEAR TO DATE		YEAR TO DATE		YEAR TO DATE		YEAR TO DATE		FISCAL YEAR	
	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET
<b>OPERATING REVENUES</b>										
FACILITIES RENTAL	87	89								
FUEL SALES	46	42								
ALL OTHER	4	-								
	<u>137</u>	<u>131</u>								
<b>OPERATING EXPENSES</b>										
PERSONNEL SERVICES AND BENEFITS			31	40						60
BUILDINGS AND FACILITIES MAINTENANCE			45	41						61
GENERAL AND ADMINISTRATIVE			25	26						38
UTILITIES			20	18						27
PROFESSIONAL SERVICES			4	3						5
MARKETING AND PROMOTION			-	-						-
ALL OTHER- FUEL			37	34						51
			<u>162</u>	<u>162</u>						<u>242</u>
<b>OPERATING INCOME</b>			<u>(25)</u>	<u>(31)</u>						<u>(57)</u>
<b>NONOPERATING (INCOME) AND EXPENSE</b>										
DEPRECIATION			349	346						520
<b>NET OPERATING INCOME</b>			<u>(374)</u>	<u>(377)</u>						<u>(577)</u>
<b>NET CASH FLOW</b>										
FY 2020	(25)	(27)	-	-	5	(47)				
FY 2019	(83)	(27)	-	-	512	402				
FY 2018	(74)	(1,193)	-	-	1,370	103				
FY 2009-2017	(835)	(5,599)	(100)	(100)	4,355	(2,179)				
	<u>(1,017)</u>	<u>(6,816)</u>	<u>(100)</u>	<u>(100)</u>	<u>6,212</u>	<u>(1,721)</u>				

GALLONS OF FUEL SOLD

FY 2019 619 9,027 13,513 \$ 4.77

FY 2020 715 9,625 9,625 4.79

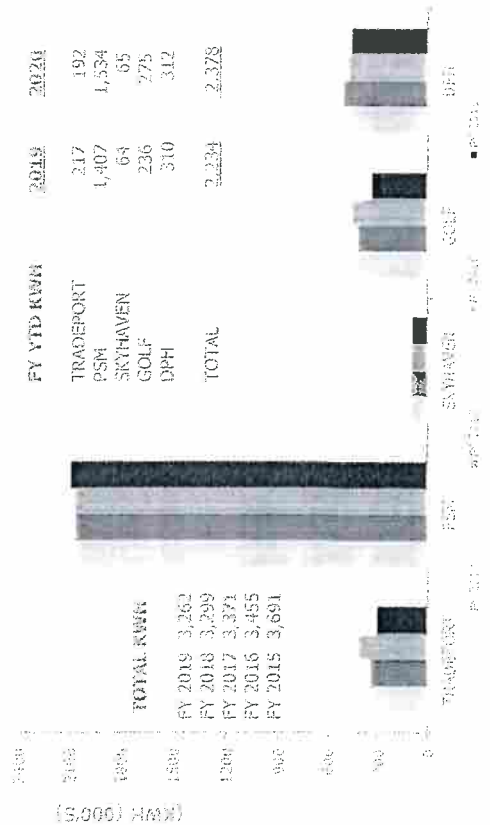
	OPERA	CAPITAL EXPEND	DEBT REPAY	GRANT FUNDS	TOTAL
FY 2020	(25)	(27)	-	5	(47)
FY 2019	(83)	(27)	-	512	402
FY 2018	(74)	(1,193)	-	1,370	103
FY 2009-2017	(835)	(5,599)	(100)	4,355	(2,179)
	<u>(1,017)</u>	<u>(6,816)</u>	<u>(100)</u>	<u>6,212</u>	<u>(1,721)</u>

# STATEMENT OF OPERATIONS FOR THE EIGHT MONTH PERIOD ENDING FEBRUARY 29, 2020 TRADEPORT

(\$ 000's)

	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	YEAR TO DATE BUDGET	FISCAL YEAR BUDGET
<b>OPERATING REVENUES</b>	<u>6,306</u>	<u>6,164</u>	<u>142</u>		<u>8,995</u>
RENTAL OF FACILITIES	5,175	6,041	134		8,828
ALL OTHER	131	123	8		167
	<u>6,306</u>	<u>6,164</u>	<u>142</u>		<u>8,995</u>
<b>OPERATING EXPENSES</b>					
PERSONNEL SERVICES AND BENEFITS	-	-	-		-
BUILDINGS AND FACILITIES MAINTENANCE	108	251	(143)		376
GENERAL AND ADMINISTRATIVE	35	32	3		48
UTILITIES	61	68	(7)		103
PROFESSIONAL SERVICES	-	-	-		-
MARKETING AND PROMOTION	-	1	(1)		-
ALL OTHER	79	72	7		120
	<u>283</u>	<u>424</u>	<u>(141)</u>		<u>647</u>
<b>OPERATING INCOME</b>	<u>6,023</u>	<u>5,790</u>	<u>283</u>		<u>8,348</u>
NONOPERATING (INCOME) AND EXPENSE	-	-	-		-
DEPRECIATION	497	499	(2)		750
<b>NET OPERATING INCOME</b>	<u>5,526</u>	<u>5,291</u>	<u>285</u>		<u>7,598</u>

### KWH CONSUMPTION ANALYSIS BY BUSINESS UNIT



# STATEMENT OF OPERATIONS FOR THE EIGHT MONTH PERIOD ENDING FEBRUARY 29, 2020 GOLF COURSE

(\$ 000's)

	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	FISCAL YEAR BUDGET
<b>OPERATING REVENUES</b>	<u>1,782</u>	<u>1,492</u>	<u>290</u>	<u>2,396</u>
<b>OPERATING EXPENSES</b>				
PERSONNEL SERVICES AND BENEFITS	644	603	41	940
BUILDINGS AND FACILITIES MAINTENANCE	221	222	(1)	321
GENERAL AND ADMINISTRATIVE	175	143	32	213
UTILITIES	86	123	(37)	167
PROFESSIONAL SERVICES	6	12	(6)	17
MARKETING AND PROMOTION	(9)	31	(40)	47
ALL OTHER	186	177	9	295
	<u>1,309</u>	<u>1,311</u>	<u>(2)</u>	<u>2,000</u>
<b>OPERATING INCOME</b>	<u>473</u>	<u>181</u>	<u>292</u>	<u>396</u>
<b>NONOPERATING INCOME) AND EXPENSE</b>				
DEPRECIATION	251	264	(13)	396
<b>NET OPERATING INCOME</b>	<u>222</u>	<u>(83)</u>	<u>305</u>	<u>-</u>

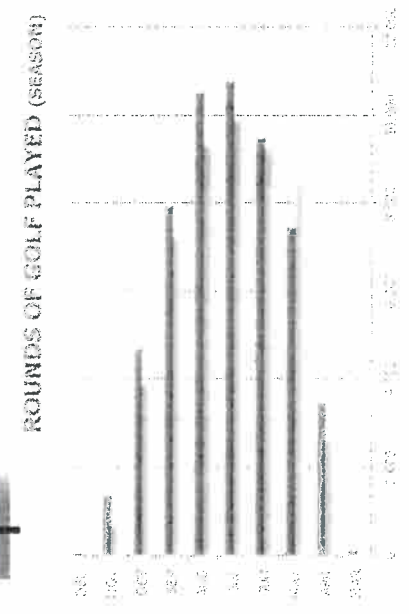
  

	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	FISCAL YEAR BUDGET
<b>OPERATING REVENUES</b>	213	160	53	251
CONCESSION REVENUES				
FEE REVENUES				
GOLF FEES	1,029	889	140	1,425
MEMBERSHIPS	236	212	24	340
SIMULATOR	101	86	15	120
LESSONS	12	8	4	18
	<u>1,378</u>	<u>1,195</u>	<u>183</u>	<u>1,903</u>
MERCHANDISE AND OTHER	191	137	54	242
	<u>1,782</u>	<u>1,492</u>	<u>290</u>	<u>2,396</u>

	PRO SHOP	COURSE OPERA	FOOD /BEV	SIM	TOTAL
<b>BUSINESS UNIT ANALYSIS</b>					
OPERATING REVENUES	165	1,286	230	101	1,782
OPERATING EXPENSES (EXCLUDING DEPRECIATION)	114	1,046	119	30	1,309
<b>OPERATING INCOME</b>	<u>51</u>	<u>240</u>	<u>111</u>	<u>71</u>	<u>473</u>

# KEY GOLF COURSE BENCHMARKING DATA



FINAL	2019 YTD	2018 YTD	2019 MEMBER	2018 MEMBER
ROUNDS PLAYED	55,321	51,317	51,317	51,317
RAIN DAYS	55	77	77	77

## 2019 MEMBER / NONMEMBER ROUNDS (SEASON)



GOLF SIMULATOR REVENUES	FY 2019	FY 2020	GRILL 28 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	17,727	NOVEMBER	89,731	107,818
DECEMBER	22,559	24,723	DECEMBER	110,593	122,903
JANUARY	28,984	27,767	JANUARY	102,321	121,255
FEBRUARY	25,591	29,976	FEBRUARY	101,282	107,490
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>\$ 101,336</b>		<b>\$ 1,890,586</b>	<b>\$ 1,280,131</b>

CLUB / COURSE FUNCTIONS	FY 2019 YTD	FY 2020 YTD
GROUPS 12-40	33,088	37,344
TOURNAMENT PLAY	139,284	127,669
LEAGUES	66,060	80,913
FOOD AND ROOM FEES	170,097	195,284

2019 ROUNDS - SEASON		2018 ROUNDS - SEASON	
MEMBER	14,305	MEMBER	13,878
NONMEMBER	41,016	NONMEMBER	37,439
<b>TOTAL</b>	<b>55,321</b>	<b>TOTAL</b>	<b>51,317</b>





20

**STATEMENT OF OPERATIONS FOR THE EIGHT MONTH  
PERIOD ENDING FEBRUARY 29, 2020  
PORT AUTHORITY OF NEW HAMPSHIRE (RESTRICTED)**

FOREIGN TRADE ZONE	YEAR TO DATE ACTUAL		YEAR TO DATE BUDGET		CURRENT YEAR VARIANCE		FISCAL YEAR BUDGET			
	12	10	2	10	2	10	12	10		
OPERATING REVENUES	-	-	-	-	-	-	91	65	26	115
OPERATING EXPENSES	-	-	-	-	-	-	-	-	-	-
PERSONNEL SERVICES AND BENEFITS	-	-	-	-	-	-	-	-	-	-
BUILDINGS AND FACILITIES MAINTENANCE	-	-	-	-	-	-	136	7	129	10
GENERAL AND ADMINISTRATIVE	-	-	-	-	-	-	-	3	(3)	4
UTILITIES	-	-	-	-	-	-	-	1	(1)	1
PROFESSIONAL SERVICES	-	-	-	-	-	-	-	-	-	-
MARKETING AND PROMOTION	-	-	-	-	-	-	-	-	-	-
ALL OTHER	-	-	-	-	-	-	-	-	-	-
OPERATING INCOME	6	2	(1)	10	3	10	136	11	125	15
NONOPERATING (INCOME) AND EXPENSE	-	-	-	-	-	-	(45)	54	99	100
DEPRECIATION	-	-	-	-	-	-	65	46	19	72
NET OPERATING INCOME	6	2	3	10	3	10	(110)	3	(118)	29

(\$ 000's)

21

**STATEMENT OF OPERATIONS FOR THE EIGHT MONTH  
PERIOD ENDING FEBRUARY 29, 2020  
PORT AUTHORITY OF NEW HAMPSHIRE (RESTRICTED)**

(CONTINUED)

(\$ 000's)

	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	FISCAL YEAR BUDGET
<b>REVOLVING LOAN FUND</b>				
<b>OPERATING REVENUES</b>	29	29	-	44
<b>OPERATING EXPENSES</b>				
PERSONNEL SERVICES AND BENEFITS	-	-	-	-
BUILDINGS AND FACILITIES MAINTENANCE	1	-	1	-
GENERAL AND ADMINISTRATIVE	-	-	-	1
UTILITIES	-	-	-	-
PROFESSIONAL SERVICES	15	18	(3)	27
MARKETING AND PROMOTION	-	-	-	-
ALL OTHER	-	-	-	-
<b>OPERATING INCOME</b>	16	18	(2)	28
<b>NONOPERATING (INCOME) AND EXPENSE</b>	13	14	(2)	16
DEPRECIATION	-	-	-	-
<b>NET OPERATING INCOME</b>	13	14	(2)	16

	BALANCE AT 06-30-2019	BALANCE AT 02-29-2020
<b>CASH BALANCES</b>		
GENERAL FUNDS	196	191
SEQUESTERED FUNDS	-	-
<b>LOANS OUTSTANDING</b>	196	191
CURRENT	156	175
LONG TERM	857	856
	<u>1,013</u>	<u>1,031</u>
	<u>1,209</u>	<u>1,222</u>
<b>CAPITAL UTILIZATION RATE- % (*)</b>	83.8	84.4

(\*) EXCLUDES SEQUESTERED FUNDS.

# PEASE DEVELOPMENT AUTHORITY STATEMENT OF NET POSITION

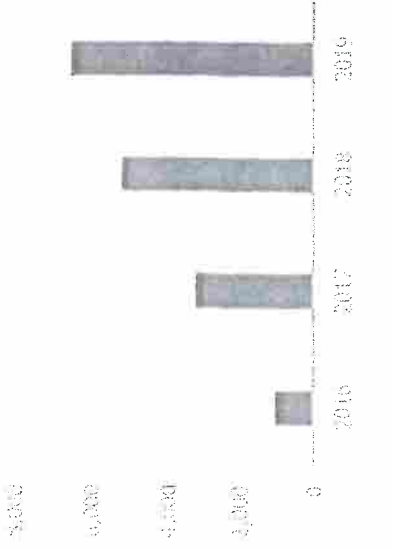
(EXCLUDING PORT AUTHORITY OF NEW HAMPSHIRE)

	JUN 30 2019	FEB 29 2020	JUN 30 2019	FEB 29 2020
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
ACCOUNTS PAYABLE	6,364	5,420	1,442	1,348
ACCOUNTS PAYABLE- CONSTRUCTION	976	1,581	481	764
UNEARNED REVENUE	532	507	294	305
REVOLVING LOC FACILITY	-	-	-	-
CURRENT PORTION- LT LIABILITIES	<u>7,872</u>	<u>7,508</u>	516	400
<b>TOTAL CURRENT LIABILITIES</b>			<u>2,733</u>	<u>2,817</u>
<b>NONCURRENT LIABILITIES</b>				
NET PENSION / OPEB LIABILITY	-	-	7,587	7,587
OTHER LT LIABILITIES	-	-	265	269
			<u>7,852</u>	<u>7,856</u>
<b>TOTAL LIABILITIES</b>			<u>10,585</u>	<u>10,673</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
PENSION / OPEB	2,207	3,162	2,688	2,688
<b>NET POSITION</b>	<u>54,171</u>	<u>55,035</u>	53,573	54,270
<b>NET INVEST IN CAPITAL ASSETS</b>				
<b>RESTRICTED FOR:</b>				
REVOLVING LOAN FUND	<u>62,043</u>	<u>62,542</u>	-	-
HARBOR DREDGING	-	-	-	-
FOREIGN TRADE ZONE	-	-	-	-
UNRESTRICTED	<u>1,283</u>	<u>1,283</u>	(3,475)	(3,806)
<b>TOTAL NET POSITION</b>			<u>50,098</u>	<u>50,464</u>

(\$ 000's)

**DISCUSSION AND ANALYSIS**

- \* CONTINUED FINANCIAL OBLIGATION TO SUPPORT NONGRANT RELATED CAPITAL PROJECTS AND DEBT REPAYMENT.
- \* ACCRUED PENSION LIABILITY FOR JUNE 30, 2019 REDUCED BY \$602
- \* REVENUE ESCALATION / CPI HAS BEEN EXCEEDED BY COST ESCALATION RELATIVE TO PERSONNEL SERVICES AND BENEFITS.
- \* CURRENT NINE MONTH CASH FLOW PROJECTIONS ANTICIPATE THE NEED TO DRAW DOWN FUNDS FROM THE REVOLVING LINE OF CREDIT FACILITY.
- \* HISTORICAL CASH BALANCES AT JUNE 30th:



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

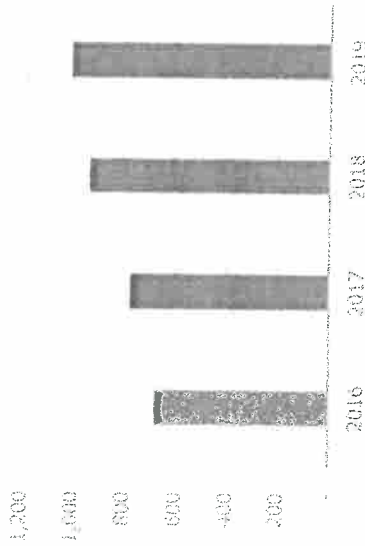
(\$ 000's)

	JUN 30 2019	FEB 29 2020	JUN 30 2019	FEB 29 2020
ASSETS	LIABILITIES			
<b>CURRENT ASSETS</b>				
CASH AND EQUIVALENTS	1,185	1,568	232	240
ACCOUNTS RECEIVABLE- NET	208	396	15	77
OTHER ASSETS	55	19	280	348
<b>TOTAL CURRENT ASSETS</b>	<b>1,448</b>	<b>1,983</b>	<b>-</b>	<b>-</b>
<b>RESTRICTED ASSETS</b>				
CASH AND EQUIVALENTS	-	-	527	665
ACCOUNTS RECEIVABLES- NET	-	-	4,089	4,089
TOTAL RESTRICTED ASSETS	-	-	<b>4,616</b>	<b>4,754</b>
<b>CAPITAL ASSETS</b>	<b>8,376</b>	<b>8,054</b>	<b>4,718</b>	<b>4,858</b>
LAND, BUILDINGS AND EQUIPMENT	8,376	8,054	533	533
CONSTRUCTION IN PROCESS (PAGES #10-#14)	1,089	1,390	9,474	9,367
<b>TOTAL ASSETS</b>	<b>10,913</b>	<b>11,427</b>	<b>14,114</b>	<b>14,179</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
PENSION / OPEB	281	281	(1,578)	(3,051)
<b>TOTAL NET POSITION</b>	<b>7,896</b>	<b>7,896</b>	<b>7,896</b>	<b>7,896</b>

**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)

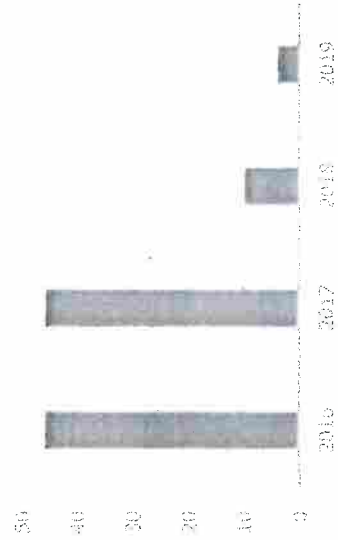
	JUN 30 2019	FEB 29 2020	JUN 30 2019	FEB 29 2020
<b>ASSETS</b>			<b>LIABILITIES</b>	
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>	
CASH AND EQUIVALENTS	-	-	ACCOUNTS PAYABLE	-
ACCOUNTS RECEIVABLE- NET	-	-	ACCOUNTS PAYABLE- CONSTRUCTION	-
OTHER ASSETS	-	-	UNEARNED REVENUE	-
TOTAL CURRENT ASSETS	-	-	REVOLVING LOC FACILITY	-
			CURRENT PORTION- LT LIABILITIES	-
<b>RESTRICTED ASSETS</b>			TOTAL CURRENT LIABILITIES	-
CASH AND EQUIVALENTS	4	10	<b>NONCURRENT LIABILITIES</b>	
ACCOUNTS RECEIVABLES- NET	-	-	NET PENSION / OPEB LIABILITY	-
TOTAL RESTRICTED ASSETS	4	10	OTHER LT LIABILITIES	-
			TOTAL LIABILITIES	-
<b>CAPITAL ASSETS</b>			<b>DEFERRED INFLOWS OF RESOURCES</b>	
LAND, BUILDINGS AND EQUIPMENT	-	-	PENSION	-
CONSTRUCTION IN PROCESS (pages #10-#14)	-	-	<b>NET POSITION</b>	
TOTAL ASSETS	4	10	NET INVEST IN CAPITAL ASSETS	-
			RESTRICTED FOR:	
DEFERRED OUTFLOWS OF RESOURCES	-	-	REVOLVING LOAN FUND	-
PENSION / OPEB	-	-	HARBOR DREDGING	-
			FOREIGN TRADE ZONE	4
			UNRESTRICTED	-
			<b>TOTAL NET POSITION</b>	4
				10

**DISCUSSION AND ANALYSIS**

\* CURRENTLY EXPLORING ACCELERATED MARKETING PLAN TO ATTRACT POTENTIAL VENDORS.

\* CURRENT TENANTS:  
 \* MILLIPORE CORP.  
 \* ROCHESTER ELECTRONICS  
 \* TEXTILES COATED INTERNATIONAL

\* HISTORICAL CASH BALANCES AT JUNE 30th:



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

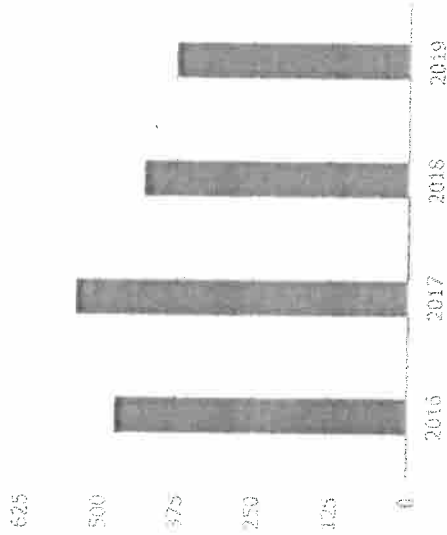
(\$ 000's)

	JUN 30 2019	FEB 29 2020	JUN 30 2019	FEB 29 2020
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
CASH AND EQUIVALENTS	-	-	21	-
ACCOUNTS RECEIVABLE- NET	-	-	24	-
OTHER ASSETS	-	-	-	-
<b>TOTAL CURRENT ASSETS</b>	<b>0</b>	<b>0</b>	<b>45</b>	<b>0</b>
<b>RESTRICTED ASSETS</b>				
CASH AND EQUIVALENTS	379	232	-	-
ACCOUNTS RECEIVABLE- NET	4	-	-	-
<b>TOTAL RESTRICTED ASSETS</b>	<b>383</b>	<b>232</b>	<b>0</b>	<b>0</b>
<b>CAPITAL ASSETS</b>				
LAND, BUILDINGS AND EQUIPMENT	907	927	-	-
CONSTRUCTION IN PROCESS (pages 10-14)	24	-	-	-
<b>TOTAL ASSETS</b>	<b>1,314</b>	<b>1,159</b>	<b>45</b>	<b>0</b>
<b>DEFERRED OUTFLOWS OF RESOURCES PENSION / OPEB</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</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>0</b>	<b>0</b>	<b>45</b>	<b>0</b>
<b>NONCURRENT LIABILITIES</b>				
NET PENSION / OPEB LIABILITY	-	-	-	-
OTHER LT LIABILITIES	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>0</b>	<b>0</b>	<b>45</b>	<b>0</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
PENSION	-	-	-	-
<b>NET POSITION</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET INVEST IN CAPITAL ASSETS</b>	<b>883</b>	<b>883</b>	<b>883</b>	<b>927</b>
<b>RESTRICTED FOR:</b>				
REVOLVING LOAN FUND	-	927	-	-
HARBOR DREDGING	-	1,159	-	-
FOREIGN TRADE ZONE	-	-	134	(20)
UNRESTRICTED	-	-	-	-
<b>TOTAL NET POSITION</b>	<b>1,017</b>	<b>907</b>	<b>1,017</b>	<b>907</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 30TH:







---

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



**BOARD OF DIRECTORS MEETING  
APRIL 23, 2020**

# PEASE DEVELOPMENT AUTHORITY CASH FLOW SUMMARY OVERVIEW APRIL 1, 2020 TO DECEMBER 31, 2020

(EXCLUDING DIVISION OF PORTS AND HARBORS)

(\$ 000's)

	AMOUNT
<b>(\$ 000's)</b>	
<b>OPENING FUND BALANCE</b>	<b>4,695</b>
<b>SOURCES OF FUNDS</b>	
GRANT AWARDS (SEE PAGE #8)	22,181
TRADEPORT TENANTS	6,805
EXTERNAL BANK FINANCING- NET	6,700
GOLF COURSE FEE AND CONCESSION REVENUES	1,085
PSM AIRPORT- LEASES, FUEL FLOWAGE FEES AND PARKING	680
SKYHAVEN AIRPORT HANGAR AND FUEL REVENUES	123
MUNICIPAL SERVICE FEE (COP)- NET	(75)
	<u>37,499</u>

**USES OF FUNDS**

CAPITAL EXPENDITURES- GRANT (SEE PAGE #4)	25,210
CAPITAL EXPENDITURES- NON-GRANT (SEE PAGES #5-#7)	8,291
OPERATING EXPENSES	7,615
STATE OF NH- POST RETIREMENT	63
LONG TERM DEBT RETIREMENT	-

**NET CASH FLOW**

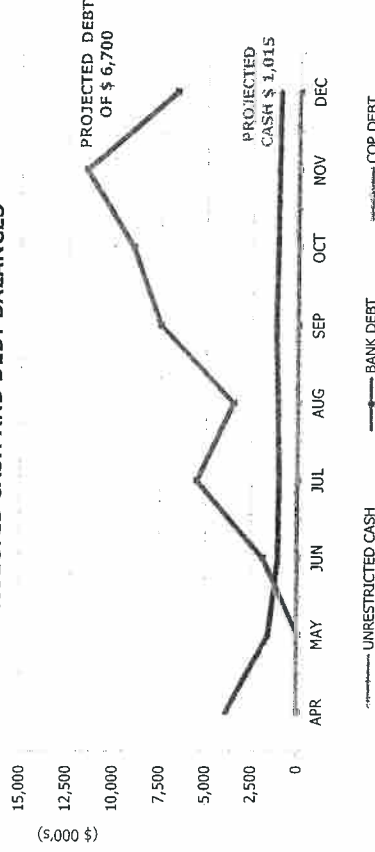
<b>CLOSING FUND BALANCE</b>	<b>1,015</b>
-----------------------------	--------------

**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 AND OR 3) ONGOING TRADEPORT AND GOLF COURSE REVENUE STREAMS.

**PROJECTED CASH AND DEBT BALANCES**



<b>TOTAL FUND BALANCES</b>	<b>BALANCE AT 03-31-2020</b>	<b>BALANCE AT 06-30-2019</b>
UNRESTRICTED	4,695	6,526
DESIGNATED	14	14
TOTAL	4,709	6,540

# PEASE DEVELOPMENT AUTHORITY

## STATEMENT OF CASH FLOW (UNRESTRICTED FUNDS)

(EXCLUDING THE DIVISION OF PORTS AND HARBORS)

(\$ 000'S)

	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
<b>OPENING FUND BALANCE</b>	<b>4,695</b>	<b>3,809</b>	<b>1,540</b>	<b>1,049</b>	<b>1,019</b>	<b>1,084</b>	<b>1,204</b>	<b>1,119</b>	<b>1,073</b>	<b>4,695</b>
<b>SOURCES OF FUNDS</b>										
GRANT AWARDS (SEE PAGE #8)	146	125	1,630	665	4,610	380	5,740	570	8,315	22,181
TRADEPORT TENANTS	725	730	730	935	730	735	740	740	740	6,805
MUNICIPAL SERVICE FEE	250	375	250	250	375	250	250	375	250	2,625
GOLF COURSE	-	30	120	180	180	175	175	125	100	1,085
PORTSMOUTH AIRPORT- (PSM)	45	50	45	45	50	45	45	50	45	420
PSM PAY FOR PARKING	15	10	10	15	15	15	15	20	20	135
PSM FLOWAGE FEES	10	10	10	10	10	10	20	20	25	125
SKYHAVEN AIRPORT	14	12	12	15	15	15	15	13	12	123
EXTERNAL FINANCING- NET	-	-	1,900	3,600	(2,000)	4,000	1,500	2,500	(4,800)	6,700
	<u>1,205</u>	<u>1,342</u>	<u>4,707</u>	<u>5,715</u>	<u>3,995</u>	<u>5,625</u>	<u>8,500</u>	<u>4,413</u>	<u>4,707</u>	<u>40,199</u>
<b>USE OF FUNDS</b>										
CAPITAL- GRANT RELATED (SEE PAGE #4)	261	1,780	2,170	3,930	2,140	3,650	6,800	2,729	1,750	25,210
OPERATING EXPENSES	915	855	800	850	810	825	835	825	900	7,615
CAPITAL- NONGRANT (SEE PAGES #5-#7)	915	976	815	965	970	1,030	950	905	765	8,291
MUNICIPAL SERVICE FEE	-	-	1,350	-	-	-	-	-	1,350	2,700
STATE OF NH- POST RETIREMENT	-	-	63	-	-	-	-	-	-	63
	<u>2,091</u>	<u>3,611</u>	<u>5,198</u>	<u>5,745</u>	<u>3,920</u>	<u>5,505</u>	<u>8,585</u>	<u>4,459</u>	<u>4,765</u>	<u>43,879</u>
<b>NET CASH FLOW</b>	<b>(886)</b>	<b>(2,269)</b>	<b>(491)</b>	<b>(30)</b>	<b>65</b>	<b>120</b>	<b>(85)</b>	<b>(46)</b>	<b>(58)</b>	<b>(3,680)</b>
<b>CLOSING FUND BALANCE</b>	<b>3,809</b>	<b>1,540</b>	<b>1,049</b>	<b>1,019</b>	<b>1,084</b>	<b>1,204</b>	<b>1,119</b>	<b>1,073</b>	<b>1,015</b>	<b>1,015</b>

# PEASE DEVELOPMENT AUTHORITY CAPITAL EXPENDITURES

(EXCLUDING THE DIVISION OF PORTS AND HARBORS)

(\$ 000's)

	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
<b><u>GRANT REIMBURSEMENT PROJECTS</u></b>										
<b><u>PORTSMOUTH AIRPORT</u></b>										
TERMINAL EXPANSION DESIGN AND CONSTRUCTION (AIP 62- \$1.6M)	-	-	-	200	200	200	400	400	200	1,600
TERMINAL EXPANSION DESIGN AND CONSTRUCTION (AIP 66- \$2.0M)	171	150	250	300	300	300	300	229	-	2,000
RUNWAY 16-34 DESIGN (AIP 58)	40	30	-	30	40	50	-	-	-	190
RUNWAY 16-34 RECONSTRUCTION (AIP 64)	50	1,300	1,300	3,000	1,500	3,000	6,000	1,500	1,550	19,200
TW A SOUTH HOLD BAY	-	200	400	400	-	-	-	-	-	1,000
PEASE BOULEVARD-ARBORETUM AVE	-	-	40	-	100	100	100	100	-	440
SNOW REMOVAL EQUIPMENT	-	-	-	-	-	-	-	500	-	500
	<u>261</u>	<u>1,680</u>	<u>1,990</u>	<u>3,930</u>	<u>2,140</u>	<u>3,650</u>	<u>6,800</u>	<u>2,729</u>	<u>1,750</u>	<u>24,930</u>
<b><u>SKYHAVEN AIRPORT</u></b>										
TAXILANE PAVEMENT AND DRAINAGE (SBG 7)	-	100	180	-	-	-	-	-	-	280
<b>TOTAL</b>	<b><u>261</u></b>	<b><u>1,780</u></b>	<b><u>2,170</u></b>	<b><u>3,930</u></b>	<b><u>2,140</u></b>	<b><u>3,650</u></b>	<b><u>6,800</u></b>	<b><u>2,729</u></b>	<b><u>1,750</u></b>	<b><u>25,210</u></b>

NOTE:  
\*\* PENDING BOARD APPROVAL

# PEASE DEVELOPMENT AUTHORITY CAPITAL EXPENDITURES

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

(\$ 000's)

	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
<b><u>NONGRANT REIMBURSEMENT PROJECTS</u></b>										
<b><u>SKYHAVEN AIRPORT</u></b>										
FUEL SYSTEM CREDIT CARD **	-	20	-	-	-	-	-	-	-	20
SRE DOORS **	-	-	-	-	-	15	-	-	-	15
REROOFING TERMINAL BUILDING **	-	-	-	-	-	-	25	-	-	25
	=	<u>20</u>	=	=	=	<u>15</u>	<u>25</u>	=	=	<u>60</u>
<b><u>ADMINISTRATION</u></b>										
COMPUTERS / PRINTERS / SOFTWARE / TELECOMMUNICATIONS **	-	10	-	30	-	10	-	10	-	60
TECHNOLOGY ENHANCEMENTS **	-	-	-	-	25	-	-	25	-	50
MAIN SERVER REPLACEMENT **	-	-	-	-	-	65	-	-	-	65
	=	<u>10</u>	=	<u>30</u>	<u>25</u>	<u>75</u>	=	<u>35</u>	=	<u>175</u>
<b><u>GOLF COURSE</u></b>										
FAIRWAY ROUGH MOWER **	70	-	-	-	-	-	-	-	-	70
SMALL UTILITY CART**	-	-	-	20	-	-	-	-	-	20
BATHROOM UPGRADES	-	-	-	-	5	-	-	-	-	5
	<u>70</u>	=	=	<u>20</u>	<u>5</u>	=	=	=	=	<u>95</u>

NOTE:  
\*\* PENDING BOARD APPROVAL



**PEASE DEVELOPMENT AUTHORITY**  
**CAPITAL EXPENDITURES** (EXCLUDING THE DIVISION OF PORTS AND HARBORS)  
 (CONTINUED);

(\$ 000's)

	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
<b><u>NONGRANT REIMBURSEMENT</u></b>										
<b><u>PROJECTS</u></b> (CONTINUED);										
<b><u>PORTSMOUTH AIRPORT</u></b>										
TERMINAL EXPANSION	800	800	800	900	900	900	900	800	750	7,550
TERMINAL EXPANSION DESIGN	30	-	-	-	-	-	-	-	-	30
GROUND TRANSPORTATION BUS	-	72	-	-	-	-	-	-	-	72
TERMINAL FLOORING- BAGGAGE CLAIM AREA **	-	-	-	-	-	25	-	-	-	25
AIRFIELD LED LIGHTING **	-	20	-	-	-	-	-	-	-	20
DAC CONNECTION UPGRADE **	-	-	-	-	25	-	-	-	-	25
	<b>830</b>	<b>892</b>	<b>800</b>	<b>900</b>	<b>925</b>	<b>925</b>	<b>900</b>	<b>800</b>	<b>750</b>	<b>7,722</b>

NOTE:  
 \*\* PENDING BOARD APPROVAL

# PEASE DEVELOPMENT AUTHORITY CAPITAL EXPENDITURES

(CONTINUED)

(EXCLUDING THE DIVISION OF PORTS AND HARBORS)

(\$ 000's)

	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
<b><u>NONGRANT REIMBURSEMENT PROJECTS</u></b> (CONTINUED)										
<b><u>TRADEPORT</u></b>										
TRAFFIC MONITORING **	-	-	-	-	-	-	10	10	-	20
STORMWATER TREATMENT	15	15	15	15	15	15	15	15	15	135
	<u>15</u>	<u>15</u>	<u>15</u>	<u>15</u>	<u>15</u>	<u>15</u>	<u>25</u>	<u>25</u>	<u>15</u>	<u>155</u>
<b><u>MAINTENANCE</u></b>										
VEHICLE FLEET REPLACEMENT **	-	39	-	-	-	-	-	45	-	84
	-	<u>39</u>	-	-	-	-	-	<u>45</u>	-	<u>84</u>
<b>TOTAL</b>	<u>915</u>	<u>976</u>	<u>815</u>	<u>965</u>	<u>970</u>	<u>1,030</u>	<u>950</u>	<u>905</u>	<u>765</u>	<u>8,291</u>

NOTE:  
\*\* PENDING BOARD APPROVAL

# PEASE DEVELOPMENT AUTHORITY RECEIPT GRANT AWARDS

(EXCLUDING THE DIVISION OF PORTS AND HARBORS)

(\$ 000's)

	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
<b><u>PORTSMOUTH AIRPORT</u></b>										
TERMINAL EXPANSION DESIGN AND CONSTRUCTION (AIP 62- \$1.6M)	-	-	-	-	-	380	-	570	-	950
TERMINAL EXPANSION DESIGN AND CONSTRUCTION (AIP 66- \$2.0M)	-	-	285	-	525	-	570	-	525	1,905
RUNWAY 16-34 DESIGN (AIP 58)	-	-	65	-	-	-	115	-	-	180
RUNWAY 16-34 RECONSTRUCTION (AIP 64)	-	-	1,280	-	4,085	-	4,275	-	7,125	16,765
RUNWAY 16-34 REIMBURSABLE AGREEMENT (AIP 65)	-	125	-	-	-	-	-	-	-	125
AIR NATIONAL GUARD TAXIWAY PROJECT	146	-	-	-	-	-	-	-	-	146
TW A SOUTH HOLD BAY	-	-	-	570	-	-	380	-	-	950
PEASE BOULEVARD- ARBORETUM AVE	-	-	-	-	-	-	230	-	190	420
SNOW REMOVAL EQUIPMENT	-	-	-	-	-	-	-	-	475	475
<b><u>SKYHAVEN AIRPORT</u></b>										
TAXIWAY PAVEMENT AND DRAINAGE (SBG-7)	-	-	-	95	-	-	170	-	-	265
<b>TOTAL</b>	<b>146</b>	<b>125</b>	<b>1,630</b>	<b>665</b>	<b>4,610</b>	<b>380</b>	<b>5,740</b>	<b>570</b>	<b>8,315</b>	<b>22,181</b>

# PEASE DEVELOPMENT AUTHORITY CREDIT FACILITIES AND OUTSTANDING DEBT ANALYSIS

(\$ 000's)

REVOLVING LETTER OF CREDIT (RLOC) THE PROVIDENT BANK

AMOUNT OF CREDIT FACILITY 15,000

AMOUNT CURRENTLY AVAILABLE 15,000

TERM DATE 12-31-2022

PURPOSE TO FUND CAPITAL IMPROVEMENTS AND WORKING CAPITAL NEEDS.

INTEREST RATE ONE MONTH FHLB (CLASSIC) + 250 BASIS POINTS

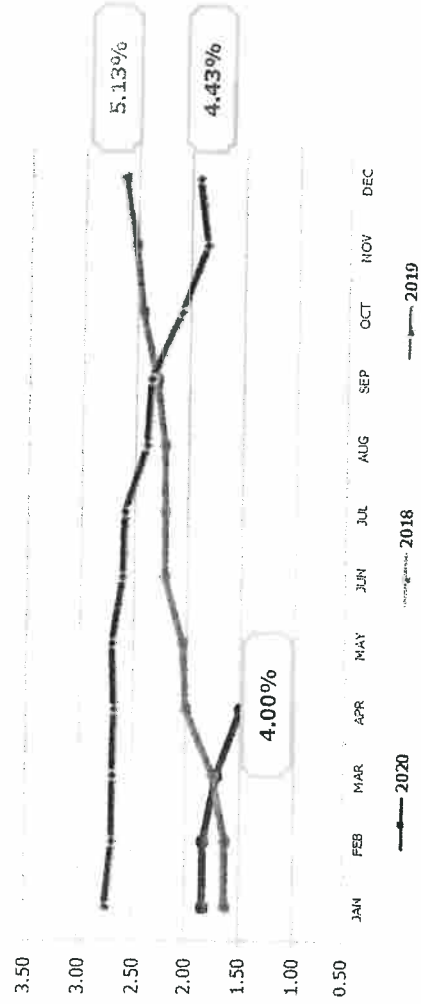
MINIMUM SIZE OF DRAWDOWN NO MINIMUM

OTHER DOES NOT CARRY THE STATE GUARANTEE

OUTSTANDING DEBT ANALYSIS	BALANCE AT 03-31-2020	BALANCE AT 06-30-2019	MATURITY DATE	INTEREST RATE %
THE PROVIDENT BANK (RLOC)	-	-	12-31-2022	VARIABLE
CITY OF PORTSMOUTH	-	116	01-31-2020	4.50

WEIGHTED AVERAGE = 116 = 4.50

TRENDING THE ONE MONTH FHLB (CLASSIC) INTEREST RATE + MARK-UP



# DIVISION OF PORTS AND HARBORS CASH FLOW SUMMARY OVERVIEW (EXCLUDING RESTRICTED FUNDS) APRIL 1, 2020 TO DECEMBER 31, 2020

(\$ 000's)

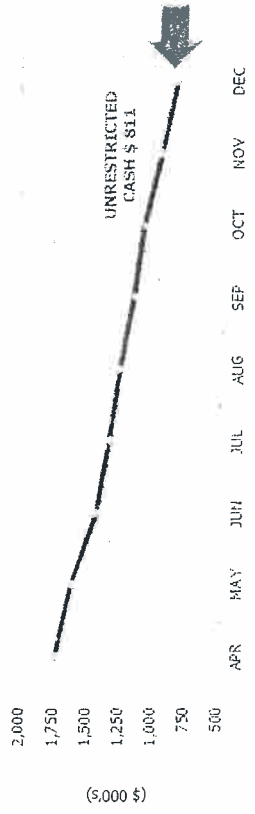
	<u>AMOUNT</u>
<b>OPENING FUND BALANCE</b>	<b><u>1,684</u></b>
<b><u>SOURCES OF FUNDS</u></b>	
FACILITY RENTALS AND CONCESSIONS	526
REGISTRATIONS / WHARFAGE	500
FUEL SALES	395
PARKING FEES	185
MOORING FEES	-
	<b><u>1,606</u></b>
<b><u>USES OF FUNDS</u></b>	
PERSONNEL SERVICES AND BENEFITS	1,445
OPERATING EXPENSES	393
FUEL PROCUREMENT	373
CAPITAL EXPENDITURES AND OTHER	240
STATE OF NH- POST RETIREMENT	28
	<b><u>2,479</u></b>
<b>NET CASH FLOW</b>	<b><u>(873)</u></b>
<b>CLOSING FUND BALANCE</b>	<b><u>811</u></b>

**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 03-31-2020</u>	<u>BALANCE AT 06-30-2019</u>
<b>TOTAL FUND BALANCES</b>	<b>1,684</b>	<b>1,004</b>
<b>UNRESTRICTED FUNDS</b>	<b>5</b>	<b>5</b>
<b>DESINGATED FUNDS</b>	<b>230</b>	<b>379</b>
<b>RESTRICTED FUNDS:</b>	<b>201</b>	<b>196</b>
HARBOR DREDGING	8	4
REVOLVING LOAN FUND	<b>439</b>	<b>579</b>
FOREIGN TRADE ZONE		

# DIVISION OF PORTS AND HARBORS

## STATEMENT OF CASH FLOW

### (UNRESTRICTED FUNDS)

(\$ 000's)

	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>TOTAL</u>
<b>OPENING FUND BALANCE</b>	<b>1,684</b>	<b>1,717</b>	<b>1,602</b>	<b>1,415</b>	<b>1,316</b>	<b>1,245</b>	<b>1,133</b>	<b>1,056</b>	<b>924</b>	<b>1,684</b>
<b><u>SOURCES OF FUNDS</u></b>										
FACILITY RENTALS AND CONCESSIONS	55	57	57	57	60	60	60	60	60	526
FUEL SALES	35	40	40	45	45	40	40	60	50	395
MOORING FEES	-	-	-	-	-	-	-	-	-	-
PARKING FEES	10	20	25	35	35	30	20	10	-	185
REGISTRATIONS / WHARFAGE	125	-	125	-	-	125	-	-	125	500
	<u>225</u>	<u>117</u>	<u>247</u>	<u>137</u>	<u>140</u>	<u>255</u>	<u>120</u>	<u>130</u>	<u>235</u>	<u>1,606</u>
<b><u>USE OF FUNDS</u></b>										
PERSONNEL SERVICES AND BENEFITS	110	115	245	115	120	250	120	120	250	1,445
FUEL PROCUREMENT	33	38	38	42	42	38	38	57	47	373
UTILITIES	16	15	15	15	15	15	15	16	17	139
GENERAL AND ADMINISTRATIVE	13	14	13	14	14	14	14	14	14	124
BUILDINGS AND FACILITIES	10	10	15	10	10	10	10	15	10	100
PROFESSIONAL SERVICES	10	-	-	-	10	-	-	-	10	30
CAPITAL EXPENDITURES AND OTHER	-	40	80	40	-	40	-	40	-	240
STATE OF NH- POST RETIREMENT	-	-	28	-	-	-	-	-	-	28
	<u>192</u>	<u>232</u>	<u>434</u>	<u>236</u>	<u>211</u>	<u>367</u>	<u>197</u>	<u>262</u>	<u>348</u>	<u>2,479</u>
<b>NET CASH FLOW</b>	<b>33</b>	<b>(115)</b>	<b>(187)</b>	<b>(99)</b>	<b>(71)</b>	<b>(112)</b>	<b>(77)</b>	<b>(132)</b>	<b>(113)</b>	<b>(873)</b>
<b>CLOSING FUND BALANCE</b>	<b>1,717</b>	<b>1,602</b>	<b>1,415</b>	<b>1,316</b>	<b>1,245</b>	<b>1,133</b>	<b>1,056</b>	<b>924</b>	<b>811</b>	<b>811</b>



# DIVISION OF PORTS AND HARBORS

## STATEMENT OF CASH FLOW- HARBOR DREDGING FUND

### (RESTRICTED FUNDS)

(\$ 000's)

	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
<b>OPENING FUND BALANCE</b>	230	243	244	216	217	230	230	233	193	230
<b><u>SOURCES OF FUNDS</u></b>										
PIER USAGE FEES	10	-	20	-	10	-	-	10	-	50
REGISTRATIONS	-	2	-	-	2	-	-	2	-	6
FUEL FLOWAGE FEES	3	3	2	3	3	2	3	2	3	24
GRANT FUNDING	-	-	-	-	-	-	-	-	-	-
	13	5	22	3	15	2	3	14	3	80
<b><u>USE OF FUNDS</u></b>										
PERSONNEL SERVICES AND BENEFITS	-	-	-	-	-	-	-	-	-	-
BUILDINGS AND FACILITIES	-	2	-	2	-	2	-	2	-	8
GENERAL AND ADMINISTRATIVE	-	2	-	-	2	-	-	2	-	6
UTILITIES	-	-	-	-	-	-	-	-	-	-
PROFESSIONAL SERVICES	-	-	-	-	-	-	-	-	-	-
ALL OTHER- (CBOC)	-	-	50	-	-	-	-	50	-	100
	-	4	50	2	2	2	-	54	-	114
<b>NET CASH FLOW</b>	13	1	(28)	1	13	-	3	(40)	3	(34)
<b>CLOSING FUND BALANCE</b>	<u>243</u>	<u>244</u>	<u>216</u>	<u>217</u>	<u>230</u>	<u>230</u>	<u>233</u>	<u>193</u>	<u>196</u>	<u>196</u>

# DIVISION OF PORTS AND HARBORS

## STATEMENT OF CASH FLOW- REVOLVING LOAN FUND

### (RESTRICTED FUNDS)

(\$ 000's)

	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
<b>OPENING FUND BALANCE</b>	<u>201</u>	<u>182</u>	<u>119</u>	<u>133</u>	<u>144</u>	<u>158</u>	<u>170</u>	<u>181</u>	<u>194</u>	<u>201</u>
<b><u>SOURCES OF FUNDS</u></b>										
LOAN REPAYMENTS	12	12	12	12	12	12	12	12	12	108
INTEREST INCOME-LOANS	3	3	3	3	3	3	3	3	3	27
INTEREST INCOME- FUND BALANCE	1	-	1	-	1	-	1	-	1	5
	<u>16</u>	<u>15</u>	<u>16</u>	<u>15</u>	<u>16</u>	<u>15</u>	<u>16</u>	<u>15</u>	<u>16</u>	<u>140</u>
<b><u>USE OF FUNDS</u></b>										
NEW LOANS PROJECTED	30	75	-	-	-	-	-	-	-	105
PERSONNEL SERVICES AND BENEFITS	-	-	-	-	-	-	-	-	-	-
BUILDINGS AND FACILITIES	-	-	-	-	-	-	-	-	-	-
GENERAL AND ADMINISTRATIVE	2	-	-	2	-	-	2	-	-	6
UTILITIES	-	-	-	-	-	-	-	-	-	-
PROFESSIONAL SERVICES	3	3	2	2	2	3	3	2	2	22
ALL OTHER	-	-	-	-	-	-	-	-	-	-
	<u>35</u>	<u>78</u>	<u>2</u>	<u>4</u>	<u>2</u>	<u>3</u>	<u>5</u>	<u>2</u>	<u>2</u>	<u>133</u>
<b>NET CASH FLOW</b>	(19)	(63)	14	11	14	12	11	13	14	7
<b>CLOSING FUND BALANCE</b>	<u>182</u>	<u>119</u>	<u>133</u>	<u>144</u>	<u>158</u>	<u>170</u>	<u>181</u>	<u>194</u>	<u>208</u>	<u>208</u>

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

(\$ 000'S)

	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>TOTAL</u>
OPENING FUND BALANCE	8	6	6	6	6	6	6	9	14	8
<b><u>SOURCES OF FUNDS</u></b>										
FACILITY RENTALS	-	-	-	2	-	-	5	5	-	12
ALL OTHER	-	-	-	-	-	-	-	-	-	-
	-	-	-	2	-	-	5	5	-	12
<b><u>USE OF FUNDS</u></b>										
PERSONNEL SERVICES AND BENEFITS	-	-	-	-	-	-	-	-	-	-
BUILDINGS AND FACILITIES	-	-	-	-	-	-	-	-	-	-
GENERAL AND ADMINISTRATIVE	2	-	-	2	-	-	2	-	-	6
UTILITIES	-	-	-	-	-	-	-	-	-	-
PROFESSIONAL SERVICES	-	-	-	-	-	-	-	-	-	-
ALL OTHER	-	-	-	-	-	-	-	-	-	-
	2	-	-	2	-	-	2	-	-	6
NET CASH FLOW	(2)	-	-	-	-	-	3	5	-	6
CLOSING FUND BALANCE	6	6	6	6	6	6	9	14	14	14

**REVOLVING LOAN FUND**

**SEMI-ANNUAL FILING TO THE  
ECONOMIC DEVELOPMENT ADMINISTRATION  
DECEMBER 31, 2019**

**BOARD OF DIRECTORS MEETING  
APRIL 23, 2020**

# REVOLVING LOAN FUND CAPITAL BASE RECONCILIATION

(\$ 000's)

FUND RECONCILIATION	CUMULATIVE AMOUNT FROM INCEPTION	AS OF DEC 31 2019	AS OF JUNE 30 2019	AS OF JUNE 30 2018	AS OF JUNE 30 2017	AS OF JUNE 30 2016
EDA GRANT AWARD	<u>910</u>	1,051	1,012	1,152	1,073	1,084
INCOME EARNED SINCE INCEPTION						
INTEREST FROM LOANS	804	167	195	48	111	78
FARNINGS FROM DEPOSIT ACCOUNT	66	-	-	-	-	-
APPLICATION FEES	19	152	195	48	111	78
COST OF ADMINISTRATIVE SERVICES	(843)	1,219	1,207	1,200	1,184	1,162
LOANS WRITTEN OFF (2)	(38)	86.2	83.8	96.0	90.6	93.3
NET INCREASE IN CAPITAL BASE	<u>408</u>	<u>33.8</u>	<u>33.8</u>	<u>46.0</u>	<u>15.6</u>	<u>18.3</u>
TOTAL CAPITAL BASE	1,218	36.2	33.8	46.0	15.6	18.3

(\*) EXCLUDES SEQUESTERED FUNDS

(\$ 000's)

# REVOLVING LOAN FUND INCOME AND EXPENSE STATEMENT

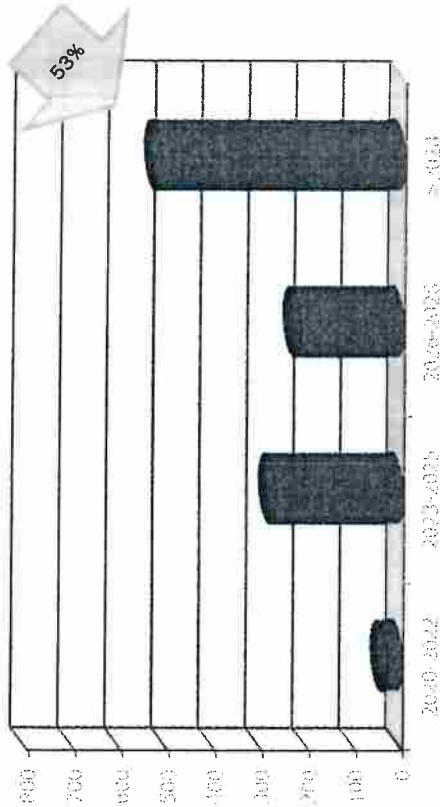
	SIX MONTHS ENDING DEC 31, 2019	12 MONTHS ENDING JUNE 30, 2019	12 MONTHS ENDING JUNE 30, 2018	12 MONTHS ENDING JUNE 30, 2017	12 MONTHS ENDING JUNE 30, 2016
RLF INCOME	22	65	48	37	36
ADMINISTRATIVE EXPENSES CHARGED TO RLF INCOME					
PROFESSIONAL SERVICES	10	31	32	22	27
OTHER COSTS	2	28	1	1	3
TOTAL EXPENSES	12	59	33	23	30
RLF INCOME - NET	10	6	15	14	6
EXPENSES AS A % OF RLF INCOME	45.5	90.8	68.9	62.2	83.3



# REVOLVING LOAN FUND LOAN BALANCES OUTSTANDING

(\$ 000's)

RLF LOAN MATURITY SCHEDULE



(\$ 000's)

## HISTORICAL SUMMARY OF LOAN ACTIVITY

	TOTAL LOANS
NUMBER OF LOANS OUTSTANDING	22
WRITTEN OFF LOANS	2
FULLY REPAID LOANS	87
<b>JOBS</b>	<b>111</b>
CREATED	113
SAVED	240
	353

PARTICIPANT	RLF CUMULATIVE AMOUNTS OUTSTANDING	% OF RLF PORTFOLIO
BEE LOBSTER	132	12.7
OCEAN PRIDE CORP. (2)	106	10.1
PRORABLE CLAWS	103	9.8
WORCESTER	95	9.0
WIDEN	95	9.0
COOPERS LOBSTERS	93	8.9
MARCONI	82	7.8
KING MARINE, LLC	59	5.6
PAWLUK	49	4.7
DRISCOLL (2)	40	3.8
WASSON	32	3.0
WENDY LEIGH, LLC	30	2.9
STEKER CHARTERS	29	2.8
HEISEY	26	2.5
TWO DEVINE LOBSTER	21	2.0
BRYNE	17	1.6
CAMPOLINI	14	1.3
BLACK LAB FISHING CO.	13	1.2
MCCUNE	7	0.7
J&K FISHERIES, INC.	6	0.6
	<b>1,051</b>	<b>100.0</b>



# **PEASE DEVELOPMENT AUTHORITY**

## **CAPITAL IMPROVEMENT PLAN FY 2020 - FY 2026**

**BOARD OF DIRECTORS MEETING  
APRIL 23, 2020**

# TABLE OF CONTENTS...

	<u>PAGE #</u>
SUMMARY FINDINGS	3-5
CAPITAL PROJECT REQUESTS	
GRANT FUNDED	6-7
INTERNALLY FUNDED	8-12
FINANCING CONSIDERATIONS	
UNRESTRICTED CASH AND INVESTMENTS	13
OUTSTANDING DEBT ANALYSIS	14
NET CASH FLOW	15
DISCRETIONARY / LOWER PRIORITY PROJECTS- FINANCIAL IMPACT	16

# SUMMARY FINDINGS...

\$ (000's)

THE CURRENT UPDATE TO THE CAPITAL IMPROVEMENT PLAN, EXCLUDING THE DIVISION OF PORTS AND HARBORS, HAS IDENTIFIED PROJECT REQUESTS THAT TOTAL \$ 111,434. THE OVERRIDING EMPHASIS IN PROJECTED SPENDING IS TOWARD INFRASTRUCTURE ACTIVITIES AT THE PEASE INTERNATIONAL AIRPORT AND TO A LESSER EXTENT, THE PEASE TRADEPORT.

	GRANT FUNDED	INTERNALLY FUNDED	TOTAL
INFRASTRUCTURE	\$ 20,830	\$ 18,055	\$ 38,885
EXPANSION	20,000	13,610	33,610
SAFETY	27,304	1,100	28,404
EQUIPMENT	2,525	6,405	8,930
REGULATORY	-	1,605	1,605
	<u>70,659</u>	<u>40,775</u>	<u>111,434</u>

## KEY SENSITIVITIES INCLUDE:

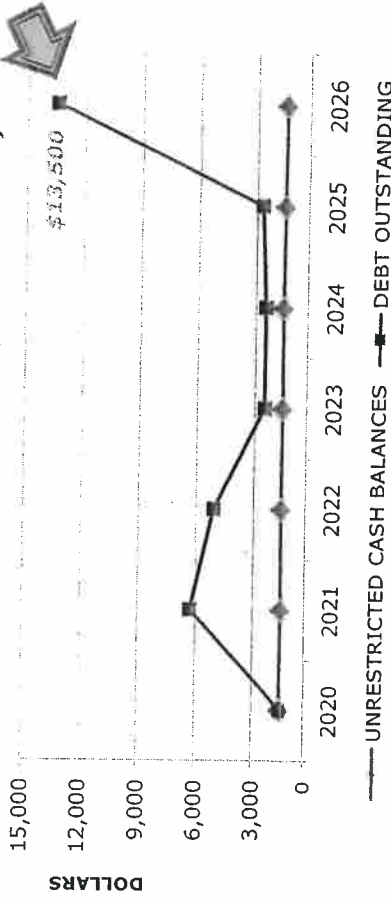
- PHASE II EXPANSION PSM TERMINAL
- FUTURE FUEL FLOWAGE / PAY FOR PARKING FEES- PSM
- TRADEPORT TRAFFIC FLOW STUDY
- STORMWATER TREATMENT COST PROJECTIONS
- POSSIBLE ADOPTION OF LANDING FEES
- ALLEGIAN- CONTINUED OPERATING SUCCESS
- PROJECTED NET OPERATING INCOME
- INTEREST RATE AND INFLATION ENVIRONMENT
- EXTERNAL BORROWING CAPACITY
- PDA GRANT FUNDING MATCH AT 5%

PROJECT JUSTIFICATION WAS DIRECTED TOWARD REQUESTS THAT ARE IN SUPPORT OF HEALTH AND SAFETY, REGULATORY COMPLIANCE, INFRASTRUCTURE IMPROVEMENTS, EQUIPMENT AND OR EXPANSION / REVENUE ENHANCEMENT OPPORTUNITIES.

PROPOSED PROJECT REQUESTS WILL REQUIRE A CONTINUATION / EXTENSION OF THE \$15,000 WORKING CAPITAL REVOLVING LINE OF CREDIT (RLOC) NOW HELD THROUGH THE PROVIDENT BANK WHICH EXPIRES ON DECEMBER 31, 2022.

THE PDA IS CURRENTLY EXPLORING ALTERNATIVE FINANCING, TARGETED TOWARD TRADEPORT INTERSECTION IMPROVEMENTS, WITH THE FULL FAITH AND CREDIT OF THE STATE OF NEW HAMPSHIRE. UNISSUED STATE GUARANTEED DEBT OF \$13,900.

## PROJECTED UNRESTRICTED CASH BALANCES AND DEBT OUTSTANDING (EXCLUDING DPH)





# CAPITAL PROJECT REQUESTS...

\$ (000's)

THE MORE SIGNIFICANT **GRANT FUNDED** CAPITAL PROJECTS, WHICH TOTAL **\$70,659**, INCLUDE:

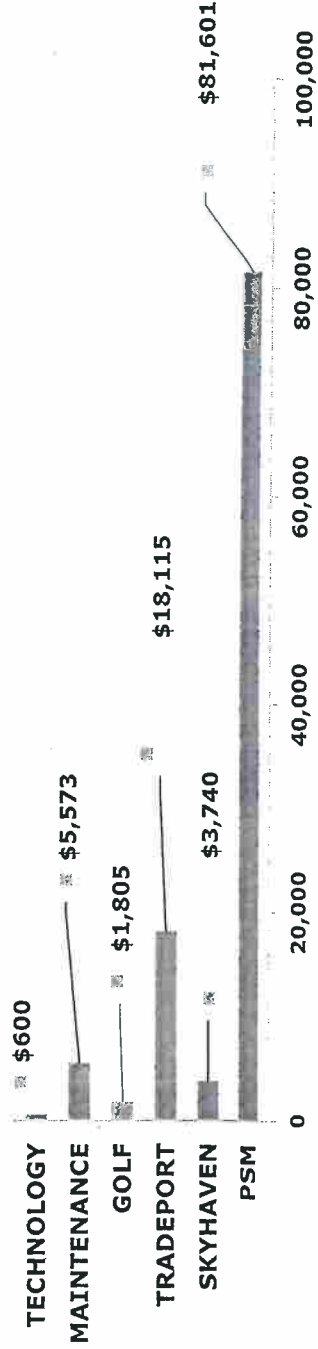
- RECONSTRUCTION RUNWAY 16-34 (PSM)
- RECONSTRUCTION TAXIWAYS (PSM)
- TERMINAL EXPANSION- PHASE I AND II (PSM)
- TERMINAL APRON CONSTRUCTION (DAW)
- SNOW REMOVAL EQUIPMENT / BUILDING (PSM AND DAW)

THE 5% COST SHARING IMPACT (CASH FLOW) TO THE PDA FOR PROPOSED GRANT FUNDED PROJECT REQUESTS THROUGH FY 2026 ARE ESTIMATED AT APPROXIMATELY \$3,500.

THE MORE SIGNIFICANT **INTERNALLY FUNDED** CAPITAL PROJECTS, WHICH TOTAL **\$40,775**, INCLUDE:

- TRADEPORT INTERSECTION IMPROVEMENTS
- PSM TERMINAL EXPANSION / RENOVATIONS
- TERMINAL PARKING LOT RENOVATIONS
- GOLF COURSE ENHANCEMENTS / EQUIPMENT ROOF REPLACEMENTS
- STORMWATER TREATMENT
- SNOW MELTER
- WINDBREAK FOR WALKWAY AT PSM TERMINAL LOOP ROAD
- SOLAR PANEL FARM (PSM AND DAW)

**CAPITAL PROJECT CONCENTRATION (\$111,434)**

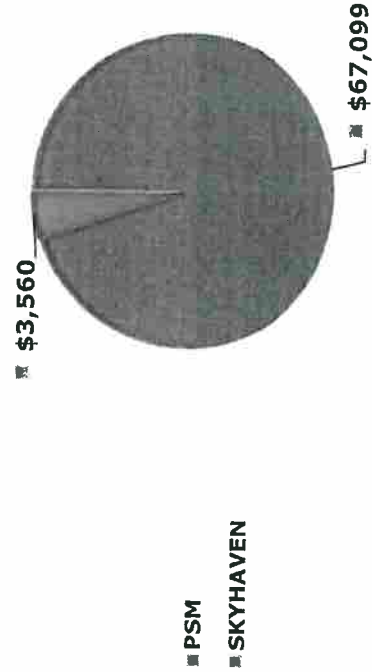


# PROJECTED CAPITAL EXPENDITURES....

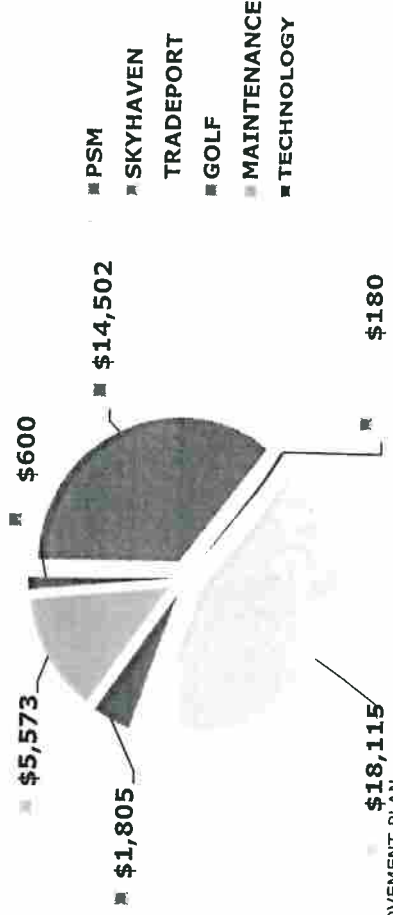
\$ (000's)

FISCAL YEAR	PSM	SKYHAVEN	TRADEPORT	GOLF	MAINTENANCE	TECHNOLOGY	TOTAL
2020 TO GO	\$ 14,255	\$ 300	\$ 700	\$ 115	\$ 38	\$ 20	\$ 14,798
2021	28,251	50	570	205	265	197	29,538
2022	1,920	375	1,350	215	463	62	4,385
2023	5,165	1,625	155	210	212	72	7,439
2024	3,900	300	2,730	300	305	68	7,603
2025	15,085	510	3,240	290	175	68	19,368
2026	13,025	580	10,000	470	4,115	113	28,303
	<b>81,601</b>	<b>3,740</b>	<b>18,115</b>	<b>1,805</b>	<b>5,573</b>	<b>600</b>	<b>111,434</b>

GRANT FUNDED PROJECTS (\$70,659)



INTERNALLY FUNDED PROJECTS (\$40,775)



CAPITAL IMPROVEMENT PLAN  
APRIL 2020



# GRANT FUNDED CAPITAL PROJECT REQUESTS...

\$ (000's)

PROJECT DESCRIPTION	FY 2020 TO GO	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	TOTAL
<b>PORTSMOUTH INTERNATIONAL AIRPORT (PSM)</b>								
RUNWAY 16-34 RECON- CONSTRUCTION	5,300	17,400	150	-	-	-	-	22,850 ✓
TERMINAL EXPANSION- PHASE II	-	-	-	-	1,000	15,000	-	16,000
NORTH GA DESIGN AND CONSTRUCTION	-	-	-	-	-	-	6,000	6,000
RECONSTRUCT APRON- AREA 4	-	-	-	-	-	-	6,000	6,000
SRE BUILDING	-	-	500	4,500	-	-	-	5,000
TERMINAL EXPANSION- PHASE I	700	3,300	-	-	-	-	-	4,000 ✓
RECONSTRUCT TAXIWAYS- B AND C	-	-	-	50	2,400	-	-	2,450 ✓
SNOW REMOVAL EQUIPMENT	-	1,200	1,200	-	-	-	-	2,400 ✓
TW A SOUTH HOLD BAY	1,000	-	-	-	-	-	-	1,000 ✓
NORTH APRON TAXIWAY	-	-	-	-	-	-	500	500
PEASE BLVD INTERSECTION	40	400	-	-	-	-	-	440 ✓
FAA MASTER PLAN	-	-	-	200	-	-	-	200
RUNWAY 16-34 RECON- PREDESIGN	70	64	-	-	-	-	-	134 ✓
FRONT END SNOW COMPACT	-	125	-	-	-	-	-	125 ✓
	<b>7,110</b>	<b>22,489</b>	<b>1,850</b>	<b>4,750</b>	<b>3,400</b>	<b>15,000</b>	<b>12,500</b>	<b>67,099</b>

✓ HIGH PRIORITY

# GRANT FUNDED CAPITAL PROJECT REQUESTS

(CONTINUED).....

\$ (000's)

PROJECT DESCRIPTION	FY 2020 TO GO	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	TOTAL
<b>SKYHAVEN AIRPORT (DAW)</b>								
TERMINAL APRON CONSTRUCTION	-	-	-	1,500	-	-	-	1,500
SRE BUILDING EXPANSION	-	-	-	-	-	500	-	500
WILDLIFE FENCE ASSESSMENT, DESIGN AND CONSTRUCTION	-	-	50	80	300	-	-	430
TERMINAL APRON DESIGN	-	-	300	-	-	-	-	300
PROPERTY ACQUISITION (JACKSON)	-	-	-	-	-	-	300	300
TAXILANE PAVEMENT AND DRAINAGE	280	-	-	-	-	-	-	280 ✓
SOUTH APRON DESIGN AND CONSTRUCTION	-	-	-	-	-	-	250	250
<b>TOTAL GRANT FUNDED</b>	<b><u>280</u></b>	<b><u>22,489</u></b>	<b><u>2,200</u></b>	<b><u>6,330</u></b>	<b><u>3,700</u></b>	<b><u>15,500</u></b>	<b><u>13,050</u></b>	<b><u>70,659</u></b>

✓ HIGH PRIORITY

# INTERNALLY FUNDED CAPITAL PROJECT REQUESTS...

\$ (000's)

PROJECT DESCRIPTION	FY 2020 TO GO	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	TOTAL
<b>TRADEPORT</b>								
TERMINAL LOOP ROAD STUDY / CONSTRUCTION	\$ -	\$ -	\$ -	\$ -	\$ 600	\$ -	\$ 7,500	\$ 8,100
INTERSECTION IMPROVEMENTS	-	-	600	-	375	2,675	2,170	5,820 ✓
TERMINAL PARKING LOT	-	-	-	-	1,500	-	-	1,500
STORMWATER TREATMENT	45	100	150	150	150	150	150	895 ✓
ROOF REPLACEMENT- 7 LEE STREET / 36 AIRLINE	-	-	600	-	-	-	50	650
COPORATE DRIVE DRAINAGE	-	400	-	-	-	-	-	400 ✓
OVERFLOW PARKING LOT (ARBORETIIUM)	-	-	-	-	-	330	-	330 ✓
SIDEWALKS- PEDESTRIAN FACILITIES	-	-	-	-	75	75	-	150
TRAFFIC MONITORING	-	50	-	-	30	-	30	110 ✓
PDA OFFICE TRANSITION- 30 NEW HAMPSHIRE	-	-	-	-	-	-	100	100
TANK REMOVAL PROGRAM	25	20	-	5	-	10	-	60 ✓
	<b>70</b>	<b>570</b>	<b>1,350</b>	<b>155</b>	<b>2,730</b>	<b>3,240</b>	<b>10,000</b>	<b>18,115</b>

✓ HIGH PRIORITY

# INTERNALLY FUNDED CAPITAL PROJECT REQUESTS

(CONTINUED)

\$ (000's)

PROJECT DESCRIPTION	FY 2020 TO GO	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	TOTAL
<b>PORTSMOUTH INTERNATIONAL AIRPORT</b>								
TERMINAL EXPANSION- PHASE I	6,953	5,547	-	-	-	-	-	12,500 ✓
OIL / WATER SEPERATOR	-	-	-	150	400	-	-	550 ✓
SOLAR PANEL FARM	-	-	-	-	-	-	500	500
PAY FOR PARKING FACILITY	-	-	-	250	-	-	-	250
SECURITY SYSTEM UPGRADE	100	80	70	-	-	-	-	250 ✓
NORTH WEATHER STATION GENERATOR	-	-	-	-	100	-	-	100
SECURITY BADGE PRINTER	-	-	-	15	-	60	-	75 ✓
GROUND TRANSPORTATION BUS	-	-	-	-	-	-	-	72 ✓
AIFIELD LED LIGHTING	20	35	-	-	-	-	-	55 ✓
UPGRADE DAC CONNECTIVITY	-	25	-	-	-	-	25	50 ✓
TERMINAL CARPETING	-	25	-	-	-	25	-	50 ✓
CCTV SECURITY GATES	-	50	-	-	-	-	-	50 ✓
	<b>7,145</b>	<b>5,762</b>	<b>70</b>	<b>415</b>	<b>500</b>	<b>85</b>	<b>525</b>	<b>14,502</b>

✓ HIGH PRIORITY

# INTERNALLY FUNDED CAPITAL PROJECT REQUESTS

(CONTINUED)

\$ (000's)

PROJECT DESCRIPTION	FY 2020 TO GO	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	TOTAL
<b>SKYHAVEN AIRPORT</b>								
SOLAR PANEL FARM	-	-	-	-	-	-	30	30
JET A FUEL TANK	-	10	-	10	-	10	-	30
TAXIWAY RELAMPING- LED	-	-	25	-	-	-	-	25 ✓
REROOFING- TERMINAL BUILDING	-	25	-	-	-	-	-	25
TERMINAL PARKING LOT	-	-	-	25	-	-	-	25
FUEL SYSTEM CREDIT CARD APPLICATION	20	-	-	-	-	-	-	20 ✓
SRE DOOR REPLACEMENT	-	15	-	-	-	-	-	15
SRE BOILER REPLACEMENT	-	-	-	10	-	-	-	10
	<b>20</b>	<b>50</b>	<b>25</b>	<b>45</b>	<b>-</b>	<b>10</b>	<b>30</b>	<b>180</b>

✓ HIGH PRIORITY

# INTERNALLY FUNDED CAPITAL PROJECT REQUESTS

(CONTINUED)

\$ (000's)

PROJECT DESCRIPTION	FY 2020 TO GO	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	TOTAL
<b>MAINTENANCE (TRADEPORT / PSM)</b>								
SNOW MELTER	-	-	-	-	-	-	4,000	4,000
TRACKLESS SNOW BLOWER	-	-	-	125	-	125	-	250
VEHICLE REPLACEMENT	38	45	97	48	100	50	50	428 ✓
JOHN DEERE TRACTOR REPLACEMENT	-	140	-	-	140	-	-	280 ✓
WINDBREAK FOR WALKWAY	-	-	250	-	-	-	-	250
BUILDING INFRASTRUCTURE	-	-	50	-	50	-	50	150 ✓
RUNWAY PAINTING MACHINE	-	-	-	40	-	-	-	40
CRACK SEALING MACHINE	-	-	50	-	-	-	-	50
MOWER REPLACEMENT	-	-	15	-	15	-	15	45
TRACK SKID MOWER	-	80	-	-	-	-	-	80
	<b>38</b>	<b>265</b>	<b>462</b>	<b>213</b>	<b>305</b>	<b>175</b>	<b>4,115</b>	<b>5,573</b>

✓ HIGH PRIORITY



# INTERNALLY FUNDED CAPITAL PROJECT REQUESTS

(CONTINUED)

\$ (000's)

PROJECT DESCRIPTION	FY 2020 TO GO	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	TOTAL
<b>GOLF COURSE</b>								
COURSE EQUIPMENT	70	95	105	110	185	175	70	810
COURSE ENHANCEMENTS	-	50	50	50	75	75	400	700
DUMP TRUCK / TRUCK WITH PLOW	-	-	40	-	20	40	-	100
GRILL 28 BATHROOM UPGRADES	45	40	-	-	-	-	-	85-
KITCHEN EQUIPMENT	-	20	-	-	20	-	-	40
GEO THERMAL PUMPS	-	-	20	-	-	-	-	20
SIMULATOR UPGRADE	-	-	-	50	-	-	-	50
	<b>115</b>	<b>205</b>	<b>215</b>	<b>210</b>	<b>300</b>	<b>290</b>	<b>470</b>	<b>1,805</b>
<b>TECHNOLOGY</b>								
TECHNOLOGY ENHANCEMENTS	-	50	50	50	50	50	50	300 ✓
MAIN SERVER(S) REPLACEMENT	-	80	-	10	-	-	10	100 ✓
COMPUTERS/ AND SERVERS	10	12	12	12	13	13	13	85 ✓
SOFTWARE- MICROSOFT	-	40	-	-	-	-	40	80 ✓
SOFTWARE-PROPERTY MANAGEMENT	10	5	-	-	-	-	-	15 ✓
FIRE WALL REPLACEMENT	-	5	-	-	5	-	-	10 ✓
PAYCHEX PAYROLL KIOSKS	-	5	-	-	-	5	-	10 ✓
	<b>20</b>	<b>197</b>	<b>62</b>	<b>72</b>	<b>68</b>	<b>68</b>	<b>113</b>	<b>600</b>
<b>TOTAL INTERNALLY FUNDED</b>	<b>7,408</b>	<b>7,049</b>	<b>2,184</b>	<b>1,110</b>	<b>3,903</b>	<b>3,868</b>	<b>15,253</b>	<b>40,775</b>

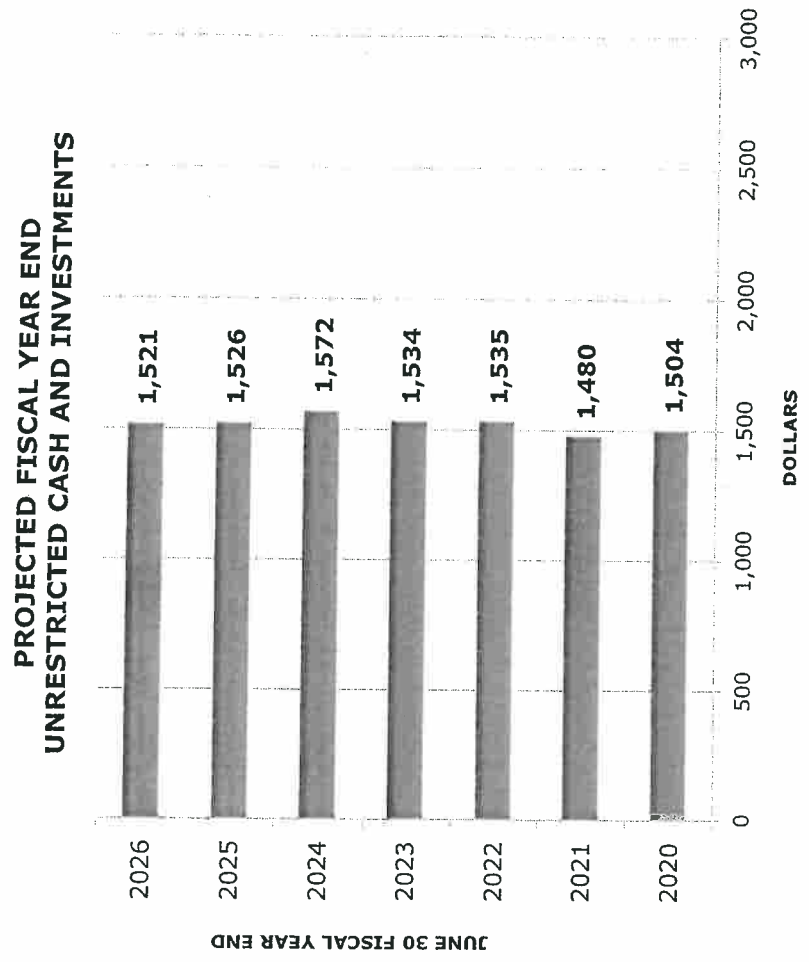
✓ HIGH PRIORITY

CAPITAL IMPROVEMENT PLAN  
APRIL 2020

# PROJECTED FY 2020 - FY 2026 UNRESTRICTED CASH AND INVESTMENTS....

\$ (000's)

	AMOUNT
<b>CASH AND INVESTMENTS- DECEMBER 31, 2019</b>	<b>\$ 5,894</b>
NET OPERATING INCOME- EXCLUDING DEPRECIATION	<u>24,946</u>
<b>AVAILABLE FUNDS</b>	<b><u>30,840</u></b>
<b>FINANCING ACTIVITIES</b>	
GRANT FUNDING	69,085
NEW WORKING CAPITAL- RLOC (NET)	13,500
CAPITAL EXPENDITURES	
GRANT FUNDED	(70,659)
INTERNALLY FUNDED	(40,775)
CLF REIMBURSEMENT	(400)
DEBT AND INTEREST PAYMENTS- NET OF INTEREST INCOME	(1,886)
NET CHANGES IN WORKING CAPITAL	<u>1,815</u>
<b>NET FINANCING ACTIVITIES</b>	<b>(29,319)</b>
<b>CASH AND INVESTMENTS- JUNE 30, 2026</b>	<b><u>1,521</u></b>

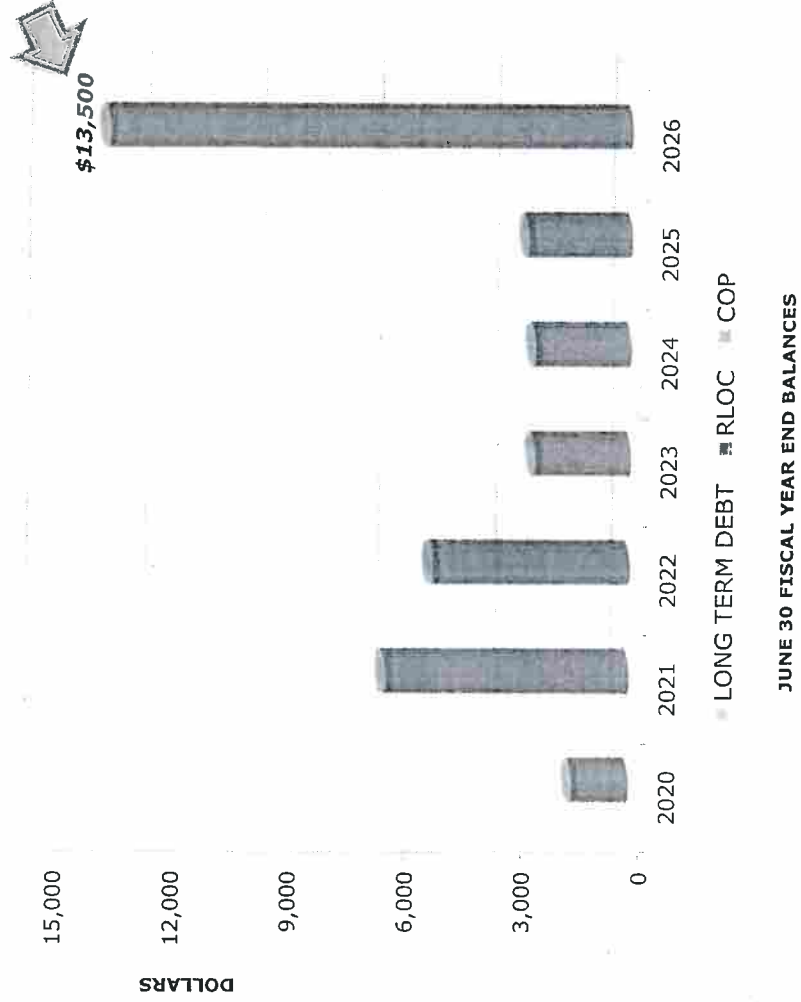


# PROJECTED FY 2020 - FY 2026 OUTSTANDING DEBT ANALYSIS....

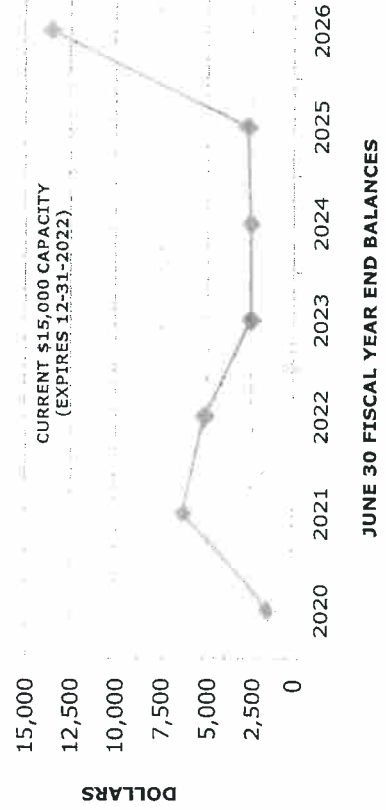
\$ (000's)

	AMOUNT
<b>DEBT OUTSTANDING- DECEMBER 31, 2019</b>	<b>\$ 116</b>
<b>FINANCING ACTIVITIES</b>	
NEW WORKING CAPITAL- RLOC	17,300
CITY OF PORTSMOUTH (COP)	(116)
WORKING CAPITAL- RLOC REPAYMENT	<u>(3,800)</u>
<b>NET FINANCING ACTIVITIES</b>	<b>13,384</b>
<b>DEBT OUTSTANDING- JUNE 30, 2026</b>	<b><u>13,500</u></b>

## PROJECTED DEBT OUTSTANDING



## WORKING CAPITAL RLOC REQUIREMENT



# PROJECTED FY 2020 - FY 2026 NET CASH FLOW...

\$ (000's)

	FY 2020 TO GO	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	TOTAL
<b>OPERATING ACTIVITIES</b>								
PAY FOR PARKING	\$ 1,000	\$ 2,600	\$ 2,658	\$ 2,718	\$ 2,780	\$ 2,863	\$ 2,949	\$ 17,568
FUEL FLOWAGE FEES	154	368	417	442	491	516	540	2,928
	100	360	500	650	795	945	1,100	4,450
<b>CASH FROM OPERATIONS</b>	<u>1,254</u>	<u>3,328</u>	<u>3,575</u>	<u>3,810</u>	<u>4,066</u>	<u>4,324</u>	<u>4,589</u>	<u>24,946</u>
<b>FINANCING ACTIVITIES</b>								
<b>FUNDING SOURCES:</b>								
GRANT FUNDING- FAA / STATE	7,979	21,365	2,090	6,014	3,515	14,725	13,398	69,086
NET CHANGE IN WORKING CAPITAL	250	315	225	350	200	225	250	1,815
NEW WORKING CAPITAL- RLOC	1,500	4,800	-	-	-	200	10,800	17,300
<b>FUNDING REQUIREMENTS:</b>								
GRANT FUNDED CAPITAL PROJECTS	(7,390)	(22,489)	(2,200)	(6,330)	(3,700)	(15,500)	(13,050)	(70,659)
INTERNALLY FUNDED CAPITAL PROJECTS	(7,409)	(7,049)	(2,184)	(1,110)	(3,903)	(3,867)	(15,253)	(40,775)
WORKING CAPITAL RLOC- REPAYMENT	-	-	(1,200)	(2,600)	-	-	-	(3,800)
DEBT REPAYMENT- COP / CLF	(516)	-	-	-	-	-	-	(516)
INTEREST EXPENSE- NET	(58)	(294)	(251)	(135)	(140)	(153)	(739)	(1,770)
<b>NET FINANCING ACTIVITIES</b>	<u>(5,644)</u>	<u>(3,352)</u>	<u>(3,520)</u>	<u>(3,811)</u>	<u>(4,028)</u>	<u>(4,370)</u>	<u>(4,594)</u>	<u>(29,319)</u>
<b>NET CASH FLOW</b>	<u>(4,390)</u>	<u>(24)</u>	<u>55</u>	<u>(1)</u>	<u>38</u>	<u>(46)</u>	<u>(5)</u>	<u>(4,373)</u>
<b>CASH- BEGINNING OF PERIOD</b>	5,894	1,504	1,480	1,535	1,534	1,572	1,526	5,894
<b>CASH- END OF PERIOD</b>	<u>1,504</u>	<u>1,480</u>	<u>1,535</u>	<u>1,534</u>	<u>1,572</u>	<u>1,526</u>	<u>1,521</u>	<u>1,521</u>

CAPITAL IMPROVEMENT PLAN  
APRIL 2020



# PROJECTED FY 2020 - FY 2026 FINANCIAL IMPACT DUE TO THE POTENTIAL ELIMINATION OF LOWER PRIORITY CAPITAL PROJECTS....

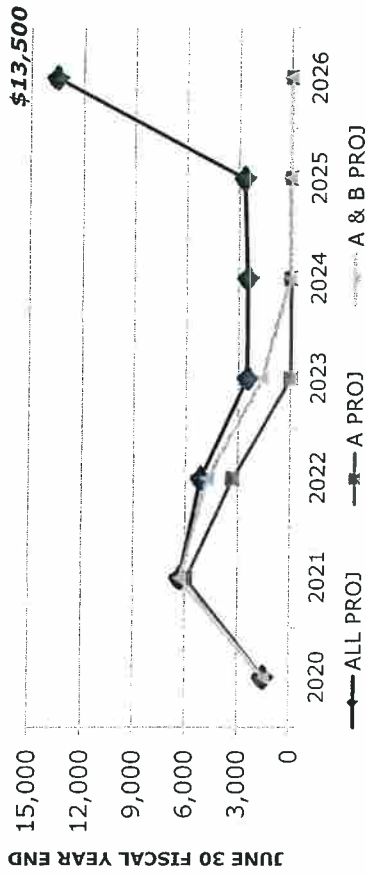
\$ (000's)

PROPOSED ALL PROJECTS      A & B PROJECTS ONLY      A PROJECTS ONLY

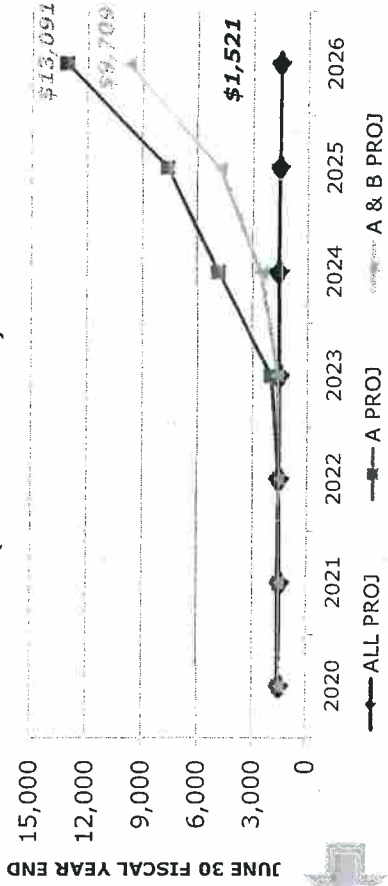
<b>CASH AND INVESTMENTS- DECEMBER 31, 2019</b>	\$ 5,894	\$ 5,894	\$ 5,894
NET OPERATING INCOME- EXCLUDING DEPRECIATION	24,946	24,946	24,946
<b>AVAILABLE FUNDS</b>	<u>30,840</u>	<u>30,840</u>	<u>30,840</u>
<b>FINANCING ACTIVITIES</b>			
GRANT FUNDING	69,086	34,838	33,954
NEW WORKING CAPITAL- RLOC (NET)	13,500	-	-

CAPITAL EXPENDITURES			
GRANT FUNDED	(70,659)	(34,609)	(33,679)
INTERNALLY FUNDED	(40,775)	(22,000)	(18,842)
CLF REIMBURSEMENT	(400)	(400)	(400)
DEBT AND INTEREST PAYMENTS- NET OF INTEREST INCOME	(1,886)	(775)	(597)
NET CHANGES IN WORKING CAPITAL	<u>1,815</u>	<u>1,815</u>	<u>1,815</u>
<b>NET FINANCING ACTIVITIES</b>	<u>(29,319)</u>	<u>(21,131)</u>	<u>(17,749)</u>
<b>CASH AND INVESTMENTS- JUNE 30, 2026</b>	<b>1,521</b>	<b>9,709</b>	<b>13,091</b>

PROJECTED DEBT OUTSTANDING  
(EXCLUDING DPH)



PROJECTED UNRESTRICTED CASH BALANCES  
(EXCLUDING DPH)





## MOTION – V. C.

Director Anderson:

In accordance with the recommendation of the Revolving Loan Fund (“RLF”) Committee, effective May 1, 2020, the Pease Development Authority (“PDA”) Board of Directors hereby approves of and authorizes the Executive Director to:

1. permanently modify all RLF loans not in arrears to reduce the interest rate from 4.00% to 3.00%;
2. make any new loans at a 3.00% interest rate, so long as the loan is within the parameters of the EDA regulations and the PDA RLF Plan;
3. pay any requested loan modification by any current borrower from the RLF fund; and
4. execute any documentation approved by PDA’s Deputy General Counsel as necessary or appropriate to document these modifications and to implement this interest rate decrease;

all in accordance with the Memorandum of Irving Canner, Director of Finance, dated April 9, 2020, attached hereto.

**THIS MOTION REQUIRES A ROLL CALL VOTE**







# PEASE

INTERNATIONAL

DEVELOPMENT  
AUTHORITY

55 International Drive, Portsmouth, NH 03801

To: David R. Mullen, Executive Director

From: Irving Canner, Director of Finance

Date: April 9, 2020

RE: Revolving Loan Fund ("RLF") Response to COVID-19 Outbreak

The COVID-19 outbreak has had an immediate and serious impact on New Hampshire's commercial fishing industry as markets for seafood around the globe have shrunk rapidly and dramatically. During research into possible ways to assist our local fishermen borrowers, including communications with the EDA, it was discovered that EDA regulations, as well as the PDA's RLF Plan approved in the summer of 2019, both permit the interest rate on PDA RLF loans to be the lesser of 4.00% or 75% of the Prime Rate as listed by the Wall Street Journal. As such, given the current Prime Rate of 3.25%, existing RLF loans, which are all currently set at a 4.00% fixed rate, could be modified to have a new interest rate as low as 2.44%.

With the foregoing in mind, the RLF committee met on Thursday, April 9, 2020, and approved to recommend all loans not in arrears be permanently modified effective May 1, 2020, to drop the interest rate from 4.00% to 3.00%, consistent with EDA regulations and the PDA RLF Plan (see attached motion). An interest rate of 3.00% was selected as it would still allow the RLF fund to cover its ongoing operational expenses. Moving forward, any new loans would also be made at 3.00% so long as within the parameters of the EDA regulations and the PDA RLF Plan.

In addition, in order to process interest rate reductions Keane and MacDonald, the law firm that provides assistance to the RLF Committee on these loans, provided a quote to process one-time loan modification closing documents at a rate of approximately \$175.00 per loan. There are currently 22 outstanding loans and while this cost would normally be paid by a borrower seeking a loan modification, the RLF Fund is currently able to absorb the estimated total cost of the \$3,850.00 to provide further relief to the loan recipients during this difficult and unprecedented crisis.

Therefore, pursuant to the RLF Committee's request, please ask the PDA Board of Directors for its approval to permanently lower the fixed interest rate on current PDA RLF loans not in arrears from 4.00% to 3.00%, effective May 1, 2020, consistent with EDA regulations and PDA's approved RLF Plan.







Pease Development Authority  
Division of Ports and Harbors, Revolving Loan Fund Committee  
555 Market St. Portsmouth, NH 03801  
Phone-603-436-8500 Fax 603-436-2780  
[www.portofnh.org](http://www.portofnh.org)

APRIL 9, 2020

MOTION

In an effort to mitigate the negative financial impact on the NH Commercial Fishing Industry ("Industry") during and resulting from the COVID-19 outbreak, the RLF Committee recommends the Pease Development Authority approve a reduction of the interest rate on existing RLF loans not in arrears from 4.00% to no less than 3.00%; and in so doing rescinds its motion and vote regarding an interest rate reduction taken at its meeting on March 26, 2020.

  
William C. Henson, Chairperson

  
Date





**MOTION – VII. B.**

Director Torr:

The Pease Development Board (PDA) of Directors hereby authorizes the Executive Director to complete negotiations and enter into Amendment 1 to the Lease between PDA and GMR Holdings of NH, LLC (“GMR”) in order to accommodate a change request of GMR to PDA’s current billing practices and move from monthly to quarterly billing; all in accordance with a memorandum from Irv Canner, Director of Finance dated March 4, 2020 and attached hereto.

**THIS MOTION REQUIRES A ROLL CALL VOTE.**







**PEASE**  
INTERNATIONAL  
DEVELOPMENT  
AUTHORITY

55 International Drive Portsmouth, NH 03801

**Date:** March 4, 2020  
**To:** David Mullen- Executive Director *DM*  
**From:** Irv Canner- Director of Finance *IC*  
**Subject:** GMR Holdings of NH, LLC

GMR Holdings of NH, LLC ("GMR") is a party to a cell tower lease with the Pease Development Authority. GMR has asked that we accommodate a change in our current billing practices to move from monthly to quarterly billing. This request can be accommodated internally with a simple lease amendment and without any disruption to our billing practices. Accordingly, I ask that we present the attached lease amendment for approval to the Pease Development Authority Board of Directors during their March 19, 2020 meeting. The effective date of this lease amendment would be April 1, 2020.

At your convenience, I would be pleased to address any questions and of the need for supplemental information that you might have.



**AMENDMENT 1 TO LEASE  
BETWEEN  
PEASE DEVELOPMENT AUTHORITY AS "LESSOR"  
AND  
GMR HOLDINGS OF NH, LLC AS "LESSEE"**

THIS AMENDMENT 1 ("Amendment") is made by and between the PEASE DEVELOPMENT AUTHORITY ("Lessor" or "PDA") and GMR HOLDINGS OF NH, LLC ("Lessee") to the LEASE executed July 1, 2013. Lessor and Lessee may be referred to jointly as the "Parties."

**RECITALS**

WHEREAS, Lessor and Lessee would like to amend the provisions of the Lease Agreement as provided below.

**AGREEMENT**

For good and valuable consideration, the receipt and sufficiency of which are acknowledged, Lessor and Lessee agree to amend Article 4, Sections 4.1 and 4.2 of the Lease Agreement to read as follows:

**ARTICLE 4. RENT- MUNICIPAL SERVICES FEE**

4.1 During the initial five (5) year Base Term, Lessee shall pay PDA rent payments based upon rent collected (other than Base Rent) per the following schedule:

Base Monthly Rent	\$1,000
Colo Rent - 2nd	\$ 500
Colo Rent - 3rd	\$ 500
All other tenants	25% of net collected rent proceeds

At the beginning of each successive five (5) year renewal term, Base Rent and Colo Rent for the 2<sup>nd</sup> and 3<sup>rd</sup> wireless carriers shall be increased by twelve percent (12%) of the rent in effect for the previous term or renewal term.

Beginning April 1, 2020, Rent payments shall be submitted to PDA on a quarterly basis. Upon request during the term of this Agreement, Lessee agrees to promptly provide Lessor the following:

- a. List of Licensees
- b. Amount billed, per Licensee (w/ a breakdown of Lessee's and other charges)
- c. Amount collected, per Licensee
- d. Account status (30, 60, 90 days, etc.)

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

General Terms and Conditions.

- a. All capitalized terms used in this Amendment, unless otherwise defined herein, will have the same meaning as the terms contained in the Agreement.
- b. In case of any inconsistencies between the terms and conditions contained in the Agreement and the terms and conditions contained in this Amendment, the terms and conditions herein will control. Except as set forth herein, all provisions of the Agreement are ratified and remain unchanged and in full force and effect.
- c. This Amendment may be executed in duplicate counterparts, each of which will be deemed an original.
- d. Each of the parties represents and warrants that it has the right, power, legal capacity and authority to enter into and perform its respective obligations under this Amendment.

The parties have executed this Amendment on the dates indicated below.

**Lessor:**  
Pease Development Authority

**Lessee:**  
GMR Holdings of NH, LLC  
a New Hampshire limited liability company  
By Its Manager,  
Green Mountain Realty, LLC

By: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: David R. Mullen

Printed Name: Victor Drouin

Title: Executive Director

Title: Manager

Date: \_\_\_\_\_  
**(Date must be completed)**

Date: \_\_\_\_\_  
**(Date must be completed)**

**PEASE DEVELOPMENT AUTHORITY AS "LESSOR"**

STATE OF NEW HAMPSHIRE: ss.

COUNTY OF \_\_\_\_\_

On this \_\_\_\_ day of \_\_\_\_\_, 2020, before me, \_\_\_\_\_, the undersigned officer in and for said County and State, personally appeared Victor Drouin, personally known to me (or proved to me on the basis of satisfactory evidence) to be the Manager of GMR Holdings of NH, LLC and on oath stated that he was authorized to execute this instrument and acknowledged it to be his free and voluntary act for the uses and purposes set forth herein.

Notary Public / Justice of the Peace

Printed Name: \_\_\_\_\_

My commission expires: \_\_\_\_\_

**GMR HOLDINGS OF NH, LLC AS "LESSEE"**

STATE OF NEW HAMPSHIRE: ss.

COUNTY OF ROCKINGHAM

On this \_\_ day of \_\_\_\_\_, 2020, before me, \_\_\_\_\_, the undersigned officer in and for said County and State, personally appeared David R. Mullen, Acting Executive Director, personally known to me (or proved to me on the basis of satisfactory evidence) to be the Executive Director of the Pease Development Authority and on oath stated that he was authorized to execute this instrument and acknowledged it to be his free and voluntary act for the uses and purposes set forth herein.

Notary Public / Justice of the Peace

Printed Name: \_\_\_\_\_

My commission expires: \_\_\_\_\_







**MOTION – VII. C.**

Director Lamson:

The Pease Development Authority (“PDA”) Board of Directors ratifies and approves the execution by the Executive Director of the Amended and Restated Lease with 119 International Drive, L.L.C. for the premises comprised of 15 Rye Street, 19 Rye Street and 119 International Drive effective September 19, 2019 on the terms and conditions summarized in the memorandum of Lynn Marie Hinchee, General Counsel, dated March 12, 2020, and the lease attached hereto.


THIS MOTION REQUIRES A ROLL CALL VOTE.





# Memo

**To:** PDA Board of Directors

**From:** Lynn Marie Hinchee, General Counsel 

**cc:** David R. Mullen, Executive Director

**Date:** 3/12/2020

**Re:** Long Term Lease Agreement – 119 International Drive LLC

PDA staff is pleased to advise that it has completed negotiations and has executed an Amended and Restated Lease Agreement with 119 International Drive LLC effective September 19, 2019 for a base term of forty (40) years and a maximum term with all available option periods of seventy-four (74) years.

The 119 International Drive premises is a lot containing 10.51 acres with three buildings constructed. The building addresses are 15 Rye Street, 19 Rye Street and 119 International Drive. The useable area of the premises is 9.37 acres and includes a new building completed in 2018 and occupied by New Hampshire Health and Human Service.

PDA commenced negotiations with 119 International on the comprehensive revision of its June 1999 lease in August of 2015. When PDA originally assessed the proposal from 119 International Drive LLC to amend its lease in contemplation of construction of a new building the maximum lease term permitted was 45 years and this term was approved by the Board in August 2016.

As you are aware, PDA received concurrence for the Federal Aviation Administration in July 2018 to increase the term of non-aeronautical development leases to maximize revenue to the Airport. The new Amended and Restated Lease reflects PDA's current policy for long term leasing of non-aeronautical revenue producing property and we would ask at the Board Meeting on March 19, 2020, that you ratify and approve the execution of the 119 International Drive lease by the Executive Director in the form attached hereto.



**FINAL**  
**February 19, 2020**

AMENDED AND RESTATED LEASE  
BY AND BETWEEN  
PEASE DEVELOPMENT AUTHORITY  
AS  
“LESSOR”  
AND  
119 INTERNATIONAL DRIVE, L.L.C.  
AS  
“LESSEE”

TABLE OF CONTENTS

<u>ARTICLE</u>	<u>PAGE</u>
LEASE .....	1
RECITALS .....	1
ARTICLE 1. PREMISES .....	3
ARTICLE 1.A. TITLE .....	5
ARTICLE 2. CONDITION OF LEASED PREMISES .....	6
ARTICLE 3. TERM .....	7
ARTICLE 4. LEASE .....	8
ARTICLE 5. IMPOSITIONS .....	12
ARTICLE 6. SURRENDER OF LEASED PREMISES .....	13
ARTICLE 7. INSURANCE .....	14
ARTICLE 8. LESSOR'S RIGHT TO PERFORM LESSEE'S COVENANTS .....	17
ARTICLE 9. USE OF LEASED PREMISES .....	18
ARTICLE 10. LIENS .....	20
ARTICLE 11. REPAIRS AND MAINTENANCE .....	21
ARTICLE 12. RIGHT OF LESSOR TO INSPECT AND REPAIR .....	22
ARTICLE 13. GENERAL INDEMNIFICATION BY LESSEE .....	23
ARTICLE 14. UTILITIES .....	24
ARTICLE 15. ALTERATIONS, SIGNS .....	26
ARTICLE 16. DESTRUCTION AND RESTORATION .....	28
ARTICLE 16A. EMINENT DOMAIN .....	31
ARTICLE 17. DEFAULT BY LESSOR .....	32
ARTICLE 18. DEFAULT BY LESSEE .....	33
ARTICLE 19. DELEGATION – ASSIGNMENT – SUBLEASES – MORTGAGES .....	36
ARTICLE 20. RESERVED .....	41
ARTICLE 21. ESTOPPEL CERTIFICATES AND FINANCIAL STATEMENTS .....	42
ARTICLE 22. INVALIDITY OF PARTICULAR PROVISIONS .....	43
ARTICLE 23. NOTICES .....	44
ARTICLE 24. QUIET ENJOYMENT .....	45
ARTICLE 25. ENVIRONMENTAL PROTECTION .....	46
ARTICLE 26. MISCELLANEOUS .....	53

## EXHIBITS TO LEASE

### EXHIBITS

- 1 - QUITCLAIM DEEDS AND EXHIBITS
- 2 - FEDERAL FACILITIES AGREEMENT
- "A" PLANS DESIGNATING THE LEASED PREMISES
- "A-1" EASEMENT AGREEMENT
- "B" [RESERVED]
- "C" CALCULATION OF GROUND AREA RENT
- "D" SUMMARY OF LEASE PROVISIONS REQUIRED BY THE FEDERAL AVIATION ADMINISTRATION
- "E" LIST OF ENVIRONMENTAL LAWS AND REGULATIONS
- "F" CERTIFICATE OF CORPORATE GOOD STANDING/EXISTENCE



## LEASE

THIS AMENDED AND RESTATED LEASE (“Lease”) is made by and between the PEASE DEVELOPMENT AUTHORITY (“Lessor” or “PDA”) and 119 International Drive, L.L.C. (“Lessee”) Lessor and Lessee may be referred to jointly as the “Parties”).

## RECITALS

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

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

C. By Quitclaim Deed made and entered into on October 15, 2003 and Quitclaim Deed dated September 16, 2005 (including all exhibits thereto, the “Deeds”), the Government, acting by and through the Secretary of the Air Force did grant to PDA the land and improvements located in the City of Portsmouth, Town of Newington and Town of Greenland, as contemplated by the Master Lease, Application and Acceptances including the Leased Premises. The Parties acknowledge that the Deeds impose certain requirements on Lessee with respect to leases. Copies of the Deeds are attached to this Lease as Exhibit I.

D. The Parties acknowledge that a Federal Facilities Agreement (“FFA”) required under Section 120 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601 *et seq.* has been entered into by the Air Force, the New Hampshire Department of Environmental Services (“NHDES”) and the United States Environmental Protection Agency (“EPA”) regarding certain contamination at Pease and that this FFA also imposes certain requirements upon Lessor and Lessee which are addressed in the terms and conditions of this Lease. A copy of the FFA is

attached to this Lease as Exhibit 2. Unless the context refers specifically to the document constituting Exhibit 2, the term FFA shall include any amendments to said document.

E. Lessee is a New Hampshire limited liability company with a principal place of business at Portsmouth, New Hampshire.

F. Except as specifically provided herein, this Lease is intended to amend the existing lease by deleting the same in its entirety and to replace, amend, restate and supersede the existing lease except for those provisions of the Primary Lease, specifically Sections 25.3, 25.4 and 26.20, which by their explicit terms survive termination. The existing lease ("Primary Lease") and Lessee's interest therein are described more fully as:

Lessee is party to an existing lease agreement for the Premises at 119 International Drive as defined in Article 1 of this Lease.

1. A certain sublease made by and between the Lessor and Lessee with an effective date of December 1, 1999;
2. A sublease Amendment No. 1 with an effective date of May 18, 2000; and
3. A sublease Amendment No. 2 with an effective date of January 22, 2004.

This Lease is an amendment and restatement of the Primary Lease, it does not serve as a termination of the Primary Lease. As such, the rights and obligations of the Parties for the period prior to September 1, 2019 are as set forth in the Primary Lease.

The parties acknowledge and agree that the provisions of the Guaranties, Article 27 of the Primary Lease, have been fully satisfied and are no longer of any force and effect.

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

## ARTICLE 1.

### PREMISES

#### 1.1. Description of Leased Premises

Lessor, for and in consideration of the rents and covenants herein specified to be paid and performed by Lessee, hereby leases to Lessee, and Lessee hereby hires from Lessor, the land, any buildings and other facilities and improvements located on said land described generally below and more particularly described in and shown on the plans attached as Exhibit A (the “Leased Premises” or the “Premises”):

A certain parcel of land in Portsmouth, New Hampshire, containing 10.39 acres (Tax Map 305, Lot 4) which premises are located in the Business Commercial Zone of Pease International Tradeport. The Leased Premises comprise three buildings with addresses at 15 Rye Street, 19 Rye Street and 119 International Drive.

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

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

This Lease is subject to existing easements and rights-of-way of record and to (i) the Utility Sublease and License Agreement dated July 31, 1992 by and between PDA and Public Service Company of New Hampshire (“PSNH”); (ii) the utility Sublease and License Agreement dated March 23, 1995 by and between PDA and New England Telephone and Telegraph Company (“NETEL”); (iii) the Wastewater Disposal and Water Service Facilities Sublease and License Agreement dated as of January 1, 1993 and amended July 1, 1998 by and between PDA and the City of Portsmouth (“COP”) and (iv) and to the Pipeline Easement and Transfer Agreement dated February 13, 2012 by and between PDA, Portland Natural Gas Transmission System and Maritimes & Northeast Pipeline, L.L.C.

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

The Government reserves a no cost right of access for purposes of environmental investigation, response or other corrective action, as required by CERCLA Section 120(h)(3)(A)(iii), the FFA, and as otherwise set forth in Article 25 of this Lease.

1.3. General Rights of Access

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

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

1.4. Easement in favor of the City of Portsmouth. Fire Station 3. 127 International Drive

This Lease is subject to an access and utility easement in favor of the City of Portsmouth as shown on a Plan to show Waterline Easement prepared for Two International Group by Knight Hill Land Surveying Services dated May 24, 2019. Said easement agreement will be recorded in the Rockingham County Registry of Deeds (see Exhibit A-1).

END OF ARTICLE 1

ARTICLE 1.A.

TITLE

1.A.1 Except as provided in Article 6 of this Lease, upon expiration or termination of this Lease, including any authorized extension thereof, title to the Leased Premises, including any buildings, facilities and improvements thereon shall be vested in Lessor. Prior to that time, title to any buildings or improvements situated on or erected on the Leased Premises by Lessee or its predecessor in interest and the building equipment and other items installed thereon by Lessee or its predecessor in interest and any alteration, change or addition thereto shall remain solely in Lessee and Lessee alone shall be entitled to deduct any applicable depreciation on Lessee's income tax returns for any such buildings or equipment and to any other applicable income tax benefits that are available by reason of such buildings, improvements and equipment.

END OF ARTICLE 1.A.

ARTICLE 2.

CONDITION OF LEASED PREMISES

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

Lessee further acknowledges that a portion of the Leased Premises are currently designated as a wetlands area and that Lessor makes no representation concerning its potential utilization or capability of being developed and undertakes no obligation in respect to this area.

END OF ARTICLE 2

## ARTICLE 3.

### TERM

3.1. This Lease shall be effective upon execution by both parties and shall continue for a base term of forty (40) years ("Base Term") which term shall commence September 1, 2019 (the "Term Commencement Date"), unless terminated earlier or extended in accordance with the provisions of this Lease. Lessee is also granted six (6) five (5) year options and one (1) four-year option to extend the Lease. In no event shall the Base Term and all option periods extend beyond seventy-four (74) years from the Term Commencement Date. Any extension of the term through exercise of an option shall be upon the same terms and conditions applicable to the Base Term, provided that rental rates shall escalate as provided in Article 4 (and any other applicable provision addressing rental rates). Each properly exercised extension shall be an "Extension Period."

Prior to the effective date, the rights and obligations of Lessor and Lessee are as described in the Primary Lease.

3.2. As a condition precedent to the exercise by Lessee of any of its options to extend the term of this Lease, Lessee shall give a written notice ("Option Notice") to Lessor of its exercise of each such option no sooner than twenty-four (24) months and no later than twelve (12) months prior to the end of the Base Term or any applicable Extension Period.

In order to avoid any forfeiture or inadvertent lapse of such option, if Lessee shall fail to give any such Option Notice prior to the twelve (12) month deadline and shall not have given Lessor prior written notice of its intent not to exercise its option to extend, then and as often as the same shall occur, Lessee's right to exercise such option shall nevertheless continue, until ten (10) business days after Lessor shall have given Lessee a written notice of Lessor's election to terminate the option to extend. Lessee may exercise its option to extend Option at any time prior to the expiration of such ten (10) business day period.

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

3.4. The options to extend the term hereby granted are expressly subject to Lessee's compliance with Federal Airport Grant Assurances as set forth in Article 26, Section 26.16.

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

### END OF ARTICLE 3



ARTICLE 4.

GROUND AREA RENT – PILOT

4.1. Lessee shall pay to Lessor ground area rent (“Ground Area Rent”) at the following annual rate per acre:

Year 1	\$17,475 (see calculation on <u>Exhibit C</u> attached hereto).
Years 2-5	the per acre rate for the previous year plus an annual adjustment equal to the lesser of CPI or 3% per year, not to exceed 12% in each successive 5 year period (e.g., years 1 – 5)
Years 6-25	the per acre rate for the previous year plus an annual adjustment equal to the lesser of CPI or 3% per year, not to exceed 12% in each successive 5 year period (e.g., years 6 – 10, 11 – 15, 16 – 20 and 21 – 25)
Year 26	the greater of the “Fair Rental Value Rate” or the rate in effect for the preceding year (the “Reset Rate”)
Years 27-30	subject to 4.1A, the per acre rate for the previous year plus an annual adjustment equal to the lesser of CPI or 3% per year, not to exceed 12% in each of the next 4 years (i.e., years 27 – 30)
Years 31-50	the per acre rate for the previous year plus an annual adjustment equal to the lesser of CPI or 3% per year, not to exceed 12% in each successive 5 year period (i.e., years 31 – 35, 36 – 40, 41 – 45, 46 – 50)
Year 51	the greater of the “Fair Rental Value Rate” or the rate in effect for the preceding year (the “Reset Rate”)
Years 52-55	subject to 4.1A below, an annual payment equal to the per acre rate for the previous year plus an annual adjustment equal to the lesser of CPI or 3% per year, not to exceed 12% in each of the next 4 years (i.e., years 52 – 55)
Years 56-74	an annual payment equal to the per acre rate for the previous year plus an annual adjustment equal to the lesser of CPI or 3% per year, not to exceed 12% in each successive 5 year period (i.e., years 56 – 60, 61 – 65, 66 – 70, 71 – 74)

The annual Ground Rent for the Premises will be based on the total useable acreage of 9.37 acres +/-.

“Fair Rental Value Rate” means the Fair Rental Value Rate determined by licensed real estate appraisers with MAI designation having at least five (5) years’ experience in the appraisal of commercial real estate at Pease International Tradeport; one such appraiser to be designated by each of Lessor and Lessee. In determining fair rental value rate, each appraiser shall comply with all applicable Federal Aviation Administration Guidelines which currently require the utilization of Federal Aviation Administration Compliance Guidance Letter dated August 27, 2018 and the orders, statutes, regulations and other matters therein or incorporated thereby by reference and shall be based on appropriate comparables, including the most recent land rental rates, for properties located within the Business and Commercial zone of the Pease International Tradeport. If either party shall fail to designate its appraiser by giving notice of the name of such appraiser to the other party within fifteen (15) days after receiving notice of the name of the other party’s appraiser, then the appraiser chosen by the other party shall determine the Fair Rental Value Rate and his/her determination shall be final and conclusive. If the appraisers designated by Lessor and Lessee shall disagree as to the Fair Rental Value Rate, but if the difference between their estimates of Fair Rental Value Rate shall be five percent (5%) or less of the greater of the estimates, then the average of their estimates shall be the Fair Rental Value Rate for purposes hereof. If the appraisers designated by Lessor and Lessee shall disagree as to the amount of Fair Rental Value Rate, and if their estimates of Fair Rental Value Rate shall vary by more than five percent (5%) of the greater of said estimates, then they shall jointly select a third appraiser meeting the qualifications set forth above, and his/her estimate of Fair Rental Value Rate shall be the Fair Rental Value Rate for purposes hereof if it is not greater than the greater of the other two estimates and not less than the lesser of the other two estimates. If said third appraiser’s estimate is greater than the greater of the other two estimates, then the greater of the original two estimates shall be the Fair Rental Value Rate for purposes hereof; and if the estimate of the third appraiser shall be less than the lesser of the other two estimates, then the lesser of the original two estimates shall be the Fair Rental Value Rate for purposes hereof. Lessor and Lessee shall pay for the services of its appraiser, and if a third appraiser shall be chosen, then Lessor and Lessee shall each pay for one-half of the services of the third appraiser.

4.1-A Notwithstanding anything in Section 4.1 above to the contrary, if the Reset Rate exceeds the rate in effect in the preceding year by more than 12%, the annual adjustments to the Reset Rate shall be suspended during the next four (4) years.

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

4.3. As of each Adjustment Date (as hereinafter defined), and subject to the caps set forth above and Section 4.1A above, the Ground Area Rent shall be adjusted as provided in Section 4.4 to reflect changes in the Consumer Price Index for all Urban-Consumers in the Boston-Cambridge-Newton area applicable

to the Boston Area (all items 1982-1984 = 100) published by the United States Department of Labor, Bureau of Labor Statistics (the "Index").

4.4. On September 1, 2020 and on the first day of each September thereafter (individually an "Adjustment Date" and collectively the "Adjustment Dates"), Ground Area Rent shall be subject to adjustment, consistent with the provisions of Article 4, Section 4.1 for the remainder of the term of this Lease as follows:

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

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

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

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

4.5. This Lease Agreement shall be triple net to PDA and all costs associated with the use, occupancy, maintenance and insurance of the Premises shall be borne by Lessee.

4.6. The Ground Area Rent payable hereunder shall be net to Lessor, free and clear of any and all Impositions (as defined in Section 5.1), or expenses of any nature whatsoever in connection with the Premises. The Parties agree that, except as expressly provided herein, upon execution of the Lease, all costs, expenses and charges of every kind and nature relating to the Leased Premises which may be attributed to, or become due at any time after the execution of the Lease, during the initial or any renewal

term of this Lease, shall constitute additional rent to be paid by Lessee and, upon failure of Lessee to pay any such costs, expenses or charges, Lessor shall have the same rights and remedies as otherwise provided in this Lease for the failure of Lessee to pay rent. It is the intention of the Parties that Lessee shall in no event be entitled to any abatement or reduction in rent payable hereunder, except as expressly provided herein. Any present or future law to the contrary shall not alter the agreement of the Parties.

4.7. The Leased Premises are located outside the Airport District, as defined in NH RSA 12-G:2. Lessee shall pay to the City of Portsmouth a payment in lieu of taxes (“PILOT”) in accordance with the provisions of NH RSA 12-G:14, II and any other applicable provision of State law.

4.8. Any tax, fee or PILOT imposed for the provision of fire, police, public works or other municipal services shall be considered an imposition under Article 5 of this Sublease.

END OF ARTICLE 4

## ARTICLE 5.

### IMPOSITIONS

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

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

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

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

### END OF ARTICLE 5

## ARTICLE 6.

### SURRENDER OF LEASED PREMISES

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

END OF ARTICLE 6



ARTICLE 7.

INSURANCE

7.1.

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

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

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

(2) Comprehensive general liability insurance 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 Leased Premises including any buildings thereon and adjoining sidewalks, streets, and passageways, such insurance to afford immediate minimum protection at the time of the Term Commencement Date, and at all times during the term of this Lease, to a limit of not less than four million (\$4,000,000) dollars, per occurrence with respect to damage to property and four million (\$4,000,000) dollars, per occurrence with respect to personal /bodily injury or death to any one or more persons and with no deductible or such deductible amount as may be approved by Lessor. Such insurance shall also include coverage against liability for bodily injury or property damage arising out of the acts or omissions by or on behalf of Lessee, or any other person or organization, or involving any owned, non-owned, leased or hired automotive equipment (if such coverage is not provided by a separate policy under 7.B.(4)) in connection with Lessee's activities.

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



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

7.2. All policies of insurance required to be carried under this Article shall be effected under valid and enforceable policies, in such forms and amounts as may, from time to time, be required under this Lease, issued by insurers of recognized responsibility which are authorized to transact such insurance coverage in the State of New Hampshire. The policies of insurance required in Sections 7.1.B. (2) and (4) shall be for the mutual benefit of Lessee, Lessor and any Leasehold Mortgagee, as defined in Article 19, with the Lessor and Leasehold Mortgagee named as additional insureds. The policy required in Section 7.1.B.(1) shall name Lessor, Lessee and any Leasehold Mortgagee as loss payees as their interests may appear subject to the provisions of Section 19.7(9) hereof.

Upon the execution of this Lease (and thereafter not less than fifteen (15) days prior to the expiration date of each policy furnished pursuant to this Article) Lessee shall provide a copy of the original of each policy required to be furnished pursuant to this Article (or, with the consent of Lessor, which consent shall not be unreasonably withheld a certificate of the insurer reasonably satisfactory to Lessor which sets forth evidence of all requisite coverages) bearing a notation evidencing the payment of the premium or accompanied by other evidence reasonably satisfactory to Lessor of such payment, shall be delivered by Lessee to Lessor.

7.3. All policies of insurance shall provide for loss thereunder to be adjusted and payable to Lessor or Lessee in accordance with the terms of this Lease.

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

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

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

7.7. Lessee shall observe and comply with the requirements of all policies of insurance at any time in force with respect to the Leased Premises and Lessee shall also perform and satisfy the requirements of the companies writing such policies so that at all times companies of good standing reasonably satisfactory to Lessor shall be willing to write or to continue such insurance. Lessee shall, in the event of any violations or attempted violations of the provisions of this Section 7.7 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.

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

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

7.10 Notwithstanding the foregoing provisions of Article 7, the insurance policies required to be provided by the Lessee may have reasonable deductible amounts. With respect to the property insurance required by Section 7.1.B(1), the deductible shall not exceed 5% of the full replacement value of the buildings, improvements and personal property on the Leased Premises and with respect to the comprehensive general liability insurance, the deductible shall not exceed 1% of the net assets of the Lessee. The Lessee shall also have the right to self-insure for the property insurance required by Section 7.1.B(1) provided that the Lessee provides the Lessor with evidence reasonably satisfactory to the Lessor that the Lessee has net assets, in the case of a not-for-profit entity or net worth in the case of a for profit entity, in an amount equal to no less than 500% of the replacement value of the buildings, improvements and personal property on the leased premises. Such evidence shall be provided to the Lessor on an annual basis.

END OF ARTICLE 7

ARTICLE 8.

LESSOR'S RIGHT TO PERFORM LESSEE'S COVENANTS

8.1. If Lessee shall at any time fail to pay when due any Imposition or other charge or to pay for or maintain any of the insurance policies required under Article 7, or to make any other payment or perform any other act on Lessee's part required by this Lease to be done, then Lessor, after thirty (30) days written notice to Lessee (or, in case of any emergency, without notice, or with such notice as may be reasonable under the circumstances) and without waiving or releasing Lessee from any obligation of Lessee hereunder, may (but shall not be required to):

(i) pay such Imposition or other charge, or

(ii) pay for and maintain such insurance policies, or

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

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

END OF ARTICLE 8

## ARTICLE 9.

### USE OF LEASED PREMISES

9.1. The sole purpose for which Sublessee may use the Subleased Premises are, (i) professional and business offices, research and development offices, financial service and data processing facilities and customary accessory uses incidental thereto, and any other office use(s) permitted within the Pease Development Authority's Business and Commercial Zone, (ii) a post-secondary or graduate educational and training facility as contemplated by Section 303.05 of the PDA Zoning Requirements; provided, however, that such use shall be limited to 6,000 square feet, (iii) a restaurant use not to exceed 1,500 square feet, and (iv) within 119 International Drive only, a Public Utility Facility (as that term is defined in Sublessor's Land Use Controls) not to exceed 1,500 square feet, subject to the terms and conditions of the Special Exception granted by the Zoning Board of Adjustment for the City of Portsmouth, and for no other uses without Sublessor'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. Sublessor'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. Sublessee is prohibited from any use of the Subleased Premises not specifically granted in this Section 9.1.

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

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

9.4. At Lessee's sole cost and expense, Lessee shall comply promptly with all present and future laws, ordinances, orders, rules, regulations, permits, approvals, licenses, requirements, guidelines, and guidance documents of all federal, state and municipal governments, departments, commissions, boards and officials, foreseen and unforeseen, ordinary as well as extraordinary, which may be applicable to the Leased Premises or to Lessee's use, occupancy or presence in or at the Leased Premises, including without limitation the ADA, Land Use Controls, Occupational Health and Safety Act, and Environmental Laws (as defined in Article 25 below) (collectively, the "Legal Requirements"), without regard to whether said Legal Requirements are now in effect or become effective after the Term Commencement Date. The phrase "Legal Requirement" shall be interpreted to include the concept of so-called "grandfathered status" and Lessee shall not be required to comply with any new Legal Requirement or modification of any existing Legal Requirement where the Legal Requirement exempts from its application persons who previously complied with prior Legal Requirements at the time the new or modified Legal Requirement was adopted.

9.5. Lessee shall have the right to contest by appropriate proceedings diligently conducted in good faith, without cost or expense to Lessor, the validity or application of any Legal Requirement. If compliance with any Legal Requirement be delayed on the basis of an order from a court of competent jurisdiction pending the prosecution of any such proceeding without the incurrance of any lien, charge or liability of any kind against the Leased Premises or Lessee's interest therein and without subjecting Lessor to any liability, civil or criminal, for failure so to comply therewith, Lessee may delay compliance therewith consistent with such court order. Even if such lien, charge or civil liability would be incurred by reason of any such delay, Lessee may, with the prior written consent of Lessor, contest as aforesaid and delay as aforesaid, provided that such contest or delay does not subject Lessor to criminal liability, damages or expense and provided that Lessee: (i) furnishes to Lessor security, reasonably satisfactory to Lessor, against any loss or injury by reason of such contest or delay; and (ii) prosecutes the contest with due diligence.

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

9.6. [Omitted.]

9.7. Responsibility for compliance with all Legal Requirements, including without limitation the Land Use Controls, as required by this Article and Article 25 rests exclusively with the Lessee. The Lessor assumes no enforcement or supervisory responsibility except with respect to matters committed to its jurisdiction and authority.

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

9.9. Lessee shall have the right to obtain supplies or services from suppliers, vendors or contractors of its own choice at the Leased Premises, provided that Lessor reserves the right to prohibit persons from engaging in "aeronautical activities" (as defined in Advisory Circular AC 150/5190-6 of the Federal Aviation Administration or any successor Advisory Circular) or the provision of ground transportation services at the Airport except in accordance with concession contracts or operating agreements entered into between Lessor and said persons.

9.10. [Omitted]

9.11. Lessee acknowledges that Lessor is subject to certain restrictions on the use of the Airport Property in accordance with Paragraph VII.B of the Deed. Notwithstanding any other provision of this Lease, the Lessee shall also comply with and be subject to all other restrictions and conditions of the Deed to the extent applicable to the Leased Premises.

END OF ARTICLE 9



## ARTICLE 10

### LIENS

10.1. Except as otherwise provided in Article 19 for Leasehold Mortgages, during the term of this Lease, Lessee shall not permit to remain, and shall promptly discharge, at its cost and expense, all liens, encumbrances and charges upon the Leased Premises or any part thereof; provided, that the existence of any mechanics', laborers', materialman's, suppliers' or vendors' liens or rights thereto shall not constitute a violation of this Article if payment is not yet due under the applicable contract. Lessee shall, however, have the right to contest with due diligence the validity or amount of any lien or claimed lien, if Lessee shall give to Lessor such security as Lessor may reasonably require to insure payment thereof and prevent any sale, foreclosure or forfeiture of Lessee's interest in the Leased Premises or any portion thereof by reason of such nonpayment. On final determination of the lien or claim for lien, Lessee shall immediately pay any judgment rendered with all proper costs and charges and shall have the lien released or judgment satisfied at Lessee's own expense, and if Lessee shall fail to do so, Lessor may at its option pay any such final judgment and clear the Leased Premises therefrom and the amount paid by Lessor shall be paid by Lessee to Lessor upon demand, and shall incur interest at an annual rate of the Wall Street Journal Prime Rate plus two percent (2%) from the date of demand until paid in full. If Lessee shall fail to contest with due diligence the validity or amount of any such lien or claimed lien, or to give Lessor security as hereinabove provided, Lessor may, but shall not be required to, contest the validity or amount of any such lien or claimed lien or settle or compromise the same without inquiring into the validity of the claim or the reasonableness of the amount thereof and the amount paid by Lessor shall be paid by Lessee to Lessor upon demand, and shall incur interest at an annual rate of the Wall Street Journal Prime Rate plus two percent (2%) from the date of demand until paid in full.

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

END OF ARTICLE 10

ARTICLE 11.

REPAIRS AND MAINTENANCE

Lessee covenants and agrees, throughout the term of this Lease, without cost to Lessor, to take good care of the Leased Premises and related improvements, including roadways, sidewalks, curbs, parking areas and fences designated for Lessee's exclusive use, and to keep the same in good order and condition, and shall promptly at Lessee's own cost and expense, make all necessary repairs, internal and external, structural and nonstructural, ordinary as well as extraordinary, foreseen as well as unforeseen, to keep the Leased Premises and related improvements in a safe, clean and sanitary condition. All such repairs made by Lessee shall be at least equal in quality and class to the original work and shall comply with the provisions of Article 15 of this Lease. Lessee shall keep and maintain all portions of the Leased Premises, including the roadways, parking areas and fences situated thereon in a clean and orderly condition, free of accumulation of dirt and rubbish. When used in this Article, the terms "repairs" shall include replacements or renewals when necessary.

END OF ARTICLE 11



ARTICLE 12.

RIGHT OF LESSOR TO INSPECT AND REPAIR

12.1. Lessee will permit Lessor and its authorized agents and representatives to enter the Leased Premises at all reasonable times and upon reasonable notice for the purpose of: (i) inspecting the same; and (ii) making any necessary repairs and performing any other work that may be necessary by reason of Lessee's failure to comply with the terms of this Lease within thirty (30) days after written notice from Lessor, unless an emergency situation (as determined in Lessor's sole discretion) requires earlier action by Lessor. Nothing herein shall imply any duty upon the part of Lessor to do any such work and performance thereof by Lessor shall not constitute a waiver of Lessee's default in failing to perform the same. Lessor may during the progress of such work keep and store in or on the Leased Premises all necessary materials, tools, supplies and equipment. Lessor shall not be liable for inconvenience, annoyance, disturbance, loss of business or other damage of Lessee by reason of making such repairs or the performance of any such work, unless such activities of Lessor hereunder are performed in a negligent manner on or account of bringing materials, tools, supplies or equipment into or through the Leased Premises during the course thereof and the obligations of Lessee under this Lease shall not be affected thereby. Nothing herein shall limit the provisions of Article 8.

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

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

END OF ARTICLE 12

ARTICLE 13.

GENERAL INDEMNIFICATION BY LESSEE

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

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

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

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

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

Notwithstanding the preceding provisions of this Section 13.1, (i) Lessee shall be under no obligation to PDA in respect to such matters included in items (1) through (3) above in existence prior to the effective date of this Lease or caused by the negligence of PDA, its officers, agents or employees, its assigns, agents, contractors, servants or employees; and (ii) construction of the Facility in accordance with the provisions of this Lease and approved plans shall not be deemed to diminish the value of the Premises.

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

END OF ARTICLE 13

## ARTICLE 14.

### UTILITIES

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

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

Lessor, at its sole discretion, shall have the right from time to time, to alter the method and source of supply of the above enumerated utilities to the Leased Premises so long as such alteration does not result in an interruption of service during such change, a diminution in available service, and so long as such alteration does not result in an increase in the cost of any such utility and Lessee agrees to execute and deliver to Lessor such documentation as may be required to effect such alteration. Lessor, in exercising such reserved right, shall provide reasonable prior notice and the opportunity to confer with Lessee and shall exercise reasonable efforts to avoid or minimize interference with use of the Leased Premises. Lessee agrees to pay all use charges for the above enumerated utilities supplied by Lessor, public utility or public authority, or any other person, firm or corporation or provided by other suppliers.

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

documentation reasonably required by Lessor to effect such change in the method of furnishing of such utilities.

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

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

14.4. Without limiting the generality of Section 9.4 above, Lessee (and any sublessee or assignee of Lessee) shall be required to comply with and be solely responsible for obtaining at its sole cost and expense all sewage and stormwater discharge permits, licenses and other authorizations related to the treatment or pretreatment of Hazardous or Regulated Substances (defined in Section 25.5 below).

14.5. [Omitted]

14.6. Lessor has entered into agreements with communication and utility suppliers for the purpose of removing all overhead wires and poles at Pease International Tradeport. All utilities previously supplied through overhead connections will be provided through underground duct banks. At the time that underground services become available, Lessee agrees to pay all reasonable access fees or any other costs associated with converting its services from overhead to underground connections.

END OF ARTICLE 14

ARTICLE 15.

ALTERATIONS: SIGNS

15.1. Lessee shall have the right to make changes in the buildings on the Leased Premises without requiring further approval by Lessor so long as such changes do not affect the exterior of the buildings, do not reduce the value of the Leased Premises, do not require approval under the PDA Land Use Controls, and comply with all applicable laws, codes, rules and regulations.

(1) Any improvements, changes, structures, alterations or additions (cumulatively referred to in this Article as “Alterations”) in, shall be done in compliance with all Legal Requirements and with the provisions of Article 25 of this Lease. This obligation shall include compliance with all applicable provisions of the Deed and the FFA, including obligations imposed upon Lessor in respect to construction and construction related work. Notwithstanding anything to the contrary contained herein, any such Alterations comprising renovations or expansion of the existing buildings or the construction of additional buildings or improvements upon the land area of the Leased Premises shall not give rise to an increase in the Ground Area Rent.

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

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

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

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

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

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

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

15.2. Lessee may erect and maintain suitable signs only within the Leased Premises and upon receiving the prior written approval of Lessor. Lessee shall submit drawings of proposed signs and information on the number, size, type, and location, all of which Lessor may review for harmony and conformity with the overall structure and architectural and aesthetic setting of the Leased Premises and the Airport as well as with Lessor's own land use control regulations and may approve or disapprove accordingly, but Lessor's consent will not be unreasonably withheld.

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

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

15.5. In addition to the requirements to provide notice to Lessor under this Article 15 in respect to any Alteration, Lessee shall also provide notice to the Air Force, EPA and NHDES in the same manner and to the extent required of Lessor under the Deed and/or the FFA. The Lessor will cooperate, at no cost to itself, in assisting Lessee with the provision of any such notice.

END OF ARTICLE 15



ARTICLE 16.

DESTRUCTION AND RESTORATION

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

16.2. In the event of damage to or destruction of any portion or component of the Leased Premises, including any building(s) or other improvements or facilities on the Leased Premises (but excluding movable trade fixtures, furniture and equipment) by fire or other casualty, to an extent greater than fifty percent (50%) of the value of the Leased Premises or the damage or destruction occurs in the last three (3) years of the Term, including all available options to extend as determined solely and reasonably by the Lessor, the Lessee shall have the election either to terminate this Lease in accordance with Section 16.3 as it relates to the damaged portions or to repair and restore the damaged portions in accordance with Sections 16.4 and 16.5.

16.3. In the event the Lessee elects to terminate this Lease as allowed in Section 16.2, it shall provide written notice of such termination to Lessor within sixty (60) days following Lessor's determination that such damage or destruction exceeds fifty percent (50%) of the value of the Leased Premises, which termination shall be effective on the third day following the date of receipt of such notice. In such event, the proceeds received from any applicable policy of insurance shall be applied first to removing any debris and restoring the site to a condition satisfactory to the Lessor, and second to any sums owed by Lessee to the Lessor. Any balance remaining from any insurance proceeds shall then be apportioned between the Lessor and Lessee as follows:

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

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

Third, to Lessee's Mortgagee to the extent of any unpaid and authorized Leasehold Mortgage.

Fourth, to Lessor any remaining balance.

16.4. In the event the Lessee shall elect to repair and restore the damaged premises in accordance with Section 16.2, it shall provide written notice of such election to Lessor within sixty (60) days following Lessor's determination of such damage or destruction. In the event Lessee elects to repair the damage or destruction or fails to exercise its option to terminate herein, Lessee shall promptly repair and restore



the damaged property to its condition immediately prior to the occurrence of the fire or other cause. Unless otherwise subject to control of the Leasehold Mortgagee or in an amount less than \$1,000,000, all insurance proceeds shall be endorsed by Lessee and held by the Lessor and shall be paid out from time to time as the repair/restoration work progresses in accordance with the provisions of this Article. The \$1,000,000 amount shall be subject to CPI indexed adjustments in accordance with and consistent with Ground Area Rent adjustments in Article 4 of this Lease.

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

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

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

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

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

16.7. Except as otherwise expressly provided in this Article, no destruction of, or damage to the Leased Premises or any part thereof by fire or any other cause shall permit Lessee to surrender this Lease or shall relieve Lessee from its obligations to pay the full Ground Area Rent, and additional rent payable under this Lease or from any of its other obligations under this Lease, and Lessee waives any rights now or hereafter conferred upon it by statute or otherwise to quit or surrender this Lease or the Leased Premises or any suspension, diminution, abatement or reduction of rent on account of any such destruction or damage other than as allowed under this Article.

END OF ARTICLE 16

ARTICLE 16A.

EMINENT DOMAIN

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

16A.2. In the event that there is a taking by eminent domain of a portion of the Leased Premises, then this Lease shall terminate as to the portion taken and the amount of the damages attributable to the area taken shall be apportioned between Lessor and Lessee in the same manner as set forth in Section 16A.1. In the event that the taking shall not be of the entire Leased Premises, but the part of the Leased Premises remaining shall not be reasonably sufficient and suitable for Lessee's use and occupancy for the purposes permitted hereunder, then Lessee may terminate this Lease by giving Lessor written notice of such termination within sixty (60) days after the taking. If Lessee so determines and terminates this Lease, the damages attributable for improvements made by Lessee at its expense shall be divided between Lessor and Lessee as follows: Lessee will receive that amount equal to the unamortized balance of any such improvements made by Lessee at its sole expense calculated over their useful life on a straight line basis, and Lessor will receive any balance.

In the event of such partial taking and failure of Lessee to terminate this Lease as herein provided, the proceeds shall go to the Lessee to restore the leasehold improvements to an architectural whole, and any remainder shall accrue to Lessor, and the rental paid by Lessee shall be reduced in the proportion which the area of the portion taken bears to the area demised under the provisions hereof.

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

END OF ARTICLE 16 (A)

ARTICLE 17.

DEFAULT BY LESSOR

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

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

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

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

END OF ARTICLE 17

ARTICLE 18.

DEFAULT BY LESSEE

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

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

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

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

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

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

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

cure Lessee's default. In the event Lessee commences to cure such default within this two (2) day period and diligently prosecutes the same to completion, Lessor shall refrain from exercising the right to undertake its own cure of Lessee's default.

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

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

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

18.4. In the event of the vacation or abandonment of the Leased Premises by Lessee for fourteen (14) days or in the event that Lessor shall elect to reenter as provided in Section 18.3 or shall take possession of the Leased Premises pursuant to any provision of New Hampshire law or pursuant to any notice provided by law, then if Lessor does not elect to terminate this Lease as provided in Section 18.2, Lessor may from time to time, without terminating this Lease, either recover all rental as it becomes due or relet the Leased Premises or any part thereof for such terms and conditions as Lessor in its sole discretion may deem advisable, including the right to make alterations and repairs to the Leased Premises. In the event that Lessor shall elect to relet, then rentals received by Lessor from such reletting shall be applied: first, to the payment of any indebtedness other than rent due hereunder from Lessee to Lessor; second, to the payment of any reasonable cost of such reletting; third, to the payment of the reasonable cost of any reasonable alterations and repairs to the Leased Premises; fourth, to the payment of rent due and unpaid hereunder; and the residue, if any, shall be held by Lessor and applied in payment of future rent as the same may become due and payable hereunder. Should the amount of rental received from such reletting during any month which is applied to the payment of rent be less than that required to be paid during that



month by Lessee under this Lease, then Lessee shall pay such deficiency to Lessor immediately upon demand by Lessor. Such deficiency shall be calculated and paid monthly. Lessee shall also pay to Lessor, as soon as ascertained, any costs and expenses incurred by Lessor in such reletting or in making such alterations and repairs not covered by the rentals received from such reletting.

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

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

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

END OF ARTICLE 18



ARTICLE 19.

DELEGATION - ASSIGNMENT - SUBLEASES – MORTGAGES

19.1. Delegation. Lessee shall not have the right to delegate any of its responsibilities or obligations under this Lease, provided, however, that this Section 19.1 shall not be construed to prevent Lessee from fulfilling any of its responsibilities or obligations through a contractor, subleasee, agent or assign.

19.2. [Reserved]

19.3. Assignment / Subleases. Lessee may, without the approval of PDA, assign its rights under this Lease to or enter into a Lease of the Leased Premises with an affiliate (i.e., any entity that controls, is controlled by or is under common control with Lessee). For purposes of the preceding sentence, the term “control” shall mean ownership or other beneficial interest in at least fifty-one percent (51%) of the voting stock or other voting interest of an entity. All other assignments shall be subject to approval of PDA. PDA shall not unreasonably withhold or delay its consent to any Lease or assignment if: (1) the use of the Leased Premises associated with any Lease(s) or assignment(s) is permitted under Article 9 of this Lease, (2) the Lease(s) are consistent with the terms and conditions of the Agreement; provided, however, that Lessee may rent the Leased area at rentals deemed appropriate by Lessee, (3) Lessee remains primarily liable to PDA to pay rent and to perform all other obligations to be performed by Lessee under the Agreement, and (4) the proposed sublessee is financially and operationally responsible. In the event the rent for the land area of the Leased premises exceeds the rental charged to Lessee under Article 4, lessee shall remit fifty percent (50%) of such excess to PDA upon receipt by Lessee; provided, however, that any rental received by Lessee during a period in which no rental is due to PDA shall be paid in its entirety to PDA.

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

19.5. Bankruptcy. If a petition is filed by or against Lessee for relief under Title 11 of the United States Code, as amended (the “Bankruptcy Code”), and Lessee (including for purposes of this Section Lessee’s successor in bankruptcy, whether a trustee or Lessee as debtor-in-possession) assumes and proposes to assign, or proposes to assume and assign, this Lease pursuant to the provisions of the Bankruptcy Code to any person or entity who has made a bona fide offer to accept an assignment of this

Lease, then notice of the proposed assignment setting forth (a) the name and address of the proposed assignee, (b) all of the terms and conditions of the offer and proposed assignment, and (c) the adequate assurance to be furnished by the proposed assignee of its future performance under the Lease, shall be given to Lessor by Lessee no later than twenty (20) days after Lessee has made or received such offer, but in no event later than thirty (30) days prior to the date on which Lessee applies to a court of competent jurisdiction for authority and approval to enter into the proposed assignment. If this Lease is assigned pursuant to the provisions of the Bankruptcy Code, Lessor may request from the assignee a guarantee similar to that requested of Lessee under Article 29. Any person or entity to which this Lease is assigned pursuant to the provisions of the Bankruptcy Code shall be deemed, without further act or documentation, to have assumed all of the Lessee's obligations arising under this Lease on and after the date of such assignment. Any such assignee shall, upon demand, execute and deliver to Lessor an instrument confirming such assumption. No provision of this Lease shall be deemed a waiver of Lessor's rights or remedies under the Bankruptcy Code to oppose any assumption and/or assignment of this Lease, to require a timely performance of Lessee's obligations under this Lease, or to regain possession of the Premises if this Lease has neither been assumed nor rejected within sixty (60) days after the date of the order for relief or within such additional time as a court of competent jurisdiction may have fixed. Notwithstanding anything in this Lease to the contrary, all amounts payable by Lessee to or on behalf of Lessor under this Lease, whether or not expressly denominated as rent, shall constitute rent for the purposes of Section 502(b)(6) of the Bankruptcy Code.

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

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

(i) except as authorized in writing by Lessor, the maximum amount of any permanent or refinance Leasehold Mortgage shall not exceed eighty percent (80%) of the appraised fair market value of the Leased Premises, including the any building or improvement;

(ii) the maximum amount of any permanent or refinance Leasehold Mortgage on the land area of the Leased Premises, excluding any building or improvement, shall not exceed one hundred percent (100%) of the total cost of any authorized capital improvements with a useful life in excess of five (5) years; and

(iii) the Parties have agreed that the initial construction financing of any building or improvement may exceed 80% of the fair market value of the Leased Premises but shall not exceed 100% of the fair market value at the time of occupancy.

Notwithstanding the provisions of Section 19.7(i), Lessor authorizes, Lessee to finance any building or improvement through a Small Business Administration '504 loan program in an amount which does not exceed ninety percent (90%) of the appraised fair market value of the Leased Premises,

including the Facility. In all other instances, including any future refinancing, Lessee shall be bound by the provisions of Section 19.7(i) of this Lease.

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

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

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

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

(4) The term "incurable default" as used herein means any default which cannot be cured by a Leasehold Mortgagee. The term "curable default" means any default under this Lease which is not an incurable default. In the event of any curable default under this Lease, and if prior to the expiration of the applicable grace period specified in subparagraph (2) of this Section, the Leasehold Mortgagee shall give Lessor written notice that it intends to undertake the curing of such default, or to cause the same to be cured, or to exercise its rights to acquire the leasehold interest of Lessee by foreclosure or otherwise,

and shall immediately commence and then proceed with all due diligence to do so, whether by performance on behalf of Lessee of its obligations under this Lease, or by entry on the Leased Premises by foreclosure or otherwise, then Lessor will not terminate or take any action to effect a termination of this Lease or re-enter, take possession of or relet the Leased Premises or similarly enforce performance of this Lease so long as the Leasehold Mortgagee is, with all due diligence and in good faith, engaged in the curing of such default, or effecting such foreclosure, provided, however, that the Leasehold Mortgagee shall not be required to continue such possession or continue such foreclosure proceedings if such default shall be cured. Nothing herein shall preclude Lessor from terminating this Lease with respect to any additional default which shall occur during the aforesaid period of forbearance and not be remedied within the period of grace, if any, applicable to any such additional default provided that Lessor provides the Leasehold Mortgagee with notice and opportunity to cure any such additional default.

(5) In the event that this Lease is terminated by Lessor on account of any incurable default or in the event Lessee's interest under this Lease shall be sold, assigned, or transferred pursuant to the exercise of any remedy of this Lease or pursuant to judicial proceedings, and if (i) no rent or other charges shall then be due and payable by Lessee under this Lease, and (ii) the Leasehold Mortgagee shall have arranged to the reasonable satisfaction of Lessor to cure any curable default of Lessee under this Lease, then Lessor, within thirty (30) days after receiving a written request therefor, which shall be given within sixty (60) days after such termination or transfer and upon payment to it of all expenses, including attorney's fees, incident thereto, Lessor will execute and deliver a new lease of the Leased Premises to the Leasehold Mortgagee or its nominee or to the purchaser, assignee or transferee, as the case may be, for the remainder of the term of this Lease, containing the same covenants, agreements, terms, provisions and limitations as are contained herein. Upon the execution and delivery of such new lease, the new tenant, in its own name or in the name of Lessor may take all appropriate steps as shall be necessary to remove Lessee from the Leased Premises, but Lessor shall not be subject to any liability for the payment of fees, including reasonable attorney's fees, costs or expenses in connection therewith; and said new tenant shall pay all such fees, including attorney's fees, costs and expenses or, on demand, make reimbursements therefor to Lessor.

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

(7) This Lease may be assigned, with the consent of Lessor, which consent shall not be unreasonably withheld or delayed, to or by the Leasehold Mortgagee or its nominee, pursuant to foreclosure or similar proceedings. Notwithstanding the foregoing provision, however, the consent provisions of Section 19.7(7) of this Lease shall not apply to, and no consent of the Lessor shall be required in connection with, any assignment or transfer, whether through foreclosure, deed in lieu of foreclosure, or otherwise, of the Lessee's interest in this Lease to Leasehold Mortgagee or its nominee, successor, transferee or assignee, provided that, said assignment and/or transfer is subject to and gives recognition to all existing subtenants and subleases (whether of record or not) and, after said transfer and/or assignment, Leasehold Mortgagee, and its nominee, successor, transferee or assignee agree to recognize the rights of all subtenants under their leases, so long as they are not in default under their respective subleases; provided further that, in the case of a transfer through foreclosure, Leasehold



Mortgagee shall recognize, and not disturb the possession of a subtenant under a Lease if (i) such subtenant has executed a so-called non-disturbance and attornment agreement (the "NDA") with Leasehold Mortgagee, and is in compliance with the terms thereof at the time of such transfer, or (ii) the Lease contains provisions substantially to the same effect as those contained in the NDA.

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

END OF ARTICLE 19

ARTICLE 20.

RESERVED

END OF ARTICLE 20

ARTICLE 21.

ESTOPPEL CERTIFICATES AND FINANCIAL STATEMENTS

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

21.2. Lessee, on or before twenty (20) days following receipt of a written request from Lessor, shall deliver to Lessor its annual financial statements of Lessee certified by a Manager of Lessee as true, accurate and complete.

END OF ARTICLE 21



ARTICLE 22.

INVALIDITY OF PARTICULAR PROVISIONS

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

END OF ARTICLE 22

ARTICLE 23.

NOTICES

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

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

If to Lessee:                        119 International Drive, LLC  
   c/o Two International Group  
   1 New Hampshire Avenue  
   Portsmouth, NH 03801  
  
   Attention: Daniel L. Plummer

With a copy to:                    John E. Lyons, Jr., Esq.  
   Lyons Law Offices, PA  
   One New Hampshire Avenue  
   Suite 235  
   Portsmouth, NH 03801

or at such other address or addresses as Lessor or Lessee may from time to time designate by notice given by certified mail, postage prepaid, return receipt requested, or by overnight delivery service with signature confirmation, as described above.

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

END OF ARTICLE 23

ARTICLE 24.

QUIET ENJOYMENT

Lessor covenants and agrees that Lessee, upon paying the rent and all other charges herein provided for and observing and keeping all covenants, agreements, and conditions of this Lease on its part to be observed and kept, shall quietly have and enjoy the Leased Premises during the term of this Lease without hindrance or molestation by anyone claiming by or through Lessor, subject, however, to the exceptions, reservations and conditions of this Lease including, but not limited to the provisions of Article 12, Right of Lessor to Inspect and Repair, and Article 25, Environmental Protection.

END OF ARTICLE 24

ARTICLE 25.

ENVIRONMENTAL PROTECTION

25.1. Lessee and any sublessee or assignee of Lessee shall comply with all Legal Requirements that are or may become applicable to Lessee's or sublessee's or assignee's activities at the Leased Premises, including but not limited to, the Land Use Controls, the applicable environmental laws and regulations identified in Exhibit E ("Environmental Laws"), as amended from time to time.

25.2. Lessee and any sublessee or assignee of Lessee shall be solely responsible at their sole cost and expense for obtaining all environmental permits and authorizations, filing all notices with the appropriate regulatory authorities and taking all actions required under Legal Requirements for their operations under this Lease or any sublease or assignment, independent of any existing Airport permits, authorizations or notices.

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

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

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

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

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

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

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

25.5. As used in this Lease, the term "Hazardous or Regulated Substances" means any hazardous or toxic substance, material or waste, oil or petroleum product, or per- or polyfluoroalkyl substance, including without limitation perfluorinated compounds and their precursors, (collectively, "PFAS"), that is or becomes regulated by any local governmental authority, the State of New Hampshire or the United States Government. The term "Hazardous or Regulated 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 waste pursuant to Parts Env-Hw 100 or Env-Hw 400 ("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), (ix) defined as "perfluorinated compounds" or "precursor" to a perfluorinated compound pursuant to New Hampshire RSA ch. 125-C, and (x) 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.

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

25.6. Lessor's rights under this Lease specifically include the right for Lessor to inspect the Leased Premises and any buildings or other facilities thereon for compliance with Legal Requirements, including but not limited to Environmental Laws and occupational health and safety laws, whether or not the Lessor

is responsible for enforcing them. Such inspections are without prejudice to the right of duly constituted enforcement officials to make such inspections.

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

25.8. Lessor and Lessee acknowledge that the Airport has been identified as a National Priority List (NPL) Site under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), as amended (42 U.S.C. §6901 et seq.). Lessee acknowledges that Lessor has provided it with a copy of the Pease Federal Facility Agreement ("FFA") entered into by EPA, and the Air Force on April 24, 1991, and Modification No. 1 thereto, effective March 18, 1993, and Lessee agrees that it will comply with and be bound by the terms of the FFA to the extent the same may be applicable to the Leased Premises and that should any conflict arise between the terms of the FFA and the provisions of this Lease, the terms of the FFA will take precedence. The Lessee further agrees that the Lessor assumes no liability to the Lessee or any sublessee(s) or assignee(s) of Lessee should implementation of the FFA interfere with their use of the Leased Premises. The Lessee and its sublessee(s) and assignee(s) shall have no claim on account of any such interference against the Lessor, Air Force, EPA, State, NHDES, or any officer, agent, employee or contractor thereof, other than for abatement of rent.

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

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

(1) to conduct investigations and surveys, including, where necessary, drilling, soil and water sampling, testpitting, testing soil borings and other activities related to the Pease Installation Restoration Program ("IRP"), the FFA or any order issued to USAF by EPA or NHDES or by a court of competent jurisdiction addressing Hazardous or Regulated Substances (collectively, "Order") (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, the FFA or any Order;

(3) to conduct any test or survey required by the EPA or NHDES relating to the implementation of the FFA or environmental conditions at the Leased Premises or to verify any data submitted to the EPA or NHDES by the Air Force relating to such conditions;

(4) to conduct, operate, maintain or undertake any other response or remedial action as required or necessary under the IRP, the FFA or any Order, including, but not limited to monitoring wells, pumping wells and treatment facilities.

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

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

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

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

25.13. Any permit required under Hazardous or Regulated Substance Laws for the management of Hazardous or Regulated Substances stored or generated by Lessee or any sublessee or assignee of Lessee shall be obtained by Lessee or its sublessees or assignee and shall be limited to generation and transportation. Any violation of this requirement shall be deemed a material breach of this Lease. Lessee shall provide at its own expense such storage facilities for Hazardous or Regulated Substances, complying with all Legal Requirements, as it needs for management of its Hazardous or Regulated Substances.



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

25.15. Lessee, and any sublessee or assignee of Lessee, must maintain and make available to Lessor, the Air Force, EPA and NHDES all records, inspection logs, and manifests that track the generation, handling, storage, treatment and disposal of hazardous waste, as well as all other records relating to Hazardous or Regulated Substances that required to be maintained pursuant to Legal Requirements. The Lessor and the Air Force reserve the right to inspect the Leased Premises and Lessee's, its sublessee's or assignee's records for compliance with Legal Requirements relating to the generation, handling, storage, treatment and disposal of hazardous waste, as well as the discharge, emission or release of Hazardous or Regulated Substances. Violations of Legal Requirements may be reported by Lessor and the Air Force to appropriate regulatory agencies, as required by Legal Requirements. The Lessee, its sublessees or assignees shall be liable for the payment of any fines and penalties or costs that may accrue to the Government or Lessor under Legal Requirements as a result of the actions or omissions of Lessee, its sublessees or assignees, respectively.

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

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

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

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

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

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

The Lessee hereby acknowledges that it has received in Paragraph VII.D. of the Deed the required disclosure in accordance with Title 10.

25.21. The Lessee acknowledges that chlordane was used at selected housing units formerly located on or around the Leased Premises. The Lessee, its sublessees or assignees will follow Legal Requirements should the Lessee, its sublessee or assignee choose to disturb or excavate any of this material. Any cost associated with this action shall be at the Lessee's, its sublessee's or assignee's expense.

25.22. In addition to the environmental compliance obligations set forth in the Lease Agreement, Lessee and its sublessees and assigns agree to comply with the provisions of any current or subsequently implemented Legal Requirement relating to the management, treatment or control of stormwater, including but not limited to Total Maximum Daily Limits (TMDLs) established under either Environmental Laws or other Legal Requirements and applicable to any watercourse or watershed at the Tradeport and the Leased Premises.

END OF ARTICLE 25

ARTICLE 26.

MISCELLANEOUS

26.1. All rent and all other sums which may from time to time become due and payable by Lessee to Lessor under any of the provisions of this Lease shall be made payable to the "Pease Development Authority" and forwarded by the Lessee directly to Lessor's Executive Director at the address specified in Article 23. All such rent and other sums if not paid on the due date shall bear interest from and after the due date thereof at the higher of the then current rate applied to legal judgments by the courts of the State of New Hampshire or the Prime rate plus four percent (4%) per annum; provided, however, that such interest shall in no event exceed the maximum rate permitted by law.

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

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

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

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

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

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

interest. Lessee acknowledges that it has read this Section and understands it to be a waiver of any right to rely on any representations or agreements not expressly set forth in this Lease.

26.8. Subject to the provisions hereof, this Lease shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and assigns, and wherever a reference in this Lease is made to either of the Parties hereto such reference shall be deemed to include, wherever applicable, also a reference to the successors and assigns of such party, whether or not in every case so expressed. Every provision binding upon Lessee shall also be binding upon all subtenants and assignees of Lessee and its and their employees, contractors, agents and invitees.

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

26.10. Lessee hereby acknowledges that late payment by Lessee to Lessor of rent and other sums due under this Lease will cause Lessor to incur additional costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such additional costs include, without limitation, processing and accounting charges, and late charges which may be imposed upon Lessor by the terms of the mortgage or deed of trust covering the Premises. Therefore, if any installment of rent or any other sum due from Lessee shall not be received on the date that such amount shall be due, Lessee agrees to pay, and shall pay, to Lessor a late charge equal to five percent (5%) of the overdue amount. The Parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of late payment by Lessee. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee's default with respect to such overdue amount or prevent Lessor from exercising any or all of the other rights and remedies granted under this Lease.

26.11. Each party hereto represents and warrants to the other that it has no dealings with any real estate broker or agent in connection with the negotiation of this Lease. In the event any real estate broker makes a claim against PDA predicated prior dealings with any sublessee of Lessee, Lessee shall defend and hold harmless PDA from all costs, expenses, and damages associated with such claims or a breach of this warranty.

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

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



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

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

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

26.16. By acceptance of this Lease or any rights hereunder, Lessee agrees for itself, its successors and assigns to conform to such additional provisions required, from time to time, by the FAA ("FAA Requirements") or its successor with respect to the operation of the Airport, or any portion thereof. Lessee further agrees that the terms of this Lease shall be subordinate to the terms and conditions of the Federal Airport Improvement Grant Assurances applicable to Portsmouth International Airport at Pease. The current FAA Requirements are attached hereto as Exhibit "D" and incorporated herein by reference.

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

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

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

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

26.20. This Lease is superseding an existing Lease between PDA and Lessee with a Term Commencement Date of January 1, 2016. All obligations of Lessee to indemnify, defend and hold harmless Lessor and to make any monetary payment to Lessor, shall survive the termination or expiration of that Lease.

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

26.21. Lessee has created a leasehold condominium within the Leased Premises. Lessee acknowledges and understands that it has an affirmative obligation to seek the prior written approval of any further leasehold condominium creation from Lessor and its Board of Directors.

END OF ARTICLE 26




EXECUTION

IN WITNESS WHEREOF, LESSOR and LESSEE have executed and made this Lease effective as of the 13<sup>th</sup> day of MARCH, 2019.

Pease Development Authority - Lessor

By:   
David R. Mullen, Executive Director

119 INTERNATIONAL DRIVE, L.L.C. - Lessee

By:   
Print Name: Daniel L. Thomas  
Title: Co-Manager

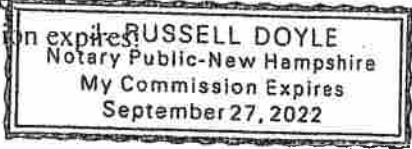
STATE OF NEW HAMPSHIRE

: SS.

COUNTY OF ROCKINGHAM

On this 3 day of MARCH, ~~2019~~<sup>2020</sup>, before me, J. Russell Doyle, the undersigned officer in and for said County and State, personally appeared Daniel Plummer (name of signatory), personally known to me (or proved to me on the basis of satisfactory evidence) to be the Co-manager (Title) of 119 INTERNATIONAL DRIVE, L.L.C. and on oath stated that he/she was authorized to execute this instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes set forth herein.

[Signature]  
Notary Public / Justice of the Peace  
Printed Name:  
My commission expires:



STATE OF NEW HAMPSHIRE

: SS.

COUNTY OF ROCKINGHAM

On this 13<sup>th</sup> day of March, ~~2019~~<sup>2020</sup>, before me, Raeline A. O'Neil, the undersigned officer in and for said County and State, personally appeared David R. Mullen, personally known to me (or proved to me on the basis of satisfactory evidence) to be the Executive Director of the Pease Development Authority and on oath stated that he was authorized to execute this instrument and acknowledged it to be his free and voluntary act for the uses and purposes set forth herein.

[Signature]  
Notary Public / Justice of the Peace  
Printed Name:

My commission expires: Raeline A. O'Neil  
Justice of the Peace/Notary Public  
Expiration: October 11, 2022

EXHIBIT I  
QUITCLAIM DEEDS AND EXHIBITS

EXHIBIT 2  
FEDERAL FACILITIES AGREEMENT

See Exhibit F of Quitclaim Deed

EXHIBIT "A"

SUBDIVISION PLANS DESIGNATING THE LEASED PREMISES

(On file at the Offices of the Pease Development Authority)

EXHIBIT "A-1"  
EASEMENT AGREEMENT

EXHIBIT "B"

[RESERVED]



EXHIBIT "C"

CALCULATION OF GROUND AREA RENT FOR YEAR 1

PEASE DEVELOPMENT AUTHORITY  
BUSINESS/COMMERCIAL ZONE PROPERTIES - JANUARY 2019

<u>Property Location/Description</u>	<u>Monthly Lease Rate</u>	<u>Annual Lease Rate</u>	<u>Acres</u>	<u>Rate Per Acre</u>
1 International Drive	15,838	190,056	10	19,006
2 International Drive	8,407	100,884	5	20,177
101 International Drive	2,994	35,928	2.1	17,109
183/185 International Drive	12,468	149,616	8.8	17,002
207 International Drive	12,758	153,096	8.1	18,901
1 New Hampshire Avenue	8,517	102,204	5.4	18,927
25/29 New Hampshire Retail	16,081	192,972	11.1	17,385
68 New Hampshire Avenue	5,134	61,608	3.5	17,602
75/80 NH and 50 International	27,766	333,192	18.87	17,657
35 Corporate Developed	10,084	121,008	8	15,126
73 Corporate Drive	14,111	169,332	5	33,866
105 Corporate Drive	11,040	132,480	7.4	17,903
161 Corporate Drive	5,619	67,428	5	13,486
162 Corporate Drive	13,237	158,844	10.5	15,128
164/166 Corporate Drive	29,590	355,080	20.8	17,071
177 Corporate Drive	2,291	27,492	1.6	17,183
249 Corporate Drive	4,469	53,628	3.5	15,322
320 Corporate Drive	14,962	179,544	12.8	14,027
325 Corporate Drive	10,892	130,704	7.3	17,905
230 Corporate Drive	7,247	86,964	5	17,393
231 Corporate Drive	5,469	65,628	4.2	15,626
273 Corporate Drive	16,123	193,476	11.2	17,275
<b><u>AVERAGE BLENDED RATE</u></b>		3,061,164	175.17	17,475 <sup>1</sup>

<sup>1</sup> \$17.475 is PDA's estimate for the base year ending 12/31/19 of the fair market value annual per acre rent for business commercial zone property at the Tradeport. The subject premises, although located in the industrial zone, are no longer distinguishable on a permitted use basis from the business/commercial zone and PDA intends to represent this calculation to the FAA as part of PDA's justification for extending long term leases to the maximum 74 year term. The actual annual rent rate per acre will be calculated based on the current Fair Market Value average as of the Rent Commencement Date.

## EXHIBIT "D"

### SUMMARY OF LEASE PROVISIONS REQUIRED BY THE FEDERAL AVIATION ADMINISTRATION

1. Lessee, for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby agree that in the event facilities are constructed, maintained, or otherwise operated on the Leased Premises, for a purpose for which a United States Department of Transportation ("DOT") program or activity is extended or for another purpose involving the provision of similar services or benefits, Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended. (Ref Deed Paragraph VII.B.16)
2. Lessee, for himself, his personal representative, successors in interest, and assigns, as a part of the consideration hereof, does hereby agree that: (i) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the use of said facilities; (ii) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination; and (iii) that the Lessee shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulation may be amended. (Ref Deed Paragraphs VII.B.16 and VII.G)
3. That in the event of breach of any of the above nondiscrimination covenants, Lessor shall have the right to terminate the Lease, and to reenter and repossess said land and the facilities thereon, and hold the same as if said Lease, had never been made or issued. This provision does not become effective until the procedures of 49 CFR Part 21 are allowed and completed including expiration of appeal rights.
4. Lessee shall furnish its accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof and it shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service; PROVIDED THAT the Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchasers.
5. Non-compliance with Provision 4 above shall constitute a material breach of this Lease and in the event of such noncompliance Lessor shall have the right to terminate this Lease, and the estate hereby created without liability therefore or at the election of the Lessor or the United States either or both of Lessor or the United States shall have the right to judicially enforce provisions.

6. Lessee agrees that it shall insert the above five provisions in any Lease agreement, by which said Lessee grants a right or privilege to any person, firm or corporation to render accommodations and/or services to the public on the Leased Premises.
7. Lessee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. Lessee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. Lessee assures that it will require that its covered suborganizations provide assurance to the Lessor, that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.
8. Lessor reserves the right to further develop or improve the landing area of the airport as it sees fit, regardless of the desires or view of the Lessee and without interference or hindrance.
9. Lessor reserves the right, but shall not be obligated to the Lessee to maintain and keep in repair the landing area of the airport and all publicly-owned facilities of the airport, together with the right to direct and control all activities of the Lessee in this regard.
10. This Lease shall be subordinate to the provisions and requirements of any existing or future agreement between the Lessor and the United States, relative to the development, operation or maintenance of the Airport including, but not limited to, Federal Airport Improvement Project Grant Assurances as the same are deemed by the FAA to be applicable to this Lease agreement.
11. There is hereby reserved to Lessor, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Leased Premises. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through the said airspace or landing at, taking off from or operation on the airport.
12. Lessee agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations (14 C.F.R. Part 77) in the event future construction of building is planned for the Leased Premises, or in the event of any planned modification or alteration of any present or future building or structure situated on Leased Premises.
13. Lessee, by accepting this Lease expressly agrees for itself, its successors and assigns that it shall not erect nor permit the erection or alteration of any structure or object nor permit the growth of any tree on the land Leased hereunder above the mean sea level elevation of two hundred fifty-one feet (251'). In the event the aforesaid covenants are breached, Lessor reserves the right to enter upon the Premises and to remove the offending structure or object and cut the offending tree, all of which shall be at the expense of the Lessee. (Ref Deed Paragraph VII.B.4)

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

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

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

## EXHIBIT "E"

### LIST OF ENVIRONMENTAL LAWS AND REGULATIONS

- Air Quality:
- (a) Clean Air Act & Amendments, 42 U.S.C. 7401 et seq.
  - (b) 40 CFR Subchapter C
  - (c) RSA ch. 125-C, Air Pollution Control, and rules adopted thereunder
  - (d) RSA ch. 125-I, Air Toxic Control Act, and rules adopted thereunder
- Hazardous Materials:
- (a) Hazardous Materials Transportation Act, 49 U.S.C. 1801 et seq., and Department of Transportation Regulations thereunder
  - (b) Emergency Planning and Community Right-To-Know Act, 42 U.S.C. 11001 et seq.
  - (c) 49 CFR Subchapter A
  - (d) 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 et seq.
  - (b) Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) of 1980, as amended, 42 U.S.C. 9601 et seq.
  - (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 et seq.
  - (b) Safe Drinking Water Act, as amended, 42 U.S.C. 300f et seq.
  - (c) 40 CFR Subchapters D and N
  - (d) RSA ch. 146-A, Oil Spillage in Public Waters, and rules adopted thereunder
  - (e) RSA ch. 485, New Hampshire Safe Drinking Water Act, and rules adopted thereunder
  - (f) RSA ch. 485-A, Pollution and Waste Disposal, and rules adopted thereunder

EXHIBIT "F"

CERTIFICATE OF CORPORATE GOOD STANDING/EXISTENCE

## MOTION – VIII. B.

Director Allard:

The Pease Development Authority Board of Directors hereby approves of and authorized the Executive Director to:

- A. enter into Amendment No. 13 to the Air Services Development Consulting Agreement with Daniel Fortnam, to extend the agreement from April 1, 2020 through September 30, 2020, with one (1) option to extend through March 31, 2021, exercisable at the Executive Director's sole discretion, in the amount of \$2,435.83 per month; all in accordance with the memorandum of Paul E. Brean, PDA Deputy Director / Airport Director, dated March 5, 2020 attached hereto; and
  
- B. enter into a contract with Chadwick-Baross Inc. for the purchase of a 36klb wheel loader with bucket attachment for the total cost of \$175,570.00, and:
  - (1) to accept on behalf of the PDA a NH Clean Diesel Program, FY 2020 Diesel Emissions Reduction Act (DERA) grant from the Environmental Protection Agency in the amount of \$42,274.00, equal to 25% reimbursement aid toward the purchase of the new wheel loader, and to execute any documents related thereto; and





- (2) to expend PDA funds in the amount of \$175,570.00 for the purchase of the new wheel loader from Chadwick-Baross, Inc. prior to September 2020, with the \$42,274.00 DERA reimbursement grant to follow, for a final PDA out-of-pocket commitment in an amount not to exceed \$133,296.00;

all in accordance with the memorandum from Fleet Manager Ken Conley dated March 10, 2020, attached hereto.

THIS MOTION REQUIRES A ROLL CALL VOTE.



**To:** David R. Mullen, Executive Director *DM*  
**From:** Paul E. Brean, Airport Director *PFB*  
**Date:** 3/6/2020  
**Subj:** Daniel Fortnam, Air Service Development Contract

---

The Pease Development Authority (“PDA”) has had an ongoing agreement with Daniel Fortnam to provide air service development consulting services. The primary service in the agreement is to secure and develop scheduled air passenger service. The consulting agreement has allowed for consistent annual growth of scheduled passenger enplanements since 2012.

Under the terms of the agreement Mr. Fortnam is currently working on two significant projects that coincide with the progression of the airport terminal expansion over the next year. It is my recommendation to extend the services of Daniel Fortnam to continue this work and assist with the development of air service development at this critical time.

On March 14, 2019, by Amendment No. 11, the consulting agreement was extended through September 30, 2019, with an option to extend through March 31, 2020. PDA exercised that option via Amendment No. 12. At the March 19, 2020 Board meeting, I request that you seek Board approval to extend the agreement through September 30, 2020 with an option to extend through March 31, 2021. The extension will be in the amount of \$2,435.83 per month under the same terms and conditions as set forth in Amendment 11 of the agreement. This amount reflects an increase based on a historical CPI adjustment and accounts for additional workload contributed to data analytics.



**AMENDMENT No. 13**  
**CONSULTING AGREEMENT**

THIS AMENDMENT No. 13 to the CONSULTING AGREEMENT made effective the 1st day of April, 2020, by and between Daniel C. Fortnam, 24 Olde Homestead Drive, Marston Mills, MA 02648 (“Consultant”), and the Pease Development Authority (“PDA”) 55 International Drive, Portsmouth, NH 03801, an agency of the State of New Hampshire established pursuant to RSA ch. 12-G.

WHEREAS, PDA and Consultant entered into a Consulting Agreement (“Agreement”) effective January 1, 2011.

WHEREAS, by Amendment No. 12 the term of the Agreement was extended through March 31, 2020.

NOW, THEREFORE, in consideration of the mutual undertaking, covenants and agreements hereinafter contained, PDA and Consultant hereby agree as follows:

1. TERM: The term of this Consulting Agreement is extended from April 1, 2020 through September 30, 2020 and includes one (1) option to extend the contract through March 31, 2021, exercisable at the sole discretion of the Executive Director of the PDA;
2. PAYMENT: The PDA shall pay the Consultant in the amount of Two Thousand Four Hundred Thirty-Five Dollars and Eighty-Three Cents (\$2,435.83) per month.
3. All other terms and conditions of the Consulting Agreement, as amended, shall remain in full force and effect and continue to be binding upon the Parties.

EXECUTION

IN WITNESS WHEREOF, the Pease Development Authority and Consultant have executed this Amendment No. 13 to the Consulting Agreement effective as of April 1, 2020.

**PEASE DEVELOPMENT AUTHORITY**

Date: \_\_\_\_\_

By: \_\_\_\_\_  
David R. Mullen, Executive Director

**CONSULTANT**

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Daniel C. Fortnam



# Memorandum

**To:** David R. Mullen, Executive Director *DRM*  
**From:** Ken Conley, Fleet manager *Ken Conley*  
**Date:** March 10, 2020  
**Subj:** Maintenance Wheel loader DERA Grant Replacement, 2020

The Pease Development Authority (“PDA”) has been identified as a potential grant recipient for the EPA’s Diesel Emissions Reduction Act (DERA) program. Under this clean air initiative the EPA will fund 25% reimbursement aid for the replacement of older heavy equipment that does not reach current Tier 4 emission standards.

This grant will require a memorandum of agreement between PDA and NH DES and a commitment from the PDA to cover the entire up front cost of the replacement wheel loader at the bid price of \$175,570.00 prior to September 2020, with \$42,274.00 reimbursement to follow, for a total out-of-pocket commitment of \$133,296.00.

Pease Development Authority Maintenance has identified a 1985 International Hough loader as a candidate to be replaced. This 1985 Hough Loader is currently used as backup for airfield snow removal and as a heavy forklift on both the Airfield and Tradeport. In addition, the new loader will replace a 1986 Case W24 loader whose primary use is for revenue parking lot snow removal.

PDA has identified 75% of the replacement cost of the wheel loader in the FY20 Capital Budget and can cover the remaining 25% until the grant reimbursement comes through. This wheel loader will be utilized by PDA Maintenance staff for Airfield and Terminal revenue parking snow removal and daily maintenance.

A request for bid was advertised and specs were provided. Two (2) bids were received on March 5<sup>th</sup>:

Nortrax Equipment- Pembroke NH	\$276,215.00
Chadwick Baross- Pembroke NH	\$175,570.00

Based on Chadwick-Baross Inc. submitting the lowest qualified bid, please request authorization from the PDA Board of Directors to enter into the memorandum of agreement with NH DES regarding the DERA grant referenced above and to enter into an agreement with Chadwick-Baross, Inc. to purchase one 36klb wheel loader with bucket attachment for the total cost of \$175,570.00.



**MEMORANDUM OF AGREEMENT  
BETWEEN  
NH DEPARTMENT OF ENVIRONMENTAL  
SERVICES, AIR RESOURCES DIVISION  
AND  
PEASE DEVELOPMENT AUTHORITY**

**Title:**

NH Clean Diesel Program Agreement with Pease Development Authority – Wheeled Loader Replacement Project (Grant Number: 00A00175-2019-004).

**Purpose:**

The purpose of this Memorandum of Agreement (MOA) is to provide funding not to exceed \$42,274 from New Hampshire Department of Environmental Services (hereinafter NHDES) to The Pease Development Authority located at 55 International Drive, Portsmouth, NH (hereinafter PDA, vendor code #15646-B001). The funding will be used to partially fund the replacement of a wheeled loader, in order to reduce diesel emissions in the State. The grant is available via the New Hampshire State Clean Diesel Grant Program, funded by the U.S. Environmental Protection Agency (EPA). This grant was awarded to NHDES on August 9, 2019.

**Grant Title:**

Subgrant Program for Diesel Emissions Reduction Projects, Federal Award Identification Number (FAIN): 00A00175, CFDA 66.040, State Clean Diesel Grant Program. Grant contact at NHDES: Jessica Wilcox (603) 271-6751

**Parties:**

The parties to this agreement are NHDES and PDA.

**Scope of Work:**

For the purposes of this Agreement, NHDES and PDA agree to the following:

1. NHDES shall assign the appropriate staff to coordinate this project with PDA.
2. This Scope of Work consists of the purchase of a wheeled loader as a replacement for a model year (MY) 1984 wheeled loader.
3. The replacement loader will be powered by a MY 2019 or newer EPA certified heavy-duty diesel engine.
4. The replacement loader must be of the same size as the original loader and operate in the same manner over similar routes as the replaced loader.
5. NHDES shall reimburse PDA 25 percent of the eligible expenses, or \$42,274.00 for the wheeled loader, whichever is less.

6. Eligible expenses under this grant include the cost of the loader only.
7. Other expenses including, but not limited to “optional” components or “add-ons” (such as racks, light tool boxes, etc.) to the vehicles, vehicle registration, scrapping of replaced vehicle, engineering, project management, or personnel costs are not eligible expenses.
8. PDA shall provide NHDES with the following information on the loader to be replaced prior to purchasing the new vehicles:
  - a. Annual hours operated;
  - b. Annual fuel use and fuel type;
  - c. Annual idling hours;
  - d. Vehicle Identification Number (VIN);
  - e. Engine Model Year;
  - f. Horsepower;
  - g. Engine Tier;
  - h. Engine Manufacturer;
  - i. Engine Serial Number;
  - j. Engine Family Number; and
  - k. Description of routes or typical use
9. The replaced loader shall be taken out of service no later than 15 days following the placement into service of the replacement loader.
10. The replaced loader will be scrapped within 90 days from the date the replacement is put into service.
11. PDA shall use the replacement loader in normal service for a period of no less than five (5) years. In the event that PDA sells or surpluses the replacement loader within five years of the effective date of this contract PDA shall follow the guidelines set forth in Title 2 Code of Federal Regulations, Subtitle A, Section 200.313, and shall reimburse the NHDES in accordance with the depreciation table below.

**Project: PDA Wheeled Loader Replacement Grant**

	Percent Value Remaining	Total Grant	Value to be Returned to NHDES
Year 1 value	20	\$42,274.00	\$8,455.00
Year 2 value	16	\$42,274.00	\$6,764.00
Year 3 value	12.8	\$42,274.00	\$5,411.00
Year 4 value	10.2	\$42,274.00	\$4,312.00
Year 5 value	7.6	\$42,274.00	\$3,213.00

Note: Depreciation of grant is calculated based on a grant of \$42,274.00 for the wheeled loader.

12. PDA shall:
- a. Register the replacement loader in accordance with New Hampshire law;
  - b. Maintain the replacement loader in accordance with manufacturer recommendations;
  - c. Not make modifications to the emission controls system on the replacement loader or engines; and
  - d. Make the loader and related documents (including maintenance records) available for follow-up inspection for five years from date of grant approval, if requested by EPA or NHDES.
13. PDA shall scrap the loader being replaced or render it permanently disabled. NHDES shall be allowed the opportunity to witness the destruction of the engine and the chassis with a two week (minimum) advance notice of the event. The replaced loader may be permanently disabled by:
- a. Creating a minimum 3" diameter hole completely through the engine block; and
  - b. Cutting the chassis rails in half.
14. PDA shall supply documentation confirming the scrappage requirements have been met for the loader. The letter must be signed by the authorized representative listed on the grant application form or other duly authorized representative. The letter must include:
- a. The date the loader was scrapped;
  - b. The engine model year, engine family name, engine serial number, and VIN;
  - c. The name and contact information for the entity that scrapped the loader, if other than the grantee; and
  - d. Photographic images of the following, for the loader:
    1. Side profile of the loader;
    2. Vehicle Identification Number (VIN);
    3. The engine tag that includes the engine serial number and engine family number (if available);
    4. Chassis rail cut in half;
    5. Engine block prior to hole being drilled; and
    6. Engine block after hole has been drilled.

Scrapage may be completed by PDA or by a salvage yard or similar service, provided all scrapage requirements have been met and all necessary documentation provided.

15. PDA shall submit **Quarterly Project Status Reports** to NHDES within 15 days after the end of each calendar quarter, beginning the Effective Date of the Agreement for a period of one year following vehicle acquisition. Quarterly Project Status Reports shall include sufficient information for NHDES to estimate the emissions reductions attributable to the loader's replacement, including the following:
- a. The amount of fuel used during the preceding quarter;
  - b. The number of hours the vehicle was used in the preceding quarter; and
  - c. The estimated amount of idling experienced in the preceding quarter.

16. PDA shall submit **Annual Project Status Reports** to NHDES by January 15th of each year, beginning one year from the last quarterly report, for a period of three years including, but not limited to, the following for each vehicle:
  - a. The amount of fuel used during the preceding year;
  - b. The number of hours the vehicle was used in the preceding year; and
  - c. The estimated amount of idling the vehicle experienced in the preceding year.
17. PDA shall not use grant funds for any costs not specified in this scope of work. PDA shall complete all activities, reports, and work products specified herein.

**Funding:**

This project is funded by the EPA under the New Hampshire State Clean Diesel Grant Program.

1. Payments under this MOA are not to exceed \$42,274.00 or 25 percent of eligible project costs per project, whichever is less.
2. NHDES will reimburse PDA for the above portion of eligible expenses provided PDA is in compliance with all recordkeeping and reporting requirements in the Scope of Work.
3. Invoices may be submitted for reimbursement upon payment and shall include the following:
  - a) Payment request on PDA letterhead with the following information for the replacement vehicles and the vehicle being replaced:
    1. Vehicle Identification Number (VIN);
    2. Engine and vehicle model year;
    3. Engine and vehicle manufacturer;
    4. Engine serial number;
    5. Engine family number;
    6. Engine horsepower;
    7. Fuel type; and
    8. Cost.
  - b) A copy of all vendor invoices;
  - c) Documentation verifying payment;
  - d) A copy of the new loader registration (if applicable);
  - e) Proof of scrappage as per the Scope of Work (items 13-14); and
  - f) Contact information for any questions related to reimbursement requests.
4. NHDES will process complete invoices within 30 days of receipt.
5. Invoices must be submitted by September 30, 2020. Requests submitted after this date may be denied.
6. All obligations of NHDES and the State of New Hampshire are contingent upon availability and continued appropriation of funds for the services.

**Termination:**

1. This Agreement may be terminated for good cause by either of the parties or for convenience if both parties agree, with the provision for orderly termination of the project. Termination of the Agreement shall not occur until thirty (30) days after a "notice of termination" has been received by the other party. Said notice shall specify the cause for termination.
2. Should PDA terminate this Agreement for other than good cause prior to completion of all obligations specified in the scope of work, PDA will reimburse the NHDES for any funds received.

**Duration:**

This agreement will become effective upon approval by Governor and Council. The project completion date is September 30, 2020, with additional reporting requirements through January 2025.



**Agreement:**

In WITNESS THEREOF, the parties hereto have executed this agreement, which shall become effective on the date the Governor and Executive Council of the State of New Hampshire approve the agreement.



David Mullen, Executive Director  
Pease Development Authority

Date 2/5/20

Robert S. Scott, Commissioner  
NH Department of Environmental Services

Date

OFFICE OF THE ATTORNEY GENERAL

By: \_\_\_\_\_  
Assistant Attorney General

Date: \_\_\_\_\_, \_\_\_\_\_

I hereby certify that the foregoing agreement was approved by the Governor and Council of the State of New Hampshire at their meeting on \_\_\_\_\_, \_\_\_\_\_.

OFFICE OF THE SECRETARY OF STATE

By: \_\_\_\_\_

Title: \_\_\_\_\_

**MOTION – VIII. C.**

Director Lamson:

The Pease Development Authority Board of Directors hereby ratifies and approves the Executive Director's acceptance of the contracted Long Term Disability Insurance and Life and Accidental Death and Dismemberment Insurance effective March 1, 2020 through February 28, 2023, for the continued benefit of employees of Pease Development Authority (PDA) as proposed by the Standard Insurance Company in the projected annual amount of \$24,252; all in accordance with the memorandum of Irving Canner, PDA Director of Finance, dated February 25, 2020 attached hereto.

THIS MOTION REQUIRES A ROLL CALL VOTE.





# PEASE INTERNATIONAL

55 International Drive Portsmouth, NH 03801

## DEVELOPMENT AUTHORITY

Date: February 25, 2020

To: David Mullen- Executive Director *DM*

From: Irv Canner- Director of Finance *IC*

Subject: Insurance Renewal- Life and Accidental Death and  
Dismemberment and Long Term Disability

Our current insurance coverages for employee: 1) Life Insurance and Accidental Death and Dismemberment (LADD) and 2) Long Term Disability (LTD) as provided through Unum Life Insurance Company of America (the Unum) are scheduled to mature as of February 29, 2020. The original agreement provided for a two-year fixed rate structure.

Working with our insurance broker (Davis and Towle), bids were solicited. Based on the following analysis it is requested that the Pease Development Authority (PDA) Board of Directors be presented this information at their March 19, 2020 meeting in order to secure their approval to allow the PDA to enter into a three-year fixed rate agreement through February 28, 2023, with the Standard Insurance Company for both LADD and LTD coverage.

The final bid results provided the following annual cost comparisons providing an annual savings of \$8,352 or approximately 25% between the two bids:

Provider	Long Term Disability Insurance	Life Insurance	Accidental Death and Dismemberment	Total Annual Cost
UNUM	\$ 20,040	\$ 11,784	\$ 780	\$ 32,604
The Standard	14,916	8,616	720	24,252
Cost Difference	\$ (5,124)	\$ (3,168)	\$ (60)	\$ (8,352)

The final bid results were based on current benefit eligible employee salaries of approximately \$ 3,295,000. Submitted cost information was detailed on the following billing rate structure:



Provider / A.M. Best Rating	Long Term Disability Insurance / \$100	Life Insurance / \$1,000	Accidental Death Dismemberment / \$1,000
UNUM (A)	\$ 0.63	\$ 0.30	\$ 0.02
The Standard (A)	\$ 0.49	\$ 0.24	\$ 0.03

(A) Highest rating of Excellent

Key coverage highlights remain consistent to what we have provided our benefit eligible employees during the past several years including:

<b>Long Term Disability Insurance</b>	<b>Life and Accidental Death and Dismemberment</b>
100% PDA Sponsored	100% PDA Sponsored
Monthly Benefit % of Earnings = 60%	Coverage is Equal to 1 X Annual Earnings
Maximum Monthly Benefit is \$5,000	Maximum Annual Benefit is \$130,000
Elimination Period of 60 Days plus Social Security Integration	Benefit Reduction Formula: 65% at Age 65 50% at Age 70

Three additional insurance providers were solicited, including Boston Mutual, Lincoln Financial and Mutual of Omaha but once again as in prior years, these companies did not respond as they could not match the plan design specific to the desired elimination period of 60 days as associated with the long term disability coverage. From an industry perspective, a 90-day elimination period is a typical plan design component.

At your convenience, I would be pleased to address any questions and or the need for supplemental information that you might have.







**MOTION – VIII. D.**

Director Loughlin:

In accordance with the provisions of NH RSA 12-G:8, VIII which permits the PDA Board of Directors to award contracts without a request for proposals, we hereby resolve to ratify and approve the prior execution by the Executive Director of Item B below, and to authorize the Executive Director to:

- A. Enter into a contract with ADB Safegate (“ADB”) to purchase and install eight (8) LED replacement airport signs in an amount not to exceed \$20,145.00, for the Portsmouth International Airport at Pease (“PSM”); all in accordance with the memorandum of Andrew B. Pomeroy, Airport Operations Manager, dated March 4, 2020, attached hereto; and
- B. execution of the agreement with QT Petroleum on Demand (QT Pod) for a cost of \$11,245.00 for the purchase of a single unit self-serve fuel point of sale credit card system for Skyhaven Airport (DAW); all in accordance with the memorandum from Andrew B. Pomeroy, C.M., Airport Operations Manager, dated March 5, 2020 attached hereto.

We further resolve without a request for proposal to approve the purchase by the Executive Director of the following:

- C. a Toro Groundmaster, 4500-D (T4) large rough mower with universal sunshade, golf ball guard, and golf netting mounting bracket for use at the PDA Golf Course for a purchase price of \$69,450.04, as outlined



in the memorandum from Scott DeVito, PGA General Manager dated March 2, 2020 attached hereto.

- D. a 2020 Chevrolet Silverado 2500 replacement vehicle to be utilized by PDA Maintenance Staff for Airfield and Tradeport daily maintenance concerns and transportation; all in accordance with the memorandum of KC Conley, Fleet Manager, dated March 4, 2020 attached hereto.

Exhibit A attached hereto to this motion and incorporated by reference shall be recorded in the minutes of this April 23, 2020 meeting as justification for the actions taken herein.

**THIS MOTION REQUIRES A ROLL CALL VOTE AND FIVE AFFIRMATIVE VOTES.**





## EXHIBIT A

In accordance with the provisions of NH RSA 12-G:8, VIII, the following constitutes justification for eliminating the Request for Proposal requirements for the items set forth below. These justifications shall be recorded in the minutes of the April 23, 2020 meeting.

1. **LED Airport Signage:**

- There are very few vendors who produce F.A.A. - approved airfield signs; and
- The F.A.A. requires that airport guidance signs are uniform and consistent to the flight crews using them to navigate around the airfield;

ADB supplied the lowest estimate in 2018. As such, PSM currently uses ADB signs on the airfield allowing for uniformity of signage and the use of interchangeable parts with the existing signs and PSM inventory of replacement parts.

2. **Self-Serve Fuel Point of Sale Credit Card System Replacement – Skyhaven Airport:**

- Currently Skyhaven Airport and the Division of Ports and Harbors (the Division) use the same QT Pod M3000 Units, with Skyhaven operating one (1) unit and the Division operating five (5). Since the Airport and the Division were notified about the end of service on the existing units, both entities have worked to find credit card terminals similar to what is being used now and have determined that QT Pod is the only company available that can provide the units at the pricing and service level that meet the needs of both business units.
- Of the two self-serve fuel systems approved for the dispensing of aviation fuels, QT Pod is the only system ready to accept chip card readers when they become available.
- Airport and Division Staff were able to negotiate a better price from QT Pod given the single Skyhaven Airport fuel system would be purchased in conjunction with the Division's five (5) units.
- QT Pod is offering Skyhaven a trade in credit of \$4,495.00 for Skyhaven's existing M3000 unit towards the purchase of the new M4000 Unit.



3. **Turf Products, LLC – Golf Course Large Rough Mower:**

- Turf Products, LLC is the only New England area authorized Toro golf products distributor and, as such, the Golf Course has only received bids from Turf Products the last several replacement cycles.
- Turf Products, LLC extends their Government Services Administration pricing to the PDA.
- Both current large rough mowers are Toro machines and the purchase of the new Toro equipment will allow use of an estimated \$6,000 - \$8,000 of replacement parts currently in inventory, as Toro designs its equipment to use common parts compatible with other Toro units.

4. **Maintenance Vehicle Replacement, 2020 Chevrolet 2500 pickup:**

- This vehicle will be purchased under the State of New Hampshire's Vehicle Procurement Contract for a price of \$39,160.00.







---

---

INTEROFFICE MEMORANDUM

---

---

TO: DAVID R. MULLEN, EXECUTIVE DIRECTOR   
FROM: ANDREW B. POMEROY, C.M., AIRPORT OPERATIONS MANAGER   
SUBJECT: LED AIRPORT SIGNAGE  
DATE: 3/6/2020  
CC: PAUL BEAN, AIRPORT DIRECTOR

---

---

The Portsmouth International Airport at Pease has many old illuminated airfield signs in need of replacement. Several of these signs are now out of FAA compliance standards. These non-compliant signs have been identified during our FAA Annual Certification and Safety Inspections. In 2018, knowing that we had to replace sixty-seven airport signs, the Airport decided to take advantage of this opportunity to switch from signs illuminated with internal incandescent lamps to all LED signs that will use less electricity and require less maintenance, saving the PDA thousands of dollars over the long run.

Due to the number of signs that need replacement and the expense involved in replacing them, the Airport decided to phase-in the replacement of the signs, budgeting for the purchasing and installation over a few years. Following Board of Directors' approval in 2018, the Airport purchased 27 signs from ADB Safegate and installed them. For FY2020 the Airport has budgeted \$20,000.00 for the replacement of another 10+/- airport signs.

The Airport would like to waive the bid process and continue to use ADB Safegate as the vendor of choice for these signs. Not only did ADB originally supply the lowest estimate in 2018, uniformity is very important in airport guidance signs. Specifically, F.A.A. requires that airport guidance signs are uniform and consistent to the flight crews using them to navigate around the airfield. Additionally, as the Airport currently uses ADB signs on the airfield, the new signs will have interchangeable parts with our existing signs and our inventory of replacement parts.

Airfield signs have a very long lead time as they are all custom manufactured per the Airport's specifications. Therefore the Airport seeks Board of Directors approval to order 8 LED replacement airport signs from ADB Safegate for \$20,145.00 using the \$20,000.00 budgeted for this purpose in the FY2020 budget. The quote for the 8 LED signs came in \$145.00 over the \$20,000.00 budgeted. This overage will be funded through the airfield electrical operating budget.




---


---

INTEROFFICE MEMORANDUM

---

---

TO: DAVID R. MULLEN, EXECUTIVE DIRECTOR 

FROM: ANDREW B. POMEROY, C.M., AIRPORT OPERATIONS MANAGER 

SUBJECT: SELF-SERVE FUEL POINT OF SALE CREDIT CARD SYSTEM REPLACEMENT -SKYHAVEN AIRPORT

DATE: 3/5/2020

CC: PAUL BEAN, AIRPORT DIRECTOR

---

The Airport Management Office was notified that the current Fuel Point of Sale Credit Card System provided by QT Petroleum on Demand ("QT Pod") is no longer being supported and must be replaced by June 30, 2020. This is due to several factors, including technological advances (the current units were designed in 2002), data speed improvements, and the current system's inability to accept chip card readers. In accordance with the provisions of RSA 12-G:8 VIII, we recommend waiving the RFP requirement for the following reasons:

- 1) Currently Skyhaven Airport and the Division of Ports and Harbors (the Division) use the same M3000 Units, with Skyhaven operating one unit and the Division operating five. Since The Airport and the Division were notified about the end of service on the existing units, both agencies have engaged in extensive research and contacted several companies to find credit card terminals similar to what is being used now and have determined that QT Pod is the only company available who can provide the units at pricing and service that meet the needs of both agencies.
- 2) Of the two self-serve fuel systems approved for the dispensing of aviation fuels, QT Pod is the only system ready to accept chip card readers when they become available.
- 3) Through working collaboratively with our partners at the Division we were able to negotiate a better price from QT Pod given the single Skyhaven Airport fuel system would be purchased in conjunction with the Division's five.
- 4) QT Pod is offering us a trade in credit of \$4,495.00 for our existing M3000 unit towards the purchase of the new M4000 Unit.
- 5) Both Airport Management and the Division have a long standing relationship with QT Pod and find their services reliable.

With that, Airport Management, in conjunction with Division, requested and received proposed purchase agreements from QT Pod to replace its existing M3000 unit with an updated M4000 unit. The newer M4000 unit is designed with a Windows operating system and USB interfaces to evolve as technology evolves. The proposed purchase agreements and a FAQ supplement are attached.

The proposed purchase agreement has a total cost of \$11,245.00 for the single unit at Skyhaven following the trade in credit.

After review of the proposed purchase agreements and based on its extensive research for available options, the Airport Management Department recommends that the PDA Board of Directors authorize the Division Director to execute the proposed purchase agreement and waive the RFP requirement.

P:\BOARDMTG\2020A-Ops QT Pod Self-Service Fuel Point of Sale Credit Card System Replacement - Skyhaven.doc

QTPetroleum on Demand M4000  
FUEL TERMINAL PURCHASE AGREEMENT



4909 Nautilus Court N. #109  
Boulder CO 80301  
(303) 444-3590  
Fax (303) 444-8736

**Purchaser:**

Pease Development Authority  
36 Airline Ave.  
Portsmouth, NH 03801

**Ship to:**

Skyhaven Airport  
238 Rochester Hill Rd.  
Rochester, NH 03867

Date: 1/30/2020

CUSTOMER PO#	TERMS	REQUESTED DELIVERY DATE	SHIP VIA	SALES REP
	Net 30	ASAP	UPS-Ground	

Qty	MODEL #	DESCRIPTION	UNIT PRICE	AMOUNT
1	M4000U-D-2	M4000 Upgrade with Cellular communications and 2 pumps	\$15,445.00	\$15,445.00
1		Trade in credit for M3000	(\$4,495.00)	-\$4,495.00
SUBTOTAL				\$10,950.00
START-UP TRAINING BY QT POD				\$0.00
SHIPPING & HANDLING				\$295.00
TOTAL DUE				\$11,245.00
DEPOSIT				\$0.00
GRAND TOTAL				\$11,245.00

**NOTE: The M4000 Self-Serve Fueling Terminal requires a subscription to QT POD's cloud based software platform in order to be operable. In the event Purchaser is a merchant/dealer, it shall advise end users of this fact prior to sale.**

**TERMS:** The purchase price for each Unit shall be the amounts entered above. Purchaser acknowledges that QT Petroleum on Demand (QT) builds each Unit to order. Purchaser agrees to pay QT the Purchase Price pursuant to the terms of this Purchase Agreement which are as follows: fifty percent (50%) of the Unit Price is due upon completion of the order and the Remaining Balance (including shipping and handling) is due prior to shipping unless credit terms are approved by QT. If credit terms are extended by QT, Purchaser shall remit payment as set forth in QT's invoice. All units will be shipped F.O.B. point of shipping. Payment is not subject to any other conditions including but not limited to when the equipment is to be installed, or any other agreement between the purchaser and any third party. In the event QT provides on-site commissioning service assistance, the commissioning service charges are due immediately upon demonstration that each Unit operates as described in the Unit Documentation. In the event Purchaser cancels this order after the equipment has been shipped a restocking fee of 10% of the purchase price will be charged. Title to each Unit shall not transfer to Purchaser until payment in full is received. In the event payment is not made as agreed, the outstanding balance shall accrue interest at the rate of 1.5% per month until paid. If QT takes any steps to collect on Purchaser's account, including retaining an attorney, Purchaser shall pay all costs of such collection efforts, including reasonable attorney fees. Purchaser understands and agrees that in the event of non-payment of any amount due, QT may deny access to its cloud-based software platform, rendering the Unit(s) in operable, and/or repossess the Unit(s) at QT's sole option. In the event Purchaser has not fully paid for the Unit(s) as set forth herein within five (5) days after receiving written notice from QT, its attorneys, or collection agents, Purchaser shall permit QT to repossess the Unit(s), and shall cooperate with QT and its agents in doing so. All applicable taxes are the responsibility of the buyer.

I have read and the I have read the above statement and agree to the purchase terms.

Authorized Purchaser:

Title:

Date:

\_\_\_\_\_







## MEMORANDUM

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

From: Scott DeVito, PGA General Manager *S.D.D.*

Date: March 2, 2020

Subject: Request to waive the RFP process to purchase a Toro large rough mower

---

This is a request to waive the RFP process to purchase a Toro Groundmaster, 4500-D (T4) large rough mower with universal sunshade, golf ball guard, and golf netting mounting bracket, from Turf Products LLC, 157 Moody Road, Enfield, CT 06082, for a purchase price of \$69,450.04.

To maintain the 55 acres of rough on the 27 holes, the operation requires having two primary rough mowers. These rough mowers are used every day during the season as part of the turf maintenance program. Primary rough is cut a minimum of twice/week. During heavy growth periods cutting primary rough increases to three times per week. Mowers are also used for common areas such as the driving range and parking lot. These machines average 5-6 hours per day of use during the main part of the season.

The lifespan of these mowers range from 5-10 years, or approximately 2,000 hours of running time.

Justification for the waiver of the RFP process includes the following:

- Turf Products, LLC is the only New England area authorized Toro golf products distributor and, as such, the Golf Course has only received bids from Turf Products the last several replacement cycles.
- Turf Products, LLC extends their Government Services Administration pricing to the PDA.
- Both current large rough mowers are Toro machines.
- Staff is all trained and very familiar with operating Toro machines.
- Prior Toro machines have been very reliable, and can operate anywhere on the property.



- The purchase of the Toro equipment will allow use of an estimated \$6,000-\$8,000 of replacement parts currently in inventory.
- Toro designs all their equipment to use common parts; rollers, bearings, and blades are all compatible with other Toro units. As such, common parts are also shared with the two smaller Toro rough units in use at the golf course.
- Golf course equipment manager and staff would need to be trained to use and repair any other brand purchased.
- The new Toro rough mower will be Tier 4 emissions compliant.

Funds for the large rough mower will come from the Golf Course FY2020 capital budget. Please seek Board approval to waive the RFP process and to enter into a contract with Turf Products for the purchase of the specified Toro equipment.

Thank you for your consideration.





# turf products

# QUOTE

157 Moody Road • PO Box 1200 • Enfield, CT 06082  
Main Office: (800) 245-4355 • FAX: (860) 763-5550

Prepared For: EJ Chea  
**Pease Golf Course**  
200 Grafton Dr  
Newington, NH 03801-7151 United States

Ship To: Pease GC GM4500 021020  
Q32426  
Quote Number: **02/10/2020**  
Quoted Date: Jeffrey Brooks  
Prepared By: jbrooks@turfproductscorp.com  
603-860-6839

Price Base GSA State & Federal Contract

Qty	Model #	Description	Award	Extended
1	30881	Groundsmaster 4500-D (T4) - Obsolete	\$69,450.04	\$69,450.04
1	30671	Universal Sunshade, Red		
1	31527	4WD Flow Divider Kit		
1	137-1392	Golf Netting Mounting Bracket		
1	03614	Operator Golf Ball Guard		

Toro Total:	<b>\$69,450.04</b>
Non - Toro Total:	\$0.00
Set Up:	\$0.00
Freight:	\$0.00
Trade Ins:	(\$0.00)
State Sales Tax:	\$0.00
<b>Total Price:</b>	<b>\$69,450.04</b>



## Memorandum

**To:** David R. Mullen, Executive Director *DPM*  
**From:** Ken Conley, Fleet Manager *KC*  
**Date:** March 4, 2020  
**Subj:** Maintenance Vehicle Replacement, 2020 Chevrolet 2500 pickup

Pease Development Authority ("PDA") has identified a replacement vehicle for PDA Maintenance in the FY20 Capital Budget. This vehicle will be utilized by PDA Maintenance Staff for Airfield and Tradeport daily maintenance concerns and transportation. Fleet Maintenance recommends a Chevrolet Silverado 2500 as it meets the airfield operating requirements during inclement weather and is equipped with heavier spec suspension allowing all manner of towing and loading needed in its maintenance roll, as well as the possibility of accommodating up to a 9ft plow as necessary due to the ever changing Maintenance Department's operational needs.

This vehicle would replace a 2000 Chevrolet Silverado 2500 with 82,000 miles. I am requesting a waiver to the formal RFP process as this vehicle will be purchased under The State of New Hampshire Vehicle Procurement Contract for a price of \$39,160.00.

Please seek PDA Board approval for this purchase and for a waiver of the formal procurement process at the March 19, 2020 Board meeting.







## MOTION – IX. A.

Director Levesque:

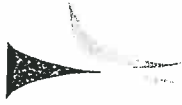
The Pease Development Authority (PDA) Board of Directors hereby approves of the proposed signs as follows:

1. The proposed sign alterations for Wentworth Douglass Hospital (WDH) located at 67, 73 and 121 Corporate Drive; all in accordance with the memorandum of Maria J. Stowell, P.E., Engineering Manager, dated March 4, 2020, attached hereto; and
2. The signs requested by Rochester Electronics for 20 Durham Street; all in accordance with the memorandum of Maria J. Stowell, P.E., Engineering Manager dated March 12, 2020, attached hereto.
3. The signs requested by Fedpoint for 100 Arboretum Drive, a Farley White property; all in accordance with the memorandum of Maria J. Stowell, P.E., Engineering Manger dated April 13, 2020, attached hereto.

THIS MOTION REQUIRES A ROLL CALL VOTE.

N:\RESOLVES\2020\Signs – WDH & 20 Durham Street (Rochester Electronics) & Fedpoint- 4-23-2020.docx





**MEMORANDUM**

To: David R. Mullen, Executive Director *DM*  
 From: Maria J. Stowell, PE, Engineering Manager *Maria*  
 Date: March 4, 2020  
 Subject: Wentworth-Douglass Hospital Signs

In 2018, the PDA Board approved a proposal from Wentworth-Douglass Hospital (“WDH”) to install signs at its facilities at 67, 73, and 121 Corporate Drive. The signage proposal consisted of:

- One ground sign at the Corporate Drive entrance (72.5 square feet);
- One building sign on the building nearest the Spaulding Turnpike (319.2 square feet);
- Three building signs displaying the building designations A, B, and C; and,
- Three internal ground signs along the main driveway identifying the entrance to each of the three buildings to be designated Building A, Building B, and Building C.

The latter two, so-called ABC signs, did not figure into the aggregate sign area of the lot because they contained only a building identifier. The approval allowed WDH to proceed to the City of Portsmouth Board of Adjustment (“BOA”) with a variance application to allow a total of 391.7 square feet of sign area where the maximum per lot is 200 square feet. The BOA recommended that the variance be granted.

In designing the original sign package, WDH relied on patients’ ability to remember and recognize the building identifier (A, B or C) to arrive at their destinations. WDH has found that most patients, when arriving at the campus, look for signage indicating the services to be provided. WDH is now asking to amend the ground mounted ABC signs to add the list of services provided at each building.

The attachments show how the existing signs would be fitted with an LED illuminated cabinet and Lexan panels listing the medical services provided in each building. While the overall sign dimensions and locations are unchanged, the additions of these sign messages describing products or activities require that the message area now be counted in the lot aggregate sign area increasing the value to 432.83 square feet.

WDH has tested this solution by using temporary sandwich board signs. The additional information greatly improved the ability of patients to locate their destinations.

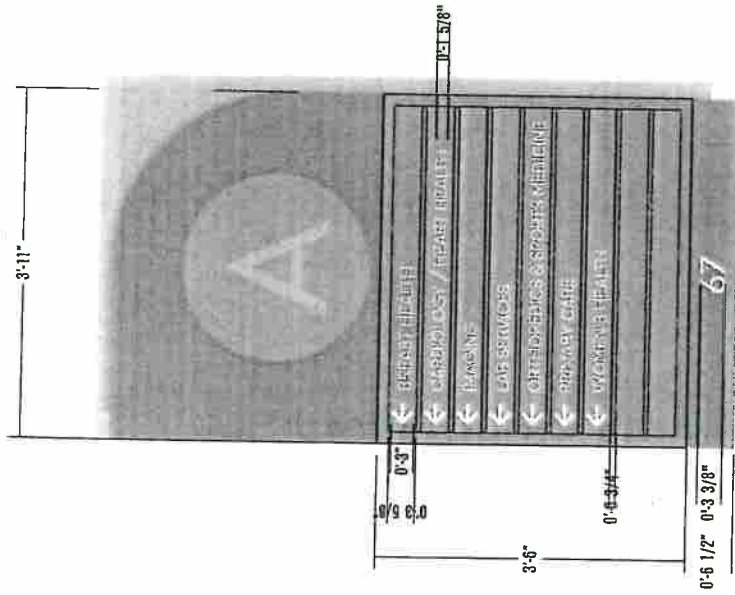
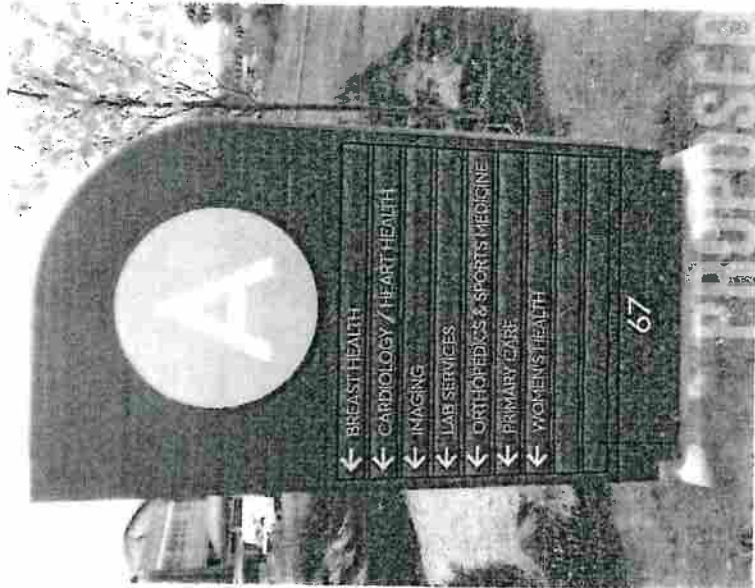
As the proposal increases the lot sign area, WDH would again require a variance to Part 306.01(d) of PDA’s Zoning Ordinance, which sets a maximum lot area of 200 square feet.

If you agree that the WDH proposal has merit, please seek Board of Director approval. If approved, WDH’s variance application will be referred to the City of Portsmouth’s Zoning Board of Adjustment.

N:\ENGINEER\Board Memos\2020\WD add sign msgs variance.docx



SCALE: 3/4" = 1'-0"



= EXISTING SIGN

EXISTING SIGN



SCOPE OF WORK

BARLO TO REMOVE SIGN AND BRING BACK TO BARLO SHOP. BARLO TO CUT DOWN SIGN AND INSERT A S/F LED ILLUMINATED CABINET WITHIN THE SIGN WITH CHANGEABLE 3/16" THICK WHITE LEXAN FACES WITH OPAQUE VINYL APPLIED (REVERSE CUT COPY) & DIVIDER BARS. RE-CUT AND RE-INSTALL VINYL ADDRESS NUMBER AT BOTTOM OF THE SIGN AS SHOWN.

**BARLO**  
INTERNATIONAL  
CORPORATIONS

CLIENT: WENTWORTH DOUGLASS HOSPITAL  
DESIGN: LP  
SALES: PM: XX  
UPDATING: DATE: 07/06  
PRODUCTION: DATE:

DESIGNER: LP  
SALES REP: BARN  
DATE: 12-16-19

WENTWORTH DOUGLASS HOSPITAL  
67, 73 & 121 CORPORATE DRIVE  
PORTSMOUTH, NH 03801

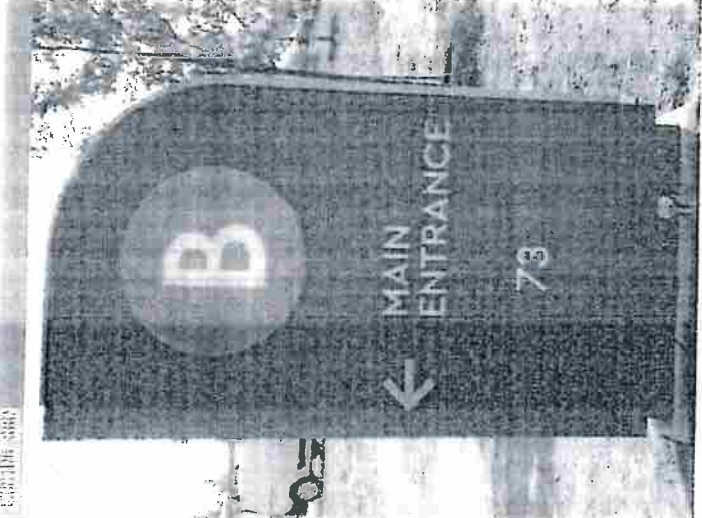
ITEM **A**

SHEET 1.0

JOB #:

- C1 680-10 WHITE REFLECTIVE VINYL (ADDRESS NUMBER)
- I2 7725-97 NIMBUS GRAY VINYL (REVERSE CUT COPY)
- O3 PTM MP# 32195 STAID GRAY METALLIC (CAB. RETAINER, DIVIDERS)



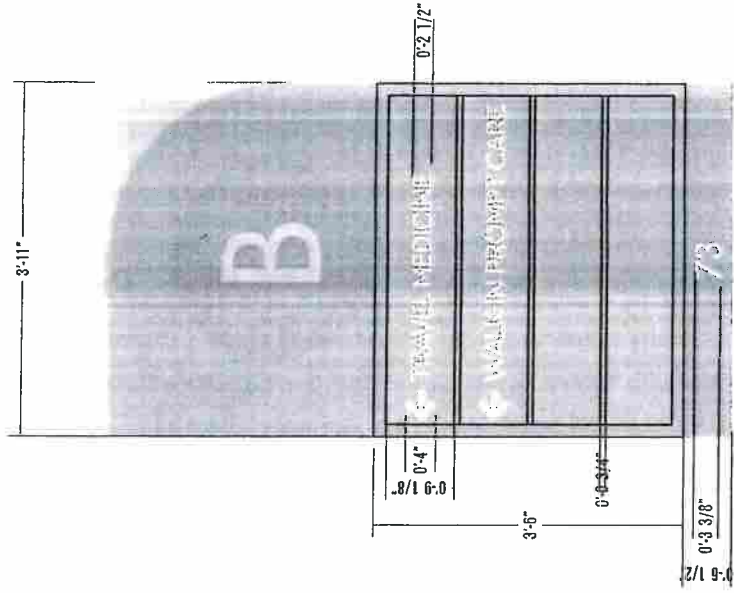


EXISTING SIGN

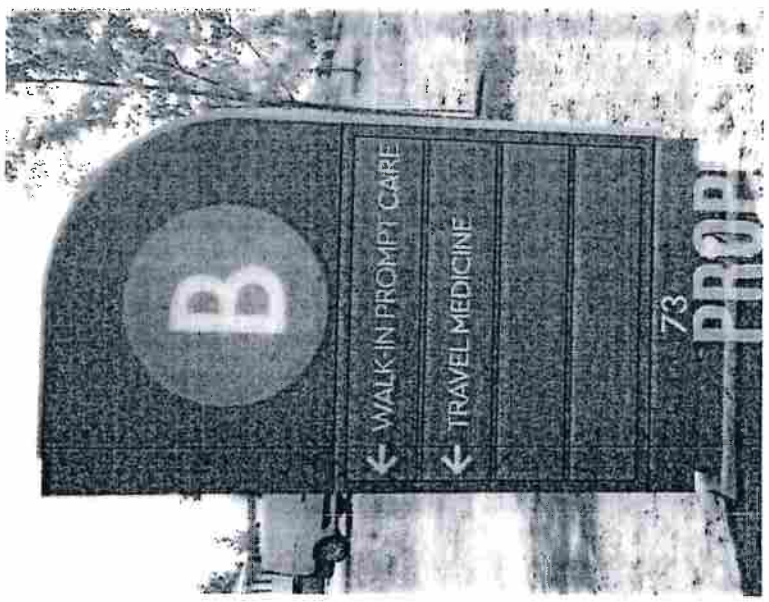
BARLO TO REMOVE SIGN AND BRING BACK TO BARLO SHOP. BARLO TO CUT DOWN SIGN AND INSERT A 5/8" LED ILLUMINATED CABINET WITHIN THE SIGN WITH CHANGEABLE 3/16" THICK WHITE LEXAN FACES WITH OPAQUE VINYL APPLIED (REVERSE CUT COPY) & DIVIDER BARS. RE-CUT AND RE-INSTALL VINYL ADDRESS NUMBER AT BOTTOM OF THE SIGN AS SHOWN.

EXISTING SIGN

- 680-10 WHITE REFLECTIVE VINYL (ADDRESS NUMBER)
- 7725-97 NIMBUS GRAY VINYL (REVERSE CUT COPY)
- PTM MP# 32195 STAID GRAY METALLIC (CAB. RETAINER, DIVIDERS)

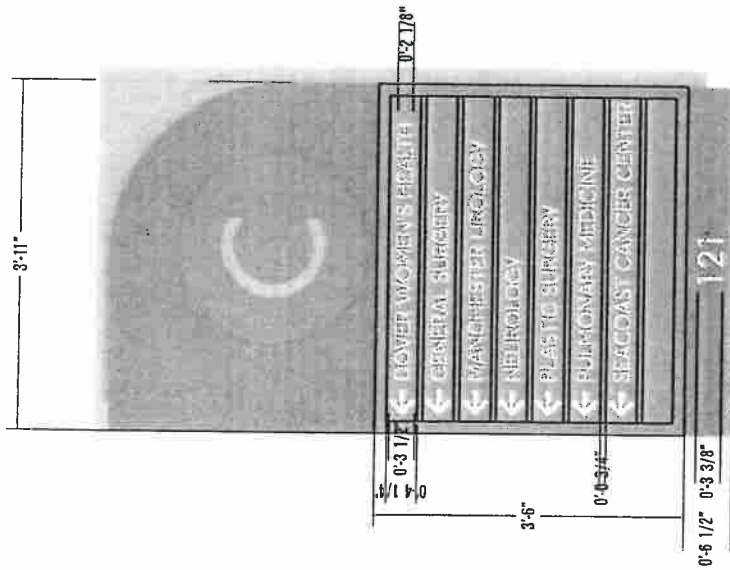


EXISTING SIGN



EXISTING SIGN





= EXISTING SIGN



SCOPE OF WORK

BARLO TO REMOVE SIGN AND BRING BACK TO BARLO SHOP. BARLO TO CUT DOWN SIGN AND INSERT A S/F LED ILLUMINATED CABINET WITHIN THE SIGN WITH CHANGEABLE 3/16" THICK WHITE LEXAN FACES WITH OPAQUE VINYL APPLIED (REVERSE CUT COPY) & DIVIDER BARS. RE-CUT AND RE-INSTALL VINYL ADDRESS NUMBER AT BOTTOM OF THE SIGN AS SHOWN.

COLOR SCHEDULE - CLIENT TO VERIFY

- C1** 680-10 WHITE REFLECTIVE VINYL (ADDRESS NUMBER)
- C2** 7725-97 NIMBUS GRAY VINYL (REVERSE CUT COPY)
- C3** PTM MP# 32195 STAIN GRAY METALLIC (CAB, RETAINER, DIVIDERS)





**PEASE**  
INTERNATIONAL  
DEVELOPMENT  
AUTHORITY

55 International Drive Portsmouth, NH 03801

## MEMORANDUM

To: David R. Mullen, Executive Director *DM*  
From: Maria J. Stowell, PE, Engineering Manager *Maria*  
Date: March 12, 2020  
Subject: Rochester Electronics Signs

Rochester Electronics ("RE"), the new tenant at 20 Durham Street, has submitted the attached lot signage proposal. RE is seeking approval to install three signs: a 43.68 square foot wall mounted sign, a 33.85 square foot ground sign that would use the existing sign frame and base, and a 3.0 square foot post mounted sign at the driveway entrance. The total lot sign area would be 80.53 square feet.

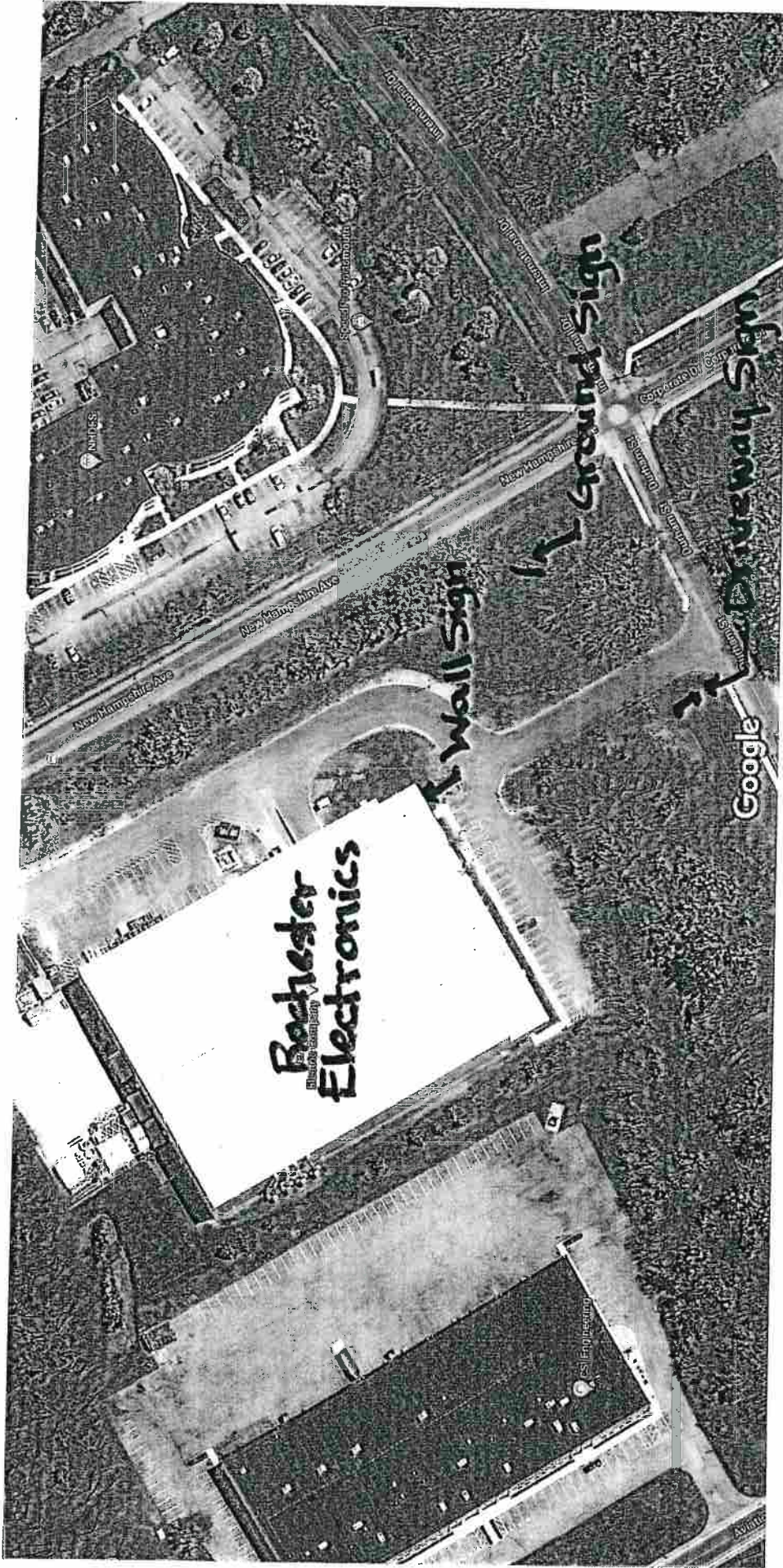
In our review of the submission, we noted that the location of the post mounted sign will need to be adjusted to maintain the ROW width. Aside from this, we believe the signs conform to Tradeport standards and recommend approval.

At next week's meeting, please seek Board of Director approval of Rochester Electronics' sign proposal as described in this memo.

N:\ENGINEER\Board Memos\2020\20 Durham RE sign.docx



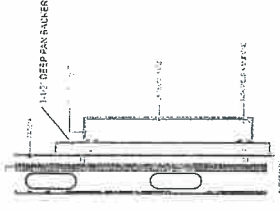
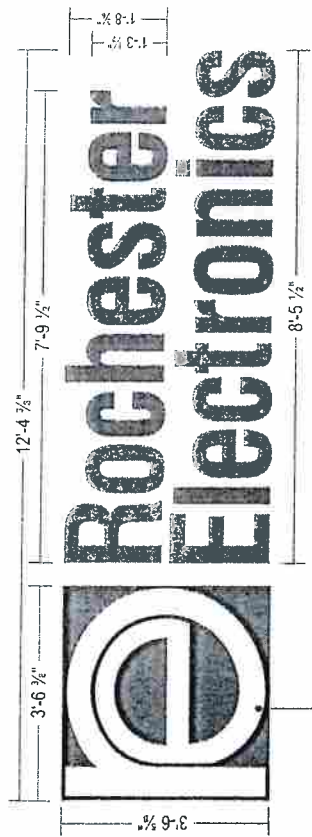




Imagery ©2020 Maine Geolibrary, Maxar Technologies, U.S. Geological Survey, USDA Farm Service Agency, Map data ©2020 50 ft



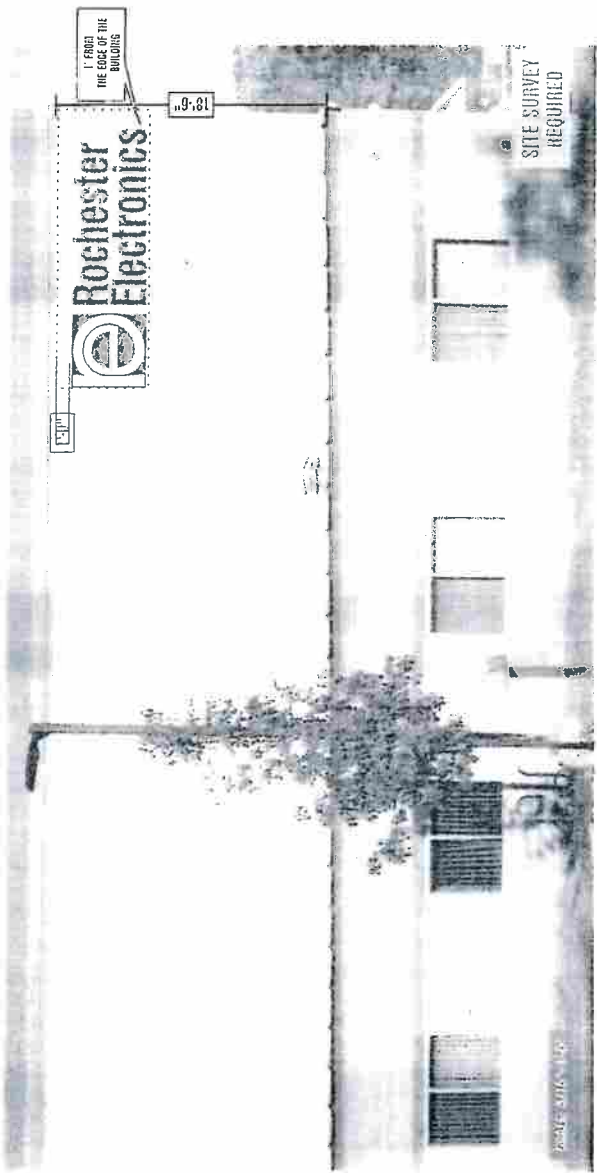
SCALE: 1/2" = 1'-0"



FABRICATED ALUMINUM LETTER (NON ILLUMINATED)

FABRICATED ALUMINUM LOGO ON PINE BACKER (NON ILLUMINATED)

EXISTING SIGN



**ROCHESTER ELECTRONICS**  
 @ PEASE TRADEPORT  
 20 DURHAM STREET  
 PORTSMOUTH, NH  
 10-28-2019

DESIGNER: TA/NS  
 SALES REP: HARN  
 PM: DC

**BARLO**  
 INTERNATIONAL

Client: \_\_\_\_\_ Date: \_\_\_\_\_  
 Designer: AS Date: 2.4.20  
 Sales: \_\_\_\_\_ Date: \_\_\_\_\_  
 Updating: \_\_\_\_\_ Date: \_\_\_\_\_  
 Production: \_\_\_\_\_ Date: \_\_\_\_\_

ITEM **A2**  
 SHEET 1.0

**SCOPE OF WORK**

MANUFACTURE & INSTALL (1) SET OF FABRICATED CHANNEL LETTERS  
THE LOGO WILL BE AN ALUMINUM DISHPAN WITH A NON-ILLUMINATED WHITE  
FABRICATED LOGO

100% SHIPABLE FEET 4X8

SHIP TO PORTSMOUTH, NH

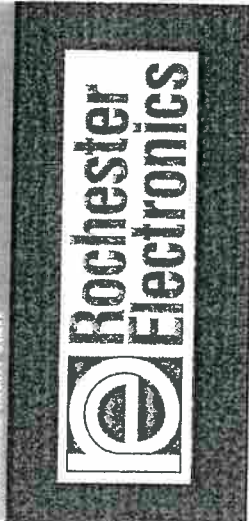
ALSO SEE SPECIFICATIONS ATTACHED TO THIS

**C1** PMS 194 BURGUNDY

**C2** S/G BLACK



SIMULATED NIGHT VIEW



SCOPE OF WORK

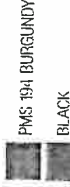
MANUFACTURE & APPLY (2) FACE REPLACEMENTS FOR EXISTING D/F SIGN.

TOTAL SQUARE FEET 33.86

WARRANTY 36 MONTHS

COLOR SCHEDULE - CLIENT TO ADVISE

DIGITAL PRINT

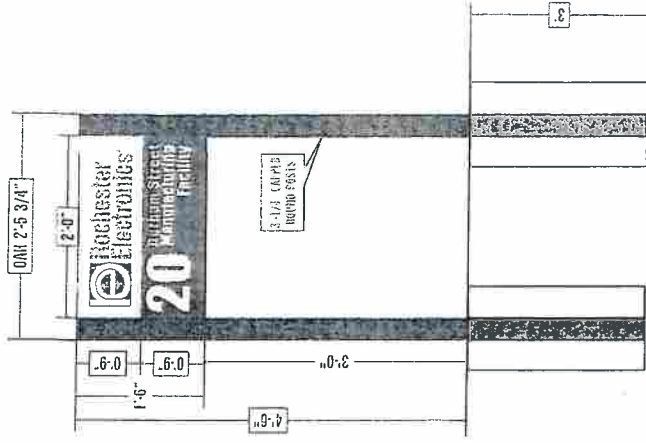


ROCHESTER ELECTRONICS  
 @ PEASE TRADEPORT  
 20 DURHAM STREET  
 PORTSMOUTH, NH  
 10.28.20  
 DESIGNER: AS  
 SALES REP: HARN  
 PM: DC

Client: \_\_\_\_\_  
 Designer: \_\_\_\_\_  
 Date: \_\_\_\_\_  
 Sales: \_\_\_\_\_  
 Date: \_\_\_\_\_  
 Updating: \_\_\_\_\_  
 Date: \_\_\_\_\_  
 Production: \_\_\_\_\_  
 Date: \_\_\_\_\_







REMOVE & DISPOSE (1) EXISTING POSTS

MANUFACTURE & INSTALL (1) D/F NON-ILLUMINATED, EXTRUDED POST AND PANEL SIGN WITH APPLIED VINYL

REMOVE & DISPOSE (1) EXISTING POSTS

PTM PANTONE 481 C	C4	3630-49 BURGUNDY
PTM PANTONE 447 C	C2	3630-149 BEIGE
PAINT BLACK	C3	3630-20 WHITE VINYL



Client: PEASE TRADEPORT  
 Design: AS  
 Sales: AS  
 Updating: AS  
 Production: AS

Client: PEASE TRADEPORT  
 Date: 2.4.20  
 Date: 2.4.20  
 Date: 2.4.20  
 Date: 2.4.20

ROCHESTER ELECTRONICS  
 DESIGNER: T/A/S  
 SALES REP: HAN  
 PM: DC  
 @ PEASE TRADEPORT  
 20 DURHAM STREET  
 PORTSMOUTH, NH  
 10-28-2019

ITEM B

SHEET 2.0

JOB # 178282



**MEMORANDUM**

To: David R. Mullen, Executive Director  
 From: Maria J. Stowell, PE, Engineering Manager *Maria*  
 Date: April 13, 2020  
 Subject: Fedpoint Signs at 100 Arboretum Drive

Farley White Pease, PDA's tenant at 100 Arboretum Drive, has submitted the attached proposal to provide signs for Fedpoint. Fedpoint is the new name of the company formerly known as Long Term Care Partners, a long-standing tenant in the building. Farley White is seeking approval to install two wall signs shown as items A and C on the attachments. Item A consists of halo lit letters and logo totaling 42.18 square feet. Item C is of similar construction but smaller a sign area totaling 19.046 square feet. These wall signs would be in addition to an existing wall sign for another tenant and a driveway sign showing the address. The attachments show all signs. The following table summarizes the proposal.

Sign	Location	Area (Square Feet)
Driveway - Existing	Main Driveway	16
Wheelabrator - Existing	North Curved Wall	42
Fedpoint Item A - Proposed	South Wall	42.18
Fedpoint Item C - Proposed	North Curved Wall	19.046
	Total Sign Area	119.22

Staff believes the signs conform to Tradeport standards.

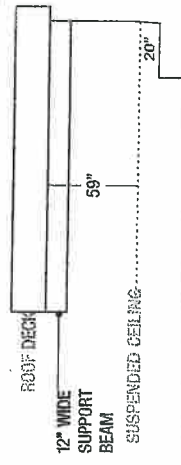
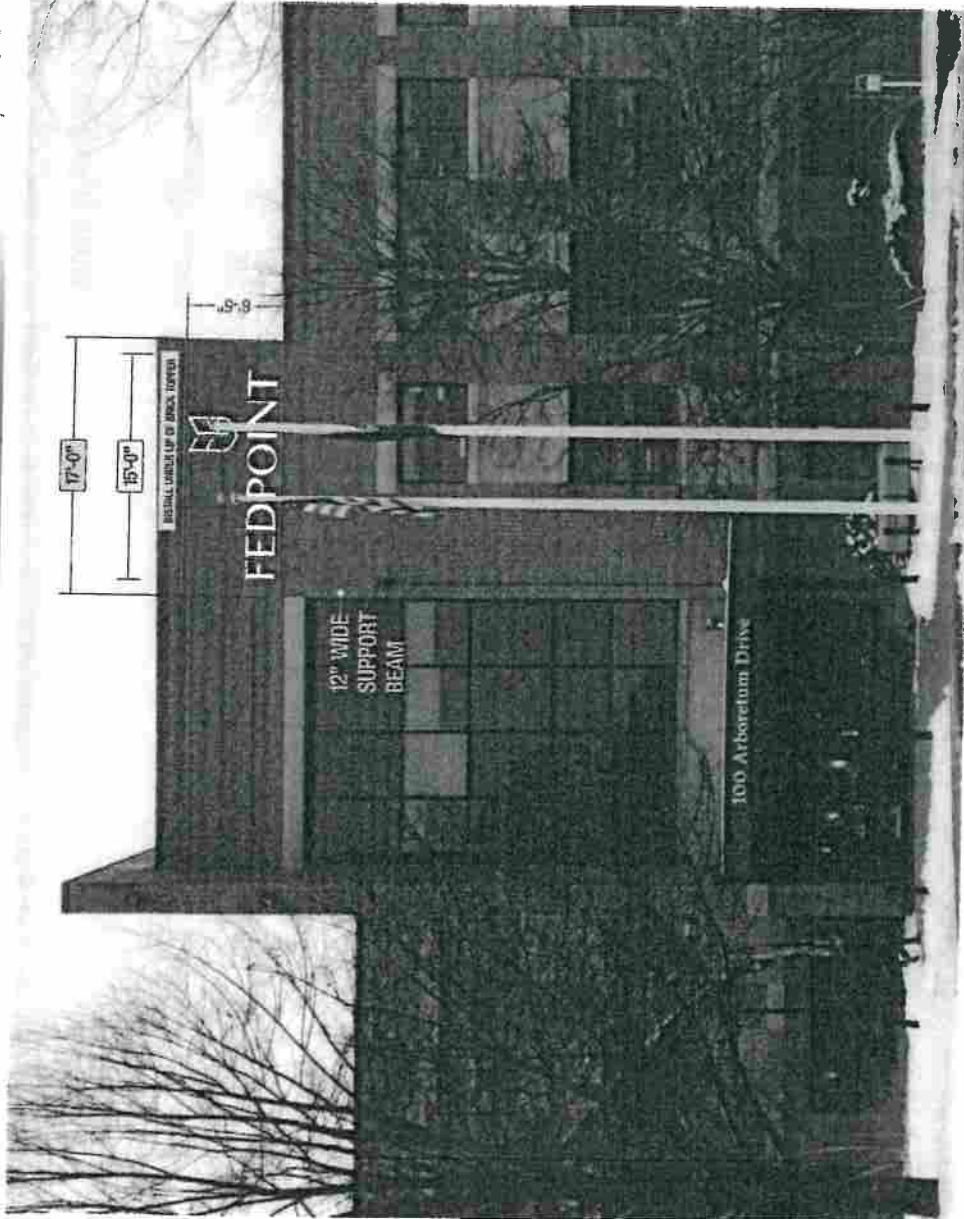
At next week's meeting, please seek Board of Director approval of Farley White's sign proposal as described in this memo.

N:\ENGINEER\Board Memos\2020\Fedpoint Sign 100 Arboretum.docx





SCALE: 1/8"=1'-0"

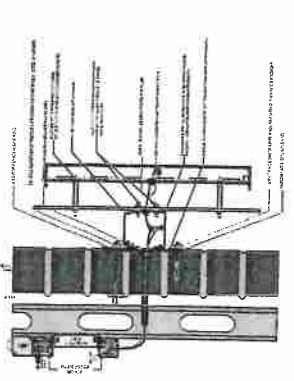


**SITE ELECTRICAL** ELECTRICAL WORK BY:  BARLO  OTHERS

New    CIRCUITS REQ. 1 \_\_\_ AMPS, 20 \_\_\_ VOLTS: 120  
 Existing \_\_\_    CIRCUITS REQ. \_\_\_ AMPS, \_\_\_ VOLTS: \_\_\_  
 UL REQ.  YES  NO LOCATION:  WET  DAMP  DRY SERVICE SWITCH:  YES  NO  
 TIME CLOCK REQ.  YES  NO PHOTO EYE REQ.  YES  NO

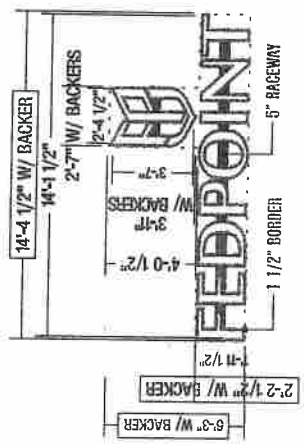
FILE NAME: Fedpoint\_200206660 J C02

HALO-LIT LED LETTER W/A CLOUD BACKER ON A RACEWAY



**NOTES:**  
 (1) MOUNTING PERMITS MUST BE OBTAINED FROM THE LOCAL AUTHORITY.  
 (2) PENETRATION ELECTRICAL PENETRATION WOULD BE A KNOCK-OUT MADE ALL THE WAY THROUGH THE WALL WITH AN ELECTRICAL RACEWAY CONNECTION TO BE SEALED WITH WATERPROOF SILICONE SEALANT.  
**LETTERS RACEWAY**  
 (1) MOUNTING PERMITS AND ELECTRICAL PENETRATION. ALL THE WAY THROUGH THE WALL INTO THE BUILDING ENVELOPE FOR ALL PENETRATION TO BE SEALED WITH WATERPROOF SILICONE SEALANT.  
 (2) ELECTRICAL PENETRATION. ALL THE WAY THROUGH THE WALL INTO THE BUILDING ENVELOPE FOR ALL PENETRATION TO BE SEALED WITH WATERPROOF SILICONE SEALANT.  
 (3) ELECTRICAL PENETRATION. ALL THE WAY THROUGH THE WALL INTO THE BUILDING ENVELOPE FOR ALL PENETRATION TO BE SEALED WITH WATERPROOF SILICONE SEALANT.

ELECTRICAL MUST BRING A 20AMP 20MVC CIRCUIT TO THE BACK OF THE WALL WHERE THE SIGN IS. BARLO WILL DO ALL SECONDARY WIRING



SCALE: 3/16"=1'-0"

**SCOPE OF WORK**

REMOVE & DISPOSE (1) SET OF EXISTING FABRICATE NON-ILLUMINATED LETTERS  
 MANUFACTURE & INSTALL (1) SET OF FABRICATE LED ILLUMINATED HALO-LIT LETTERS W/ A CLOUD BACKER MOUNTED TO RACEWAYS. POWER SUPPLIES ARE REMOTE AND MOUNTED BEHIND THE WALL (ASSUMES ACCESS)

TOTAL SQUARE FEET 4018  
 FINISHES REQUIRED N/A

COLOR SCHEDULE - CLIENT TO VERIFY

**C1** WHITE ILLUMINATION: WHITE LED

**C2** PTM SECULCIA MP03122 (BACKER AND RACEWAY)

BARLO



INTERNATIONAL  
 100 ARBORETUM DRIVE, SUITE 200  
 NEWINGTON, NH 03801-7833  
 TEL: 603-881-7833  
 FAX: 603-881-7834  
 WWW.BARLO.COM

**PROJECT APPROVAL**  
 Client: \_\_\_\_\_ Date: \_\_\_\_\_  
 Design: AS \_\_\_\_\_ Date: 3/20  
 Sales: \_\_\_\_\_ Date: \_\_\_\_\_  
 Updating: \_\_\_\_\_ Date: \_\_\_\_\_  
 Production: \_\_\_\_\_ Date: \_\_\_\_\_

DESIGNER: AS  
 SALES REP: BARN  
 PM: DC

FEDPOINT  
 100 ARBORETUM DRIVE, SUITE 200  
 NEWINGTON, NH 03801-7833  
 221.20

ITEM A

SHEET 1.0

QUOTE #: 6680

179833.1



Client: \_\_\_\_\_ Date: \_\_\_\_\_  
 Design: AS Date: 3/20  
 Sales: \_\_\_\_\_ Date: \_\_\_\_\_  
 Updating: \_\_\_\_\_ Date: \_\_\_\_\_  
 Production: \_\_\_\_\_ Date: \_\_\_\_\_

100 ARBORETUM DRIVE, SUITE 200  
 NEWINGTON, NH 03801-7833  
 DESIGNER: AS  
 SALES REP: BARN  
 PM: DC  
 2.21.20

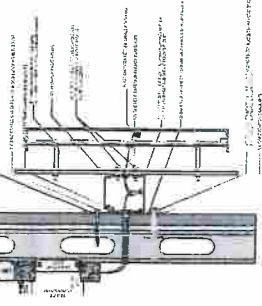
FEDPOINT  
 100 ARBORETUM DRIVE, SUITE 200  
 NEWINGTON, NH 03801-7833  
 DESIGNER: AS  
 SALES REP: BARN  
 PM: DC  
 2.21.20

ITEM C

SHEET 2.0

JOB #: 17983.3

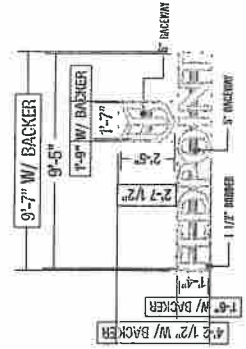
HALO-LIT LED LETTER W/ A CLOUD BACKER ON A RACEWAY



**NOTES:**  
 LOGO RACEWAY  
 IN MOUNTING PENETRATIONS  
 AND ELECTRICAL  
 PENETRATION. ELECTRICAL  
 PENETRATIONS SHALL BE  
 1" HOLE DRILLED ALL THE WAY  
 INTO THE BUILDING ENVELOPE FOR  
 ELECTRICAL PENETRATIONS  
 WITH WATERPROOF SILICONE  
 SEALANT.  
**LETTERS RACEWAY**  
 IN MOUNTING PENETRATIONS  
 AND ELECTRICAL PENETRATIONS  
 SHALL BE 1" HOLE DRILLED  
 INTO THE BUILDING ENVELOPE FOR  
 ELECTRICAL PENETRATIONS  
 WITH WATERPROOF SILICONE  
 SEALANT.

LETTERS MUST BE BRASS 20AMP 120VAC  
 CIRCUIT TO THE BACK OF THE WALL WHERE  
 THE SIGN IS. BARLO WILL DO ALL SECONDARY  
 WIRING

BRASS TO FINAL ELECTRICAL  
 CONNECTION  
 TO (1) 20AMP 120VAC CIRCUIT RUN  
 BY OTHERS IF WITHIN 10' OF SIGN.



SCALE: 3/16"=1'-0"

**SCOPE OF WORK**

MANUFACTURE & INSTALL (1) SET OF FABRICATE LED ILLUMINATED HALO-LIT LETTERS  
 W/ A CLOUD BACKER MOUNTED TO RACEWAYS. POWER SUPPLIES ARE REMOTE AND  
 MOUNTED BEHIND THE WALL (ASSUMES ACCESS)

TOTAL SQUARE FEET: 10.00

PRIME ACHIEVEMENT: 100% S.F.

68% OF SCHEDULE - CLIENT TO VERIFY

C1 WHITE ILLUMINATION: WHITE LED

C2 PTM MP 41279 PALE BRONZE METALLIC (BACKER AND RACEWAY)

NOTE: COLOR APPROVED IN #1 FOR JOB # 16883  
 ACRYLIC POLYURETHANE PAINTED FINISH COLOR TO BE A CLOSE  
 PRODUCTION MATCH TO: VANCOUVER COPPER #UC10509F - Client

Approval of MP 41279 Pale Bronze Metallic Ver. 1 #95354 on 3-16-16

SCALE: 1/8"=1'-0"

NOTE:  
 ACCESS ONLY THREW  
 SUSPENDED CEILING



**SITE ELECTRICAL** ELECTRICAL WORK BY:  BUILD  OTHER

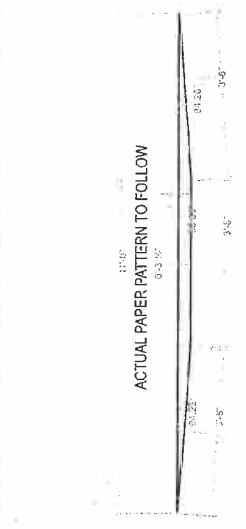
New  Existing

CIRCUITS REQ: 1 AMPS, 20 VOLTS, 120

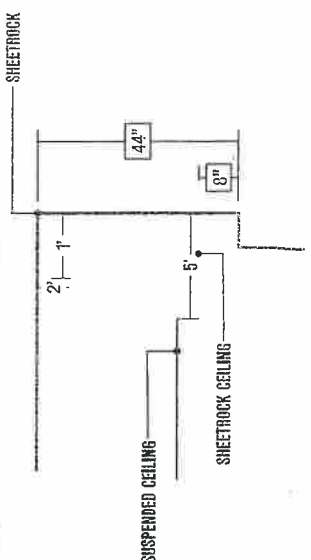
CIRCUITS REQ: AMPS: VOLTS:

UL REQ:  YES  NO LOCATION:  WET  DAMP  DRY SERVICE SWITCH:  YES  NO

TIME CLOCK REQ:  YES  NO PHOTO EYE REQ:  YES  NO



SCALE: 3/8"=1'-0"



FILE NAME: Fedpoint 200206680 J 002



BARLO



INTERNATIONAL



Client: AS  
 Designer: AS  
 Sales: AS  
 Updating: AS  
 Production: AS

Date: 01/13/20  
 Date: 01/13/20  
 Date: 01/13/20  
 Date: 01/13/20

FEDPOINT  
 100 ARBORETUM DRIVE, SUITE 200  
 NEWINGTON, NH 03801-7833 DESIGNER: AS  
 SALES REP: BARN  
 PM: DC  
 2.21.20

SHEET 3.0

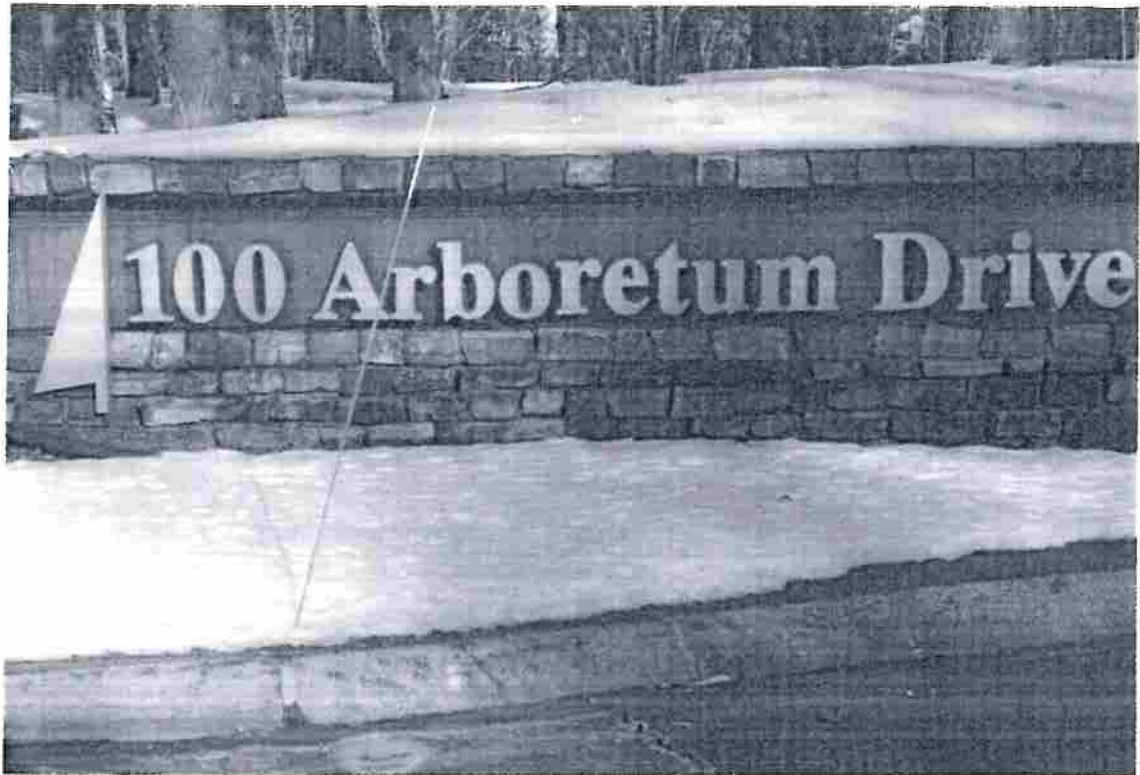
QUOTE #: 6601 JOB #:



BARLO SIGNS INTERNATIONAL

FILE NAME: Fedpoint 200206680 J C02

Existing Signs



Driveway Sign



North Curved Wall Sign





**MOTION - X.A.1.**

Director Anderson:

The Pease Development Authority (“PDA”) Board of Directors hereby approves of and authorizes the Executive Director and/or the PDA Deputy Director/PSM Airport Director to apply for and accept Coronavirus Aid Relief Economic Security (CARES) Act Grant(s) for which Portsmouth International and Skyhaven Airports are or may become eligible. This approval includes the authority to execute any and all documents necessary or appropriate to accept the CARES Grant(s) on an expedited basis and to use said grants for any purpose for which airport revenues may be lawfully used, in accordance with the FAA’s Policy and Procedures Concerning the Use of Airport Revenues (64 Federal Register 769, as amended by 78 Federal Register 55330).

**THIS MOTION REQUIRES A ROLL CALL VOTE.**





# Federal Aviation Administration

## CARES Act Airport Grants – Frequently Asked Questions

This document answers frequently asked questions (FAQs) stakeholders may have related to the approximately \$10 billion in grants for airports under the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

The FAA has additional information unrelated to CARES Act grants for airport sponsors considering COVID-19 restrictions or accommodations. That information is available at [www.faa.gov/airports](http://www.faa.gov/airports).

The guidance here is not legally binding in its own right and will not be relied upon by the Federal Aviation Administration (FAA) as a separate basis for affirmative enforcement action or other administrative penalty. Conformity with this guidance, as distinct from existing statutes, regulations, and grant assurances, is voluntary only, and nonconformity will not affect existing rights and obligations.

These FAQs will be updated periodically.

---

### General Questions

- Q1: How does the Coronavirus Aid, Relief, and Economic Security (CARES) Act benefit airports?**  
**A:** Title XII of Division B of the CARES Act provides approximately \$10 billion to support U.S. airports experiencing severe economic disruption caused by the COVID-19 public health emergency. This funding will be distributed to airports to prevent, prepare for, and respond to the impacts of the COVID-19 public health emergency.
- Q2: Who is eligible to receive funding?**  
**A:** These funds are available only to sponsors as defined in section 47102 of title 49, United States Code (U.S.C.); that is, airport sponsors meeting statutory and policy requirements under this section and identified in the FAA's current National Plan of Integrated Airports System (NPIAS).
- Q3: Where is this funding coming from?**  
**A:** The funds are coming directly from the U.S. Treasury's General Fund to prevent, prepare for, and respond to the impacts of the COVID-19 public health emergency. The FAA's Office of Airports will administer these grant funds to airport sponsors.

**Q4: What is the period of availability to obligate or spend CARES Act funding?**

**A:** Funds are available until expended. There is no deadline to obligate funds available under the CARES Act. Nevertheless, the FAA intends to award grants and obligate these funds on an expedited basis. The FAA encourages airport sponsors to spend funds expeditiously to reduce the adverse impacts of the current public health emergency.

**Q5: Is there a deadline by which funds for operating expenses must be used?**

**A:** No. However, grants for operating expenses may not include activities prior to January 20, 2020.

**Q6: How will this funding be allocated to airport sponsors?**

**A:** The \$10 billion in funding is divided into four groups. The CARES Act establishes formulas for each group to allocate the funds to specific airports. Because the CARES Act allocates all funds by formula or to increase the Federal share for grants funded under fiscal year (FY) 2020 appropriations, none of these funds are discretionary. These four groups are:

- (1) 100% Federal share for 2020 Airport Improvement Program (AIP) Grants. At least \$500 million is available to increase the Federal share to 100% for grants awarded under the fiscal year (FY) 2020 appropriations cycle for FY 2020 AIP and FY 2020 Supplemental Discretionary grants. The Federal share for FY 2018 and 2019 Supplemental Discretionary grants will not increase.
- (2) Commercial Service Airports. At least \$7.4 billion is available to Commercial Service Airports for any purpose for which airport revenues may lawfully be used. The total allocation to an airport is determined by the following formula:
  - a. 50% of the total allocation is based on the number of enplanements the airport had during calendar year 2018 as a percentage of total 2018 enplanements for all commercial service airports.
  - b. 25% of the total allocation is based on the sponsor's fiscal year 2018 debt service as a percentage of the combined debt service for all commercial service airports; and
  - c. 25% of the total allocation is based on the sponsor's fiscal year 2018 ratio of unrestricted reserves to its respective debt service.
- (3) Primary Airports. Up to \$2 billion is available to large, medium, and small hub airports and non-hub primary airports for any purpose for which airport revenues may be lawfully used. These funds are allocated based upon statutory AIP primary entitlement formulas. However, the \$26 million limit under 49 U.S.C. 47114(c)(1)(C)(iii) and reduction for imposing passenger facility charges under 49 U.S.C. 47114(f) do not apply to these allocations.

- (4) **General Aviation Airports.** At least \$100 million is available to general aviation airports for any purpose for which airport revenues may be lawfully used. These funds are allocated based on the categories published in the most current NPIAS, reflecting the percentage of the aggregate published eligible development costs for each such category, and then dividing the allocated funds evenly among the eligible airports in each category, rounded up to the nearest thousand dollars.

**Q7: How is the 100% Federal share determined?**

**A:** When a grant is awarded, the Federal share is determined by the category of airport and the airport development goal. This Federal share is specific to each grant. To implement the CARES Act requirement and award AIP and Supplemental Discretionary grants appropriated for FY 2020 at a 100% Federal share, the FAA will calculate the increased Federal share for each AIP grant. The FAA will amend FY 2020 grants that already have been executed to adjust to the 100% Federal share. The FAA will award and execute the remaining FY 2020 grants with a 100% Federal share.

**Q8: Do CARES grants have a local match?**

**A:** No. Funds under the CARES Act are available at a 100% Federal share.

**Q9: How can an airport sponsor use CARES grant funds?**

**A:** An airport owner/sponsor may use these funds for any purpose for which airport revenues may be lawfully used. CARES grant recipients should follow the FAA's Policy and Procedures Concerning the Use of Airport Revenues ("Revenue Use Policy"), 64 Federal Register 7696 (64 FR 7696), as amended by 78 Federal Register 55330 (78 FR 55330). The Revenue Use Policy document defines permitted and prohibited uses of airport revenue. In addition to the detailed guidance in the Revenue Use Policy, the CARES Act makes clear that the funds may not be used for any purpose not related to the airport.

**Q10: Can I use CARES grant funds for new airport development on the airport?**

**A:** Yes. However, additional requirements apply. To make these critical CARES funds available as quickly as possible, the FAA is issuing non-construction grants that permit expenditure for airport operating expenses (such as payroll) and to pay airport debt service. A recipient of a CARES grant that wishes to use the funds for new airport development or construction (i.e., to award a contract after March 27, 2020, for airport development) should contact its local Airports District Office or Airports Regional Office to make arrangements to do so. That office will ensure that such development is consistent with all of the recipient's prior Federal obligations, meets safety and security standards, meets National Environmental Policy Act (NEPA), prevailing wage, Buy American, Veterans' Preference, and Disadvantaged Business Enterprise Program requirements, and meets other specific requirements for new airport development under the CARES Act.

- Q11: Are there any other specific requirements for accepting CARES grant funds?**  
**A:** Yes. The airport sponsor must continue to employ, through December 31, 2020, at least 90% of the number of individuals employed (after making adjustments for retirements or voluntary employee separations) as of March 27, 2020. The Secretary of Transportation may waive this workforce retention requirement if the Secretary determines that the sponsor is experiencing economic hardship as a direct result of the requirement, or that the requirement reduces aviation safety or security. The workforce retention requirement does not apply to non-hub or non-primary airports.
- Q12: How do small, medium and large hub airport sponsors report their respective compliance with the employee retention requirement?**  
**A:** Airport sponsors must certify compliance with the CARES Act employment requirements (outlined in Q11) at the time of grant execution and report employment totals quarterly on June 30, September 30, and December 31, 2020. That report and certification should include the number of full-time equivalent (FTE) employees working at the airport as of March 27, 2020, as the baseline comparison. Airport sponsors may make adjustments for employees who perform duties at both the airport and other facilities operated by the airport sponsor. Airport sponsors also may make adjustments for retirements or voluntary employee separations when calculating the workforce retention percentage. If an airport sponsor intends to request a waiver from the employment requirements, it should do so no less than 30 days prior to a quarterly report date and provide documentation supporting its request.
- Q13: Are multi-year grants eligible for a 100% Federal share under the CARES Act?**  
**A:** The FAA will provide a 100% Federal share for multi-year grants issued in FY 2020 under FY 2020 appropriations (Pub. L. 116-94). Future year funding for FY 2020 multi-year grants will continue to provide a 100% Federal share as long as CARES matching funds remain. Once matching funds are exhausted, FY 2020 multi-year grants will revert to the normal sponsor share. Multi-year grants issued in FY 2019 or earlier are not eligible for a 100% Federal share because they were issued under different appropriations laws. These grants will continue to be funded under the terms of the Grant Agreement.
- Q14: If an airport sponsor owns or operates multiple airports, may CARES Act Airport Grant funds be pooled?**  
**A:** Yes. An airport sponsor may use funds at any airport under its control.
- Q15: Are airport sponsors in the Republic of the Marshall Islands, Federated States of Micronesia, Republic of Palau, and Wake Island eligible for CARES Act Airport Grants?**  
**A:** No. The CARES Act states sponsors of airports defined in 49 U.S.C. 47102 are eligible. Eligible airports are included in the NPIAS. Airports in the Republic of the Marshall Islands, Federated States of Micronesia, Republic of Palau, and



Wake Island are not included in the NPIAS. While these airport sponsors may be eligible for some AIP discretionary funding, they are not eligible under the CARES Act.

- Q16: Are airports in U.S. territories eligible for CARES Act Airport Grants?**  
**A:** Yes. The CARES Act states sponsors of airports defined in 49 U.S.C. 47102 are eligible. Eligible airports are included in the NPIAS. Airports in U.S. territories (American Samoa, Northern Mariana Islands, Puerto Rico, the U.S. Virgin Islands, and Guam) are included in the NPIAS.
- Q17: Can an airport sponsor use CARES Act Airport Grants and funding from other Federal programs to pay for expenses related to the COVID-19 public health emergency?**  
**A:** CARES Act Airport Grants may be used for airport operating expenses that arise due to the COVID-19 public health emergency. The FAA recognizes that several sources of COVID-19 relief funds may be available to airport sponsors. Airport sponsors may use other sources of funding consistent with the terms of those programs. However, an airport sponsor may not invoice under its CARES Act Airport Grant for expenses that have been reimbursed under another program.

#### Questions on Allocation Formulas

- Q-F1: What financial information is the FAA using to determine distribution of the 50% of the \$7.4 billion available under the CARES Act for commercial service airports that pertains to an airport's debt ratio?**  
**A:** This information is taken from each commercial service airport sponsor's annual financial report. By law, since 1994, each Chief Financial Officer (or equivalent) of a commercial service airport must certify an annual financial report to the FAA. [FAA Advisory Circular \(AC\) 150/5100-19D, "Guide for Airport Financial Reports Filed by Airport Sponsors."](#) provides detailed instructions on the use of the Certification Activity Tracking System (CATS), including how the system relates to government accounting requirements. Each airport must submit and certify its annual financial report within 120 days of the end of its fiscal year. The FAA used the FY 2018 CATS data for all airports, reported as of March 14, 2020, to calculate allocations under the CARES Act formulas. The FAA is not accepting sponsor-requested amendments to certified CATS data for purposes of calculating CARES Act Airport Grants allocations. Where the FAA's preliminary review identified airports whose submissions raised technical issues, the FAA worked closely with those airports to address and correct those issues.
- Q-F2: What is the CARES Act phrase "each sponsor's ratio of unrestricted reserves to their respective debt service" intended to accomplish?**  
**A:** In general, the higher an airport's reserves are, or the lower its debt service is, the more it may be allocated under this ratio.



### Questions on Grant Application, Agreement, and Invoicing

**Q-GA1: Is a grant application required to receive CARES Act Airport Grants?**

**A:** Yes, with one exception. After the Secretary of Transportation announces awards under the CARES Act, each airport sponsor must submit a grant application to access those funds. However, sponsors do not need to apply for the increased Federal share of FY 2020 AIP or FY 2020 Supplemental Discretionary grants.

**Q-GA2: Will the FAA use a standard grant application form or one specifically designed for this program?**

**A:** The FAA will use the Office of Management and Budget (OMB) SF-424, *Application for Federal Assistance*.

**Q-GA3: When will CARES Act Airport Grant applications be available and how long after filing a complete application should an airport sponsor expect to receive a grant?**

**A:** The FAA will provide this application to airport sponsors through the local Airports District Office or Airports Regional Office shortly after the Secretary announces CARES Act Airport Grants awards. The FAA anticipates providing a grant agreement for execution within days of receiving a complete application.

**Q-GA4: Will the FAA use a standard AIP grant agreement or one specifically designed for this program?**

**A:** The FAA will provide a simplified Grant Agreement shortly after it receives an application. This simplified agreement includes the requirements under the CARES Act and makes funds immediately available for expenses, other than airport development, including payroll, debt service, utility expenses, service contracts, and supplies.

**Q-GA5: Does a CARES Act Airport Grant require an airport sponsor to obligate itself to the standard set of FAA Airport Sponsor Grant Assurances?**

**A:** Generally, no. If an airport sponsor uses its CARES Act Airport Grant for operational expenses, the standard FAA Airport Sponsor Grant Assurances do not apply. The CARES Act Airport Grants for operational expenses remain subject to audit, reporting, records retention, and other requirements under 2 CFR part 200 like other Federal grant funding. Some laws outside of 49 U.S.C. chapter 471 also apply, such as 49 U.S.C. 40103(e), which prohibits the grant of an exclusive right to conduct any type of aeronautical activity at an airport, and Title VI of the Civil Rights Act, which prohibits discrimination on the basis of race, color, or national origin. If an airport sponsor uses its CARES Act Airport Grant for new airport development, additional requirements apply (see Q10). Additionally, CARES Act Airport Grant funds may be used only for the capital and operating expense of the airport. Examples of expenditures that FAA has found to be allowable are provided in the [FAA Revenue Use Policy](#). The CARES Act does not, however,

void assurances made in prior grant agreements; therefore, a sponsor's pre-existing grant assurances and Federal obligations continue to apply.

**Q-GA6: How will an airport sponsor submit payment requests for CARES Act Airport Grants?**

**A:** The FAA will use the existing U.S. Department of Transportation Delphi eInvoicing system for payment requests. Airport sponsors will continue the current practice of submitting underlying payment request documentation. Examples of documentation include payroll receipts, janitorial contract invoices, and debt service payments. The FAA will review invoices manually to ensure adequate oversight, but it will process payments quickly.

**Questions on Use of Funds**

**Q-U1: Can CARES Act Airport Grants funds be used to purchase an aviation or aviation easement?**

**A:** Yes, provided the purchase is consistent with 49 U.S.C. 47107(b) and (k)(2) (i.e., the expenditure is an airport operating cost that reflects the value received). Examples of expenditures that FAA has found allowable are provided in the FAA Revenue Use Policy. The airport sponsor should consult with its local Airports District Office or Airports Regional Office because this purchase could be considered "airport development" and subject to additional requirements. See Q10.

**Q-U2: Can CARES Act Airport Grants funds be used to accelerate structured settlement agreements or pay the penalty for early defeasement of debt?**

**A:** Yes, provided the use of funds is consistent with 49 U.S.C. 47107(b) and (k)(2) (i.e., the expenditure is an airport operating cost that reflects the value received). Examples of expenditures that FAA has found allowable are provided in the FAA Revenue Use Policy. If any part of the debt had been approved for Passenger Facility Charge (PFC) collections, the airport sponsor may have to amend its PFC approval to reflect the change.

**Q-U3: Can CARES Act Airport Grants funds be used for a surface access project (roads or rail/transit)?**

**A:** Yes. This use is airport development and, therefore, additional requirements apply. See Q10.

**Q-U4: Can CARES Act Airport Grants funds be used to prepay long-term contracts (for example, shuttle-bus operators, janitorial services, security services, fire and police services)?**

**A:** Yes, provided the prepayment is a *bona fide* transaction where the sponsor receives the benefit of the prepaid services and receives some value in exchange for committing in advance.

- Q-U5: Can CARES Act Airport Grants funds be deposited in the airport sponsor's reserve account (or invest them for future use)?**  
**A:** No. The FAA would not be able to ensure a potential future use is a use consistent with the CARES Act requirement. Airports should submit invoices and underlying documentation for airport expenditures. See Q-GA6.
- Q-U6: Can CARES Act Airport Grants funds be used to help bolster the local government's pension fund?**  
**A:** Generally, no. However, if the fund has historically been supported by the airport and the support is proportional to the share paid to airport retirees, then the airport should consult with its local Airports District Office or Airports Regional Office, to determine if such a use is appropriate.

#### Questions on Environmental Review

- Q-E1: Are there any environmental requirements associated with increases to 100% Federal share for FY 2020 AIP grants?**  
**A:** All projects funded for AIP and Supplemental Discretionary grants under FY 2020 appropriations continue to be subject to environmental requirements. However, no additional environmental analysis is required for the Federal share increase.
- Q-E2: Are there any environmental review requirements associated with non-construction grants for airport operating expenses and debt service?**  
**A:** No. These types of grants have no potential to impact the environment, and therefore are not major federal actions subject to National Environmental Policy Act (NEPA) review.

#### Questions on Administration under the State Block Grant Program

- Q-SB1: What is the State Block Grant Program (SBGP)?**  
**A:** In 1987, Congress authorized the FAA to use State block grants to provide AIP funds to airport sponsors. Through the State Block Grant Program (SBGP), the FAA provides funds directly to States that participate in the program. In turn, SBGP participants fund and oversee AIP projects to non-primary commercial service, reliever, and general aviation airports. The program currently includes the following 10 States: Georgia, Illinois, Michigan, Missouri, New Hampshire, North Carolina, Pennsylvania, Tennessee, Texas, and Wisconsin.
- Q-SB2: How will the FAA Administer CARES Act funding for States participating in the SBGP?**  
**A:** The FAA Airport Improvement Program Branch (APP-520) will utilize its existing relationships with the States participating in the SBGP for administration of CARES Act Airport Grants. These participants have relationships with airport

sponsors within their States and currently provide grant management and internal controls. Leveraging this infrastructure will facilitate efficient and expedient distribution of funds.

**Q-SB3: Will FAA Regional and Airport District Offices remain the points-of-contact for CARES Act Airport Grants?**

**A:** Yes. States participating in the SBGP should continue to work with their local Airports District Office or Airports Regional Office throughout CARES Act Airport Grants implementation and administration.

**Q-SB4: Do CARES Act Airport Grants funding allocations work differently for the SBGP?**

**A:** No. The FAA will calculate each airport sponsor's allocation based on formulas in the CARES Act. The Secretary of Transportation will announce these award amounts along with all awards under the CARES Act Airport Grants program.

**Q-SB5: How much CARES Act funding may States participating in the SBGP distribute?**

**A:** The CARES Act provides for specific allocations to each airport sponsor. The FAA will aggregate the amounts announced for each airport sponsor into one State award.

**Q-SB6: How may States participating in the SBGP allocate CARES Act Airport Grants?**

**A:** States participating the SBGP must make sub-awards to each airport sponsor based on that sponsor's allocation under the CARES Act. The FAA expects States to make these sub-awards on an expedited basis, for airport sponsors to spend funds quickly, to reduce the adverse impacts of the current public health emergency. States must follow 2 CFR part 200 requirements for CARES Act Airport Grants and sub-awards.

**Q-SB7: What application and grant agreement will be used for sub-grants?**

**A:** States participating in the SBGP will use a streamlined application and grant agreement process similar to what the FAA is using for all CARES Act Airports Grants. The FAA will provide States with template documents after these grants are announced.

**Q-SB8: Can States participating in the SBGP mix FY 2020 AIP funds and additional funds to increase the Federal share under the CARES Act?**

**A:** No. The (1) FY 2020 AIP and Supplemental Discretionary funds are separate from the (2) CARES Act funds to increase the Federal share. States must separately account for the two different funding sources as they are drawn down to ensure each appropriation is spent as intended.

**Q-SB9: What if my State legislature needs to approve the acceptance of CARES Act funding?**

**A:** The FAA recommends that States participating in the SBGP use their usual State processes to approve, accept, and administer Federal funds.

**Q-SB10: Can CARES Act Airport Grants be sub-awarded to airport sponsors that had previously opted out of the SBGP?**

**A:** No. States participating in the SBGP do not have to make sub-awards to airport sponsors that opted-out in FY 2020 or do not participate in the SBGP. The FAA will administer grants for those airport sponsors.

**Q-SB11: What are the reporting requirements for CARES Act Airport Grants?**

**A:** States participating in the SBGP will continue the current practice of providing sub-award reporting information on CARES Act Airport Grants to the FAA upon request.

**Q-SB12: Will CARES Act Airport Grants require end-of-fiscal-year reporting like other AIP funding?**

**A:** Yes. CARES Act Airport Grants funds will be included in the Annual Report of Federal Funding at the end of FY 2020.

**Q-SB13: How will payment requests be submitted for CARES Act Airport Grants?**

**A:** The FAA will use the existing U.S. Department of Transportation Delphi eInvoicing system for payment requests. States participating in the SBGP will continue the current practice of retaining all underlying payment request documentation and complete records.

**Q-SB14: Will the FAA audit CARES Act Airport Grants administered by States participating in the SBGP?**

**A:** Yes. The FAA will include audits of CARES Act Airport Grants in its annual audit process.

## LICENSE AGREEMENT

THIS LICENSE AGREEMENT (this "Agreement") is made as of the \_\_\_\_\_ day of \_\_\_\_\_, 2020, by and between the PEASE DEVELOPMENT AUTHORITY ("PDA") and NEW ENGLAND AIRCRAFT DETAILING LLC ("Grantee").

### RECITALS

WHEREAS, PDA is an agency of the State of New Hampshire organized pursuant to the New Hampshire RSA 12-G, with an address of 55 International Drive, Portsmouth, New Hampshire, 03801.

WHEREAS, the PDA operates the Portsmouth International Airport at Pease ("Airport") in Portsmouth, New Hampshire.

WHEREAS, Grantee is a Massachusetts limited liability company registered to conduct business in the State of New Hampshire, with an address of 2 Blueberry Terrace, Webster, Massachusetts, 01570.

WHEREAS, Grantee desires to conduct aircraft cleaning and detailing for its corporate aircraft clients ("Access Purpose") at the Airport ("Access Locations").

WHEREAS, PDA desires to grant Grantee temporary access to the Access Locations to achieve the Access Purpose, and Grantee desires to accept and assume said right of limited temporary access, all upon the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the foregoing, for payment of a Monthly Airport Access Fee, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

#### I. GRANT OF ACCESS LICENSE

A. Temporary Access: PDA hereby grants to Grantee, and Grantee hereby accepts from PDA, a temporary, non-exclusive access license to the Access Locations so Grantee may conduct the Access Purpose. The term of this Agreement shall commence \_\_\_\_\_, 2020 and continue on a month-to-month basis until terminated as provided herein (the "Term"). Grantee acknowledges that PDA has made no representations that the Access Locations are suitable for the Access Purpose and Grantee accepts the Access Locations "as-is".

#### B. Conditions of Access:

1. Grantee's access to the Access Locations is subject to and dependent upon its compliance with all applicable Federal, State,



and Local laws, ordinances, statutes, and codes, and PDA's rules and regulations.

2. Grantee shall keep the Access Locations in a neat and orderly condition and shall remove all its waste, garbage, and supplies from the Access Locations upon each use of the Access Locations for the Access Purpose.
3. Upon termination of this Agreement, Grantee shall have restored the Access Locations to their condition as they existed at the commencement of this Agreement.
4. The Access Locations are part of the Airport Security Identification Area ("SIDA"), as such the Grantee, its employees, agents, and contractors, shall be required to apply (including the payment of any applicable application fee) to PDA for employee security badges, ramp and apron permits, and motor vehicle operator's permits. Such permits and badges shall be issued in PDA's sole discretion and only if Grantee and its employees meet all of PDA's criteria for the issuance of such permits, and abide by all of the terms and conditions thereof. While in the SIDA, escort procedures per the requirements of the Pease International Airport Security Program must be met. PDA may revoke any such badges and permits at any time in its sole discretion. All badges and permits shall be returned to the PDA upon the termination of this Agreement.
5. During the term of this Agreement, upon entering the Access Locations the Grantee, its employees, agents, and contractors shall report being on the Airport premises to the Airport Duty Operations Specialist at (603) 817-9411.

C. **Obstruction:** Grantee shall not conduct any activity on the Access Locations that creates an obstruction or hazard to aviation, flight, maintenance of facilities, communication, or to interfere with the use of the Airport by others.

## II. PAYMENTS

A. **Payment:** In advance of or by the 10<sup>th</sup> calendar day following the end of each calendar month during the Term of this Agreement, without prior demand or invoice, Grantee shall pay to PDA the Monthly Airport Access Fee as described in Exhibit A attached hereto. The Monthly Airport Access Fee described in Exhibit A may be adjusted by PDA in its sole discretion without formal amendment to this Agreement. Monthly Gross Revenues shall mean all revenue received or receivable by Grantee attributable to the activities conducted hereunder. Grantee shall make all Monthly Airport Access Fee payments required by this Agreement to PDA. All payments shall be mailed to the following address:



Pease Development Authority  
55 International Drive  
Portsmouth, NH 03801

B. **Monthly Reports**: Grantee shall transmit a Monthly Access fee Report attributable to the Access Purpose to PDA electronically by the 10<sup>th</sup> calendar day of the following month using the form of electronic file prescribed by PDA and as amended by PDA from time to time. The Monthly Access Fee Report shall be signed by a responsible accounting officer of Grantee and shall be submitted for each month during the Term. If Grantee fails to submit the Monthly Access Fee Report within the time period set forth in this section, a \$50.00 late charge will be due and payable for each day the Monthly Access Fee Report is past due.

C. **Right to Establish Fees**: Grantee acknowledges that PDA has the right to establish and impose reasonable charges in the future for the use of the Airport or its facilities, and that Grantee agrees and covenants to pay PDA reasonable fees imposed by PDA and assessed and charged in a uniform and nondiscriminatory manner.

D. **Books and Records**: Grantee shall maintain books and records reflecting revenue received or receivable from the activities conducted pursuant to this Agreement and shall maintain other documents necessary to document compliance with the obligations set forth in this Agreement. All such books and records shall be kept in accordance with Grantee's normal retention policy, but in all events for a period of at least three years unless PDA specifically requests such retention for a longer period. PDA or its agent shall have the right upon reasonable advance notice to examine and audit such books and records.

### III. **INSURANCE AND INDEMNIFICATIONS**

A. **Coverages**: During the Term of this Agreement, Grantee shall obtain and maintain in effect, and cause to be obtained and maintained in effect by its contractors, the following insurance coverages: Commercial general liability insurance with combined single limits of not less than \$5,000,000 which provides coverage for public liability, property damage, bodily injury, personal injury, and automotive and on-airport automotive liability both licenses and unlicensed covering the Access Purpose and Access Location. Said liability policy must name the Pease Development Authority as an additional insured; shall contain a provision that no act or omission of any employee, officer, or agent of Grantee while would otherwise result in a forfeiture or reduction of the insurance therein provided shall affect or limit the rights of the additional insured; shall contain an agreement by the insurer that such policy shall not be canceled without at least 30 days prior written notice to the PDA; shall provide that the insurer shall have no right of subrogation against the PDA; and shall contain a provision that any liability insurance coverage required to be carried shall be primary and non-contributory with respect to any insurance carried by the PDA. Grantee shall also obtain and maintain workers' compensation insurance coverage to the statutory limits.

B. **Evidence of Insurance**: Grantee shall provide PDA with certificates or insurance or other evidence reasonably acceptable to PDA that the insurance required to be obtained and maintained has been obtained and is in full force and effect.

C. **General Indemnification**: From and after the date hereof and throughout the Term of this Agreement, to the fullest extent permitted by law, Grantee shall protect, defend, indemnify and save harmless PDA and the State of New Hampshire, and their respective officers, directors, employees, agents, affiliates, successors and assigns, from and against any and all loss, costs (including, without limitation, attorney's fees), claims, demands, actions, causes of action, awards, penalties, damages or liabilities, whether to person or property, arising out of the use by Grantee (and Grantee's guests, invitees, employees, contractors and agents) of the Airport and their conducting or participation in the Access Purpose. Grantee's indemnity and defense obligations under this Section shall survive the expiration or sooner termination of this Agreement.

D. **Environmental Compliance**: Except as may be permitted by and only in compliance with applicable environmental laws, Grantee shall not cause or allow any hazardous materials to exist or be stored, located, discharged, possessed, managed, processed, or otherwise handled on the Airport, and shall strictly comply with all environmental laws affecting the Airport or relating to Grantee's activities at the Airport, including without limitation those laws regarding the generation, storage, disposal, release and discharge of hazardous materials. Grantee shall immediately notify PDA of any release or threat of release and discharge of hazardous materials at, upon, under or within the Airport. Grantee shall, with all due diligence, and at its sole costs and expense, take all actions (to the extent and at the time or from time to time) as shall be necessary or appropriate for the remediation of all releases of hazardous materials related to its operations at the Airport (other than existing contamination) including the removal, containment and remedial actions in accordance with this Section and all applicable environmental laws (and in all events in a manner reasonably satisfactory to PDA), and shall further pay or cause to be paid at no expense to PDA all clean up, administrative and enforcement costs of applicable government agencies, or the parties protected by such environmental laws, which may be asserted against the Airport and/or the PDA.

E. **Environmental Indemnification**: To the fullest extent permitted by law, Grantee shall protect, defend, indemnify and save harmless PDA, and their respective officers, directors, employees, agents, affiliates, successors and assigns, from and against from any and all environmental claims (including, without limitation, attorney's fees) to the extent arising from or caused by the use, handling, treatment, storage, disposal, discharge, or transportation of hazardous materials by the Grantee on or at the Airport, the violation of any environmental law by the Grantee to comply with the terms, conditions and covenants herein. The foregoing indemnity shall not apply to environmental claims to the extent arising from or caused by:

1. Environmental conditions existing on the Airport prior to the date Grantee commenced operations at the Airport, except to the extent that Grantee disturbed, exacerbated or caused to migrate known (known to the Grantee) pre-existing hazardous materials, so as to give rise to an environmental claim; or

2. The use, handling, treatment, storage, disposal, discharge, or transportation of hazardous materials by a person other than Grantee, except the negligent act or omission of Grantee causes an environmental claim.

#### IV. MISCELLANEOUS

A. **No Waiver**: No waiver of any default in the performance of any terms, provision or covenant contained in this Agreement by any party shall be implied from any omission by the other party, to take any action in response to such default. No express waiver of any such default shall affect any default or cover any period of time other than the default and period of time specified in such express waiver. One or more waivers of any such default shall not be deemed to be a waiver of any subsequent default.

B. **Notice Procedure and Addresses**: Any notice, demand, election, or other communication (referred to individually as "Notice" or collectively as "Notices") which any Party shall give pursuant to the provisions of this Agreement shall be in writing and delivered personally or by overnight courier service or sent certified or registered mail, return receipt requested. Notice shall be deemed to have been duly given upon receipt. Notices to each party shall be addressed to such party at such address as a party may from time to time designate by written Notice to the other party given pursuant to the provisions of this paragraph.

**Notices to PDA shall be addressed to:** Pease Development Authority  
55 International Drive  
Portsmouth, NH 03801

Attn: Executive Director

**Notices to Grantee shall be addressed to:** New England Aircraft Detailing, LLC  
2 Blueberry Terrace  
Webster, MA 01570

C. **No Relationship of Principal and Agent**: Neither anything contained in this Agreement nor any acts of any party shall be deemed or construed by the other party or by any third party to create the relationship of principal and agent or of limited or general partners or of any association between or among the parties. Grantee further acknowledges that PDA has no legal or contractual obligation to compensate Grantee for any work associated with Access Purpose.

D. **No Third Party Beneficiaries**: Except as otherwise provided for in this Agreement, no rights, privileges or immunities of any party shall inure to the benefit of any third party, nor shall any third party be deemed to be a third party beneficiary of any of the provisions contained herein.

E. **Governing Law**: This Agreement has been entered into within the State of New Hampshire and shall be interpreted in accordance with New Hampshire law.

F. **Amendment**: Except as otherwise stated herein, this Agreement may be amended only by a written instrument signed by the parties hereto.

G. **Termination**: This Agreement may be terminated by either Party upon 30 days advance written notice to the other Party.

H. **Counterparts**: This Agreement may be executed in multiple counterparts which, when taken together, shall constitute one agreement binding on all the parties hereto.

I. **Repairs, Improvements and Construction**: PDA shall have the right at any time during the Term to make any repairs, to improve, and/or undertake any construction projects at all Airport facilities or property and in any and all such cases, PDA shall be free from any and all liability to Grantee herein for loss of business, damages, or expenses of any nature whatsoever to Grantee occasioned during the making of such repairs, alternations or additions.

J. **Subordination**: This Agreement is subject to and subordinate to the provisions of any agreement heretofore or hereafter made between PDA and the United States Government relative to the financing, operation or maintenance of the Airport, the execution of which has been required as a condition precedent to the transfer of rights or property to PDA for Airport purposes, or the acquisition or expenditure of funds for the improvement or development of the Airport, including the expenditure of Federal funds for the development of the Airport in accordance with the provisions of the Federal Aviation Act of 1958, as amended from time to time.

K. **Federal Covenants**: Grantee shall abide by the following:

1. Grantee shall furnish its services on a fair, equal and non-discriminatory basis to all users thereof and in compliance with the non-discrimination provisions attached hereto as Exhibit B, as such provisions may be amended from time to time.
2. Grantee shall charge fair, reasonable and not unjustly discriminatory prices for each service, provided that Grantee may make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

IN WITNESS WHEREOF, the parties have executed this Access Agreement as an instrument under seal as of the date first set forth above.

**PEASE DEVELOPMENT AUTHORITY**

Witness: \_\_\_\_\_  
Print Name: \_\_\_\_\_

By: \_\_\_\_\_  
David R. Mullen  
Executive Director

**NEW ENGLAND AIRCRAFT  
DETAILING, LLC**

Witness: \_\_\_\_\_  
Print Name: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Its Authorized: President & CEO

## **EXHIBIT A**

Grantee shall pay to PDA the Monthly Airport Access Fee in an amount equal to the greater of: (i) Fifty Dollars and 00/100 (\$50.00) or (ii) Five Percent (5%) of Grantee's Monthly Gross Revenue for the immediately preceding month.



## EXHIBIT B

### FAA REQUIRED CONTRACT CLAUSES

As applicable, CONSULTANT agrees as follows:

#### 1. GENERAL CIVIL RIGHTS PROVISIONS

- a. Applicability: Clauses 1(b) through 1(e) apply to all contracts and must be included in all subcontracts, regardless of funding source.
- b. CONSULTANT agrees that it will comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.
- c. This provision binds the CONSULTANT and subcontractors from the bid solicitation period through the completion of the contract. This provision is in addition to that required of Title VI of the Civil Rights Act of 1964.
- d. The TENANT/CONCESSIONAIRE/LESSEE agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. If the TENANT/CONCESSIONAIRE/LESSEE transfers its obligation to another, the transferee is obligated in the same manner as the TENANT/CONCESSIONAIRE/LESSOR.
- e. This provision obligates the TENANT/CONCESSIONAIRE/LESSEE for the period during which the property is owned, used or possessed by the TENANT/CONCESSIONAIRE/LESSEE and the airport remains obligated to the Federal Aviation Administration. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.
- f. **Title VI List of Pertinent Nondiscrimination Statutes and Authorities:**  
During the performance of this AGREEMENT, CONSULTANT, for itself, its assignees, and successors in interest, agrees to comply with the following nondiscrimination statutes and authorities; including but not limited to:



**Pertinent Non-Discrimination Authorities:**

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 et seq.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 et seq.), (prohibits discrimination on the basis of age); • Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub- recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;

- The Federal Aviation Administration's Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq.).





**MOTION – X. B.**

Director Loughlin:

The Pease Development Authority Board of Directors approves of and authorizes the Executive Director to expend funds in the amount of **\$7,122.75** to Sheehan Phinney Bass & Green for reimbursement of third party environmental services rendered to the Pease Development Authority and associated with the MS4 permit implementation.

THIS MOTION REQUIRES A ROLL CALL VOTE.



# Horsley Witten Group

**Sustainable Environmental Solutions**

90 Route 6A • Unit 1 • Sandwich, MA 02563  
508-833-6600 • horsleywitten.com



Pease Development Authority  
Sheehan Phinney Bass & Green PA  
1000 Elm Street, 17th Floor  
Manchester, NH 03101  
Attn: John-Mark Turner

## INVOICE

04/03/2020

Invoice No. 47389

Project No: 19036

Re: **Technical Services - Pease Development Authority**  
Project Manager: Kennedy, Lori  
For Services Rendered Through 3/29/2020

### Professional Services

<u>Description by Task</u>	<u>Title</u>	<u>Rate</u>	<u>Hours</u>	<u>Amount</u>
Total Fee Charges			48.75	\$7,122.75

Total Current Billing

\$7,122.75

*Thank you!*

Terms: Payable on Receipt

Page 1 of 1







## MOTION – XI. B.

Director Levesque:

The Pease Development Authority Board of Directors hereby authorizes the Executive Director and the Division Director, in accordance with their respective powers and duties to take all action necessary or appropriate to implement the following:

1. To accept the proposal from and to execute a contract with the Division's on-call marine engineering service provider, Appledore Marine Engineering, LLC ("AME"), for the purpose of providing marine engineering services for the Market Street Main Wharf Rehabilitation in an amount not to exceed \$1,725,249.00 contingent upon execution of the BUILD Grant Final Agreement between the US Department of Transportation Maritime Administration (MARAD) and the PDA; all in accordance with the memorandum of Geno J. Marconi, Division Director of Ports and Harbors, dated March 11, 2020, and AME's proposal, both of which are attached hereto;

2. To execute a Right of Entry ("ROE") with Cianbro Corporation ("Cianbro") for the use of the facilities at the Market Street Terminal for the purpose of staging and loading equipment and materials (for the manufacture of concrete); all in accordance with the memorandum of Geno J. Marconi, Division Director, dated April 1, 2020, attached hereto;

3. To contract with Eversource Energy in an amount up to \$15,187.00, for the electric utility upgrade work at the Portsmouth Commercial Fish Pier; all in accordance with the Memorandum of Geno J. Marconi, Division Director, dated April 1, 2020, attached hereto; and



4. To execute a Right of Entry ("ROE") with Morton Salt Inc. for a modification and extension of their existing agreement for the storage of imported road de-icing salt; all in accordance with the memorandum of Geno J. Marconi, Division Director, dated April 10, 2020, attached hereto.

THIS MOTION REQUIRES A ROLL CALL VOTE.

N:/resolves/2020/DPH - Approvals (Appledore, Cianbro ROE & PFP-Eversource) 4-23-2020






**PEASE**  
INTERNATIONAL

555 Market Street, Suite 1 Portsmouth, NH 03801

PORTS AND HARBORS

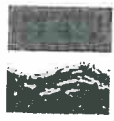
To: Pease Development Authority ("PDA"), Board of Directors  
From: Geno Marconi, Director, Division of Ports and Harbors   
Date: March 11, 2020  
Subject: Market Street Main Wharf Rehabilitation: Design, Engineering and Permitting

The Division of Ports and Harbors (the "Division") has requested a proposal from its on-call marine engineering service provider, Appledore Marine Engineering, LLC, ("AME") to provide services associated with the Main Wharf Rehabilitation (aka BUILD Grant Award) at the Market Street Marine Facility. The proposed cost is \$1,725,249.00. Please see the attached proposal. The Division has reviewed the proposal and concurs with the scope of work and corresponding fee.

The Division has received approval from the NH Attorney General's Office, the NH Legislature's Fiscal Committee, and the NH Executive Council to enter into the BUILD Grant Agreement (also attached for reference).

Therefore, the Division requests that the PDA Board of Directors approve the proposal for Marine Engineering Services for the Market Street Main Wharf Rehabilitation contingent upon execution of the BUILD Grant Final Agreement between the US Department of Transportation, Maritime Administration (MARAD) and the Pease Development Authority.





# Appledore Marine Engineering, LLC

600 State Street, Suite E | Portsmouth New Hampshire 03801

RECEIVED FEB 26 2020

February 26, 2020

Captain Geno Marconi  
Director Division of Ports and Harbors  
555 Market Street, PO Box 369  
Portsmouth, New Hampshire 03802

Re: Proposal to Provide Professional Marine Engineering Services  
**Market Street Marine Terminal Main Wharf Rehabilitation**  
Portsmouth, New Hampshire

Dear Captain Marconi:

Appledore Marine Engineering, LLC (AME) is pleased to present this proposal for Marine Engineering services for the above-referenced project. This proposal will discuss the Background, Scope of Services, Schedule of Work and Fee for the services required to complete the work.

## **BACKGROUND:**

The Market Street Marine Terminal Main Wharf, originally constructed in two phases, 1964 and 1977, was last inspected in March of 2017. At that time, portions of the structure were rated in Critical condition per ASCE rating guidance and load restrictions on operations were required. Subsequent to this inspection, the PDA-DPH applied for and was awarded a MARAD FY 2018 Build Grant No. 693JF71910009.

The project will rehabilitate approximately 17,500 square feet of the Main Wharf at the Market Street Marine Terminal by completing repairs of the existing infrastructure and replacing the deteriorated wharf access bridge and decking the area between the shoreline and the back of the Main Wharf.

## **PROJECT UNDERSTANDING:**

We understand that AME is to serve as the engineer of record and overall project manager to complete the required engineering services to support the upgrades. The scope of the specified improvements is outlined as follows:

1. Replacement of failed approach bridge and decking over the open area between the wharf and shore
2. Repair deteriorated caissons
3. Corrosion protect portions of the steel sheet pile bulkhead
4. Repair deteriorated concrete superstructure elements
5. Resurface deteriorated concrete deck
6. Other miscellaneous top of deck repairs includes recoating mooring hardware, replacing mooring hardware and associated concrete pedestals, and replacing deteriorated fender units.

The specified improvements have an estimated probable, construction-phase cost of \$10,782,835.

Ph: 603-766-1870 | [www.appledoremarine.com](http://www.appledoremarine.com)





## SCOPE OF SERVICES:

The scope of services presented below is targeted to the tasks required in assisting the owner to rehabilitate the Main Wharf based on our project understanding above. These services include engineering investigations and studies, design services, regulatory permitting, bidding support and quality assurance services through the completion of construction.

### TASK 1: ENGINEERING SERVICES

#### Engineering Investigations

Engineering investigations will be completed to collect additional information and design attributes on existing structures to remain, structures to be removed and features of the general vicinity around the work. Engineering investigations will include the following.

- Archive record research and review
- Geotechnical explorations including soil borings, rock cores and soil testing
- Shoreside soil sampling and characterization
- Topographic survey
- Engineering inspections, above and underwater with engineer-divers

The geotechnical exploration program will be targeted to collect soil and rock information in areas that are lacking historical information. This is predominantly in the tidal area between the wharf and shore and a few locations along the shoreline. The borings in the water portion will be completed using a crane to lower equipment and a barge into the area typically referred to as the pond. The borings will include rock cores where deemed necessary as well as identification of soil layers and gradation.

Shoreside soil sampling and characterization, will be completed in areas of anticipated excavation and soil removal during construction to develop a better understanding on areas and magnitude of contamination. The program will include shoreside samples, testing, and development of a materials management plan.

A supplemental topographic survey will be completed to collect updated information and existing attributes, and to update prior surveys of the site.

Engineering inspections will be completed above and below water to identify the existing conditions of adjacent structures and to collect detailed measurements and specific defect attributes. Below water the required information will be collected using a team of commercial engineer divers. Above water the information will be collected on foot or in a small vessel.

#### Engineering Studies

This task will use the information collected in Task 1 to further develop the understanding of material properties of the existing structures and relevant environmental and operational loading to be used in the design.

This task will include the following engineering studies

- Environmental load development
- Operational load development
- Material testing of existing structures

An environmental load study will be completed to assess the appropriate loading on the structures including wind, waves and currents. This study will review past data and studies completed at the site to leverage existing information.



Additionally, a current study will be completed to further the knowledge on site specific currents to be used in the design and provide information to contractors to consider during construction.

An operational load study will be completed to refine the required loading for the proposed structures including vehicular, crane and vessel loading. This study will include meeting with operational personnel to discuss existing and future operations as well as reviewing past records and other available information.

Material testing will be completed on the existing concrete structure and coated steel sheets and caissons. The concrete material characterization will consist of concrete coring of the deck in representative areas followed by examination and laboratory testing. This study is targeted to understand the depth of chloride contamination or other material defects to be used during the design of repairs. The steel structures testing will include the sampling of the existing coating system to assess potential hazardous materials that may need special provisions during construction.

#### Meetings

Meetings and working sessions will be completed throughout the engineering investigation and design process to provide updates and incorporate owner and facility user input. Meetings will be completed at owner or AME facilities as desired and will be followed up with detailed meeting minutes and action item lists. The following meetings are envisioned to support the project progression:

- Kick-off
- Presentation of data from engineering investigations
- Preliminary design submission
- Construction phasing and operational coordination
- Final Design submission
- Periodic status calls and meetings, as needed

## TASK 2: REGULATORY PERMITTING AND APPROVALS

The proposed construction work is located within and beside the Piscataqua River a tidally influenced body of water that places the regulatory approval of the project under multiple permits and regulatory jurisdictions. This task provides the regulatory permitting and consultation services to seek the necessary approvals for the construction. The following primary tasks are anticipated.

#### NH Department of Environmental Services. Dredge and Fill Permit

The project is anticipated to require a major impact wetland permit from the New Department of Environmental Services (NHDES) as it will require impacts to tidal wetlands.

#### Agency Coordination

To efficiently complete the regulatory process, periodic coordination with regulatory agencies will be completed and it is anticipated that two formal meetings will be completed with the NHDES. Each meeting will require the preparation of meeting materials, minutes and follow-up.

#### Mitigation

Mitigation is required for all environmental impacts (Env-Wt 803.05). For this project it is assumed that mitigation will be in the form of previously permitted and constructed mitigation and/or an in-lieu fee paid by PDA-DPH. This task includes compilation of existing information, coordination with the NHDES, and Federal agencies to reach agreement



on the required mitigation package. Following concurrence, we will prepare documentation to address Chapter 800 of the wetland's administrative rules.

#### Species of Concern

We will request an updated database review from the NH Natural Heritage Bureau and USFWS. Species of concern is being addressed through the required NEPA process and is being completed under a separate task order. This task includes compilation of past consultation with State and Federal agencies in the permit application.

#### Application Form, Narrative, Graphics, and Attachments

We will fill out the application form and prepare a project narrative, including a detailed description of activities impacting wetlands and responses to the '20 questions' (Attachment A of the application). A location map, photo log, tax map and abutter list will be prepared, and relevant correspondence and supporting documentation will be compiled. This task will address NHDES criteria specified in ENV-Wt. 606.03.

#### Wetland Impact Plan Preparation

Wetland impact plans, erosion control plans, and a construction sequence appropriate for submission to NHDES will be prepared.

#### Draft Permit Application

This task will include assembly of the permit application materials and will be provided to PDA-DPH for review and final sign-off prior to obtaining a check from the owner for submission.

#### Abutter Notification

This task will include the preparation of abutter notification letters as required by NH RSA 482-A:3 I(d)(1). These letters will be mailed via certified mail with receipts included in the application package.

#### Final Application Preparation, Production and Distribution

We will produce the final wetland application and coordinate with the PDA-DPH to obtain all required signatures and the filling fee. We will print ten (10) hard copies of the final application package, distribute to the City of Portsmouth for the town clerk signature, and file the final, fully signed application with NHDES.

### TASK 3: DESIGN SERVICES

This task will include the performance of the design services for the completion of the basis of design, engineering calculations, plans, specifications and bidding documents. This task includes the structural, civil, geotechnical and utility design to support the construction of the following:

- Replacement of failed approach bridge
- Construction of a wharf section to deck over the open area between the wharf and shore
- Repair deteriorated caissons
- Corrosion protect portions of the steel sheet pile bulkhead
- Repair deteriorated concrete superstructure elements
- Resurface deteriorated concrete deck
- Recoating mooring hardware and replacing mooring hardware and associated concrete pedestals
- Replacing deteriorated fender units.





The following delivery milestones are envisioned under this task.

- Preliminary design submission
- Final Design Submission
- Contract Documents ready for bidding

#### TASK 4: CONSTRUCTION SERVICES

##### Bid Solicitation Services

This task is intended to assist the owner in bidding and securing a qualified contractor to complete the construction. The following tasks are included:

- Developing a list of qualified marine contractors and assisting the owner with outreach to contact qualified contractors and encourage a competitive bid environment.
- Holding a pre-bid meeting onsite
- Preparing responses to questions from prospective bidders in the form of addenda.
- Reviewing contractor bids, compiling a bid comparison including the base bids and options to assist the owner in selecting a contractor for the project.

##### Construction Phase Services

Services under this task involve consulting with and advising the client during construction. The services under this task are limited to the level of engagement and awareness that the engineer is only knowledgeable of the onsite construction work based on submittals and RFI's from the contractor, and periodic site visits to assess the level of completion and become generally familiar with the quality of work. During this phase the contractor is solely responsible for notifying the owner of conflicts or issues with the construction that require engagement by the engineer, as well as the construction means, methods, techniques, sequences, or procedures and site safety. The presence of AME's personnel at a construction site is for the purpose of providing to PDA-PDH a greater degree of confidence that the completed construction work will conform generally to the construction documents and that the integrity of the design concept as reflected in the construction documents has been implemented and preserved by the construction contractor(s). AME neither guarantees the performance of the construction contractor(s) nor assumes responsibility for construction contractor's failure to perform work in accordance with the construction documents.

This task includes the following activities as requested by the owner, up to the hourly limits indicated:

- Reviewing for compliance with overall design intent, shop drawings, material certifications and other submittals by the contractor. A total of 316 hours has been allocated for this task and may need to be modified through Change Order if excessive resubmittals are required.
- Visiting the project site at appropriate intervals as construction proceeds to observe and report on the progress and the overall quality of the completed work. The visits are anticipated to occur 2-3 times per week depending on the activities occurring at the site. If additional visits are required as requested by the owner due to quality of work concerns or delay in the progression of construction, a modification may be processed to add additional visits.
- Assisting with office administration of the contract, including assisting the owner with the review of pay requests by the contractor.



- Making a final visit and reporting on the level of completion. This final visit will be completed after the contract is substantially complete and will serve to assist the owner in developing a punch list of work items requiring completion or re-work.

**DELIVERABLES:**

The deliverables for this project are further detailed in Tasks 1-4 and will be submitted electronically as PDFs and in hard copy as necessary.

**EXCLUSIONS AND CLARIFICATIONS:**

This proposal is based on the following considerations:

Construction duration is estimated to range between 12 and 16 months and if challenges during construction require an extension to the schedule a modification to our contract may be processed to provide additional construction support services.

No specific environmental studies are known to be required such as underwater benthic surveys or other studies and therefore not included within this proposal.

**SCHEDULE:**

We have developed the following schedule based on our experience and a project progression allowing generous owner engagement and reviews. If the below schedule is not tenable, we suggest meeting and evaluating approaches to accelerate as needed.

Engineering Services	120 days from NTP
Preliminary Design	90 days from completion of engineering services
Final Design	150 days from receipt of comments on preliminary design
Contract Documents	30 days from receipt of comments on Final Design

**FEES FOR CONSULTING SERVICES:**

Fees for consulting services will be in accordance with the following schedule on a firm fixed fee basis. The fixed fee includes all labor, reimbursable, and equipment expenses required to complete the work.

Task 1 – Engineering Services	\$ 517,182
Task 2 – Regulatory Permitting and Approvals	\$ 114,251
Task 3 – Design Services	\$ 646,588
Task 4 – Bid and Construction Support Services	<u>\$ 447,228</u>
<b>TOTAL FEES</b>	<b>\$1,725,249</b>



Prompt payment of invoices is necessary for us to maintain a schedule and provide responsible service. We will invoice monthly for our engineering services and reimbursable expenses. Payment is due within thirty (30) days of date of invoice.

Thank you for giving us the opportunity to present a proposal for this work.

If you have any questions or require additional information, please do not hesitate to contact me.

Regards,



Noah J. Elwood, P.E.  
President

This Proposal is subject and subordinate to the Agreement for Marine Engineering Services between the Parties dated July 1, 2017.



UNITED STATES OF AMERICA  
U.S. DEPARTMENT OF TRANSPORTATION  
MARITIME ADMINISTRATION  
WASHINGTON, DC 20590

GRANT AGREEMENT UNDER THE  
CONSOLIDATED APPROPRIATIONS ACT, 2018  
(PUB. L. 115-141, MARCH 23, 2018)  
FOR THE NATIONAL INFRASTRUCTURE INVESTMENTS  
DISCRETIONARY GRANT PROGRAM  
(FY 2018 BUILD TRANSPORTATION DISCRETIONARY GRANTS)

PEASE DEVELOPMENT AUTHORITY

MARKET STREET MARINE TERMINAL MAIN WHARF REHABILITATION

MARAD FY 2018 BUILD Grant No. 693JF71910009

7069MA143O 2020 1MS1910009 0000151002 41010 61006600 - \$ 7,504,854.00

This agreement is between the United States Department of Transportation (the “USDOT”) and Pease Development Authority (the “Recipient”). It reflects the selection of the Recipient for an award under the provisions of the Consolidated Appropriations Act, 2018 (Pub. L. 115-141, March 23, 2018), regarding National Infrastructure Investments, as described in the Notice of Funding Opportunity for the Department of Transportation’s National Infrastructure Investments Under the Consolidated Appropriations Act, 2018, 83 FR 18651 (April 27, 2018) (the “NOFO”). In this agreement, “FY 2018 BUILD Transportation Discretionary Grant” means an award under those provisions.

**ARTICLE 1. AWARD TERMS AND CONDITIONS**

- 1.1 **Operating Administration.** The Maritime Administration (“MARAD”) will administer this agreement on behalf of the USDOT. In this agreement, the “Administering Operating Administration” means MARAD.
- 1.2 **Application.**
  - (a) The application for funding was dated July 19, 2018 and titled “Market Street Marine Terminal Main Wharf Rehabilitation.” It contained Standard Form 424 and all information and attachments submitted with that form through Grants.gov.
  - (b) The Recipient states that:



(1) all material statements of fact in the application were accurate when that application was submitted; and

(2) Attachment E documents all material changes in the information contained in that application.

1.3 **Purpose.** The purpose of this award is to advance capital investments in surface transportation infrastructure that will have a significant local or regional impact. The parties will accomplish that purpose by achieving the following objectives:

(1) timely completing the Project; and

(2) ensuring that this award does not substitute for non-Federal investment in the Project, except as proposed in the application identified in section 1.2, as modified by section 2.3 and Attachment C.

In this agreement, the “**Project**” means the project proposed in the application identified in section 1.2, as modified by the negotiated provisions of this agreement, including sections 2.1, 2.2, and 2.3 and the attachments referenced in section 1.9.

1.4 **Federal Award Amount.** The USDOT hereby awards a FY 2018 BUILD Transportation Discretionary Grant in the amount of \$7,504,854.00 for the period of performance. The USDOT shall not provide funding greater than this amount under this agreement. The Recipient acknowledges that USDOT is not liable for payments that exceed this amount.

1.5 **Period of Performance.**

(a) The period of performance for this award begins on the date of this agreement and ends on the period of performance end date that is listed in section 2.2.

(b) The Recipient shall not charge to this award costs that are incurred after the period of performance.

(c) The Recipient shall not charge to this award costs that were incurred before the date of this agreement. This restriction includes any costs under 2 C.F.R. 200.458 incurred prior to the date of this agreement. This agreement hereby terminates and supersedes any previous USDOT approval for the Recipient to incur costs under this award for this Project.

1.6 **Urban or Rural Designation.** Based on information that the Recipient provided to the USDOT, including the technical application, the USDOT hereby designates the project to be a project an urban area, as defined in the NOFO. The Recipient shall comply with the requirements that accompany that designation on minimum award size, geographic location, and cost sharing.

**1.7 Fund Obligation.**

This agreement obligates the total amount of funds stated in section 1.4.

**1.8 Federal Award Identification Number.** The USDOT identifies this award with the following federal award identification number: 693JF71910009

**1.9 Attachments.** This agreement includes the following attachments as integral parts:

Attachment A	Statement of Work
Attachment B	Estimated Project Schedule
Attachment C	Estimated Project Budget
Attachment D	Performance Measurement Table
Attachment E	Material Changes from Application
Attachment F	Approved Pre-Award Costs

**ARTICLE 2. PROJECT AND RECIPIENT INFORMATION**

**2.1 Summary of Project's Statement of Work.** (See Attachment A for additional details).

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.

Following construction of the Sarah Mildred Long Bridge, the Main Wharf serves as the only berthing facility for the Port of New Hampshire but its deteriorated condition and limited capacity requires operations restrictions. By rehabilitating the existing wharf, including repairing deteriorated caissons and concrete superstructure elements, recoating portions of steel sheet bulkhead, and resurfacing the concrete deck, the project will extend the berth's useful working life, preventing a full closure anticipated in 2022. The rehabilitated wharf will facilitate improved freight movement by enabling more efficient truck access, increasing cargo handling area, and improving operational efficiency at the port. Continued operations at the wharf and possible tonnage increases resulting from the improvements will divert cargo from highways to marine highways, which reduces the likelihood of crashes on roadways and reduces fuel emissions.

**2.2 Summary of Project's Estimated Schedule.** (See Attachment B for additional details).

Actual Completion of NEPA:	10/4/2019
Planned Completion of Final Design:	4/1/2021
Planned Plans, Specifications & Estimates (PS&E) Approval:	5/1/2021

Planned Construction Start Date: 9/1/2021

Planned Construction Substantial Completion Date: 6/1/2023

Period of Performance End Date 9/1/2023

Planned Project Closeout Date 12/1/2023

**2.3 Summary of Project’s Estimated Budget.** (See Attachment C for additional details).

**BUILD Funds and Additional Sources of Project Funds:**

BUILD Grant Amount: \$7,504,854

State Funds (if any): \$5,003,235

Other Funds (if any): \$ 0

Total Project Cost: \$12,508,089

**2.4 Recipient Cost Share Certification.**

As negotiated, the Recipient hereby certifies that not less than \$5,003,235 in non-Federal funds are committed to fund the Project.

**2.5 Project’s State and Local Planning Requirements.**

N/A, this facility is included in the State Transportation Improvement Plan. The facility is not subject to state or local planning requirements.

**2.6 Project’s Environmental Approvals and Processes.**

Environmental Documentation Type, Titles and Date: Categorical Exclusion (CE), 10/4/2019

**Environmental Permits Received:**

Permit/Action	Date Permit Approved	Permit expiration date	Permit No.
Army Corps NH General Permit	5/1/2019	8/18/2022	NAE-2009-00088

Environmental Decision Type and Date: Categorical Exclusion Approval 10/4/2019

Name of Agency and Office Approving each Environmental Decision Document:  
United States Department of Transportation, Maritime Administration (MARAD), Office  
of Environment.

**2.7 Recipient's and any Subrecipient's Unique Entity Identifiers.**

Dun and Bradstreet Data Universal Numbering System No. (the "DUNS No.") of the  
Recipient: 620094771

Name of any First-Tier Subrecipients (if applicable – to be reported if/when identified. If  
not applicable please note is N/A): N/A

DUNS No. of First-Tier Subrecipient (if applicable – to be reported if/when identified):  
N/A

**2.8 Recipient Contacts.**

**Geno Marconi**  
**Division Director**  
**Pease Development Authority Division of Ports and Harbors**  
**555 Market Street**  
**Portsmouth, NH 03801**  
**(603) 436-8500**  
**[g.marconi@peasedev.org](mailto:g.marconi@peasedev.org)**

**Brenda Therrien**  
**Administrative Assistant**  
**Pease Development Authority Division of Ports and Harbors**  
**555 Market Street**  
**Portsmouth, NH 03801**  
**(603) 463-8500**  
**[b.therrien@peasedev.org](mailto:b.therrien@peasedev.org)**

**ARTICLE 3. GENERAL REPORTING TERMS**

- 3.1 Report Submission.** The Recipient shall send all reports required by this agreement to all  
of the USDOT contacts who are listed in Section 9.1.
- 3.2 Alternative Reporting Methods.** The Administering Operating Administration may  
establish processes for the Recipient to submit reports required by this agreement,  
including electronic submission processes. If the Recipient is notified of those processes in  
writing, the Recipient shall use the processes required by the Administering Operating  
Administration.

- 3.3 **Reporting as History of Performance.** Under 2 C.F.R. 200.205, any Federal awarding agency may consider the Recipient's timely submission of the reports that this agreement requires, or the Recipient's failure to timely submit those reports, when evaluating the risks of making a future Federal financial assistance award to the Recipient.
- 3.4 **Paperwork Reduction Act Notice.** Under 5 C.F.R. 1320.6, the Recipient is not required to respond to a collection of information that does not display a currently valid control number issued by the Office of Management and Budget (the "OMB"). Collections of information conducted under this agreement are approved under OMB Control No. 2105-0563.

#### **ARTICLE 4. PROGRESS REPORTING**

- 4.1 **Quarterly Project Progress Reports and Recertifications.** On or before the 20th day of the first month of each calendar year quarter and until Project Closeout, the Recipient shall submit to the USDOT a Quarterly Project Progress Report and Recertification with the form and content described in Exhibit H. If the date of this agreement is in the final month of a calendar year quarter, then the Recipient shall submit the first Quarterly Project Progress Report and Recertification in the second calendar year quarter that begins after the date of this agreement.
- 4.2 **Closeout Information.** No later than 90 days after the period of performance end date that is listed in section 2.2, the Recipient shall:
- (1) submit a final Federal Financial Report (SF-425), a certification or summary of project expenses, and any other information required under the Administering Operating Administration's closeout procedures; and
  - (2) provide a report comparing the final work, schedule, and budget to the statement of work described in section 2.1, the schedule described in section 2.2, and the budget described in section 2.3.
- 4.3 **Project Closeout.** In this agreement, "Project Closeout" means the date that the USDOT notifies the Recipient that the award is closed out. Under 2 C.F.R. 200.343, Project Closeout should occur no later than one year after the Recipient liquidates all obligations under this award and submits the reports identified in section 4.2.

#### **ARTICLE 5. PERFORMANCE REPORTING**

- 5.1 **Performance Measure Data Collection.** The Recipient shall collect the data necessary to report on each performance measure that is identified in the Performance Measurement Table in Attachment D.
- 5.2 **Pre-project Performance Measurement Report.** The Recipient shall submit to the USDOT, on or before the Pre-project Report Date that is stated in Attachment D, a Pre-project Performance Measurement Report that contains:

- (1) baseline data for each performance measure that is identified in the Performance Measurement Table in Attachment D, accurate as of the Pre-project Measurement Date that is stated in Attachment D; and
  - (2) a detailed description of the data sources, assumptions, variability, and estimated levels of precision for each measure.
- 5.3 **Interim Performance Measurement Reports.** After project completion, the Recipient shall submit to the USDOT on or before each of the periodic reporting dates specified in the Performance Measurement Table in Attachment D, an Interim Performance Measurement Report containing data for each performance measure that is identified in that table, accurate as of the final date of the measurement period specified in that table. If an external factor significantly affects the value of a performance measure during a measurement period, then in the Interim Performance Measurement Report the Recipient shall identify that external factor and discuss its influence on the performance measure.
- 5.4 **Project Outcomes Report.** The Recipient shall submit to the USDOT, on or before the Project Outcomes Report Date that is stated in Attachment D, a Project Outcomes Report that contains:
  - (1) a narrative discussion detailing project successes and the influence of external factors on project expectations;
  - (2) all baseline and interim performance measurement data that the Recipient reported in the Pre-project Performance Measurement Report and the Interim Performance Measurement Reports; and
  - (3) an *ex post* examination of project effectiveness relative to the baseline data that the Recipient reported in the Pre-project Performance Measurement Report.

## ARTICLE 6. AGREEMENT MODIFICATIONS

- 6.1 **Bilateral Modifications.** The parties may amend, modify, or supplement this agreement by mutual agreement in writing signed by the USDOT and the Recipient. Either party may request to amend, modify, or supplement this agreement by written notice to the other party.
- 6.2 **Limited Unilateral Modifications.**
  - (a) The Recipient may update the contacts who are listed in section 2.8 by written notice to all of the USDOT contacts who are listed in section 9.1.
  - (b) The USDOT may update the contacts who are listed in section 9.1 by written notice to all of the Recipient contacts who are listed in section 2.8.
- 6.3 **Other Modifications.** The parties shall not amend, modify, or supplement this agreement except as permitted under section 6.1 or section 6.2. If an amendment, modification, or



supplement is not permitted under section 6.1 and not permitted under section 6.2, it is void.

## **ARTICLE 7. STATEMENT OF WORK, SCHEDULE, AND BUDGET CHANGES**

**7.1 Statement of Work Changes.** If the Project's activities differ from the statement of work that is described in section 2.1 and Attachment A, then the Recipient shall request a modification of this agreement to update section 2.1 and Attachment A.

**7.2 Schedule Changes.** If the Project's substantial completion date changes to a date that is more than six months after the substantial completion date listed in section 2.2 or a schedule change would require the period of performance to continue after the period of performance end date listed in section 2.2, then the Recipient shall request a modification of this agreement to update section 2.2 and Attachment B. For other schedule changes, the Recipient shall request a modification of this agreement to update section 2.2 and Attachment B unless the USDOT has consented, in writing consistent with the Administering Operating Administration's requirements, to the change.

**7.3 Budget Changes.**

(a) If, in comparing the Project's budget to the amounts listed in section 2.3, the "Other Federal Funds" amount increases or one or more of the "State Funds," "Local Funds," "Private Funds," "Other Funds," or "Total Project Cost" amounts decrease, then the Recipient shall request a modification of this agreement to update section 2.3 and Attachment C. For other budget changes, the Recipient shall request a modification of this agreement to update Attachment C unless the USDOT has consented, in writing consistent with the Administering Operating Administration's requirements, to the change.

(b) If the actual eligible project costs are less than the "Total Project Cost" that is listed in section 2.3, then the Recipient may propose to the USDOT, in writing consistent with the Administering Operating Administration's requirements, specific additional activities that are within the scope of this award, as defined in sections 1.3 and 2.1, and that the Recipient could complete with the difference between the "Total Project Cost" that is listed in section 2.3 and the actual eligible project costs.

(c) If the actual eligible project costs are less than the "Total Project Cost" that is listed in section 2.3 and either the Recipient does not make a proposal under section 7.3(b) or the USDOT does not accept the Recipient's proposal under section 7.3(b), then:

(1) in a request under section 7.3(a), the Recipient shall reduce the Federal Share by the difference between the "Total Project Cost" that is listed in section 2.3 and the actual eligible project costs; and

(2) if that modification reduces this award and the USDOT had reimbursed costs exceeding the revised award, the Recipient shall refund to the USDOT the difference between the reimbursed costs and the revised award.



In this agreement, “Federal Share” means the sum of the “BUILD Grant Amount” and the “Other Federal Funds (if any)” amounts that are listed in section 2.3.

- (d) The Recipient acknowledges that amounts that are required to be refunded under section 7.3(c)(2) constitute a debt to the Federal Government that the USDOT may collect under 2 C.F.R. 200.345 and the Federal Claims Collection Standards (31 C.F.R. parts 900–999).

7.4 **USDOT Acceptance of Changes.** The USDOT may accept or reject modifications requested under this article 7, and in doing so may elect to consider only the interests of the BUILD Transportation Discretionary Grant program and the USDOT. The Recipient acknowledges that requesting a modification under this article 7 does not amend, modify, or supplement this agreement unless the USDOT accepts that modification request and the parties modify this agreement under section 6.1.

## **ARTICLE 8. TERMINATION AND EXPIRATION**

### **8.1 USDOT Termination.**

- (a) The USDOT may terminate this agreement and all of its obligations under this agreement if any of the following occurs:
  - (1) The Recipient fails to obtain or provide any non-BUILD Transportation Discretionary Grant contribution or alternatives approved by the USDOT as provided in this agreement and consistent with sections 2.2, 2.3, and 2.4;
  - (2) The Recipient fails to begin construction before 11/1/2021;
  - (3) The Recipient fails to begin expenditure of award funds by 12/15/2021;
  - (4) The Recipient fails to achieve the Construction Substantial Completion Date by 9/1/2023;
  - (5) The Recipient fails to meet the conditions and obligations specified under this agreement, including a material failure to comply with the schedule in section 2.2 even if it is beyond the reasonable control of the Recipient; or,
  - (6) The USDOT determines that termination of this agreement is in the public interest.
- (b) In terminating this agreement under this section the USDOT may elect to consider only the interests of the USDOT.

8.2 **Closeout Termination.** This agreement terminates on Project Closeout.

### **8.3 Fund Liquidation, Adjustment, and Cancellation.**

- (a) The Recipient shall liquidate all obligations under this award not later than 90 days after the period of performance end date that is listed in section 2.2. The Recipient

acknowledges that this period of availability for liquidation ends before the statutory expenditure deadline identified in section 8.3(c).

(b) Liquidation and adjustment of funds under this agreement follow the requirements of 2 C.F.R. 200.343–.345.

(c) Outstanding FY 2018 BUILD Transportation Discretionary Grant balances are canceled by statute after September 30, 2025, and are then unavailable for any purpose, including adjustments and expenditures.

8.4 **Reporting Survival.** The reporting requirements set forth in articles 4 and 5 of this agreement survive the termination of this agreement and the expiration of award funds.

#### **ARTICLE 9. USDOT CONTACTS**

9.1 **USDOT Contacts.** Except as authorized by the USDOT under section 3.2, the Recipient shall send all notices, reports, and information required by this agreement to all of the following contacts:

Wilbur Turner  
Grants/Contracting Officer, Office of Acquisition  
DOT Maritime Administration  
1200 New Jersey Ave, SE  
Washington, DC 20590  
MAR-380  
W26-435  
Mailstop 5  
(202) 366-0700  
wilbur.turner@dot.gov

and

Robert Bouchard  
Director, Office of Port Infrastructure Development  
DOT – Maritime Administration  
1200 New Jersey Avenue, SE  
Washington, DC 20590  
MAR-510  
W21-308  
Mailstop 3  
(202) 366-5076  
robert.bouchard@dot.gov

and

David Bohnet  
Grant Management Supervisor

DOT Maritime Administration  
1200 New Jersey Ave, SE  
Washington, DC 20590  
MAR-510  
W21-226  
Mailstop 3  
(202) 366-0586  
david.bohnet@dot.gov

and

OST BUILD Transportation Discretionary Grants Coordinator  
United States Department of Transportation  
Office of the Secretary  
1200 New Jersey Avenue, SE  
Washington, DC 20590  
(202) 366-8914  
BUILDGrants@dot.gov

#### ARTICLE 10. ADDITIONAL TERMS AND CONDITIONS

- 10.1 **Catalog of Federal Domestic Assistance Information.** This award is under the program titled “National Infrastructure Investments,” with number 20.933 in the Catalog of Federal Domestic Assistance.
- 10.2 **Research and Development Designation.** This award is not for research and development.
- 10.3 **Exhibits.** This agreement includes the following exhibits as integral parts located at: <https://www.maritime.dot.gov/grants/federal-grant-assistance/federal-grant-assistance>.

Exhibit A	Legislative Authority
Exhibit B	General Terms and Conditions
Exhibit C	Applicable Federal Laws and Regulations
Exhibit D	Grant Assurances
Exhibit E	Responsibility and Authority of the Recipient
Exhibit F	Reimbursement of Project Costs
Exhibit G	Grant Requirements and Contract Clauses
Exhibit H	Quarterly Progress Reports: Format and Content

- 10.4 **Construction.** If a provision in the exhibits or the attachments conflicts with a provision in Articles 1 – 12, then the provision in Articles 1 – 12 prevails. If a provision in the attachments conflicts with a provision in the exhibits, then the provision in the attachments prevails.

## ARTICLE 11. SPECIAL GRANT REQUIREMENTS

### 11.1 Reimbursement Requests.

- (a) The Recipient may request reimbursement of costs incurred in the performance of this agreement if those costs do not exceed the funds available under section 1.6 and are allowable under the applicable cost provisions of 2 C.F.R. Part 200, Subpart E. The Recipient shall not request reimbursement more frequently than monthly.
- (b) The Recipient shall request reimbursement of a cost incurred as soon as practicable after incurring that cost. If the Recipient requests reimbursement of a cost more than 180 days after that cost was incurred, the USDOT may deny the request for being untimely.
- (c) The Recipient shall request reimbursement by completing forms in iSupplier, which is on-line and paperless. The USDOT may deny a payment request that is not submitted through iSupplier. Recipients access iSupplier to complete the on-line form (e.g., SF 270) to request grant payments.
- (d) The Recipient shall complete training on using iSupplier before submitting a request for reimbursement. To guide the Recipient when completing this training, the USDOT provides the following additional information, which may change after execution of this agreement:
  - (1) The Recipient may access the training from the USDOT “Delphi eInvoicing System” webpage at <http://www.dot.gov/cfo/delphi-einvoicing-system.html>. The training is linked on the right side of that page under the heading “Web-Based Training (WBT).” The Recipient should click on “Grant Recipient WBT” to access the training, which is also available directly at [https://www.transportation.gov/sites/all/dot\\_assets/DOT\\_GR\\_04-24-2012/lessons/index.html](https://www.transportation.gov/sites/all/dot_assets/DOT_GR_04-24-2012/lessons/index.html).
  - (2) A username and password is not required to access the on-line training.
  - (3) The training is currently available and will be accessible 24/7.
  - (4) The training will take approximately 1 hour to complete.
- (e) Once the above referenced training has been completed, Recipients must request and complete the External User Access Request form in order to receive a user name and password. Recipients can submit a copy of their certificate of training and request the External User Access Request form by sending an email to: Wilbur Turner at [wilbur.turner@dot.gov](mailto:wilbur.turner@dot.gov). A user name and password will be sent once the External User Access Request form is received.
- (f) Requests for Reimbursement: When requesting reimbursement of costs incurred, the Recipient shall submit supporting cost detail with the SF-270 (available at <https://www.grants.gov/forms/post-award-reporting-forms.html>) to clearly document

costs incurred. Cost detail includes a detailed breakout of all costs incurred including direct labor, indirect costs, other direct costs, travel, etc. The DOT/Enterprise Service Center (ESC) OFO/FAA, Oklahoma City, OK and the Program Office, DOT/MAR 510 reserve the right to withhold processing requests for reimbursement until sufficient detail is received. In addition, reimbursement will not be made without DOT/ESC OFO/FAA and program official review and approval to ensure that progress on the Agreement is sufficient to substantiate payment. After approval, ESC will certify and forward the request for reimbursement to the payment office.

## 11.2 Buy American Requirements.

- (a) The Recipient shall apply, comply with, and implement all provisions of the Buy American Act, 41 U.S.C. §§ 8301-8305. The project is a public work of the Federal Government under 41 U.S.C. § 8301.
- (b) This section 11.2 implements 41 U.S.C. §§ 8301-8305, the Buy American Act, by providing a preference for domestic construction material. The Recipient shall not use foreign construction materials in performing this agreement, except that:
  - (1) the Recipient may use a commercially available off-the-shelf item under 41 U.S.C. § 1907 regardless of its components if the item is manufactured in the U.S.;
  - (2) the Recipient may use information technology that is a commercial item;
  - (3) the Recipient may use foreign construction materials that are listed at 48 C.F.R. 25.104; and
  - (4) the Recipient may use foreign construction materials if the USDOT has authorized their use under section 11.2(d).
- (c) If the Recipient uses foreign construction material in violation of section 11.2(b), the USDOT may disallow and deny reimbursement of costs incurred by the Recipient and take other remedial actions under section 8.1 and 2 C.F.R. 200.338.
- (d) The USDOT may authorize the Recipient to use foreign construction material, by modifying this agreement under section 6.1, if the USDOT determines that:
  - (1) applying the Buy American statute to the construction material would be impracticable or inconsistent with the public interest;
  - (2) the construction material is not mined, produced, or manufactured in the United States in sufficient and reasonably available commercial quantities of a satisfactory quality; or
  - (3) The cost of a domestic construction material is unreasonable under section 11.2(d)(3) if the cost of that material exceeds the cost of comparable foreign material by more than 6 percent.

- (e) The Recipient may request that the USDOT authorize the Recipient to use foreign construction material under section 11.2(d). If the Recipient makes a request under this section 11.2(e), the Recipient shall provide adequate information for the USDOT to evaluate the request, including:
- (1) a description of the foreign and domestic construction materials;
  - (2) unit of measure;
  - (3) quantity;
  - (4) price, including all delivery costs to the construction site and any applicable duty (whether or not a duty-free certificate may be issued);
  - (5) time of delivery or availability;
  - (6) location of the construction project;
  - (7) name and address of the proposed supplier;
  - (8) a detailed justification of the reason for use of foreign construction materials identifying the specific basis for an exception under section 11.2(d);
  - (9) if the Recipient requests authorization under section 11.2(d)(3), a reasonable survey of the market and a full price comparison measuring the relative costs of the available domestic and foreign construction materials; and
  - (10) if the Recipient submits the request after contract award, an explanation why the Recipient could not have, before contract award: (A) reasonably foreseen the need for the determination and (B) requested the determination.
- (f) The Recipient acknowledges that (1) this agreement is not a Government procurement contract; (2) acquisitions of supplies, services, or construction materials by the Recipient under this agreement are not acquisitions by the Government; and (3) the Free Trade Agreement exceptions to the Buy American Act as provided by 48 C.F.R. Part 25, Subpart 25.4 are inapplicable to this agreement.
- (g) In this section 11.2, the following definitions apply:

**“Commercially available off-the-shelf (COTS) item”**

- (1) Means any item of supply (including construction material) that is—
  - (i) A commercial item as defined by 48 C.F.R. § 2.101;
  - (ii) Sold in substantial quantities in the commercial marketplace; and
  - (iii) Offered to the Government, under an agreement, without modification, in the same form in which it is sold in the commercial marketplace; and
- (2) Does not include bulk cargo, as defined in 46 U.S.C. § 40102(4), such as agricultural products and petroleum products.



**“Construction material”** means an article, material, or supply brought to the construction site by the Recipient for incorporation into the building or work. The term also includes an item brought to the site preassembled from articles, materials, or supplies. However, emergency life safety systems, such as emergency lighting, fire alarm, and audio evacuation systems, that are discrete systems incorporated into a public building or work and that are produced as complete systems, are evaluated as a single and distinct construction material regardless of when or how the individual parts or components of those systems are delivered to the construction site.

**“Cost of components”** means—

- (1) For components purchased by the Recipient, the acquisition cost, including transportation costs to the place of incorporation into the construction material (whether or not such costs are paid to a domestic firm), and any applicable duty (whether or not a duty-free entry certificate is issued); or
- (2) For components manufactured by the Recipient, all costs associated with the manufacture of the component, including transportation costs as described in paragraph (1) of this definition, plus allocable overhead costs, but excluding profit. Cost of components does not include any costs associated with the manufacture of the construction material.

**“Domestic construction material”** means—

- (1) An unmanufactured construction material mined or produced in the United States;
- (2) A construction material manufactured in the United States, if—
  - (i) The cost of its components mined, produced, or manufactured in the United States exceeds 50 percent of the cost of all its components. Components of foreign origin of the same class or kind for which nonavailability determinations have been made are treated as domestic; or
  - (ii) The construction material is a COTS item.

**“Foreign construction material”** means a construction material other than a domestic construction material.

**“United States”** means the 50 States, the District of Columbia, and outlying areas.

11.3 **Final Section.** There are no other special grant requirements for this project.

## **ARTICLE 12. EXECUTION**

12.1 **Counterparts.** This agreement may be executed in counterparts, which constitute one document. The parties shall execute this agreement in triplicate and intend each countersigned original to have identical legal effect.

12.2 **Effective Date.** This agreement is effective when fully executed by authorized representatives of the Recipient and the USDOT. The Recipient shall execute this agreement and then submit three original signed copies of the agreement to the USDOT for execution. This instrument constitutes a FY 2018 BUILD Transportation Discretionary Grant when it is signed and dated by the authorized official of the USDOT.



**EXECUTION BY THE USDOT**

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
Signature of USDOT's Authorized Representative

\_\_\_\_\_  
Name of USDOT's Authorized Representative

\_\_\_\_\_  
Title

**EXECUTION BY PEASE DEVELOPMENT AUTHORITY**

By signature below, the Recipient acknowledges that it accepts and agrees to be bound by this agreement.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
Signature of Recipient's Authorized Representative

\_\_\_\_\_  
Name of Recipient's Authorized Representative

\_\_\_\_\_  
Title

## ATTACHMENT A STATEMENT OF WORK

The proposed project includes design and construction of the Main Wharf Rehabilitation at the Pease Development Authority – Division of Ports and Harbors' Market Street Marine Terminal in Portsmouth, NH.

The proposed repairs to the Main Wharf include the following:

- Replacement of failed approach bridge and deck over the open area between the wharf and shore between the two bridges. This area is approximately 17,500 SQ.FT.
- Repair deteriorated caissons (install protective jackets and sacrificial anodes) to restore structural integrity and extend service life.
- Recoat portions of the steel sheet pile bulkhead to extend service life.
- Repair deteriorated concrete superstructure elements, which includes repair of the spalling and delamination of the concrete on the pile caps and beams, to restore structural integrity and extend service life.
- Resurface deteriorated concrete deck to restore structural integrity and drainage. This area is 34,000 SQ.FT. +/- 6" and 1,000 PSF.
- Other miscellaneous top of deck repairs include recoating mooring hardware, replacing mooring hardware and associated concrete pedestals, and replacing three deteriorated fender units.

**ATTACHMENT B  
ESTIMATED PROJECT SCHEDULE**

Planned Start of Preliminary Engineering: 4/1/2020  
 Planned End of Preliminary Engineering: 8/1/2020  
 Actual Completion of NEPA: 10/4/2019

Permit/Action	Application Date (Actual)	Application Date (Estimated)	Actual Permit Approval Date	Permit Expiration Date
Section 404 GP Authorization	09/10/2009		05/01/2019	8/18/2022
NHDES Dredge & Fill Permit		11/01/2019	02/01/2020	

Planned Start of Final Design: 9/1/2020  
 Planned Completion of Final Design: 4/1/2021  
 Planned PS&E Approval 5/1/2021  
 Planned Construction Contract Award Date: 9/1/2021  
 Planned Construction Start Date: 9/2/2021  
 Planned Construction Substantial Completion Date: 6/1/2023  
 Period of Performance End Date: 9/1/2023  
 Planned Project Closeout Date: 12/1/2023

**ATTACHMENT C  
ESTIMATED PROJECT BUDGET**

<b>Activity</b>	<b>FY 2018 BUILD Grant Funds</b>	<b>State Funds</b>	<b>Other Funds</b>	<b>Project Cost</b>
<b>DESIGN</b>				
Preliminary Design	\$129,394.00	\$86,263.00	\$0.00	\$215,657.00
Design	\$388,182.00	\$258,788.00	\$0.00	\$646,970.00
Site Investigations	\$161,743.00	\$107,828.00	\$0.00	\$269,571.00
Regulatory Permitting	\$116,455.00	\$77,636.00	\$0.00	\$194,091.00
Construction Inspection	\$239,379.00	\$159,586.00	\$0.00	\$398,965.00
<b>Total Design Phase</b>	<b>\$1,035,153.00</b>	<b>\$690,101.00</b>	<b>\$0.00</b>	<b>\$1,725,254.00</b>
<b>CONSTRUCTION</b>				
Demolition	\$61,794.00	\$41,196.00	\$0.00	\$102,990.00
Caissons	1,831,704.00	1,221,136.00	\$0.00	\$3,052,840.00
Retaining Wall	\$307,188.00	\$204,792.00	\$0.00	\$511,980.00
Pile Caps and Edge Beams	\$1,414,182.00	\$942,788.00	\$0.00	\$2,356,970.00
Deck Planks and Overlay	\$1,237,508.00	\$825,006.00	\$0.00	\$2,062,514.00
Associated Site Work	\$101,647.00	\$67,764.00	\$0.00	\$169,411.00
Caisson Repairs	\$314,982.00	\$209,988.00	\$0.00	\$524,970.00
Bulkhead	\$142,608.00	\$95,072.00	\$0.00	\$237,680.00
Superstructure Repairs	\$972,000.00	\$648,000.00	\$0.00	\$1,620,000.00
Fender System	\$23,400.00	\$15,600.00	\$0.00	\$39,000.00
Mooring Hardware	\$62,688.00	\$41,792.00	\$0.00	\$104,480.00
<b>Total Construction Phase</b>	<b>\$6,469,701.00</b>	<b>\$4,313,134.00</b>	<b>\$0.00</b>	<b>\$10,782,835.00</b>
<b>Total Project Cost</b>	<b>\$7,504,854.00</b>	<b>\$5,003,235.00</b>	<b>\$0.00</b>	<b>\$12,508,089.00</b>

**ATTACHMENT D  
PERFORMANCE MEASUREMENT TABLE**

**Study Area:** Market Street Marine Terminal, Main Wharf

**Pre-project Measurement Date:** Twelve consecutive months of data covering the periods between July 31, 2020 and August 1, 2021.

**Pre-project Report Due Date:** November 1, 2021

**Project Outcomes Report Date:** November 1, 2026

**Table 1: Performance Measurement Table**

<b>Measure</b>	<b>Description and Category of Measure</b>	<b>Measurement Period</b>	<b>Reporting Period</b>
Gross Tons	Economic Competitiveness  The movement of gross tonnage of freight in the project study area. Measured in metric short tons	Baseline Measurement:  Annual average, accurate as of the Pre-project Measurement Date  Interim Performance Measure:  Accurate of of the first full quarter after Substantial Completion	Baseline Measurement:  Pre-project Report Due Date  November 1, 2021  Interim Performance Measure:  For a period of 3 years, (12 consecutive quarters) beginning the first full quarter after Substantial Completion
Vessel Calls	Economic Competitiveness  Vessel type and freight capacity of vessels calling on the project study area. Measured in number of vessel calls	Baseline Measurement:  Annual average, accurate as of the Pre-project Measurement Date  Interim Performance Measure:  Accurate as of the first full quarter after Substantial Completion	Baseline Measurement:  Pre-project Report Due Date  November 1, 2021  Interim Performance Measure Due Date:  For a period of 3 years, (12 consecutive quarters) beginning the first full quarter after Substantial Completion

**ATTACHMENT E**  
**MATERIAL CHANGES FROM APPLICATION**

The dates outlined in the application have been extended due to the added time needed to complete the environmental review and draft grant agreement negotiations. The application schedule assumed a timeline that incorporated finalized agreement shortly after application date. The additional time of 12.5 months between the award notification and finalization of the NEPA caused the delay in the Planned Construction start date




**ATTACHMENT F**  
**APPROVED PRE-AWARD COSTS**

**None.** The USDOT has not approved under this award any pre-award costs under 2 C.F.R. 200.458. Because unapproved costs incurred before the date of this agreement are not allowable costs under this award, the USDOT will neither reimburse those costs under this award nor consider them as a non-Federal cost sharing contribution to this award. Costs incurred before the date of this agreement are allowable costs under this award only if approved in writing by USDOT before being included the project costs and documented in this Attachment F. See section 1.5(c).



PORTS AND HARBORS

To: Pease Development Authority ("PDA") Board of Directors

From: Geno Marconi, Director 

Date: April 1, 2020

Subject: Cianbro Corporation, Right of Entry, Market St. Terminal

The Division of Ports and Harbors (the "Division") received a request from Cianbro Corporation ("Cianbro") for a Right of Entry ("ROE") to use the facilities at the Market St. Terminal (the "Premises") in support of their contract to construct a Super Flood Basin at the Portsmouth Naval Shipyard.

The Division reviewed the request and recommends approval of the ROE subject to the following terms and conditions:

**PREMISES:** Specified areas of the Market St. Terminal, 555 Market St., Portsmouth, NH as outlined in the attached lot map.

**PURPOSE:** Use for staging and loading equipment and materials (for the manufacture of concrete)

**TERM:** July 1, 2020 through June 30, 2021

**FEE:** Terminal fees per Exhibit C which are not limited to and include the following:

- a. Dockage \$500.00 per day per barge berth
- b. Wharfage \$0.85 per ton of materials discharged and/or loaded
- c. Laydown \$5250.00 per acre per month prorated on space used
- d. Security/TWIC \$37/hr. when applicable

**ADDITIONAL REQUIREMENTS:** Secure all appropriate federal and state permits including but not limited to EPA Stormwater Discharge Permits.  
Provide PDA DPH with a Storm Water Pollution Prevention Plan.

**INSURANCE:** Minimum insurance coverage as outlined in Exhibit A (attached), as the same may be required or appropriate in connection with the individual operations of each entity doing business on state property. Coverage amounts and types may change from time to time contingent upon the nature and scope of operations.



EXHIBIT A

**TO: ALL CONTRACTORS, SUBCONTRACTORS AND/OR AGENTS**

**RE: MINIMUM REQUIREMENTS OF CERTIFICATES OF INSURANCE FOR CONTRACTORS/SUBCONTRACTORS WORKING ON PROPERTY OF PEASE DEVELOPMENT AUTHORITY-DIVISION OF PORTS AND HARBORS**

All contractors, subcontractors and/or any agents thereof are required to provide proof of insurance to the Pease Development Authority-Division of Ports and Harbors (PDA-DPH) before the commencement of any work on PDA-DPH property. The following are the minimum requirements for insurance coverage:

1. **Commercial General Liability:** Two (2) million dollars commercial general liability coverage per occurrence; and Two (2) million dollars per project aggregate.
2. **Automobile Liability:** One (1) million dollars automobile liability coverage.
3. **Workers Compensation:** Coverage equal to minimum statutory levels as required by New Hampshire State law.
4. **Longshore and Harbor Workers Compensation Act Insurance:** *To the extent applicable* and to limits as required by Federal and State law.
5. **Environmental/Pollution Liability:** As required by activities which give rise to the necessity for such coverage and in such amounts as determined by PDA-DPH from time to time.
6. **Additional Insureds:** Pease Development Authority Division of Ports and Harbors and the State of New Hampshire must be named as additional insureds under all liability coverages.
7. **Certificate Holder:** Pease Development Authority, Division of Ports of Harbors  
555 Market St.  
Portsmouth, NH 03801
8. **Professional Liability:** As required by activities which give rise to the necessity for such coverage and in a minimum amount of One (1) million dollars.
9. **Notice of Cancellation:** A 30 day notice of cancellation (with the exception of a 10 day notice for non-payment of premium) must be provided.
10. **Waiver of Subrogation:** With the exception of workers compensation coverage, a statement that a waiver of subrogation is included with respect to applicable coverage.
11. **Primary Insurance:** A provision that any liability coverage required to be carried shall be primary and noncontributing with respect to any insurance carried by the PDA.

For questions, please contact the Pease Development Authority Legal Department at (603) 433-6348.










To: Pease Development Authority Board of Directors

From: Geno Marconi, Division Director 

Date: April 1, 2020

Subject: Portsmouth Fish Pier – EVERSOURCE

As the Seawall Replacement project at the Portsmouth Commercial Fish Pier moves forward it has become evident that the electrical supply needs to be relocated and parts need to be replaced. The underground power line currently comes off a pole located on Pierce Island Road by the approach to the bridge. The conduit runs under the parking lot between the building and the failed seawall to a transformer located next to the building and the fuel pumps. The power line will need to be excavated in order to work on the wall, thereby shutting the electricity off for a number of weeks. In addition, the transformer, which is set on a concrete pad, is rusted through and requires replacement. To further complicate the project, the existing location of the power conduit runs parallel and in close proximity to the fuel lines running between the wall and the building. The City of Portsmouth Electric Code would prohibit replacing the line in its current location.

Because the construction will most likely be during the summer months it is imperative that the power supply is maintained to keep the fish and bait coolers running, as well as the ice machine.

In consultation with Appledore Marine Engineering, its sub-contractor Oak Point Engineering, and Eversource the following plan was developed, as shown on the attached drawing:

- Run a new underground power conduit from the pole to the edge of the parking lot;
- Place a concrete pad at the edge of the parking lot where a new transformer will be located;
- Run conduit from the transformer across the lot to the closest corner of the building;
- Run power inside the building to the existing power distribution panels.

The Division received a quote from Eversource in the amount of \$15,187.00 (as set forth in the attached Eversource email) to provide the following:

- Install a new pole and the associated work related to the pole;
- Furnish and install primary, medium voltage conductors from the pole to the transformer pad;
- Furnish and install the new transformer;
- Furnish secondary conductors from the transformer to the building; and
- Remove the existing transformer.

Therefore, the Division recommends the PDA Board of Directors authorize and approve the expenditure of \$15,187.00 (of the \$3.25 million appropriated by the New Hampshire legislature for the project) to Eversource Energy for the work described herein and as quoted in the letter from Eversource Energy, attached hereto.



**BULKHEAD REHABILITATION**  
**ELECTRICAL SITE PLAN**

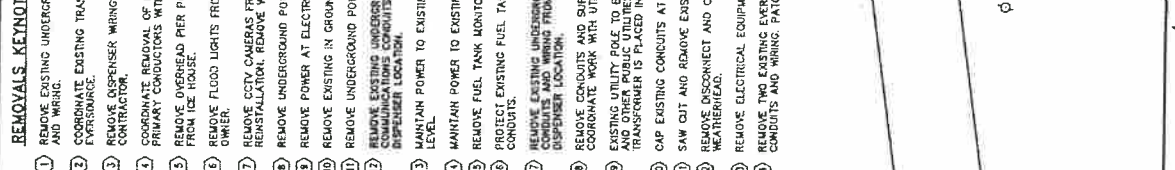
**DESIGN PHASE (95%)**

1" = 20' GRAPHIC SCALE  
 CHECK GRAPHIC SCALE BEFORE USING

- KEYNOTES: (THIS SHEET ONLY)**
1. PROVIDE PRIMARY POWER CONDUITS.
  2. PROVIDE TRANSFORMER PAD, COORDINATE LOCATION AND DISTANCE FROM EDGE OF CONTIGUOUS LOT WITH EVERSOURCE. PROVIDE SPILL STANDARDS.
  3. PROVIDE SECONDARY POWER CONDUITS.
  4. PROVIDE UTILITY METER SOCKETS.
  5. PROVIDE MAIN SERVICE PANEL.
  6. PROVIDE POWER WIRING TO NEW DISPENSERS.
  7. PROVIDE UTILITY POLE TO SUPPORT POWER TO PIER.
  8. REINSTALL UTILITY FLOOD LIGHTS ON POLE.
  9. REINSTALL CCTV CAMERAS ON POLE.
  10. COORDINATE INSTALLATION OF PAD MOUNTED TRANSFORMER WITH EVERSOURCE.
  11. PROVIDE UNDERGROUND PER POWER, CCTV, POLE LIGHTING, AND HOIST POWER CONDUITS.
  12. COORDINATE WORK AT EXISTING FUEL STORAGE TANKS WITH FUEL DISPENSING SYSTEM CONTRACTOR.
  13. PROVIDE POWER TO EXISTING ELECTRIC HOIST.
  14. NEW UTILITY POLE PROVIDED BY UTILITY COMPANY.
  15. PROVIDE CONDUITS AND SUPPORTS ON NEW UTILITY POLE.
  16. PROVIDE POWER WIRING TO FUEL DEFENSER ENCLOSURE LIGHTS.
  17. PROVIDE UNDERGROUND CONDUITS TO FUEL DISPENSING SYSTEM.
  18. PROVIDE PROTECTIVE BOLLARDS, PROVIDE PER EVERSOURCE STANDARDS. COORDINATE LOCATIONS WITH EVERSOURCE.
  19. PROVIDE AT-GRADE ADJUSTMENTS FOR LEVEL INSTALLATION AT TRANSFORMER.
  20. PROVIDE PROTECTIVE BALLARD AND CONCRETE PATCH.
  21. PROVIDE COMMUNICATIONS CONDUIT IN PARALLEL WITH POWER CONDUITS. REFER TO \_\_\_\_\_.
  22. PROVIDE MINIMUM OF FIVE FEET FROM TRANSFORMER.
  23. PROVIDE FUEL TANK WIRING WITHIN EXISTING CONDUITS.

- REMOVALS KEYNOTES: (THIS SHEET ONLY)**
1. REMOVE EXISTING UNDERGROUND SECONDARY CONDUIT AND WIRING.
  2. COORDINATE EXISTING TRANSFORMER REMOVAL WITH EVERSOURCE.
  3. REMOVE DISPENSER WIRING. COORDINATE WITH DISPENSING CONTRACTOR.
  4. COORDINATE REMOVAL OF EXISTING UNDERGROUND PRIMARY CONDUITS WITH EVERSOURCE.
  5. REMOVE OVERHEAD PIER POWER WIRING AND DISCONNECT FROM ICE HOUSE.
  6. REMOVE FLOOD LIGHTS FROM ICE HOUSE. SALVAGE TO OWNER.
  7. REMOVE CCTV CAMERAS FROM ICE HOUSE. SALVAGE FOR REINSTALLATION. REMOVE WIRING.
  8. REMOVE UNDERGROUND POWER TO ICE HOUSE.
  9. REMOVE POWER AT ELECTRIC HOIST.
  10. REMOVE EXISTING IN GROUND HANDHOLE.
  11. REMOVE UNDERGROUND POWER CONDUITS.
  12. REMOVE EXISTING UNDERGROUND RAC POWER AND COMMUNICATIONS CONDUITS FROM BUILDING TO FORMER DISPENSER LOCATION.
  13. MAINTAIN POWER TO EXISTING COMPRESSOR AT UPPER LEVEL.
  14. MAINTAIN POWER TO EXISTING EXTERIOR COMPRESSOR.
  15. PROTECT EXISTING FUEL TANK MONITORING UNDERGROUND CONDUITS.
  16. REMOVE EXISTING UNDERGROUND FUEL MONITORING CONDUITS AND WIRING FROM FUEL PIPING SLUMP PIT TO DISPENSER LOCATION.
  17. REMOVE CONDUITS AND SUPPORTS ON EXISTING POLE.
  18. COORDINATE WORK WITH UTILITY COMPANY.
  19. EXISTING UTILITY POLE TO BE REMOVED BY EVERSOURCE AND OTHER PUBLIC UTILITIES AFTER REPLACEMENT TRANSFORMER IS PLACED IN SERVICE.
  20. SAW OUT AND REMOVE EXISTING CONCRETE SLAB.
  21. REMOVE DISCONNECT AND CONDUIT ON ICE HOUSE UP TO NEAR/BEHEAD.
  22. REMOVE ELECTRICAL EQUIPMENT.
  23. REMOVE TWO EXISTING EVERSOURCE METER SOCKETS, CONDUITS AND WIRING PATCH BUILDING OPENINGS.

- DRAWING NOTES: (THIS SHEET ONLY)**
1. COORDINATE WORK WITH OWNER.
  2. COORDINATE UTILITY OUTAGES WITH OWNER, EVERSOURCE, REPRESENTATIVES.
  3. REFER TO SHEET EPS01 FOR ONE-LINE DIAGRAMS.



**1 ELECTRICAL SITE PLAN**  
 1/20 SCALE: 1"=20'

17 Jul 2020 - 11:01am  
 C:\WORK\2020\11-ES101.dwg





Electric Service Support Center - NH  
 PO Box 330  
 Manchester, NH 03105-0330  
 (800) 362-7764  
 NHnewservice@eversource.com

3/11/2020

NH-DPH PORTS AND HARBOR  
 GINO MARCONI  
 55 INTERNATIONAL DRIVE  
 PORTSMOUTH, NH 03801

Work Request#: 3381991  
 Service Address: 1 PEIRCE ISLAND ROAD, PORTSMOUTH, NH 03801  
 Description: REMOVAL/ INSTALLATION AND RELOCATION OF PAD MOUNT TRANSFORMER AND 3PH RISER

Dear GINO MARCONI:

Eversource is pleased to assist with your recent work request. We have reviewed the proposed design and determined the customer contribution amount is \$15,187.00. Eversource reserves the right to re-calculate the customer contribution amount if payment has not been received within 90 days of the date of this letter. If the job scope changes, a revised cost and letter will be administered if needed. If there are no changes in job scope, no further billing or refunds will be rendered.

Receipt of the customer contribution will be required prior to Eversource scheduling its work. Other documents such as casements, inspections, and work by others may also be required prior to the work being scheduled.

Your submittal of, or your election and authorization of, payment of the amount due and the convenience fee (if applicable), by means of a check, money order, credit or debit card, or by electronic funds transfer (ACH), shall be deemed to constitute your acceptance of and agreement to all terms and conditions of this letter.

Under New Hampshire Public Utilities Commission regulations and Eversource's tariff, charges quoted in this letter are for those associated with Eversource's work and services only and are subject to periodic review and adjustment as approved by the New Hampshire Public Utilities Commission. Additional charges may be rendered by other utilities.

Please contact me with any questions you may have.

Sincerely,  


CASEY MCDONALD  
 Field Tech Specialist  
 603-436-7708 Ext: 5555641  
[casey.mcdonald@eversource.com](mailto:casey.mcdonald@eversource.com)



Please cut at dotted line and return with your mail in payment.



**Payment Options:**

**Credit/Debit Card or ACH (echeck) payments (convenience fee required):** Call the Electric Service Support Center, 800-362-7764

**US Mail Payments:** Eversource - ESSC NH, PO Box 330, Manchester NH 03105-0330

**Overnight/Express Payments(hand deliveries are not accepted):** Eversource - ESSC NH, 780 N Commercial St, Manchester NH 03101

*Please make checks payable to: Eversource*

Customer	GINO MARCONI			Service Address:	1 PEIRCE ISLAND ROAD, PORTSMOUTH, NH 03801			
Work Request	ENT	CCC		Work Order	Cost Ele	LOB	FERC	Amount
3381991	06			9P030082	A69			\$15,187.00





**From:** McDonald, Casey S <[casev.mcdonald@eversource.com](mailto:casev.mcdonald@eversource.com)>  
**Sent:** Thursday, March 12, 2020 3:27 PM  
**To:** [wwhippie@oakpoint.com](mailto:wwhippie@oakpoint.com)  
**Subject:** RE: WR3381991 - 1 PEIRCE ISLAND ROAD - PREPAYMENT

The below information looks good. Eversource does not foresee any additional costs.

Respectfully,

Casey McDonald  
Eversource Energy  
Field Technician Specialist  
Portsmouth, NH Eastern Division  
603-332-4227 Ext. 555641  
[casev.mcdonald@eversource.com](mailto:casev.mcdonald@eversource.com)

**From:** [wwhippie@oakpoint.com](mailto:wwhippie@oakpoint.com) <[wwhippie@oakpoint.com](mailto:wwhippie@oakpoint.com)>  
**Sent:** Thursday, March 12, 2020 2:49 PM  
**To:** McDonald, Casey S <[casev.mcdonald@eversource.com](mailto:casev.mcdonald@eversource.com)>  
**Subject:** RE: WR3381991 - 1 PEIRCE ISLAND ROAD - PREPAYMENT

Hi Casey - thanks for speaking with me today.

You confirmed that the prepayment amount covers the customer costs associated with :

1. New utility pole and Eversource work related to that pole.
  - a. You noted that there may be separate costs from the phone company and other utilities sharing this utility pole.
  - b. You noted that the phone company will be contacting OPA to review the Phone Co related work.
2. Eversource furnishing and installing the primary, medium voltage conductors from the new drop pole to the pad transformer.
  - a. Contractor / facility owner to provide the 5" primary conduit down the pole and to the pad transformer.
3. Eversource furnishing and installing the replacement pad mounted transformer.
  - a. Contractor / facility owner provides concrete pad to Eversource specifications
  - b. Contractor / facility owner provides transformer oil leak mote per EVERSOURCE installation details.
  - c. Contractor / facility owner provides protective bollards per Eversource installation details.
4. Eversource providing secondary conductors
  - a. Conductors within conduits from pad transformer to Eversource Meters.
  - b. Conduits provided by the contractor / facility owner.
  - c. Secondary conductors by Eversource IF electric meters are located on the exterior of the building ( which is the present plan )
5. Not specifically discussed today - Eversource will remove the existing pad transformer on the water-side of the building
  - a. Contractor / facility owner removes the existing concrete pad.
  - b. Contractor / facility owner removes the existing secondary conduits and conductors from existing pad transformer to the building.
  - c. Eversource removes the existing Electric Meters
  - d. Contractor/facility owner removes the existing meter sockets
6. Eversource has reserved a pad transformer for this project.
7. Eversource will not begin the utility pole work until receipt of prepayment funds.
8. NOT SPECIFICALLY DISCUSSED TODAY: Does Eversource anticipate any additional Eversource costs to the Facility Owner ?

Please let me know if any of the above is incorrect or not as you intended .

Thanks again for your support on this project

Wayne



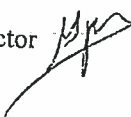


# PEASE

INTERNATIONAL

PORTS AND HARBORS

555 Market Street, Suite 1 Portsmouth, NH 03801

To: Pease Development Authority ("PDA"), Board of Directors  
From: Geno J. Marconi, Director   
Date: April 10, 2020  
Subject: Morton Salt, Inc.

The Division of Ports and Harbors (the "Division") has an agreement with Morton Salt Inc. ("MSI") regarding use of the Market Street Marine Terminal for the storage of imported road de-icing salt. The current agreement is set to expire on May 31, 2021. The Division received a request from MSI for a new agreement to continue the use of one and one half (1½) acres of the Market Street Marine Terminal for the storage of imported road de-icing salt as of June 1, 2021. Additionally, consistent with the current agreement, MSI is requesting the use of the Main Wharf to dock ships and discharge road salt and the use of the truck scale for weighing trucks transporting road salt from the terminal.

The Division has reviewed the request and is recommending that the PDA Board of Directors authorize the Executive Director to complete negotiations and enter into a new contract with MSI for the continued use of portions of the Market Street Marine Terminal in accordance with the following terms and conditions:

- PURPOSE:** The unloading, storage, and transportation of road de-icing salt.
- AREAS:** One and one half (1½) acres of paved lay down area at the Market Street Marine Terminal.  
Use of the truck scale and office space in the scale house.  
Use of the Main Wharf.  
\*All shown on the attached lot map.
- TERM:** Commencing June 1, 2021 for a period of one (1) year with three (3) one (1) year options to renew to be exercised at the discretion of MSI.
- FEES:** \$63,000.00 for road salt lay down area for the first year and each consecutive year to be negotiated prior to the exercise of any renewal option.  
  
\$12,000.00 per year for the rental of office space in the scale house and the use of the truck scale for the first year and each consecutive year to be negotiated.
- GUARANTEED PAYMENT:** A guaranteed minimum payment of \$225,000.00 per year based on Dockage, Wharfage and Lay Down shall be made to the Division of Ports and Harbors. In



the event that at the end of each yearly term of the agreement, the total revenue paid the Division for Dockage, Wharfage and Lay Down is not \$225,000.00, MSI shall make payment of any remaining amount.

**SECURITY:**

Access control and security at the main entrance and the use of security lighting presently installed will be provided by the Division of Ports and Harbors during regular business hours. Any additional security, including TWIC escorts, shall be billed MSI at the security rate as set by the Division at that time.

**UTILITIES:**

MSI shall be responsible for all utilities consumed at the terminal by its operation, including but not limited to water and electricity.

**INSURANCE:**

As outlined in Contractors Insurance, Exhibit A, attached.





**PEASE**

INTERNATIONAL

PORTS AND HARBORS

555 Market Street, Suite 1 Portsmouth, NH 03801

**EXHIBIT A**

**TO: ALL CONTRACTORS, SUBCONTRACTORS AND/OR AGENTS**

**RE: MINIMUM REQUIREMENTS OF CERTIFICATES OF INSURANCE FOR CONTRACTORS/SUBCONTRACTORS WORKING ON PROPERTY OF PEASE DEVELOPMENT AUTHORITY-DIVISION OF PORTS AND HARBORS**

All contractors, subcontractors and/or any agents thereof are required to provide proof of insurance to the Pease Development Authority-Division of Ports and Harbors (PDA-DPH) before the commencement of any work on PDA-DPH property. The following are the minimum requirements for insurance coverage:

1. **Commercial General Liability:** Two (2) million dollars commercial general liability coverage per occurrence; and Two (2) million dollars per project aggregate.
2. **Automobile Liability:** One (1) million dollars automobile liability coverage.
3. **Workers Compensation:** Coverage equal to minimum statutory levels as required by New Hampshire State law.
4. **Longshore and Harbor Workers Compensation Act Insurance:** *To the extent applicable* and to limits as required by Federal and State law.
5. **Environmental/Pollution Liability:** As required by activities which give rise to the necessity for such coverage and in such amounts as determined by PDA-DPH from time to time.
6. **Additional Insureds:** Pease Development Authority Division of Ports and Harbors and the State of New Hampshire must be named as additional insureds under all liability coverages.
7. **Certificate Holder:** Pease Development Authority, Division of Ports of Harbors  
555 Market St.  
Portsmouth, NH 03801
8. **Professional Liability:** As required by activities which give rise to the necessity for such coverage and in a minimum amount of One (1) million dollars.
9. **Notice of Cancellation:** A 30 day notice of cancellation (with the exception of a 10 day notice for non-payment of premium) must be provided.
10. **Waiver of Subrogation:** With the exception of workers compensation coverage, a statement that a waiver of subrogation is included with respect to applicable coverage.
11. **Primary Insurance:** A provision that any liability coverage required to be carried shall be primary and noncontributing with respect to any insurance carried by the PDA.

For questions, please contact the Pease Development Authority Legal Department at (603) 433-6348.

○○○○ TAKING YOU THERE

Updated 8/8/2019

ph: 603-436-8500

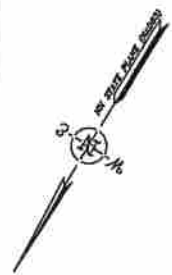
fax: 603-436-2780

www.peasedev.org





# MORTON SALT

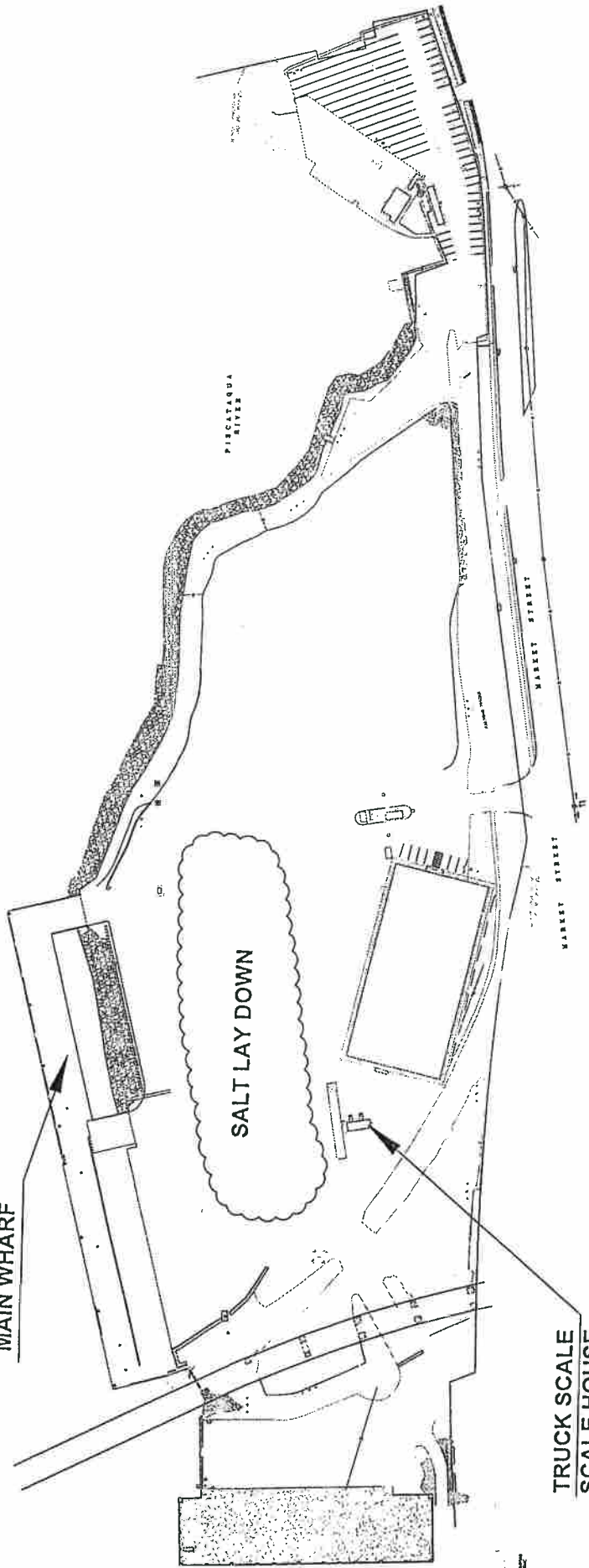


PISCATAWA RIVER

MAIN WHARF

SALT LAY DOWN

TRUCK SCALE  
SCALE HOUSE



PEASE  
DEVELOPMENT  
AUTHORITY

18 INTERNATIONAL DRIVE  
PORTSMOUTH, NH 03871  
603-888-1100

555 Market Street



GRAPHIC SCALE  
1" = 20'



## MOTION – XI. C.

Director Allard:

The Pease Development Authority (PDA) Board of Directors hereby approves and ratifies the implementation by the Executive Director and the Division Director of the following:

1. The adoption of the Final Schedule of Pilotage Fees and Pilotage Unit Rates and the Adopted Amendment PART Pda 311 PILOTAGE, both attached hereto, pursuant to Pda 311.01(d) of Chapter Pda 300, Port Captains, Pilots and Pilotage, NH Code of Administrative Rules, and all in accordance with the memorandum of Geno J. Marconi, Division Director, dated March 2, 2020 and attached hereto. The rates became effective as of April 1, 2020; and

2. The execution of a purchase agreement with QT Petroleum on Demand (QT Pod) for a cost of \$57,725.00, for the purchase of five (5) self-serve fuel point of sale credit card systems for the Division of Ports and Harbors' (DPH) three (3) facilities; all in accordance with the memorandum from Geno J. Marconi Division Director of Portsmouth and Harbors, dated March 5, 2020 attached hereto.

In connection with this ratification and in accordance with the provisions of RSA 12-G:8, VIII, the Board justifies the waiver of the RFP requirement as set forth below:



- 1) Currently, the Division and Skyhaven Airport ("Skyhaven") use the same QT Pod M3000 Units, with the Division operating five (5) units and Skyhaven operating one (1) unit. From the time the Division and Skyhaven were notified about the end of service on the existing units, both entities have worked to find credit card terminals similar to what is being used now and have determined that QT Pod is the only company that can provide the units at the pricing and service level that meet the needs of both business units;
- 2) QT Pod is ready to accept chip card readers when they become available; and
- 3) QT Pod offered a trade in credit of \$4,495.00 for each of the existing M3000 units toward the purchase of the new M4000 units.

THIS MOTION REQUIRES A ROLL CALL VOTE AND 5 AFFIRMATIVE VOTES.







**PEASE**  
INTERNATIONAL  
PORTS AND HARBORS

555 Market Street Suite 1 Portsmouth, NH 03801

Date: March 2, 2020  
To: Pease Development Authority ("PDA"), Board of Directors  
From: Geno Marconi, Director *GM*  
Subject: Final Schedule of Pilotage Fees and Pilotage Unit Rates and Adopted Amendment PART Pda 311 PILOTAGE FEES

At the January 16, 2020 PDA Board of Directors meeting, the Division of Ports and Harbors ("the Division") submitted for review and approval an Initial Proposed Schedule of Pilot Fees and a proposed rule change to Pda 311.03 (d)(2), both were approved at that meeting.

Upon PDA Board of Director's approval of the Initial Proposed Pilot Fees and rule change, and in accordance with Pda 311.01(b) and (c) the Division:

- Distributed the proposed Pilot Fees to each pilot;
- Published a notice one newspaper of general circulation the availability of the proposed schedule of fees and rule change; and
- Accepted written comment for 30 days after the public notice.

Further, on February 12, 2020 the Division held a public hearing in order to provide an additional opportunity for input from the public on the Pilot Fees and rule change.

The Division did not receive any written or verbal comment on either item within the 30 day window and has prepared a Final Proposed Schedule of Pilot Fees and Final Adopted Rule Amendment, please see attached items.

Therefore, in accordance with RSA 12-G:42, XI, I am seeking approval of the Final Proposed Pilot Fees and the Adopted Rule Amendment by the PDA Board of Directors to become effective on April 1, 2020.



STATE OF NEW HAMPSHIRE  
PEASE DEVELOPMENT AUTHORITY — DIVISION OF PORTS AND HARBORS  
SCHEDULE OF PILOTAGE FEES AND PILOTAGE UNIT RATES  
PORTSMOUTH HARBOR AND PISCATAQUA RIVER

*EFFECTIVE DATE APRIL 1, 2020*

1.0 COMPUTATION OF PILOTAGE FEES AND UNITS:

- 11 Certain pilotage fees for inbound and outbound vessels as identified below are based on pilotage units. In each such case a minimum fee is also identified. If pilotage units are not used to set a fee, the fee is set on a flat fee or per unit or similar basis.
- 12 All measurements shall be in meters.
- 13 Pilotage units are computed by:
  - 1.3.1 Multiplying the overall length of the vessel (bow to stern) by the extreme breadth of the vessel (beam to beam);
  - 1.3.2 Multiplying the product of subsection 1.3.1 by the depth of the vessel to the uppermost continuous deck (bottom of keel to uppermost continuous deck); and
  - 1.3.3 Divide the product of subsection 1.3.2 above by 100.
- 14 The pilotage fees shall be an amount equal to 200% of the applicable charges, minimum charge \$2100.00, specified in this schedule for:
  - (a) Any self-propelled vessel lacking propulsion; or
  - (b) A pilot called out to a scene for any unscheduled event or emergency situation.
- 15 The pilotage rates for a submarine shall be:
  - (a) An amount equal to the applicable charges in subsection 2.1.1, 2.1.2, or 2.1.3, plus an additional \$33.00 per foot of draft; and
  - (b) Minimum units: 100.
- 16 An amount equal to all the fees incurred shall be added to the invoice when the fees are to be paid by any electronic method, including, but not limited to, direct deposit, wire transfer, or credit card charge.

2.0 PILOTAGE FEES — TRANSIT CHARGES:

21 For vessels inbound or outbound, including barges, the charges payable under this section shall be as follows:

2.1.1 Per passage where line of demarcation is transited during passage:

- (a) Pilotage units multiplied by \$3.56; and
- (b) Minimum charge: \$343.00;

2.1.2 Per passage where line of demarcation is not transited during passage (i.e. vessel shifting with harbor and river):

- (a) Pilotage units multiplied by \$3.30; and
- (b) Minimum charge: \$240.00;

2.1.3 Docking or undocking charges:

- (a) Pilotage units multiplied by \$0.92;
- (b) Minimum charge: \$109.00; and
- (c) Must be paid, where applicable, in addition to any applicable per passage charge assessed under subsections 2.1.1 or 2.1.2 above; and

2.1.4 Vessel shifting at berth:

- (a) \$562.00 per call for assistance; and
- (b) Second pilot required for transit or turning off dock: \$510.00

3.0 PILOTAGE FEES — PILOT DETENTION CHARGES:

3.1 Inbound or outbound vessels of any size:

3.1.1 Charge for canceling call for pilot within 4 hours of scheduled arrival time at the pilots' point of origin: (a) \$290.00 per call cancelled;

3.1.2 Charge for detaining pilot during the mooring or securing of vessel in excess of one hour once vessel is alongside of terminal:

- (a) \$290.00 per the first excess hour of detention or portion thereof;
- (b) \$120.00 per 20 minutes thereafter

3.1.3 Charge for canceling request for pilot due to fog, stress of weather, or vessel mechanical problem while pilot vessel is in transit to vessel requesting pilot:

- (a) Same as subsection 2.1.2; and

3.1.4 Charge for pilot not returned to shore and carried to sea on vessel:

- (a) \$500.00 per day or part thereof that pilot is detained at sea after outbound passage is complete, plus the cost of return to Portsmouth, New Hampshire, by the fastest means of first class travel available.

4.0 PILOTAGE FEES — MISCELLANEOUS CHARGES:

4.1 Inbound or outbound vessels of any size:

4.1.1 Charge for transporting a pilot launch to or from the pilot station (to be paid, where applicable, addition to other charges assessed pursuant to sections 2.0 and 3.0 above):

- (a) \$180.00 per single, one-way trip; and

4.1.2 Charge for transporting a pilot to or from a vessel at anchorage in lieu of boarding at pilot station:

- (a) \$290.00 per single, one-way trip.

## PART Pda 311 PILOTAGE FEES

Pda 311.01 Pilotage Fees Schedule.

(a) Vessels required under Pda 304.01 to be piloted by a pilot shall pay to the pilot each applicable pilotage fee as set forth in the schedule of pilotage fees adopted pursuant to (e) below. It shall be the responsibility of the pilot to request payment and collect payment of any pilotage fee authorized under Pda 311.

(b) At least once a year the division director shall review the schedule of pilotage fees and pilotage unit rates. At any time, the division director may prepare a proposed schedule of pilotage fees and pilotage unit rates. The proposed schedule of pilotage fees and pilotage unit rates shall be distributed to each pilot and shall be made available to the public. Hereafter in this section, references to "pilotage fees" shall include "pilotage unit rates."

(c) Within 30 days of distribution of the proposed schedule of pilotage fees to the public under (b) above, pilots or any member of the public may submit to the division director written comments regarding the proposed schedule of pilotage fees.

(d) Within 60 days of distribution of the proposed schedule of pilotage fees to the public under (b) above, the division director shall submit a proposed schedule of pilotage fees to the authority for review and approval, either in its original proposed form or as modified after receipt of public comment.

(e) The authority may:

- (1) Adopt the approved annual schedule of pilotage fees;
- (2) Adopt the approved annual schedule of pilotage fees in part; or
- (3) Adopt the approved annual schedule of pilotage fees in part and modify the schedule in part.

(f) The authority shall make available to the public any fee schedule adopted in whole or in part under (e) above.

(g) The pilotage fees adopted by the authority shall take effect on January 1 of the following year, or within 10 days of adoption by the authority, as specified by the authority. Once adopted, the annual schedule of pilotage fees shall be mailed to each pilot and shall be attached to any new commission that may be issued to a pilot. Pilots shall charge fees only as set forth in the approved schedule.

Pda 311.02 Computation of Pilotage Units.

(a) Pilotage units shall be computed by:

- (1) Multiplying the overall length of the vessel by the extreme breadth of the vessel;
- (2) Multiplying the product of (1) by the depth of the vessel to the upmost continuous deck;  
and
- (3) Dividing the product of (2) by 100.

(b) For purposes of determining pilotage units, all measurements shall be in meters.

Pda 311.03 Pilotage Fees Based on Pilotage Unit Rates; Flat Fees.

(a) The annual schedule of pilotage fees approved by the authority under Pda 311.01 shall contain the pilotage fees described in (b) – (e) below.

(b) The following pilotage fees shall be based upon pilotage unit rates established within the pilotage fee schedule for vessels inbound or outbound:

(1) One-way inbound or outbound transit fee, calculated by multiplying the pilotage units for such vessel by the pilotage unit rate for inbound or outbound vessels;

(2) Docking or undocking fee, calculated by multiplying the pilotage units for such vessel by the pilotage unit rate for vessels docking or undocking; and

(3) Vessel shifting berths within the pilotage area, calculated by multiplying the pilotage units for such vessel by the pilotage unit rate for vessel shifting berths within the pilotage area.

(c) The pilotage fee schedule shall contain minimum fees for all of the fees described in (b) above. The minimum fee shall apply if the fee based upon pilotage units is less than the minimum fee.

(d) The pilotage fee schedule shall contain fees for the following:

(1) Shifting a vessel at berth established on a per call basis;

(2) Cancellation of the request for pilotage assistance established on a per call basis;

(3) Detention of a pilot detained during mooring of a vessel after allowing one hour, once alongside, for the securing of a vessel to its berth established on a per hour basis;

(4) Detention of a vessel in transit, cancelled due to fog, stress of weather, or mechanical problem established on a per hour basis;

(5) Detention of a pilot carried to sea established on a per diem basis, plus the cost of return to Portsmouth, New Hampshire, by the fastest means of travel available;

(6) Transporting a pilot to or from the pilotage station established on a one-way, single trip basis;

(7) Transporting a pilot to or from a vessel at anchorage instead of boarding at the pilotage station established on a one-way, single trip basis;

(8) A self-propelled vessel lacking propulsion;

(9) Pilotage of a submarine; and

(10) The calling out of a pilot to a scene for any unscheduled event or emergency situation.

(e) An amount equal to all the fees incurred shall be added to the invoice when the fees are to be paid by any electronic method, including, but not limited to, direct deposit, wire transfer, or credit card charge.







# PEASE

INTERNATIONAL

555 Market Street, Suite 1 Portsmouth, NH 03801

PORTS AND HARBORS

To: Pease Development Authority ("PDA"), Board of Directors

From: Geno Marconi, Division Director *GM*

Re: Self-Serve Fuel Point of Sale Credit Card System Replacement – Port Facilities

Date: March 5, 2020

The Division of Ports and Harbors ("the Division") was notified that the current Fuel Point of Sale Credit Card System provided by QT Petroleum on Demand ("QT Pod") is no longer being supported and must be replaced by June 30, 2020. This is due to several factors, including technological advances (the current units were designed in 2002), data speed improvements, and the current system's inability to accept chip card readers. In accordance with the provisions of RSA 12-G:8 VIII, we recommend waiving the RFP requirement for the following reasons:

- Currently, the Division and Skyhaven Airport ("Skyhaven") use the same M3000 Units, with the Division operating five and Skyhaven operating one unit. From the time the Division and Skyhaven were notified about the end of service on the existing units, both agencies have engaged in extensive research and contacted several companies to find credit card terminals similar to what is being used now and has determined that QT Pod is the only company available who can provide the units at pricing and service that meet the needs of both agencies.
- QT Pod is ready to accept chip card readers when they become available.
- QT Pod is offering a trade in credit of \$4,495.00 for our existing M3000 unit towards the purchase of the M4000 units.
- Both the Division and Skyhaven Airport Management have a long standing relationship with QT Pod and find their services reliable.

With that, the Division, in conjunction with Skyhaven, requested and received proposed purchase agreements from QT Pod to replace the existing M3000 units with updated M4000 units. The newer M4000 units are designed with a Windows operating system and USB interfaces to evolve as technology evolves. The proposed purchase agreements and a FAQ supplement are attached.

There are currently 5 terminals at the 3 Division facilities that are slated for replacement. Following the trade-in credits, the proposed purchase agreements have a total cost of \$57,725.00 allocated as follows:

Hampton-2 units	\$22,040.00
Rye-2 units	\$22,490.00
Portsmouth Fish Pier- 1 unit	\$13,195.00

After review of the proposed purchase agreements and based on its extensive research for available options, the Division recommends that the PDA Board of Directors waive the RFP requirement and authorize the Division Director to execute the proposed purchase agreements. Should the proposed purchase agreements be approved, the funds will be provided through the Division's unrestricted funds account.



QTPetroleum on Demand M4000  
FUEL TERMINAL PURCHASE AGREEMENT



4909 Nautilus Court N. #109  
Boulder CO 80301  
(303) 444-3590  
Fax (303) 444-8736

**Purchaser:**

Pease Development Authority  
Division of Ports & Highways  
555 Market St.  
Portsmouth, NH 03801

**Ship to:**

Hampton Harbor- Dual  
555 Market St.  
Portsmouth, NH 03801

Date: 1/27/2020

CUSTOMER PO#	TERMS	REQUESTED DELIVERY DATE	SHIP VIA	SALES REP
	Net 30	ASAP	UPS-Ground	

Qty	MODEL #	DESCRIPTION	UNIT PRICE	AMOUNT
1	M4000U-D-2	M4000 Upgrade with Ethernet communications and 2 pumps	\$15,445.00	\$15,445.00
1		Trade in credit for M3000	(\$4,495.00)	-\$4,495.00
SUBTOTAL				\$10,950.00
START-UP TRAINING BY QT POD				\$0.00
SHIPPING & HANDLING				\$295.00
TOTAL DUE				\$11,245.00
DEPOSIT				\$0.00
GRAND TOTAL				\$11,245.00

**NOTE: The M4000 Self-Serve Fueling Terminal requires a subscription to QT POD's cloud based software platform in order to be operable. In the event Purchaser is a merchant/dealer, it shall advise end users of this fact prior to sale.**

**TERMS:** The purchase price for each Unit shall be the amounts entered above. Purchaser acknowledges that QT Petroleum on Demand (QT) builds each Unit to order. Purchaser agrees to pay QT the Purchase Price pursuant to the terms of this Purchase Agreement which are as follows: fifty percent (50%) of the Unit Price is due upon completion of the order and the Remaining Balance (including shipping and handling) is due prior to shipping unless credit terms are approved by QT. If credit terms are extended by QT, Purchaser shall remit payment as set forth in QT's invoice. All units will be shipped F.O.B. point of shipping. Payment is not subject to any other conditions including but not limited to when the equipment is to be installed, or any other agreement between the purchaser and any third party. In the event QT provides on-site commissioning service assistance, the commissioning service charges are due immediately upon demonstration that each Unit operates as described in the Unit Documentation. In the event Purchaser cancels this order after the equipment has been shipped a restocking fee of 10% of the purchase price will be charged. Title to each Unit shall not transfer to Purchaser until payment in full is received. In the event payment is not made as agreed, the outstanding balance shall accrue interest at the rate of 1.5% per month until paid. If QT takes any steps to collect on Purchaser's account, including retaining an attorney, Purchaser shall pay all costs of such collection efforts, including reasonable attorney fees. Purchaser understands and agrees that in the event of non-payment of any amount due, QT may deny access to its cloud-based software platform, rendering the Unit(s) in operable, and/or repossess the Unit(s) at QT's sole option. In the event Purchaser has not fully paid for the Unit(s) as set forth herein within five (5) days after receiving written notice from QT, its attorneys, or collection agents, Purchaser shall permit QT to repossess the Unit(s), and shall cooperate with QT and its agents in doing so. All applicable taxes are the responsibility of the buyer.

I have read and the I have read the above statement and agree to the purchase terms.

Authorized Purchaser:

Title:

Date:

\_\_\_\_\_



**QTPetroleum on Demand M4000  
FUEL TERMINAL PURCHASE AGREEMENT**



4909 Nautilus Court N. #109  
Boulder CO 80301  
(303) 444-3590  
Fax (303) 444-8736

**Purchaser:**

Pease Development Authority  
Division of Ports & Highways  
555 Market St.  
Portsmouth, NH 03801

**Ship to:**

Hampton Harbor- Single  
555 Market Street  
Portsmouth, NH 03801

Date: 1/27/2020

CUSTOMER PO#	TERMS	REQUESTED DELIVERY DATE	SHIP VIA	SALES REP
	Net 30	ASAP	UPS-Ground	

Qty	MODEL #	DESCRIPTION	UNIT PRICE	AMOUNT
1	M4000U-D-1	M4000 Upgrade with Ethernet communications and 1 pumps	\$14,995.00	\$14,995.00
1		Trade in credit for M3000	(\$4,495.00)	-\$4,495.00
<b>SUBTOTAL</b>				<b>\$10,500.00</b>
<b>START-UP TRAINING BY QT POD</b>				<b>\$0.00</b>
<b>SHIPPING &amp; HANDLING</b>				<b>\$295.00</b>
<b>TOTAL DUE</b>				<b>\$10,795.00</b>
<b>DEPOSIT</b>				<b>\$0.00</b>
<b>GRAND TOTAL</b>				<b>\$10,795.00</b>

**NOTE: The M4000 Self-Serve Fuelina Terminal requires a subscription to QT POD's cloud based software platform in order to be operable. In the event Purchaser is a merchant/dealer, it shall advise end users of this fact prior to sale.**

**TERMS:** The purchase price for each Unit shall be the amounts entered above. Purchaser acknowledges that QT Petroleum on Demand (QT) builds each Unit to order. Purchaser agrees to pay QT the Purchase Price pursuant to the terms of this Purchase Agreement which are as follows: fifty percent (50%) of the Unit Price is due upon completion of the order and the Remaining Balance (including shipping and handling) is due prior to shipping unless credit terms are approved by QT. If credit terms are extended by QT, Purchaser shall remit payment as set forth in QT's invoice. All units will be shipped F.O.B. point of shipping. Payment is not subject to any other conditions including but not limited to when the equipment is to be installed, or any other agreement between the purchaser and any third party. In the event QT provides on-site commissioning service assistance, the commissioning service charges are due immediately upon demonstration that each Unit operates as described in the Unit Documentation. In the event Purchaser cancels this order after the equipment has been shipped a restocking fee of 10% of the purchase price will be charged. Title to each Unit shall not transfer to Purchaser until payment in full is received. In the event payment is not made as agreed, the outstanding balance shall accrue interest at the rate of 1.5% per month until paid. If QT takes any steps to collect on Purchaser's account, including retaining an attorney, Purchaser shall pay all costs of such collection efforts, including reasonable attorney fees. Purchaser understands and agrees that in the event of non-payment of any amount due, QT may deny access to its cloud-based software platform, rendering the Unit(s) in operable, and/or repossess the Unit(s) at QT's sole option. In the event Purchaser has not fully paid for the Unit(s) as set forth herein within five (5) days after receiving written notice from QT, its attorneys, or collection agents, Purchaser shall permit QT to repossess the Unit(s), and shall cooperate with QT and its agents in doing so. All applicable taxes are the responsibility of the buyer.

I have read and the I have read the above statement and agree to the purchase terms.

Authorized Purchaser:

Title:

Date:

\_\_\_\_\_





**QTPetroleum on Demand M4000  
FUEL TERMINAL PURCHASE AGREEMENT**



4909 Nautilus Court N. #109  
Boulder CO 80301  
(303) 444-3590  
Fax (303) 444-8736

**Purchaser:**

Pease Development Authority  
Division of Ports & Highways  
555 Market St.  
Portsmouth, NH 03801

**Ship to:**

Rye Harbor -Recreational Dock  
555 Market St.  
Portsmouth, NH 03801

**Date: 1/27/2020**

CUSTOMER PO#	TERMS	REQUESTED DELIVERY DATE	SHIP VIA	SALES REP
	Net 30	ASAP	UPS-Ground	

Qty	MODEL #	DESCRIPTION	UNIT PRICE	AMOUNT
1	M4000U-D-2	M4000 Upgrade with Ethernet communications and 2 pumps	\$15,445.00	\$15,445.00
1		Trade in credit for M3000	(\$4,495.00)	-\$4,495.00
SUBTOTAL				\$10,950.00
START-UP TRAINING BY QT POD				\$0.00
SHIPPING & HANDLING				\$295.00
TOTAL DUE				\$11,245.00
DEPOSIT				\$0.00
GRAND TOTAL				\$11,245.00

**NOTE: The M4000 Self-Serve Fueling Terminal requires a subscription to QT POD's cloud based software platform in order to be operable. In the event Purchaser is a merchant/dealer, it shall advise end users of this fact prior to sale.**

**TERMS:** The purchase price for each Unit shall be the amounts entered above. Purchaser acknowledges that QT Petroleum on Demand (QT) builds each Unit to order. Purchaser agrees to pay QT the Purchase Price pursuant to the terms of this Purchase Agreement which are as follows: fifty percent (50%) of the Unit Price is due upon completion of the order and the Remaining Balance (including shipping and handling) is due prior to shipping unless credit terms are approved by QT. If credit terms are extended by QT, Purchaser shall remit payment as set forth in QT's invoice. All units will be shipped F.O.B. point of shipping. Payment is not subject to any other conditions including but not limited to when the equipment is to be installed, or any other agreement between the purchaser and any third party. In the event QT provides on-site commissioning service assistance, the commissioning service charges are due immediately upon demonstration that each Unit operates as described in the Unit Documentation. In the event Purchaser cancels this order after the equipment has been shipped a restocking fee of 10% of the purchase price will be charged. Title to each Unit shall not transfer to Purchaser until payment in full is received. In the event payment is not made as agreed, the outstanding balance shall accrue interest at the rate of 1.5% per month until paid. If QT takes any steps to collect on Purchaser's account, including retaining an attorney, Purchaser shall pay all costs of such collection efforts, including reasonable attorney fees. Purchaser understands and agrees that in the event of non-payment of any amount due, QT may deny access to its cloud-based software platform, rendering the Unit(s) in operable, and/or repossess the Unit(s) at QT's sole option. In the event Purchaser has not fully paid for the Unit(s) as set forth herein within five (5) days after receiving written notice from QT, its attorneys, or collection agents, Purchaser shall permit QT to repossess the Unit(s), and shall cooperate with QT and its agents in doing so. All applicable taxes are the responsibility of the buyer.

I have read and the I have read the above statement and agree to the purchase terms.

Authorized Purchaser:

Title:

Date:

\_\_\_\_\_



QTPetroleum on Demand M4000  
FUEL TERMINAL PURCHASE AGREEMENT



4909 Nautilus Court N. #109  
Boulder CO 80301  
(303) 444-3590  
Fax (303) 444-8736

**Purchaser:**

Pease Development Authority  
Division of Ports & Highways  
555 Market St.  
Portsmouth, NH 03801

**Ship to:**

Rye Harbor -Commercial Dock  
555 Market St.  
Portsmouth, NH 03801

Date: 1/27/2020

CUSTOMER PO#	TERMS	REQUESTED DELIVERY DATE	SHIP VIA	SALES REP
	Net 30	ASAP	UPS-Ground	

Qty	MODEL #	DESCRIPTION	UNIT PRICE	AMOUNT
1	M4000U-D-2	M4000 Upgrade with Ethernet communications and 2 pumps	\$15,445.00	\$15,445.00
1		Trade in credit for M3000	(\$4,495.00)	-\$4,495.00
SUBTOTAL				\$10,950.00
START-UP TRAINING BY QT POD				\$0.00
SHIPPING & HANDLING				\$295.00
TOTAL DUE				\$11,245.00
DEPOSIT				\$0.00
GRAND TOTAL				\$11,245.00

**NOTE: The M4000 Self-Serve Fueling Terminal requires a subscription to QT POD's cloud based software platform in order to be operable. In the event Purchaser is a merchant/dealer, it shall advise end users of this fact prior to sale.**

TERMS: The purchase price for each Unit shall be the amounts entered above. Purchaser acknowledges that QT Petroleum on Demand (QT) builds each Unit to order. Purchaser agrees to pay QT the Purchase Price pursuant to the terms of this Purchase Agreement which are as follows: fifty percent (50%) of the Unit Price is due upon completion of the order and the Remaining Balance (including shipping and handling) is due prior to shipping unless credit terms are approved by QT. If credit terms are extended by QT, Purchaser shall remit payment as set forth in QT's invoice. All units will be shipped F.O.B. point of shipping. Payment is not subject to any other conditions including but not limited to when the equipment is to be installed, or any other agreement between the purchaser and any third party. In the event QT provides on-site commissioning service assistance, the commissioning service charges are due immediately upon demonstration that each Unit operates as described in the Unit Documentation. In the event Purchaser cancels this order after the equipment has been shipped a restocking fee of 10% of the purchase price will be charged. Title to each Unit shall not transfer to Purchaser until payment in full is received. In the event payment is not made as agreed, the outstanding balance shall accrue interest at the rate of 1.5% per month until paid. If QT takes any steps to collect on Purchaser's account, including retaining an attorney, Purchaser shall pay all costs of such collection efforts, including reasonable attorney fees. Purchaser understands and agrees that in the event of non-payment of any amount due, QT may deny access to its cloud-based software platform, rendering the Unit(s) in operable, and/or repossess the Unit(s) at QT's sole option. In the event Purchaser has not fully paid for the Unit(s) as set forth herein within five (5) days after receiving written notice from QT, its attorneys, or collection agents, Purchaser shall permit QT to repossess the Unit(s), and shall cooperate with QT and its agents in doing so. All applicable taxes are the responsibility of the buyer.

I have read and the I have read the above statement and agree to the purchase terms.

Authorized Purchaser:

Title:

Date:

\_\_\_\_\_



**QTPetroleum on Demand M4000  
FUEL TERMINAL PURCHASE AGREEMENT**



4909 Nautilus Court N. #109  
Boulder CO 80301  
(303) 444-3590  
Fax (303) 444-8736

**Purchaser:**

Pease Development Authority  
Division of Ports & Highways  
555 Market St.  
Portsmouth, NH 03801

**Ship to:**

Portsmouth Fisherman's Pier  
555 Market St.  
Portsmouth, NH 03801

Date: 1/27/2020

CUSTOMER PO#	TERMS	REQUESTED DELIVERY DATE	SHIP VIA	SALES REP
	Net 30	ASAP	UPS-Ground	

Qty	MODEL #	DESCRIPTION	UNIT PRICE	AMOUNT
1	M4000U-D-PIE	M4000 Upgrade with Ethernet communications and PIE	\$16,495.00	\$16,495.00
1		Trade in credit for M3000	(\$4,495.00)	-\$4,495.00
1		PIE Dbox	\$900.00	\$900.00
SUBTOTAL				\$12,900.00
START-UP TRAINING BY QT POD				\$0.00
SHIPPING & HANDLING				\$295.00
TOTAL DUE				\$13,195.00
DEPOSIT				\$0.00
<b>GRAND TOTAL</b>				<b>\$13,195.00</b>

**NOTE: The M4000 Self-Serve Fueling Terminal requires a subscription to QT POD's cloud based software platform in order to be operable. In the event Purchaser is a merchant/dealer, it shall advise end users of this fact prior to sale.**

**TERMS:** The purchase price for each Unit shall be the amounts entered above. Purchaser acknowledges that QT Petroleum on Demand (QT) builds each Unit to order. Purchaser agrees to pay QT the Purchase Price pursuant to the terms of this Purchase Agreement which are as follows: fifty percent (50%) of the Unit Price is due upon completion of the order and the Remaining Balance (including shipping and handling) is due prior to shipping unless credit terms are approved by QT. If credit terms are extended by QT, Purchaser shall remit payment as set forth in QT's invoice. All units will be shipped F.O.B. point of shipping. Payment is not subject to any other conditions including but not limited to when the equipment is to be installed, or any other agreement between the purchaser and any third party. In the event QT provides on-site commissioning service assistance, the commissioning service charges are due immediately upon demonstration that each Unit operates as described in the Unit Documentation. In the event Purchaser cancels this order after the equipment has been shipped a restocking fee of 10% of the purchase price will be charged. Title to each Unit shall not transfer to Purchaser until payment in full is received. In the event payment is not made as agreed, the outstanding balance shall accrue interest at the rate of 1.5% per month until paid. If QT takes any steps to collect on Purchaser's account, including retaining an attorney, Purchaser shall pay all costs of such collection efforts, including reasonable attorney fees. Purchaser understands and agrees that in the event of non-payment of any amount due, QT may deny access to its cloud-based software platform, rendering the Unit(s) in operable, and/or repossess the Unit(s) at QT's sole option. In the event Purchaser has not fully paid for the Unit(s) as set forth herein within five (5) days after receiving written notice from QT, its attorneys, or collection agents, Purchaser shall permit QT to repossess the Unit(s), and shall cooperate with QT and its agents in doing so. All applicable taxes are the responsibility of the buyer.

I have read and the I have read the above statement and agree to the purchase terms.

Authorized Purchaser:

Title:

Date:

\_\_\_\_\_



Franklin G. Torr  
1 Old Littleworth Road  
Dover, NH 03820

April 11, 2020

Chairman Peter Schmidt  
Strafford County Delegation  
259 County Farm Road, Suite 204  
Dover, NH. 03820

Dear Chairman Schmidt,

It is with conflicted emotion that I submit my resignation as the Strafford County representative to the Pease Development Authority effective upon approval of a replacement.

During my nine years on the Board, I have seen many accomplishments. The land development has been a great success. The airport will continue to move forward under the new leadership team guided by Paul Brean. My hope is that it will carry forth to the Skyhaven Airport. The Ports and Harbors continue strong under the guidance of Captain Marconi. The Authority is a key component to continued development in this region bringing employment and a robust economic climate.

I would be remiss if I didn't acknowledge the dedicated and professional staff for their work. They made it easy for the Board to look good and are an integral piece of the success of Pease.

I would like to thank the Strafford County Delegation, our State Senators, the Speakers of the House and the Governors who approved my terms on the Board.

It has been an honor and a pleasure to able to work with so many highly esteemed colleagues over the years. I wish you many more years of continued growth and success.

Respectfully,



Frank

cc: Kevin Smith, Chairman  
Dave Mullen, Executive Director  
Ray Bower, County Administrator



