

**PEASE DEVELOPMENT AUTHORITY**  
**Thursday, August 22, 2019**

**PUBLIC AGENDA**

**Time: 10:30 a.m. - BOARD OF DIRECTORS' MEETING**

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

**AGENDA**

- I. Call to Order:
  
- II. Acceptance of Meeting Minutes: June 20, 2019\*
  
- III. Public Comment:
  
- IV. Committee Meetings:
  - A. Reports:
    - 1. Residential Housing Committee Agenda \*
  
- V. Old Business:
  - 1. Farley White \*
  
- VI. Finance:
  - A. Reports:
    - 1. FY 2019 Financial Report for the Twelve Month Period Ending June 30, 2019 (Preliminary) \*
    - 2. Cash Flow Projections for the Nine Month Period Ending April 30, 2020 \*
    - 3. Revolving Loan Fund \*
  
- VII. Licenses/ROE/Easements/Rights of Way:
  - A. Reports:
    - 1. Big Brothers Big Sisters – 62 Durham Street \*
    - 2. National Visa Center - 100 New Hampshire Avenue \*
  
- VIII. Leases:
  - A. Reports:
    - 1. Sublease between 222 International, Limited Partnership and Seacoast Business Machines, Incorporated \*
    - 2. Sublease between 200 International, Limited Partnership and Landry Architects, PLLC \*

3. Sublease between 2 International Group, LLC and HII Fleet Support Group, LLC \*
4. Next Level Now, Inc. – Exercise of Renewal Option \*

B. Approvals:

1. Northeast Rehabilitation Expansion – Concept Plan \* (Loughlin)

IX. Contracts/Agreements:

A. Reports:

1. Sea Wall Failure - Portsmouth Commercial Fish Pier – Appledore Marine Engineering \*
2. Purchase of Replacement Computers from Dell \*
3. Solar Feasibility Study - Competitive Energy Services, LLC (CES) \*

B. Approvals:

1. Allied Equipment, LLC – Weedtechnics Model SW800 Steamwand System for Weed Control \* (Levesque)
2. NRC East Environmental Services, Inc. - Emergency Spill Response & Waste Disposal Services \* (Torr)

X. Signs:

A. Reports:

1. 325 Corporate DR II, LLC – Signage Change \*

XI. Executive Director's Reports/Approvals

A. Reports:

1. Golf Course Operations
2. Airport Operations
  - a) Portsmouth International Airport at Pease (PSM)
  - b) Skyhaven Airport (DAW)
  - c) Noise Line Reports (June and July) \*

B. Approvals:

1. Bills for Legal Services \* (Loughlin)
2. IT Director – New Position \* (Lamson)
3. Security Specialist/Trusted Agent-- New Position \* (Allard)
4. Acceptance of potential Congestion Mitigation Air Quality (CMAQ) grants \* (Bohenko)

XII. Division of Ports and Harbors:

A. Reports:

1. Port Advisory Council – Meeting Minutes of May 8, 2019 \*
2. Commercial Mooring for Hire Permit Application – Kittery Point Yacht Club \*
3. Request to Transfer Commercial Mooring – Adam Baker to Jason Townsend \*
4. Portsmouth Fish Pier Sea Wall Update – Appledore Marine Engineering Report \*

5. Jocelyn Marine Services, Inc. – Right of Entry Renewal \*
6. Kokosing Industrial, Durocher Marine Division – Right of Entry for use of the Market Street Terminal premises \*
7. LS Cable America Ltd. – Right of Entry for use of the Market Street Terminal premises \*

XIII. Special Events:

A. Report \*

1. September 2, 2019 - St. Charles Children's Home 5k run,
2. September 7, 2019 - Newington School Supporters 5 mile run; and
3. September 28, 2019 - Bottomline Technologies 5k run.

XIV. New Business:

XV. Upcoming Meetings:


Board of Directors	September 19, 2019 @ 8:00 a.m.
Residential Housing Committee	September 19, 2019 @ TBD

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

XVI. Directors' Comments

XVII. Adjournment

XVIII. Press Questions

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





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

**Thursday, June 20, 2019**

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

**I. Call to Order**

Chairman Smith called the meeting to order at 8:35 a.m. in the Board conference room on the Pease International Tradeport at 55 International Drive, Portsmouth, New Hampshire.

**II. Acceptance of Meeting Minutes: May 16, 2019**

Director Allard moved and Director Lamson seconded that the Pease Development Authority Board of Directors hereby accepts the minutes of the May 16, 2019 Board meeting.

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

**III. Non-Public Session**

Director Lamson moved and Director Torr 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 the following:

1. Personnel matters (Hiring/Firing/Compensation),
2. Security Matters; and
3. Sale or lease of property.

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

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

**Non-Public Session started at 8:37 a.m.**

**Non-Public Session ended at 10:12 a.m., took a short break and resumed the public session at 10:22 a.m.**

**IV. Vote of Confidentiality**

Director Levesque moved and Director Torr seconded that pursuant to NH RSA 91-A:3, Paragraph III, the Pease Development Authority Board of Directors hereby determines that the divulgence of information

discussed at the non-public session with the exception of item XI. (B)(2) of its June 20, 2019 meeting related to:

1. Personnel matters (Dismissal, promotion or compensation of public employee),
2. Security matters; and
3. Sale or Lease of Property

would, if disclosed publically, a) affect adversely the reputation of any person other than a member of the public body itself; b) render the proposed actions ineffective; c) compromise the emergency functions pertaining to security;

and agrees that the minutes of said meeting be held confidential until, in the opinion of a majority of the Board of Directors, the aforesaid circumstances no longer apply.

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

#### V. Public Comment

There was no public comment.

#### VI. Finance

##### A. Reports

##### 1. Operating Results for Nine Month Period Ending April 30, 2019

Finance Director Irving Canner (Canner) indicated that the internal auditors, Berry Dunn, spent last week at PDA, returning on June 28<sup>th</sup> for the physical inventories and will return the first week of September to do its final work. Canner indicated that there have been no findings.

The trends that have been discussed have remained consistent and the operating revenues are up by approximately 6.7% due to changes in fee revenues (pay-for-parking, golfing by non-members and wharfage and dockage fees) and fuel sales. Of note, the pay-for-parking was supposed to commence in July of 2018 but did not start until January of 2019. Fee revenues have been offset by escalating operating costs (which is approximately 3.9% over budget) driving by consummation of services and the CLF settlement, but the fuel sales and the operating income are above projected budgeted amounts. Total number of employees on the chart indicate 146, but as of this week we are at 154 employees in this current pay period (increase include seasonal personnel). The organization chart shows one open position (indicated in red under maintenance); 62 filled positions with 51 positions here at PDA.

Director Lamson asked Airport Director Paul Brean (Brean) a question regarding the equipment operator position in maintenance. Brean's responds is that the position currently being advertised is a heavy equipment operator (snow plowing, grass maintenance etc.).

Canner indicated that the balance sheet shows the income statement as a way to explain the changes in the cash balances covering the capital expenditures (barge dock, terminal and runway at Pease, and the pay-for-parking equipment). This document shows that the reconciliation done monthly is a manner in which to gain a better understanding of changes in cash balances. PDA has not had to draw on the Revolving Line of Credit

(RLOC) of \$15 million dollars that it has through December 2022; it is not anticipated that we will have to utilize the RLOC until approximately the first quarter of next year.

For more specific information, the Portsmouth Airport increases are due to the pay-for-parking and fuel flowage fees which were two new revenue streams introduced in FY19. The month of May indicates approximately 20,000 enplanements greater than last year (50% increase from last year).

Regarding Skyhaven, Canner indicated it is holding its operating budget and its revenues are in line with the budget (within \$2,000), which displays good control of its operations.

With respect to Golf, operating revenues have increased by approximately 7% which results in an increase in the overall operating number. The operating budget is broken up to between golf, food & beverage, and the simulator. Contributing factors to the increase in the overall operating numbers is that the simulators represent about 20% of revenues and 60% of profit; and actual rounds of golf played by non-members is up about 12%.

Regarding the Port Authority, unrestricted funds shown under fee revenue indicates an increase in the wharfage and docking fees, as well as fuel sales, representing the contributing factors to the increase in revenue.

Director Lamson congratulated the Airport Director with the enplanements that we have had.

## **2. Nine Month Cash Flow Projections to February 29, 2020**

Canner indicated an anticipated decrease in cash balances from June 2019 to the end of February 2020. This decrease will be due primarily to the use of \$5.7 million on capital expenditures and non-related grant activity. Of this amount, \$5.2 million is related to the terminal; we will start to see expenditures going heavy in the near future regarding the terminal project. The indication under use of funds is capital non-grant funds would primarily be the airport project.

We will be making two municipal services fee payments to the City. This coming January, PDA will be making its final long-term debt payment to the City which relates to the Wastewater Treatment Facility (20 year obligation at 4.5/4.6%); estimating PDA will have no debt on the books as of January.

Subtle decrease in cost of money and operating budget projection; has assumed a 5.4% increase rate assumption to manage long-term debt.

Chairman Smith left the meeting at approximately 10:33 a.m. and returned to the meeting at approximately 10:36 a.m.

### **B. Approvals**

#### **1. FY 2020 Operating Budget and FY 2021 – FY 2023 Forecast**

Director Torr moved and Director Allard seconded that **the Pease Development Authority Board of Directors hereby accepts the proposed FY 2020 Operations and Maintenance (O & M) Budget and FY 2021 – FY 2023 O & M Forecast; all in accordance with the documentation submitted by Irving Canner, Finance Director.**

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

**VII. Licenses/ROE/Easements/Rights of Way**

**A. Reports**

**1. Enterprise Rent-A-Car of Boston LLC – 35 Airline Avenue**

Executive Director Mullen indicated that Enterprise has taken a six (6) month License to operate its rental car facility located on 35 Airline Avenue.

**2. Deal Rent-A-Car, LLC - Right of Entry for Terminal Space**

Executive Director Mullen indicated that Deal Rent-A-Car has taken Right-of Entry for terminal space in anticipation of the Board's approval of its lease.

Director Allard inquired about this tenant and Brean responded they are a division of Key Auto here in Portsmouth.

**3. New Hampshire Air National Guard – Exercise Extension of Right of Entry for Mobile Air Traffic Control Tower to March 2, 2024**

Executive Director Mullen indicated that NH Air National Guard has exercised an extension on its Right of Entry for the Mobile Air Traffic Control Tower.

**4. Jalbert Leasing, Inc. d/b/a C & J Bus Lines – Exercise Extension of Right of Entry through October 31, 2019**

Executive Director Mullen indicated that Jalbert Leasing has exercised an extension on its Right of Entry for overflow parking on two (2) additional lots which had been utilized seasonally and now they are using throughout the year.

**B. Approvals**

**1. Experimental Aircraft Association “EAA 225” – Right of Entry at Skyhaven Airport (DAW) through June 30, 2019 with a request of the Board to extend through December 31, 2019**

Director Allard moved and Director Torr seconded that **the Pease Development Authority Board of Directors hereby authorizes the Executive Director to execute a Right of Entry with New England Seacoast Region Chapter 225 of the Experimental Aircraft Association (EAA) at Skyhaven Airport for the purpose of staging and hosting EAA 225 Young Eagle Flight Rally events through December 31, 2019; all in accordance with the Right of Entry dated May 16, 2019.**

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

2. U.S. Coast Guard – Right of Entry at 14 Aviation Avenue through June 30, 2020

Director Lamson moved and Director Torr seconded that the Pease Development Authority Board of Directors hereby approves of and consents to issuing a Right of Entry (“ROE”) to the United States Coast Guard (“USCG”) for long term parking at 14 Aviation Avenue for the purpose of utilizing 75 ± designated motor vehicle parking spaces from July 22, 2019 through July 31, 2020; all in accordance with the memorandum of Paul E. Brean, Airport Director, dated June 13, 2019.

Discussion: Director Lamson indicated she was pleased as they were previously in New Castle. No further discussion. Disposition: Resolved by unanimous vote for; motion carried.

VIII. Signs

A. Approvals

1. 119 International, LLC

Director Lamson moved and Director Allard seconded that the Pease Development Authority Board of Directors hereby approves of the proposed signs for 119 International, LLC, for the premises located at 119 International Drive, 15 Rye Street and 19 Rye Street; all in accordance with the memorandum of Maria J. Stowell, P.E., Engineering Manager, dated June 7, 2019.

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

IX. Leases

A. Approvals

1. B & H Airpower, L.L.C. for Hangar 5 at Skyhaven Airport (DAW)

Director Levesque moved and Director Torr seconded that the Pease Development Authority Board of Directors approves of and authorizes the Executive Director to complete negotiations and to execute a lease with B & H Airpower, L.L.C. for the purpose of storage and operation of its corporate Cessna 525 Citation Jet and BE-55 Beech Baron for the premises known as Hangar 5 located at Skyhaven Airport (DAW); substantially in accordance with the memorandum from Andrew Pomeroy, C.M. Airport Operations Manager, dated June 14, 2019.

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

2. Deal Rent-A-Car, LLC – Car Rental Concession Lease and Operating Agreement for terminal space

Director Torr moved and Director Allard seconded that the Pease Development Authority Board of Directors authorizes the Executive Director to enter into a Car Rental Concession Lease and Operating Agreement with Deal Rent-A-Car, LLC, substantially in the form attached hereto for the purpose of providing rental car services at the Portsmouth International Airport at Pease.

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



## **X. Contracts/Agreements**

### **A. Reports**

- 1. Purchase of Replacement Computers from Dell**
- 2. Purchase of Used Greens Roller**
- 3. Builder's Risk Insurance / Terminal Expansion Project**

Executive Director Mullen reported that Director Peter Loughlin authorized the purchase of replacement computers from Dell in the amount of \$6,004.36 and that Director Robert Allard authorized the purchase of a Used Greens Roller for the Golf Course in the amount of \$7,500.00. Mullen further reported with respect to the Terminal Expansion Project the purchase of Builder's Risk Insurance in the amount of \$14,641.00.

### **B. Approvals (LATE/NEW ITEM)**

- 1. Purchase of a 2020 Chevy Tahoe Replacement Vehicle for Airport Management \* (Torr)**

Director Torr moved and Director Lamson seconded that the **Pease Development Authority Board of Directors hereby approves of and authorizes the Executive Director to purchase a 2020 Chevrolet Tahoe from MacMulkin Chevrolet of Nashua, NH in the amount of \$37,609.00 all in accordance with the memorandum of Paul Brean, dated June 18, 2019.**

Discussion: Chairman Smith inquired to the size of the PDA fleet; how many vehicles does PDA have. Brean indicated for light equipment we have approximately 3 SUVs, 8 heavy duty pick-up trucks, and everything else is heavy equipment for maintenance. Chairman Smith asked if we lease any of the vehicles or if they are purchased. Brean responded that the PDA does not lease the vehicles and the normal lifecycle is approximately 20 years on a fleet vehicle. Brean further stated that PDA still has two 1988 Chevy trucks as part of the fleet. PDA has skilled technicians who maintain the fleet in an effort to increase the lifespan of the vehicles. Chairman Smith indicated that the Town of Londonderry has moved to leasing all of its vehicles, though the ones with extenuating lifespans Londonderry still purchases. However, if it is 10 years or less the vehicle is being leased. Brean indicated that the major issue faced by PDA is the need to equip the vehicles with packages (radios, lights etc.) so that they can operate on the airfield and most leasing companies do not want that change to the platform. No further discussion. None. Disposition: Resolved by unanimous vote for; motion carried.

## **XI. Executive Director's Reports/Approvals**

### **A. Reports**

- 1. Golf Course Operations**

Golf Course General Manager Scott DeVito (DeVito) indicated that despite the weather, since May there have been only two days that have been missed (two leagues couldn't play). All events that have been held to date have signed up again for the 2020 season. It has been one of the busiest seasons. DeVito indicated that new technology is being added which is anticipated to be up and running by the next meeting (online store which will be live and new equipment will be installed for a livestream off the first tee which will hopefully be integrated into the website). There has been approximately 48,000 rounds played in the fiscal year and are hoping with the cooperating of the weather to get another 3,000 rounds in to go over a total of 50,000 rounds again this year.

Director Allard indicated to DeVito that he has been informed that the Blue 9 is being used as much the other 18. DeVito affirmed that statement and further stated that the event at the course today is on the Blue course; the Blue Course probably hosts about 25% of the events. At the April Golf Committee meeting last year it was determined that the Blue Course was utilized just under 33% (both revenue and rounds played on that course). Director Allard asked if that course was promoted. DeVito indicated it is a luxury having it; when there is an event, such as today, there is regular play available to walk or ride and a great tool to keep the course affordable.

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

## 2. **Airport Operations**

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

Airport Director Paul Brean indicated that May is historically a slower month but the airport was strong. Allegiant extended some of its services to Punta Gorda and Orlando. There were approximately 18,000 passengers through the terminal which equates to 8,000 enplanements with a rough distribution between charter Department of Defense flights and commercial activity. Currently above last year's numbers by about 20,000 enplanements. Fuel flowage fee and revenue parking are running strong. It has been determined that the duration time for travel in the spring decreases which is indicated by purchased parking tickets for seven (7) days in the winter and the spring parking tickets are ranging from three (3) to four (4) days.

Allegiant started its Savannah service on June 8<sup>th</sup> and Myrtle Beach on June 6<sup>th</sup>; 30 rental cars per flight are being rented in Portsmouth.

Frontier is suspending its Orlando service on July 6<sup>th</sup>, the market responded well to its business and it is hoped that Frontier will come back for the winter.

Overall, not just Portsmouth but nationally there is an uptick in corporate aviation activity beyond 2008 numbers, recognized by transient traffic at Portsmouth.

Terminal project has mobilized and identifying the construction area with fencing and setting up construction trailers etc.

Brean spoke to working with Director Marconi in assisting a port customer on the storage of property for overflow at two locations (port and North Apron) and the inter-department collaboration between the Port and Airport.

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

There are two (2) larger aircraft leasing space at Skyhaven.

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

There were a total of nine (9) noise inquiries in May, 2019. Seven (7) were complaints about noise; five (5) inquiries (from a Portsmouth resident) were for rotor-wing aircraft and two (2) inquiries were for fixed wing

(1 of which was concerning the departure of 16 F-16's being deployed). The remaining two (2) inquires concerned different aviation issues.

Director Allard asked Brean when the terminal project would be completed; Brean consulted with Engineering Manager Maria Stowell (Stowell) who indicated end of 2020. Brean further indicated that there is no operational impact anticipated due to the project.

Director Lamson indicated a good job being performed by Brean and Stowell regarding the terminal project.

**B. Approvals**

**1. Personnel Policies**

- a) Merit and COLA Adjustments
- b) Maximum Annual Leave Accrual in Twelve (12) Month Period
- c) Maximum Annual Leave Accrual Carry Forward
- d) Holiday Leave
- e) Declination of Health Benefits

Director Allard moved the motion as presented and Director Torr seconded that the Pease Development Authority Board of Directors hereby adopts the following modifications to the PDA Employee Handbook, and authorizes the Executive Director to implement the same as follows:

- 1. Change Annual Leave Policy to indicate:
  - a. any employee currently accruing more than twenty-four (24) days per year will retain their current annual accrual rate, but will not receive any additional days for additional service years; and
  - b. all other benefitted employees, and any new benefitted employee, shall accrue annual leave to a maximum annual rate of twenty-four (24) days;
- 2. Change Maximum Annual Leave Policy to indicate any employee who reaches their maximum annual leave accrual during the calendar year will continue to accrue their pro-rated accrual each pay period through December 31<sup>st</sup> of such year and may use such time subject to general policies of coordination. In each instance the first payroll of the following calendar year will reflect only the maximum permitted accrual to be carried over;
- 3. Change Merit and COLA Adjustments Policy to indicate salary increases to be based on merit and funding, and shall not exceed two percent (2%) per year without the advance approval of the Executive Director. In addition, PDA will adopt an annual COLA adjustment to provide on July 1<sup>st</sup> of each year, full time benefitted PDA employees shall receive a COLA based on the U.S. Bureau of Labor Statistics Employment Cost Index for wages and salaries for state and local government workers not to exceed 1.5%;
- 4. Change Holiday Leave Policy to indicate that PDA Employees will receive eleven (11) paid holidays and two (2) floating holidays for a total of thirteen (13) holiday leave days. The floating holidays do not accrue and must be used in whole day increments during the fiscal year of July 1 to June 30; and



5. Adopt and implement a new policy regarding Payment for Declining Medical Coverage for PDA to pay, subject to review of implications for retiree health benefits and a statutory authority determination by the NHDOJ, to allow eligible employees who decline PDA medical benefits upon employment or at any open enrollment period and obtain such benefits from another provider said employee is compensated ten percent (10%) of the annual premium for the qualifying plan available (single, two person or family plan).

Items 1 through 4 to become effective July 1, 2019, all in accordance with the memorandum of Lynn Marie Hinchee, Deputy Director and General Counsel, dated June 13, 2019 attached hereto. Item 5 to become effective following consultation with the NH Retirement System and NHDOJ as to authority.

Discussion: Director Lamson indicated that the presentation was well done and to the point so all Directors could understand what was presented. No further discussion. Disposition: Resolved by unanimous vote for; motion carried.

## 2. Engagement of PDA Deputy Executive Director/PSM Airport Director

Director Allard moved and Directors Lamson and Levesque (simultaneously) seconded that in accordance with the provisions of Section 3.11 of the Second Amendment to By-Laws of the Pease Development Authority, the Pease Development Authority Board of Directors authorizes the Executive Director to negotiate and execute an Employment Agreement with Paul E. Brean for a five (5) year term commencing July 1, 2019, for the Position of PDA Deputy Executive Director and PSM Airport Director.

Discussion: Chairman Smith indicated that he is very happy to see the Board engaging Paul Brean in this contract and he has done yeomen's work at the airport. This puts PDA on solid footing for the future and planning for the future and through succession planning. This contract would become effective July 1, meaning that Lynn Marie Hinchee (Hinchee) would be stepping down from her role as Deputy Director while still remaining on staff as PDA General Counsel. Accolades provided to Hinchee on the job she has done at PDA as Deputy Director. She has served PDA well and as Director Lamson indicated earlier, Hinchee has always been looking out for the best interests of PDA.

Director Lamson reiterated that she is pleased as Brean sees a vision of long-range planning at the Airport and what the mission was meant to be.

No further discussion. Disposition: Resolved by unanimous vote for; motion carried.

## 3. Bills for Legal Services

- a) Sheehan, Phinney, Bass & Green, P.A. in the amount of \$29,870.50

Director Levesque moved and Director Torr seconded that the Pease Development Authority Board of Directors authorizes the Executive Director to expend funds in the total amount of \$29,870.50 for legal services rendered to the Pease Development Authority from Sheehan, Phinney, Bass & Green.

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

## **XII. Division of Ports and Harbors**

Geno J. Marconi, Division Director of the Division of Ports and Harbors (DPH) reported on Division activities as representing the current business at the Division of Ports and Harbors (“DPH”).

### **A. Reports**

#### **1. Port Advisory Council Minutes of April 10, 2019**

Geno Marconi (Marconi), Division Director, reported that the Port Advisory Council met April 10, 2019 and the approved minutes are included in the agenda.

#### **2. Les Eastman-Charter ROE, Hampton**

Marconi, Division Director, reported that this is the second year that this ROE has been done. The reason behind this request is the filling in of Seabrook Harbor, and Eastman’s is on the far part of that harbor. There have been a couple of times that Eastman has been unable to get his boat into the dock to get his passengers off due to the shoaling that is going on there, cause issues trying to run a schedule with the boat. As managers of the harbor, this is a concern for navigation and a concern for safety of the boat and its passengers. This ROE is being done in advance, due to the fact that twice last summer there were times that Eastman had to utilize the dock on the Hampton side where the water was safe to bring the passengers in and discharge them while waiting for the tide to come back in to get back into sea. The Corp of Engineers will begin dredging Hampton / Seabrook Harbors in mid-October.

#### **3. Commercial Mooring Transfers**

a)	<b>Rye Harbor</b>	<b>Permit No. 950</b>	<b>Business</b>	<b>Date of Approval</b>
	<b>Transferor:</b>	<b>Andrew Widden</b>	<b>Commercial</b>	<b>6/4/19</b>
	<b>Transferee:</b>	<b>Adam Baker</b>		
b)	<b>Seabrook Harbor</b>	<b>Permit No. 6933</b>	<b>Business</b>	<b>Date of Approval</b>
	<b>Transferor:</b>	<b>Norman Pike</b>	<b>Commercial</b>	<b>6/4/19</b>
	<b>Transferee:</b>	<b>Alexander Gonzalez</b>		

Marconi indicated that Commercial Mooring Transfers that have been requested met the Code of Administration of Rules and upon review by the Harbor Master a recommendation was made to the Executive Director who signed off on these through the Delegation of Authority.

#### **4. Portsmouth Fish Pier Sea Wall**

Marconi spoke to the Board about the Portsmouth Fish Pier, an issue that has come up unexpectedly. Marconi passed out a packet of information (memo and accompanying documentation). As background information, in January of 2018, Appledore Engineering submitted a report regarding a condition survey (this survey is performed every 10 years) for each facility. The survey is performed in an effort to plan ahead; each facility is inspected to determine the condition of the property and what may need to be addressed.

The Portsmouth Fish Pier (PFP) is approximately 40 years old (built in the late 70s). The survey indicated above stated that some of the PFP facility was in either poor or fair condition. Based on the report, DPH previously came to the Board seeking permission to do a Concept Study on either rehabilitating or

replacing the areas of concern. However, on May 20<sup>th</sup>, Marconi received a report from DPH staff stating that it appeared as though the steel bulkhead, behind the building, was moving away from the pavement (represented by the first photo attached to the report). Marconi further indicated that Appledore Engineering and all parties have been keeping their eye on the area as the separation is progressing significantly. Marconi indicated that he has been in contact with the Department of Public Works for the State as they were the original overseers of the construction of the project; a digital copy of the as-built plans were received from the State. The plans have been reviewed and indicate that the standard construction of the wall shows that 45' in from the face of the wall there is a series of anchors, then you have 2 1/8" tie rods that go out to a beam and then you go out to the seawall. Unlike the Hampton construction where the H beam was placed on the outside of the seawall with the tie rod pulling everything together, the PFP had the H beam on the inside of the seawall and then the wall was bolted (on each side of the U was a piece of metal plate with a 1" bolt) to the H beam. The condition survey that was performed (basically an x-ray of the plate and bolt area) indicated that the sheet piles are still substantially thick and that there has been some corrosion on the outside from the marine environment. The bolts looked pretty good from the outside, but then some of the bolts were beginning to pop. Upon further inspection, it was found that the head of the bolt itself and the backing plates (which are 10' under the ground) were good. However, the inside of the bolt had corroded away which is what is letting go. The fuel system inhibited the excavation necessary to inspect the bolts. The underground fuel lines are about 6' from edge of wall and run to the tanks in the parking lot to the fuel pump on the wall. The 1" bolt holding the sheet wall together has started to corrode and with the force of the land pushing against the wall, the pressure is causing the wall to become "unzipped". The first major concern was public safety; the floating docks (fuel and area where fishermen unload and put the bait on the boats) have been removed; added signage to indicate no docking and no fuel. The second major concern was environmental impacts due to the fuel system. Service provider (Lakes Region Environmental) came and purged the fuel lines, removed the fuel, the fuel dispenser and anything dealing with the fueling system. Unfortunately, the ground has settled compressing the conduit that the lines are located in, therefore the lines cannot be removed. Anticipating that the tie backs should still be in good serviceable condition, it is now necessary to go in and inspect prior to making a final determination. Test pits are going to be dug by the contractor next Tuesday or Wednesday. The inspection of the tie back system will assist in making a determination of the next phase and what needs to be done in order to fix the wall. Based on what was done in Hampton, the size difference between the PFP wall and the Hampton wall, as well as the increased costs in steel and construction, a cautious estimate to repair the wall would be between \$1 million to \$1.3 million.

Marconi noticed that it is necessary to minimize the impacts to the industry based out of PFP. A couple of years ago DPH worked with the State Fire Marshall and the City's Fire Department and came up with a system that allows fishermen to apply for a variance to allow them to get fuel directly from a tank truck. The National Fire Prevention Code prohibits fueling over the water directly from a tank truck. However; with this situation creating a hardship to the fishing industry and as both the fishermen and DPH's preapproved fuel vendors meet stringent requirements (including Coast Guard regulations for fueling ships) direct fueling is permitted. The fishermen are working together in coordinating loading, unloading and receiving fuel. Also, there are two hoists located on the wood dock (one is near the tall ice tower and the other is at the far end of dock). An additional temporary hoist has been added approximately 60' to 70' down the dock which should be operational sometime next week.

Two critical points to be addressed are: 1) what is the fix going to be; and 2) how is it going to be paid for. The fishermen have been busy on the phone making contacts through the state for funding and in turn Marconi has been receiving calls from the Governor, State Senators, Governor's Council etc. asking what is

going on at the PFP. A copy of the memo and attachments that was distributed to the Board have been provided to these individuals too. There seems to be support in Concord to try to find some funding when a remedial plan is in place.

Director Lamson indicated it was an excellent report.

Director Levesque inquired as to when the Board will know the results of the report; Marconi responded the test pits will be dug on Tuesday and Wednesday next week and it should be shortly after the testing has been completed that a report will be received. Testing involves cleaning off of the steel, banging on it with a hammer, and inspecting it.

Director Allard asked if there are funds (\$1 million dollars) in Concord that may be available for the PFP; Marconi responds that there is the Harbor Dredge Pier Maintenance Fund and there isn't a lot of money in there as some of those funds have been encumbered (i.e.; \$132,000 was appropriated with the signing of the Army Corp of Engineers for the dredging of Hampton/Seabrook). Director Allard indicated that this was not the fund he was referring to; Canner interjected the State Appropriation Fund of \$5 million dollars; Marconi indicated the Pier Expansion fund. Marconi further stating that DPH has been awarded the BUILD Grant from USDOT but the \$5 million has been allocated as the match to that grant. This means that USDOT won't award the final grant to rehabilitate the existing dock at the marine terminal, without certifying to USDOT that DPH has the funds.

Director Lamson asked about the location of the bait container. Marconi referenced an area on Exhibit 2 where the bait container is located.

Director Allard asked if the wall was moving. Marconi affirmed and further stated that the photo indicated as Exhibit 4 was taken on June 13<sup>th</sup>.

Director Levesque indicated that he viewed the area with Marconi on the 14<sup>th</sup> and it was much worse than depicted in the photo.

Director Allard indicated that the photos look horrific and is wondering what the fear is at this time. Marconi indicated that there is a concern about collapse and DPH is trying to see what can be done to stabilize so it does not progress. A couple of contractors have presented a different options to shore up the wall. The good news, from the investigation performed by Appledore, is the steel is good (the sheet piles are 45' long and are deep into the ground) so the strength of the steel is good. The steel is not allowing the wall to fall over (not saying that it won't fall over). DPH is looking at the options and focusing on having the pits dug to investigate the overall condition of the wall. Director Allard indicated that this looks like a pretty serious situation and doesn't think DPH wants to wait another year and a half to see what happens with the wall.

Marconi further indicated that the anchors for the tie back system are under the building.

Director Allard asked the length of the bolt which was shown to the Board. Marconi referenced a large mounted plan he brought but could not find the precise measurement of the bolt.

Director Levesque asked for confirmation that the property is owned by the State, Marconi affirms. Marconi further indicated that in 2002 the legislature turned the management of these properties over to DPH.



Director Allard further asked who is responsible for it, the State. Marconi indicates that when the transfer was occurring he made a comment to the Legislature that DPH had no problem managing the property but, “don’t give me a sinking ship without money to fix it”.

Marconi indicated that he has talked with Senator Martha Fuller Clark, Senator D’Allesandro (Chairman of the Finance Committee), Councilor Prescott and a couple Executive Councilors. The Governor has been provided with the report. He also knows that the fishermen have been making phone calls as well.

Director Allard indicated that he would think that the Governor, who is interested in selling the golf course, would be interested in the safety of the pier and Director Lamson affirmed.

Director Levesque indicated we have to wait to see the results of the test pits next week. Director Allard stated that if you are looking for a \$1 million dollars you can’t find that quickly.

Hinchee stated that Marconi has faced this issue before when it is necessary to look to the state for capital commitment; she reminds the Board that based on Federal Law and statute, PDA cannot contribute to any Port projects. There is an educational process and wanted to provide the Board with this information as they will undoubtedly be receiving calls regarding this matter.

Chariman Smith indicated that the next Board meeting is not until August and requested Marconi to keep the Board informed after the test pits have been dug and there is additional information. Marconi indicated he hopes to have that information within two weeks and will forward it to Director Mullen in an effort to keep the Board informed.

### **XIII. New Business**

No new business.

### **XIV. Upcoming Meetings**

Residential Housing Committee	July 18, 2019 @ 9:00 a.m.
Golf Committee	August 12, 2019 @ 8:00 a.m.
Finance Committee	August 12, 2019 @ 8:30 a.m.
Board of Directors	August 15, 2019 @ 8:00 a.m.

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

### **XV. Directors’ Comments**

Director Lamson indicated what a pleasure it was working with Stowell and the Engineering Department staff. Lamson invited the Board and public to view Sam Rowes Hill off Arboretum and extended a thank you to Lou Pickering who did the landscaping design; she further stated it shows how the Town of Newington and a government agency can work together on a project. Town of Newington’s responsibility is to water and monitor all 63 plantings. The Town has put up posts for a deer fence around the perimeter to keep the wildlife away from the vegetation. Stowell also extended thanks to Jared Sheehan from the Engineering Department

who worked with the landscaper to put it all in, as well as the Board who appropriated the money for the project.

Director Lamson reminded the Board that the Noise Compatibility meeting will be held tonight at 6:30 p.m. and that a report will be presented by Paul Brean and Sandy McDonough.

Director Torr asked if it would be possible to have future agendas printed double sided in an effort to save paper. Chairman Smith asked if there were any objections to double siding the agendas and no objections were received.

Chairman Smith complimented Raeline O'Neil since she has been in this position and stated that she is incredibly efficient in her communications and getting items to the Board in a timely manner; she has done a great job. Director Lamson affirmed to indicate an excellent job with the packets.

#### **XVI. Adjournment**

Director Torr moved and Director Allard seconded to **adjourn the Board meeting.**

Discussion: None. Disposition: Resolved by unanimous roll call vote for; motion carried. Meeting adjourned at **11:32 a.m.**

#### **XVII. Press Questions**

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

Respectfully submitted,



David R. Mullen  
Executive Director

PEASE DEVELOPMENT AUTHORITY  
Residential Housing Committee

PUBLIC AGENDA

Date: July 18, 2019  
Time: 9:00 A.M.  
Place: Pease Development Authority, 55 International Drive, Pease International Tradeport

- I. Call to Order (Smith)
- II. Approval of Minutes
  - A. Approve minutes of the May 23, 2019 meeting \*
- III. Public Comment
- IV. Old Business
- V. New Business
  - A. Letter from Department of Environmental Services to Air Force to order characterizations of PFAS and PFOA at Pease \*
  - B. Great Bay Community College (GBCC) – Update \*
- VI. Committee Discussion
  - A. Residential Uses as Accessory vs. Permitted
  - B. Challenges to Establishing a Housing Use at Pease (Matrix Summary) \*
- VII. Meeting Schedule
  - A. Next Meeting Agenda Topics
  - B. Committee Structure
- VIII. Public Comment
- IX. Adjournment
- X. Press Questions

- \* Related material attached  
\*\* Related material previously distributed  
\*\*\* Related material to be sent under separate cover







**John P. Dougherty**  
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E-mail: jdougherty@nutter.com

August 9, 2019  
106820-2

**By Email and Overnight Delivery**

Pease Development Authority Board of Directors  
55 International Drive  
Portsmouth, NH 03801

Re: Ground Lease to Farley White Pease, LLC  
90 and 100 Arboretum Drive, Newington, NH

Dear Members of the Board:

Farley White Pease LLC is the existing tenant under that certain Sublease dated February 12, 1999 pertaining to the property located at 100 Arboretum Drive (as amended, the "Existing Ground Lease"). Farley White and the PDA have been negotiating a new lease to enlarge the leased premises to accommodate the development of a new 73,000 square foot office building and to extend the term and rent accordingly. Although we have made substantial progress, we understand that certain provisions in the new lease require Board approval. Therefore, on behalf of Farley White, we hereby request approval of the following lease provisions:

**Section 4.1: Rent Commencement Date**

Farley White requests that the Rent Commencement Date be June 1, 2020 for the rent pertaining to the new building to be constructed at 90 Arboretum Drive. Until such time, Farley White will continue to pay rent for the building at 100 Arboretum Drive in accordance with the terms of the Existing Ground Lease. As of June 1, 2020, the rent for the 90 Arboretum Drive property will be at the 2020 rent level but the rent for the 100 Arboretum Drive property will continue at the 2019 rent level until the first rent adjustment for the entire property.

It is not financially feasible to commence the payment of rent on the new building while it is still under construction. When the addition to the existing building at 100 Arboretum Drive was constructed in 2013-2014, the PDA afforded Farley White a twelve month period before the new rent commenced. Both Farley White and PDA wish that the current project would have been completed and rent commenced by now. Unfortunately, however, there were unanticipated delays in obtaining the approvals to construct the new building. There were also delays in negotiating a new lease form where the existing lease could have simply been amended to extend the term, expand the leased premises and adjust the rent accordingly.

Section 18.8: Recognition

The PDA staff has indicated that Board approval is required to provide the right of recognition to the tenants in the new building at 90 Arboretum. The Existing Ground Lease provides recognition for all tenants in the building on the condition that those tenants are not in default and the cumulative rent from those tenants covers the rent under the ground lease. Sophisticated tenants will require recognition from the PDA before making a substantial investment in the new building. The Existing Ground Lease language is a standard market provision and does not adversely affect the PDA as recognition is only provided if the ground rent is paid to the PDA.

Section 19.3: Approval of Subleases

The PDA staff is requiring that the PDA approve all new leases entered into by Farley White for space in the buildings. This requirement is not in the Existing Ground Lease. This is not commercially reasonable and is administratively burdensome. Given the proposed first class nature of the project, the tenants that will enter into leases with Farley White will necessarily be well-capitalized and financially stable entities. Prospective tenants will have to comply with the permitted uses under ground lease and Farley White will need to pay the ground rent to the PDA.

Section 19.7(9): Insurance Proceeds

The Existing Ground Lease provides that a leasehold mortgagee controls any insurance proceeds paid in connection with a casualty affecting the Farley White building, including the right to apply those proceeds to pay down the leasehold mortgage loan. The PDA staff requires that Board approval be obtained to allow this provision in the new ground lease. Farley White's lender will not close without this language. If there is a casualty, the presumption is that the lender will release the proceeds for reconstruction. However, the lender is not willing to be contractually obligated to release the proceeds.

Section 27: Right of First Refusal

The PDA staff has offered a springing right of first refusal to Farley White to purchase the fee interest in the leased premises if the PDA grants such a right with respect to any other portion of the Pease International Tradeport. However, the PDA staff has indicated that Board approval would be necessary for this provision. As owner of the leasehold improvements, Farley White would logically be the most likely buyer of the underlying fee interest if the property were to be sold. Accordingly, Farley White requests that the Board approve the right of first offer.

August 9, 2019  
Page 3

Based on the foregoing reasons, we respectfully request the Board to approve these provisions to permit the project to proceed.

The scale and scope of the project will generate significant economic benefits to the community over the term of the lease and create many new jobs. Furthermore, the sophisticated design of the proposed building will be consistent with the top-notch nature of the Pease International Tradeport and an attractive enhancement to the area. Finally, other than the right of first refusal, the requested changes are not new issues but are contained in the Existing Ground Lease which is evidence that those provisions are reasonable, market provisions. These provisions do not require the PDA to assume new obligations for which it is not already responsible.

For your convenience, the applicable lease provisions that are the subject of this request are shown in the enclosed redlined pages. Thank you for your consideration of these important requests.

Very truly yours,



John P. Dougherty

JPD2  
Enclosures

4566781.2

ARTICLE 4.

GROUND AREA RENT – MUNICIPAL SERVICES FEE

4.1. Commencing on ~~January 1, 2020~~ ~~June 1, 2020~~ (“Rent Commencement Date”) and during each twelve (12) month period thereafter. Lessee shall pay to Lessor ground area rent (“Ground Area Rent”) at the following annual rate per acre:

- Year 1 \$17,475 per acre (see calculation on Exhibit C 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, and years 71 – 74)

The annual Ground Rent for the Premises will be based on the total useable acreage of 22.98 acres +/-, including in each instance setbacks and open space, but excluding any contiguous wetland area of

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.

18.8 ~~With respect to any authorized sublease entered into pursuant to the Individual Primary Lease, and existing and in effect on the Term Commencement of this Lease, the provisions of this Section 18.8 shall apply.~~ If for any reason this Lease and leasehold estate of Lessee hereunder is terminated by Lessor by summary proceedings or otherwise in accordance with the terms of this Lease and/or Lessor retakes possession of the Leased Premises, Lessor covenants and agrees that such termination of this Lease and/or retaking of possession shall not result in a termination of any building space lease entered into by Lessee prior to the effective date of such termination and/or retaking of possession, and any such building space lease shall continue for the duration of its term and any extensions thereof as a direct lease between Lessor hereunder and the tenant under such building space lease, with the same force and effect as if Lessor hereunder had originally entered into such building space lease as the landlord thereunder; provided, however, the provisions of this sentence shall apply only with respect to a building space lease which provides for a rent and additional rent which is greater than the rent and additional rent payable under this Lease, or if there is more than one building space lease with respect to the Leased Premises, only if the cumulative total of the rent and additional rent under all such building space leases shall exceed the rent and additional payable under this Lease, and provided further that the provisions of this sentence shall apply to a building space lease only if the tenant under such building space lease shall not be in default under its building space lease beyond any applicable notice and cure period, and shall attorn to Lessor. Any tenant under such building space lease shall not be named or joined in any action or proceeding by Lessor under this Lease to recover possession of the Leased Premises or for any other relief.

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, sublease, agent or assign.

19.2. Assignment. Lessee may assign its rights under this Lease, without the approval of Lessor; provided, however, that (i) any such assignment shall be subject to all the terms and conditions of this Lease, including but not limited to the provisions of Article 9, and (ii) no such assignment shall relieve Lessee from liability hereunder.

19.3. Subleases. ~~Lessee may enter into any sublease of the building area of the Leased Premises without Lessor's consent.~~ Lessee may not enter into any sublease of the Leased Premises without Lessor's prior written approval. A building space lease which includes an appurtenant right to use land area for parking or other purposes shall not be deemed to be a sublease of land area for purposes of this Section 19.3. Any request for Lessor's approval shall be made at least fourteen (14) days prior to the commencement of such tenancy and shall provide detailed information concerning the identity and financial condition of the proposed sublessee and the terms and conditions of the proposed sublease. Lessor shall not unreasonably withhold or delay its consent to such sublease if: (1) the use of the subleased premises associated with any sublease(s) is permitted under Article 9, (2) the sublease(s) are consistent with the terms and conditions of this Lease; provided, however, that Lessee may rent the subleased area at rentals deemed appropriate by Lessee, (3) Lessee remains primarily liable to Lessor to pay rent and to perform all other obligations to be performed by Lessee under this Lease, and (4) the proposed sublessee is financially and operationally responsible. In the event that Lessee enters into a sublease of the land area of the Leased Premises, and 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 Lessor upon receipt by Lessee; provided, however, that any rental received by Lessee during a period in which no rental is due to Lessor shall be paid in its entirety to Lessor. Lessor acknowledges and agrees that neither the preceding sentence nor the other provisions of this Section 19.3 shall apply to subleases pursuant to which Lessee is leasing one or more buildings (or portions of buildings) to direct tenants of Lessee notwithstanding the fact that under those subleases the tenants have the right to use some or all of the land area of the Leased Premises in connection with their use and enjoyment of the building(s) they are subleasing from Lessee.

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 land area 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

(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.

(9) Any provision of this Lease to the contrary notwithstanding, the proceeds from any insurance policies or arising from a condemnation or taking by eminent domain are to be held by any Leasehold Mortgagee and distributed pursuant to the provisions of this Lease {but the Leasehold Mortgagee may reserve its rights to apply to the mortgage debt all, or any part, of such proceeds attributable to the building or improvements constructed by Lessee upon the Leased Premises}.

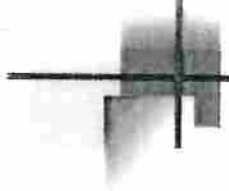
END OF ARTICLE 19

{ARTICLE 27.

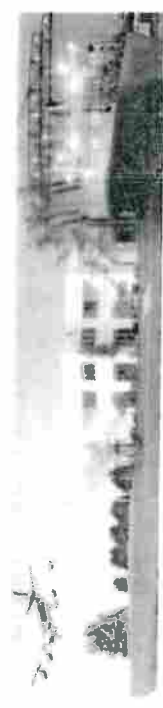
RIGHT OF FIRST REFUSAL

If at any time during the term of this Lease, or any applicable Extension Period, Lessor enters into any new lease or modification of an existing lease pertaining to any portion of Pease International Tradeport and includes in said lease a Right of First Refusal to purchase a fee simple interest in the relevant premises, then this Lease shall be deemed, without any further action by Lessor or Lessee, amended and modified such that Lessee shall receive the benefit of such Right of First Refusal to purchase these Leased Premises. Lessor shall provide notice to Lessee of granting such right of first refusal to a third party, but such failure to notify shall not be a condition to Lessee's right of first refusal being in full force and effect. The Parties agree that such failure of Lessor to notify shall not constitute a default and breach of this Lease by Lessor.}





**FY 2019 FINANCIAL REPORT  
FOR THE TWELVE MONTH PERIOD  
ENDING JUNE 30, 2019 (PRELIMINARY)**



**BOARD OF DIRECTOR'S MEETING  
AUGUST 22, 2019**



# CONSOLIDATED STATEMENT OF REVENUES AND EXPENSES 2

## FOR THE TWELVE MONTH PERIOD ENDING

### JUNE 30, 2019

(\$ 000's)

#### BUDGET VARIANCE ANALYSIS

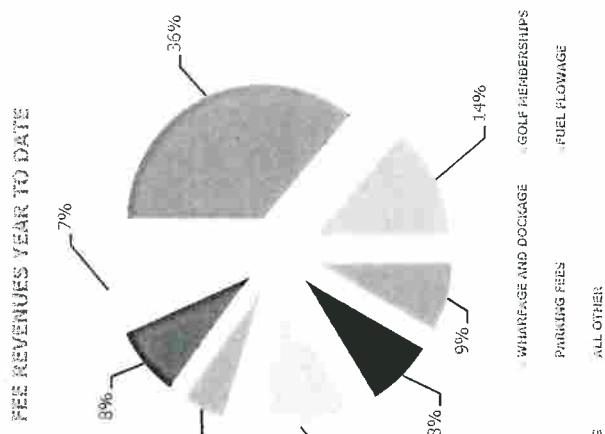
- \* OPERATING REVENUES-  
*HIGHER BY 6.7 %* ...
- \* TIMING DIFFERENCES ASSOCIATED WITH RENTAL OF FACILITIES, OFFSET BY INCREASES IN:
  - GOLF FEES- ESCALATION IN NONMEMBER ROUNDS PLAYED
  - CONCESSION REVENUES FROM GRILL 28 SALES
  - PSM PAY FOR PARKING DEFERRED FROM JULY 2018 TO JANUARY 2019
  - DPH AND DAW FUEL SALES
- \* OPERATING COSTS  
*HIGHER BY 2.6 %*...
  - DPH AND DAW FUEL EXPENSE HIGHER TO OFFSET FUEL SALES
  - HEALTH INSURANCE PRELIMINARY RATE STRUCTURE MODIFIED- OPEB IMPACT
  - COMPREHENSIVE FY 2018 YEAR END CUT-OFF PROCEDURES
  - INCLUDES \$800 CLF LITIGATION SETTLEMENT- ATTORNEY FEES
  - BENEFITED EMPLOYEE OVERTIME IN SUPPORT OF INCREASED GOLF AND WHARFAGE ACTIVITIES (DPH).

	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	CURRENT YEAR BUDGET
OPERATING REVENUES <i>(PAGE #3)</i>	<u>10,248</u>	<u>15,224</u>	<u>1,024</u>	<u>15,224</u>
OPERATING EXPENSES				
PERSONNEL SERVICES AND BENEFITS <i>(PAGE #4 AND #5)</i>	5,367	5,903	(536)	5,903
BUILDINGS AND FACILITIES MAINTENANCE	2,783	2,482	301	2,482
GENERAL AND ADMINISTRATIVE <i>(PAGE #6)</i>	1,191	1,207	(16)	1,207
UTILITIES <i>(PAGE #6)</i>	731	712	19	712
PROFESSIONAL SERVICES <i>(PAGE #6)</i>	1,450	911	539	911
MARKETING AND PROMOTION	182	315	(133)	315
ALL OTHER <i>(PAGE #6)</i>	<u>1,181</u>	<u>1,033</u>	<u>148</u>	<u>1,033</u>
OPERATING INCOME	<u>3,363</u>	<u>2,661</u>	<u>702</u>	<u>2,661</u>
NONOPERATING (INCOME) AND EXPENSE <i>(PAGE #7)</i>	(50)	130	(180)	130
DEPRECIATION	5,636	6,437	(801)	6,437
NET OPERATING INCOME	<u>(2,223)</u>	<u>(3,906)</u>	<u>1,683</u>	<u>(3,906)</u>

# CONSOLIDATED OPERATING REVENUES FOR THE TWELVE MONTH PERIOD ENDING JUNE 30, 2019

(\$ 000's)

	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VAR	CURRENT YEAR BUDGET
RENTAL OF FACILITIES	9,992	9,968	24	9,968
FEE REVENUES <i>(SEE PIE CHART)</i>	4,273	3,603	670	3,603
FUEL SALES <i>(SEE TABLE BELOW)</i>	879	704	175	704
CONCESSION REVENUE	414	400	14	400
GOLF MERCHANDISE	261	235	26	235
ALL OTHER- NET	429	314	115	314
	<u>16,248</u>	<u>15,224</u>	<u>1,024</u>	<u>15,224</u>



	ACTUAL SALES	BUDGETED SALES	BUDGET VARIANCE	ACTUAL COGS	BUDGETED COGS	BUDGET VARIANCE
<b>FUEL ANALYSIS</b>						
PORTSMOUTH FISH PIER	453	415	38	377	390	(13)
RYE HARBOR	170	105	65	155	99	56
HAMPTON HARBOR	191	120	71	156	113	43
SKYHAVEN AIRPORT	65	64	1	58	51	7
	<u>879</u>	<u>704</u>	<u>175</u>	<u>746</u>	<u>653</u>	<u>93</u>

# CONSOLIDATED PERSONNEL SERVICES AND BENEFITS FOR THE TWELVE MONTH PERIOD ENDING JUNE 30, 2019

(\$ 000s)

## CURRENT STAFF ANALYSIS (FILLED POSITIONS) AS OF JUNE 30, 2019

PERSONNEL SERVICES	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	CURRENT YEAR BUDGET	CURRENT STAFF ANALYSIS (FILLED POSITIONS) AS OF JUNE 30, 2019				
					Sub-Seq	HRV	HRV	SE	TOTAL
<b>PERSONNEL SERVICES</b>									
EMPLOYEES	3,485	3,461	24	3,461	0	4	0	30	34
NONEMPLOYEES	761	759	2	759	A	0	13	0	25
TEMPORARY	90	206	116	206					
Subtotal	4,336	4,426	(90)	4,426					
Contractors	4,799	4,886	(87)	4,886					
Subtotal	9,135	9,312	(177)	9,312					
Subtotal	13,471	13,738	(267)	13,738					
<b>FRINGE BENEFITS</b>									
HEALTH INSURANCE	1,236	1,206	30	1,206					
RETIREMENT	44	925	(881)	925					
DENTAL INSURANCE	87	84	3	84					
LIFE INSURANCE	27	25	2	25					
Subtotal	1,394	2,240	(846)	2,240					
Subtotal	14,865	15,978	(1,113)	15,978					
Subtotal	28,736	29,716	(980)	29,716					





**CONSOLIDATED NONOPERATING (INCOME) EXPENSE  
FOR THE TWELVE MONTH PERIOD ENDING  
JUNE 30, 2019**

(\$ 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	8	148	(140)	148	-	138
INTEREST INCOME AND OTHER	(58)	(18)	40	(18)	8	10
	<u>(50)</u>	<u>130</u>	<u>180</u>	<u>130</u>	<u>8</u>	<u>148</u>

PROVIDENT  
BANK- RLOC

CITY OF  
PORTSMOUTH

TOTAL



# CONSOLIDATED STATEMENTS OF NET POSITION

(\$ 000's)

	JUN 30 2019	JUN 30 2018	JUN 30 2019	JUN 30 2018
ASSETS	LIABILITIES			
CURRENT ASSETS	CURRENT LIABILITIES			
CASH AND EQUIVALENTS	7,550	6,134	2,180	1,593
ACCOUNTS RECEIVABLE- NET	1,102	2,058	-	2,423
OTHER ASSETS	583	500	512	681
TOTAL CURRENT ASSETS	<u>9,235</u>	<u>8,692</u>	207	207
RESTRICTED ASSETS				
CASH AND EQUIVALENTS	578	489	13,225	13,225
ACCOUNTS RECEIVABLES- NET	1,015	1,153	529	828
TOTAL RESTRICTED ASSETS	<u>1,593</u>	<u>1,642</u>	<u>13,754</u>	<u>14,053</u>
CAPITAL ASSETS				
LAND, BUILDINGS AND EQUIPMENT	61,248	55,030	16,053	18,957
CONSTRUCTION IN PROCESS (PAGES #10-#12)	2,989	2,026	-	-
TOTAL ASSETS	<u>64,237</u>	<u>67,056</u>	63,867	64,400
DEFERRED OUTFLOWS OF RESOURCES				
PENSION / OPEB	75,065	77,390	1,203	1,198
PENSION / OPEB	1,752	1,753	360	180
TOTAL NET POSITION	<u>1,752</u>	<u>1,753</u>	(7,881)	(8,214)
TOTAL NET POSITION				
RESTRICTED FOR:				
REVOLVING LOAN FUND				
HARBOR DREDGING				
FOREIGN TRADE ZONE				
UNRESTRICTED				
TOTAL NET POSITION	<u>57,574</u>	<u>57,574</u>	57,574	57,574

*CASH AND EQUIVALENTS  
AT JUNE 30, 2019*

UNRESTRICTED      RESTRICTED

PEASE DEVELOPMENT AUTHORITY  
GENERAL FUNDS  
TENANT ESCROW

6,352  
14  
6,366

DIVISION OF PORTS AND HARBORS  
GENERAL FUNDS  
HARBOR MANAGEMENT

328  
856

HARBOR DREDGING  
REVOLVING LOAN-FISHERY FUND  
FOREIGN TRADE

379  
195  
4

1,198  
7,550

TOTAL

578  
578



## SUMMARY OF CONSTRUCTION WORK IN PROGRESS

PROJECT NAME	BALANCE AT 06-30-18	CURRENT YEAR EXPENDITURES	TRANSFER TO PLANT IN SERVICE	NET CURRENT YEAR CHANGE	BALANCE AT 06-30-19
<b>PORTSMOUTH AIRPORT</b>					
RUNWAY 16-34 DESIGN (AIP 58)	661	467	(231)	236	897
TERMINAL PLANNING STUDY (AIP 61)	351	42	(393)	(351)	-
TERMINAL BUILDING EXPANSION (AIP 62)	725	(725)	-	(725)	-
REPLACE TERMINAL RTU'S	180	66	(246)	(180)	-
OBSTRUCTION REMOVAL- CONSTRUCTION	2	115	(117)	(2)	-
AIRFIELD SIGNAGE	-	50	(50)	-	-
PAY FOR PARKING PROJECT	-	229	(249)	-	-
TERMINAL CARPETING	-	24	(24)	-	-
TREE REPLACEMENT PROJECT	-	13	(13)	-	-
TERMINAL ROOF LIGHTS	-	9	(9)	-	-
SNOW PUSHER	-	4	(4)	-	-
TERMINAL EXPANSION (NON-GRANT)	-	1,003	-	1,003	1,003
AIR NATIONAL GUARD TAXIWAY	-	45	(45)	2	2
	<u>1,919</u>	<u>1,362</u>	<u>1,381</u>	<u>(19)</u>	<u>1,900</u>

(\$ 000's)

# SUMMARY OF CONSTRUCTION WORK IN PROGRESS

(CONTINUED)

(\$ 000's)

PROJECT NAME	BALANCE AT 06-30-18	CURRENT YEAR EXPENDITURES	TRANSFER TO PLANT IN SERVICE	NET CURRENT YEAR CHANGE	BALANCE AT 06-30-19
<b>SKYHAVEN AIRPORT</b>					
TAXILANE PAVEMENT AND DRAINAGE	-	26	(26)	-	-
SNOW REMOVAL EQUIPMENT	-	1	(1)	-	-
<b>GOLF COURSE</b>					
TORO TOP DRESSING BRUSH	-	3	(3)	-	-
TORO PROCARE PUSHER	-	27	(27)	-	-
GR3150 GREENS MOWERS	-	74	(74)	-	-
GM 3500 TRIM MOWER	-	32	(32)	-	-
TRIDEX FINISH MOWER	-	22	(22)	-	-
FLAIL 72" MOWER	-	8	(8)	-	-
48" SWEEPER	-	34	(34)	-	-
TOP GREEN PRO MOWER	-	8	(8)	-	-
<b>ADMINISTRATION</b>					
WEBSITE REDESIGN PROJECT	29	10	(39)	(29)	-
COMPUTER REPLACEMENTS	-	8	(8)	-	-
<b>MAINTENANCE</b>					
MITAS ERD 30 TIRES	-	17	(17)	-	-
GRACO PAINT MACHINE	-	31	(31)	-	-

# SUMMARY OF CONSTRUCTION WORK IN PROGRESS

(CONTINUED):

(\$ 000's)

PROJECT NAME	BALANCE AT 06-30-18	CURRENT YEAR EXPENDITURES	TRANSFER TO PLANT IN SERVICE	NET CURRENT YEAR CHANGE	BALANCE AT 06-30-19
<b>DIVISION OF PORTS AND HARBORS (DPH)</b>					
UPGRADE PORT SECURITY AND SOFTWARE	47	-	(47)	(47)	-
FUNCTIONAL REPLACEMENT- BARGE DOCK	21	1,050	-	1,050	1,071
FASTLANE GRANT APPLICATION	11	(11)	-	(11)	-
EMERGENCY GENERATOR RETROFIT	-	105	(105)	-	-
BUILD GRANT APPLICATION	-	24	-	24	24
RYE HARBOR RIP RAP REPAIRS	-	20	(20)	-	-
PFP CONCEPT STUDY	-	20	(20)	-	-
HAMPTON FLOATING DOCKS REPLACEMENT	-	14	(14)	-	-
PFP DRAINAGE IMPROVEMENTS	-	11	(11)	-	-
FURNACE REPLACEMENT	-	10	(10)	-	-
RYE STORM DAMAGES	-	8	(8)	-	-
EMERGENCY GENERATOR FUEL TANKS	-	8	(8)	-	-
EVINRUDE 75 HP ENGINE	-	7	(7)	-	-
RYE FUEL SYSTEM REPLACEMENT	-	6	(6)	-	-
MAIN PIER REHAB	-	19	-	19	19
	<u>79</u>	<u>1,291</u>	<u>(1,256)</u>	<u>1,035</u>	<u>1,114</u>
<b>TOTAL</b>	<u>2,027</u>	<u>2,910</u>	<u>1,942</u>	<u>968</u>	<u>2,989</u>

# LONG TERM LIABILITIES AS OF JUNE 30, 2019

(\$ 000's)

## SCHEDULE OF LONG TERM LIABILITY REPAYMENT

	CURRENT PORTION	LONG TERM PORTION	TOTAL AMOUNT DUE	FISCAL YEAR	CITY OF PORTSMOUTH	STATE OF NEW HAMPSHIRE (1)
STATE OF NEW HAMPSHIRE	91	181	272	2019	116	91
POST RETIREE HEALTH CARE PROGRAM	-	252	252	2020	116	91
DPH- DEPARTMENT OF ARMY	-	-	-	2021	-	91
CITY OF PORTSMOUTH- WATER POLLUTION CONTROL NOTE @ 4.50%	116	-	116	2022	-	91
ACCRUED SICK LIABILITY	-	96	96	2023	232	455
				<i>PAID IN FY 2019</i>	<u>(116)</u>	<u>(91)</u>
	<u>207</u>	<u>529</u>	<u>736</u>		<u>116</u>	<u>364</u>

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

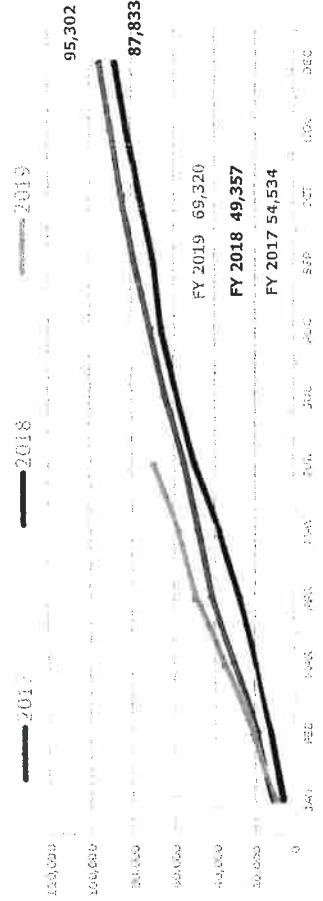


# STATEMENT OF OPERATIONS FOR THE TWELVE MONTH PERIOD ENDING JUNE 30, 2019 PORTSMOUTH AIRPORT

(\$ 000's)

	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	FISCAL YEAR BUDGET
<b>OPERATING REVENUES</b>	<b>1,765</b>	<b>1,540</b>	<b>225</b>	<b>1,540</b>
FACILITIES RENTAL	829	811	18	811
PAY FOR PARKING	461	307	154	307
FUEL FLOWAGE	218	200	18	200
AVIATION FEES	128	125	3	125
CONCESSION REVENUES	76	71	5	71
ALL OTHER	53	26	27	26
	<b>1,765</b>	<b>1,540</b>	<b>225</b>	<b>1,540</b>
<b>OPERATING EXPENSES</b>				
PERSONNEL SERVICES AND BENEFITS	957	837	120	837
BUILDINGS AND FACILITIES MAINTENANCE	1,377	970	407	970
GENERAL AND ADMINISTRATIVE	302	259	43	259
UTILITIES	347	317	30	317
PROFESSIONAL SERVICES	12	-	12	-
MARKETING AND PROMOTION	100	43	57	43
ALL OTHER	-	-	-	-
	<b>3,095</b>	<b>2,426</b>	<b>669</b>	<b>2,426</b>
<b>OPERATING INCOME</b>	<b>(1,330)</b>	<b>(886)</b>	<b>(444)</b>	<b>(886)</b>
<b>NONOPERATING (INCOME) AND EXPENSE</b>				
DEPRECIATION	3,201	3,900	699	3,900
<b>NET OPERATING INCOME</b>	<b>(4,531)</b>	<b>(4,786)</b>	<b>255</b>	<b>(4,786)</b>

**ENPLACEMENT DATA**



# STATEMENT OF OPERATIONS FOR THE TWELVE MONTH PERIOD ENDING JUNE 30, 2019 SKYHAVEN AIRPORT

(\$ 000's)

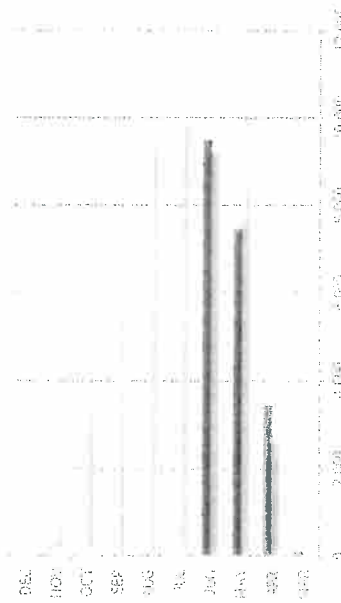
OPERATING REVENUES	YEAR TO DATE	YEAR TO DATE	YEAR TO DATE	YEAR TO DATE	YEAR TO DATE	FISCAL YEAR
	ACTUAL	BUDGET	VARIANCE	BUDGET	BUDGET	BUDGET
FACILITIES RENTAL	125	120	5	120		
FUEL SALES	65	64	1	64		
ALL OTHER	1	1	-	1		
	<u>191</u>	<u>185</u>	<u>6</u>	<u>185</u>		<u>185</u>
<b>OPERATING REVENUES</b>						
<b>OPERATING EXPENSES</b>						
PERSONNEL SERVICES AND BENEFITS	48	66	(18)	66		66
BUILDINGS AND FACILITIES MAINTENANCE	98	71	27	71		71
GENERAL AND ADMINISTRATIVE	35	36	(1)	36		36
UTILITIES	30	30	-	30		30
PROFESSIONAL SERVICES	5	6	(1)	6		6
MARKETING AND PROMOTION	-	-	-	-		-
ALL OTHER- FUEL	58	51	7	51		51
	<u>274</u>	<u>260</u>	<u>14</u>	<u>260</u>		<u>260</u>
	<u>(83)</u>	<u>(75)</u>	<u>(8)</u>	<u>(75)</u>		<u>(75)</u>
<b>OPERATING INCOME</b>						
<b>NONOPERATING (INCOME) AND EXPENSE</b>						
DEPRECIATION	523	450	73	450		450
NET OPERATING INCOME	<u>(606)</u>	<u>(525)</u>	<u>(81)</u>	<u>(525)</u>		<u>(525)</u>
<b>GALLONS OF FUEL SOLD</b>						
	CURRENT MONTH	YEAR TO DATE	TOTAL YEAR	YTD AVE PRICE		
FY 2019	1,690	13,513	13,513	\$4.78		
FY 2018	1,857	15,476	15,476	\$4.46		
<b>NET CASH FLOW</b>						
	OPERA	CAPITAL EXPEND	DEBT REPAY	GRANT FUNDS	TOTAL	
FY 2019	(83)	(27)	-	512	402	
FY 2018	(74)	(1,193)	-	1,370	103	
FY 2017	(91)	(929)	-	301	(719)	
FY 2009-2016	(744)	(4,670)	(100)	4,054	(1,460)	
	<u>(992)</u>	<u>(6,819)</u>	<u>(100)</u>	<u>6,237</u>	<u>(1,674)</u>	





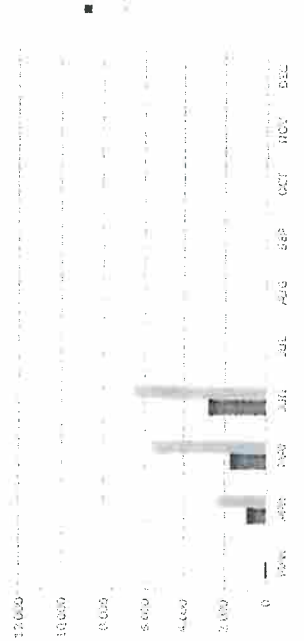
# KEY GOLF COURSE BENCHMARKING DATA AS OF JUNE 30, 2019

ROUNDS OF GOLF PLAYED (SEASON)



	2019 YTD	2018 YTD	SEASON
ROUNDS PLAYED	20,482	20,332	51,317
RAIN DAYS	27	25	77

2019 MEMBER / NONMEMBER ROUNDS (SEASON)



GOLF SIMULATOR REVENUES

Month	FY 2019	FY 2018
JULY	\$ 331	\$ 253
AUGUST	485	992
SEPTEMBER	479	251
OCTOBER	5,292	3,135
NOVEMBER	18,312	14,913
DECEMBER	22,559	18,951
JANUARY	28,984	23,260
FEBRUARY	25,591	23,406
MARCH	26,907	23,198
APRIL	3,910	10,006
MAY	229	841
JUNE	17	97
<b>TOTAL</b>	<b>\$ 133,196</b>	<b>\$ 119,353</b>

GRILL 28 GROSS SALES

Month	FY 2019	FY 2018
JULY	\$ 208,701	\$ 195,199
AUGUST	221,334	210,451
SEPTEMBER	188,411	178,766
OCTOBER	134,258	156,482
NOVEMBER	89,731	98,447
DECEMBER	110,593	115,699
JANUARY	102,321	100,736
FEBRUARY	101,282	95,902
MARCH	115,092	86,828
APRIL	134,616	127,356
MAY	209,511	194,537
JUNE	274,736	248,212
<b>TOTAL</b>	<b>\$ 1,890,586</b>	<b>\$ 1,808,615</b>

2019 ROUNDS-SEASON

MEMBER	5,424
NONMEMBER	15,058
<b>TOTAL</b>	<b>20,482</b>

2018 ROUNDS-SEASON

MEMBER	6,267
NONMEMBER	14,065
<b>TOTAL</b>	<b>20,332</b>

CLUB/COURSE FUNCTIONS

Function	FY 2019 YTD	FY 2018 YTD
GROUPS 12-40	43,585	48,303
TOURNAMENT PLAY	226,841	216,211
LEAGUES	99,856	101,348
FOOD AND ROOM FEES	280,687	268,933

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# STATEMENT OF OPERATIONS FOR THE TWELVE MONTH PERIOD ENDING JUNE 30, 2019 PORT AUTHORITY OF NEW HAMPSHIRE (UNRESTRICTED)

(\$ 000's)

	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	FISCAL YEAR BUDGET	OPERATING REVENUES	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	FISCAL YEAR BUDGET
OPERATING REVENUES	2,676	2,294	382	2,294	FACILITY RENTALS	533	647	(114)	647
OPERATING EXPENSES					CONCESSION REVENUE	1	4	(3)	4
PERSONNEL SERVICES AND BENEFITS	1,162	1,084	78	1,084	FEE REVENUE				
BUILDINGS AND FAC AND MAINTENANCE	206	192	14	192	MOORING FEES	341	350	(9)	350
GENERAL AND ADMINISTRATIVE	143	215	(72)	215	PARKING	105	116	(11)	116
UTILITIES	118	103	15	103	REGISTRATIONS	247	150	97	150
PROFESSIONAL SERVICES	22	18	4	18	WHARF / DOCK	585	335	250	335
MARKETING AND PROMOTION	4	1	3	1		1,278	951	327	951
ALL OTHER - FUEL	688	602	86	602	FUEL SALES	814	640	174	640
	2,343	2,215	128	2,215	ALL OTHER	50	52	(2)	52
	333	79	254	79	TOTAL	2,676	2,294	382	2,294
OPERATING INCOME	(3)	(2)	(1)	(2)	BUSINESS UNIT ANALYSIS				
NONOPERATING (INCOME) AND EXPENSE					RYE HARBOR	304	261	43	261
DEPRECIATION	610	708	(98)	708	HAMPTON HARBOR	269	315	(46)	315
NET OP INCOME	(274)	(627)	353	(627)	PORTSMOUTH FISH PIER	475	475	0	475
					MARKET STREET	427	427	0	427
					HARBOR MARINA	128	128	0	128
					ADRIEN	17	17	0	17



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

	YEAR TO DATE ACTUAL		YEAR TO DATE BUDGET		CURRENT YEAR VARIANCE		YEAR TO DATE BUDGET		CURRENT YEAR VARIANCE		FISCAL YEAR BUDGET	
	10	12	12	(2)	12	12	123	100	23	23	100	100
<b>FOREIGN TRADE ZONES</b>												
OPERATING REVENUES												
OPERATING EXPENSES												
PERSONNEL SERVICES AND BENEFITS	-	-	-	-	-	-	-	-	-	-	-	-
BUILDINGS AND FACILITIES MAINTENANCE	-	-	-	-	-	-	42	60	(18)	(18)	60	60
GENERAL AND ADMINISTRATIVE	6	-	-	6	-	-	4	4	-	-	4	4
UTILITIES	-	-	-	-	-	-	1	-	1	1	-	-
PROFESSIONAL SERVICES	-	-	-	-	-	-	-	-	-	-	-	-
MARKETING AND PROMOTION	10	7	7	3	7	-	-	-	-	-	-	-
ALL OTHER	-	-	-	-	-	-	-	-	-	-	-	-
	16	7	7	9	7	-	47	64	(17)	(17)	64	64
	(6)	5	5	(11)	5	-	76	36	40	40	36	36
OPERATING INCOME												
NONOPERATING (INCOME) AND EXPENSE							(1)	-	(1)	(1)	-	-
DEPRECIATION	-	-	-	-	-	-	82	70	12	12	70	70
NET OPERATING INCOME	(6)	5	5	(11)	5		(2)	(34)	29	29	(34)	(34)

(\$ 000's)

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

(CONTINUED)

(\$ 000's)

	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	FISCAL YEAR BUDGET		BALANCE AT 06-30-2019	BALANCE AT 06-30-2018
<b>REVOLVING LOAN FUND</b>							
<b>OPERATING REVENUES</b>	65	44	21	44			
<b>OPERATING EXPENSES</b>							
PERSONNEL SERVICES AND BENEFITS	-	-	-	-		195	48
BUILDINGS AND FACILITIES MAINTENANCE	8	-	8	-		-	-
GENERAL AND ADMINISTRATIVE	3	-	3	-		195	48
UTILITIES	-	-	-	-		156	142
PROFESSIONAL SERVICES	48	32	16	32		857	1,010
MARKETING AND PROMOTION	-	-	-	-		1,013	1,152
ALL OTHER	-	-	-	-		1,208	1,200
<b>OPERATING INCOME</b>	6	12	(6)	12		83.9	96.0
<b>NONOPERATING (INCOME) AND EXPENSE</b>							
DEPRECIATION	-	-	-	-			
<b>NET OPERATING INCOME</b>	6	12	(6)	12		46.0	46.0

**REVOLVING LOAN FUND RECONCILIATION**

**CASH BALANCES**

GENERAL FUNDS 195 48

SEQUESTERED FUNDS - -

**LOANS OUTSTANDING**

CURRENT 156 142  
LONG TERM 857 1,010

1,013 1,152

1,208 1,200

CAPITAL UTILIZATION RATE- % (\*) 83.9 96.0

FUND EXCESS (DEFICIENCY)- % (\*) 46.0 46.0

(\*) EXCLUDES SEQUESTERED FUNDS.

# PEASE DEVELOPMENT AUTHORITY STATEMENT OF NET POSITION

(EXCLUDING PORT AUTHORITY OF NEW HAMPSHIRE)

(\$ 000's)

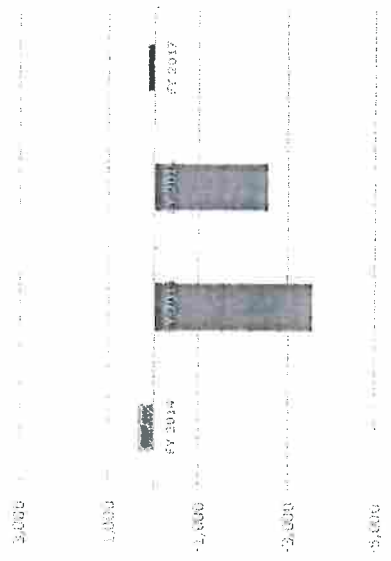
	JUN 30 2019	JUN 30 2018	JUN 30 2019	JUN 30 2018
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
ACCOUNTS PAYABLE	1,919	1,326		
ACCOUNT'S PAYABLE- CONSTRUCTION	-	2,415		
UNEARNED REVENUE	253	410		
REVOLVING LOC FACILITY	-	-		
CURRENT PORTION- LT LIABILITIES	178	178		
<b>TOTAL CURRENT LIABILITIES</b>	<b>2,350</b>	<b>4,329</b>		
<b>NONCURRENT LIABILITIES</b>				
NET PENSION / OPEB LIABILITY	10,955	10,955		
OTHER LT LIABILITIES	203	444		
<b>TOTAL LIABILITIES</b>	<b>11,158</b>	<b>11,399</b>	<b>2,201</b>	<b>2,201</b>
<b>DEPERRED INFLOWS OF RESOURCES</b>				
PENSION / OPEB	2,201	-		
<b>NET POSITION</b>				
NET INVEST IN CAPITAL ASSETS	53,747	55,265		
<b>RESTRICTED FOR:</b>				
REVOLVING LOAN FUND	-	-		
HARBOR DREDGING	-	-		
FOREIGN TRADE ZONE	-	-		
UNRESTRICTED	(6,355)	(6,279)		
<b>TOTAL NET POSITION</b>	<b>47,392</b>	<b>48,986</b>		

	JUN 30 2019	JUN 30 2018	JUN 30 2019	JUN 30 2018
<b>LIABILITIES</b>				
<b>CURRENT ASSETS</b>				
CASH AND EQUIVALENTS	6,366	5,197		
ACCOUNTS RECEIVABLE- NET	907	2,547		
OTHER ASSETS	530	454		
<b>TOTAL CURRENT ASSETS</b>	<b>7,803</b>	<b>8,198</b>		
<b>RESTRICTED ASSETS</b>				
CASH AND EQUIVALENTS	-	-		
ACCOUNTS RECEIVABLE- NET	-	-		
<b>TOTAL RESTRICTED ASSETS</b>	<b>-</b>	<b>-</b>		
<b>CAPITAL ASSETS</b>				
LAND, BUILDINGS AND EQUIPMENT	51,964	55,335		
CONSTRUCTION IN PROCESS (PAGES #10-#14)	1,899	1,947		
<b>TOTAL ASSETS</b>	<b>53,862</b>	<b>57,282</b>		
<b>TOTAL ASSETS</b>	<b>51,866</b>	<b>55,480</b>		
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
PENSION / OPEB	1,435	1,435		

**DISCUSSION AND ANALYSIS**

- \* CONTINUED FINANCIAL OBLIGATION TO SUPPORT NONGRANT RELATED CAPITAL PROJECTS AND DEBT REPAYMENT.
- \* ACCRUED PENSION LIABILITY FOR JUNE 30, 2018 REDUCED BY \$504
- \* REVENUE ESCALATION / CPI HAS BEEN EXCEEDED BY COST ESCALATION RELATIVE TO PERSONNEL SERVICES AND BENEFITS.

**NET UNRESTRICTED POSITION  
AT JUNE 30**



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

(\$ 000's)

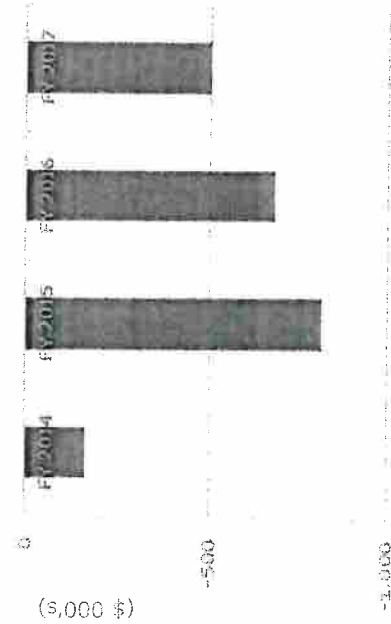
	JUN 30 2019	JUN 30 2018	JUN 30 2019	JUN 30 2018
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
CASH AND EQUIVALENTS	1,184	936	230	265
ACCOUNTS RECEIVABLE- NET	195	199	-	-
OTHER ASSETS	54	48	259	271
<b>TOTAL CURRENT ASSETS</b>	<u>1,433</u>	<u>1,183</u>	<u>29</u>	<u>29</u>
<b>RESTRICTED ASSETS</b>				
CASH AND EQUIVALENTS	-	-	521	565
ACCOUNTS RECEIVABLES- NET	-	-	2,270	2,270
<b>TOTAL RESTRICTED ASSETS</b>	<u>-</u>	<u>-</u>	<u>2,344</u>	<u>2,401</u>
<b>CAPITAL ASSETS</b>				
LAND, BUILDINGS AND EQUIPMENT	8,476	8,902	2,865	2,966
CONSTRUCTION IN PROCESS (PAGES #10-#14)	1,089	79	411	411
<b>TOTAL ASSETS</b>	<u>10,998</u>	<u>10,164</u>	<u>9,465</u>	<u>8,351</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
PENSION / OPEB	316	316	(1,525)	(2,469)
<b>TOTAL NET POSITION</b>	<u>11,314</u>	<u>10,480</u>	<u>7,940</u>	<u>5,882</u>

### DISCUSSION AND ANALYSIS

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

\$ 1.9 MILLION IN STORM WATER MANAGEMENT SYSTEM MODIFICATION AND IMPROVEMENT PROJECT COSTS IN PAST THREE FISCAL YEARS. THE PIER EXPANSION FUND HAS PROVIDED \$1.0 MILLION WHILE \$0.9 MILLION HAS BEEN ABSORBED BY UNRESTRICTED FUND BALANCES.

### NET UNRESTRICTED POSITION AT JUNE 30



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

(\$ 000's)

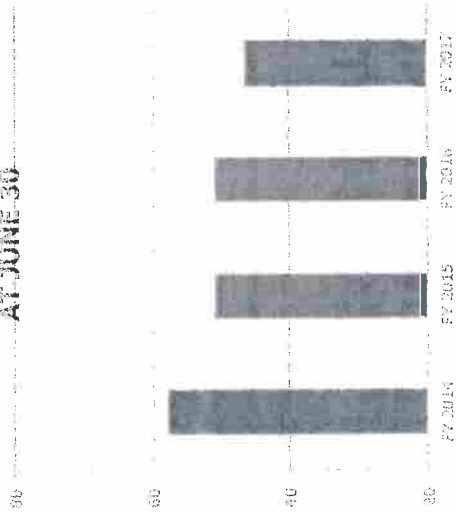
	JUN 30 2019	JUN 30 2018	JUN 30 2019	JUN 30 2018
<b>ASSETS</b>				
CURRENT ASSETS				
CASH AND EQUIVALENTS	-	-	-	-
ACCOUNTS RECEIVABLE- NET	-	-	-	-
OTHER ASSETS	-	-	-	-
TOTAL CURRENT ASSETS	-	-	-	-
RESTRICTED ASSETS				
CASH AND EQUIVALENTS	4	10	-	-
ACCOUNTS RECEIVABLES- NET	-	-	-	-
TOTAL RESTRICTED ASSETS	4	10	-	-
CAPITAL ASSETS				
LAND, BUILDINGS AND EQUIPMENT	-	-	-	-
CONSTRUCTION IN PROCESS (PAGES #10-#14)	-	-	-	-
TOTAL ASSETS	4	10	-	-
DEFERRED OUTFLOWS OF RESOURCES	-	-	4	10
PENSION / OPEB	-	-	-	-
TOTAL NET POSITION	4	10	4	10
<b>LIABILITIES</b>				
CURRENT LIABILITIES				
ACCOUNTS PAYABLE	-	-	-	-
ACCOUNTS PAYABLE- CONSTRUCTION	-	-	-	-
UNEARNED REVENUE	-	-	-	-
REVOLVING LOC FACILITY	-	-	-	-
CURRENT PORTION- LT LIABILITIES	-	-	-	-
TOTAL CURRENT LIABILITIES	-	-	-	-
NONCURRENT LIABILITIES				
NET PENSION / OPEB LIABILITY	-	-	-	-
OTHER LT LIABILITIES	-	-	-	-
TOTAL LIABILITIES	-	-	-	-
DEFERRED INFLOWS OF RESOURCES				
PENSION	-	-	-	-
NET POSITION				
NET INVEST IN CAPITAL ASSETS	-	-	-	-
RESTRICTED FOR: REVOLVING LOAN FUND HARBOR DREDGING FOREIGN TRADE ZONE UNRESTRICTED	-	-	-	-

**DISCUSSION AND ANALYSIS**

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

\* EFFECTIVE OCTOBER 1, 2018, NEW TENANT SECURES LEASE AGREEMENT.

**NET RESTRICTED POSITION  
AT JUNE 30**



(\$,000 \$)



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

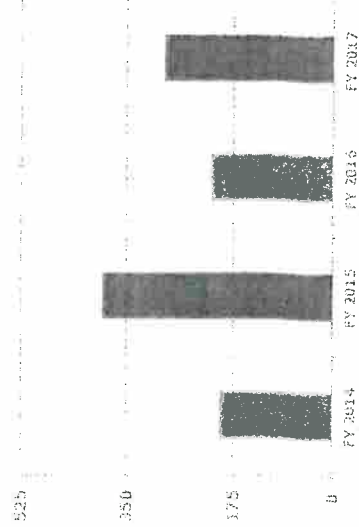
(\$ 000's)

	JUN 30 2019	JUN 30 2018	JUN 30 2019	JUN 30 2018
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
CASH AND EQUIVALENTS	-	-	21	-
ACCOUNTS RECEIVABLE- NET	-	-	-	8
OTHER ASSETS	-	-	-	-
TOTAL CURRENT ASSETS	-	-	21	8
<b>RESTRICTED ASSETS</b>				
CASH AND EQUIVALENTS	379	431	-	-
ACCOUNTS RECEIVABLE- NET	2	1	-	-
TOTAL RESTRICTED ASSETS	<u>381</u>	<u>432</u>	-	-
<b>CAPITAL ASSETS</b>				
LAND, BUILDINGS AND EQUIPMENT	907	793	-	-
CONSTRUCTION IN PROCESS (Pages #10-#14)	-	-	-	-
TOTAL ASSETS	<u>907</u>	<u>793</u>	<u>21</u>	<u>8</u>
DEFERRED OUTFLOWS OF RESOURCES PENSION / OPEB	-	-	-	-
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
ACCOUNTS PAYABLE	-	-	-	-
ACCOUNTS PAYABLE- CONSTRUCTION	-	-	-	-
UNEARNED REVENUE	-	-	-	-
REVOLVING LOC FACILITY	-	-	-	-
CURRENT PORTION- LT LIABILITIES	-	-	-	-
TOTAL CURRENT LIABILITIES	-	-	-	-
<b>NONCURRENT LIABILITIES</b>				
NET PENSION / OPEB LIABILITY	-	-	-	-
OTHER LT LIABILITIES	-	-	-	-
TOTAL LIABILITIES	-	-	-	-
DEFERRED INFLOWS OF RESOURCES	-	-	-	-
PENSION	-	-	-	-
NET POSITION	-	-	-	-
NET INVEST IN CAPITAL ASSETS	-	-	-	-
RESTRICTED FOR:				
REVOLVING LOAN FUND	-	-	-	-
HARBOR DREDGING	-	-	-	-
FOREIGN TRADE ZONE	-	-	-	-
UNRESTRICTED	-	-	-	-
TOTAL NET POSITION	<u>1,014</u>	<u>964</u>	<u>274</u>	<u>261</u>

### DISCUSSION AND ANALYSIS

- \* CONTINUED FINANCIAL OBLIGATION TO SUPPORT UNREIMBURSED CAPITAL PROJECTS OR REPAIRS AND MAINTENANCE FOR PORT OPERATIONS. FOR FY 2018:
  - \* VESSEL SERVICE POWER REPLAC 94
  - \* RYE STORM DAMAGE 36
  - \* PPP FISH PIER INSPECTION 25
  - \* PPP ELECTRICAL DESIGN 21
  - \* SECURITY LIGHTING UPGRADE 15
  - \* PPP ICE COMPRESSOR REPAIR 9
  - \* ALL OTHER 41

### NET RESTRICTED POSITION AT JUNE 30





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

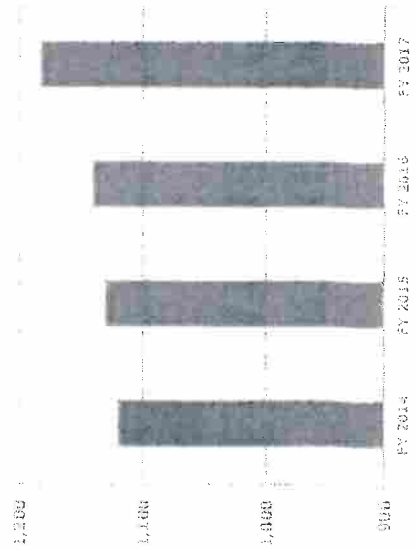
(\$ 000's)

	JUN 30 2019	JUN 30 2018	JUN 30 2019	JUN 30 2018
<b>ASSETS</b>				
CURRENT ASSETS				
CASH AND EQUIVALENTS	-	-	5	2
ACCOUNTS RECEIVABLE- NET	-	-	-	-
OTHER ASSETS	-	-	-	-
TOTAL CURRENT ASSETS	-	-	-	-
RESTRICTED ASSETS				
CASH AND EQUIVALENTS	195	48	-	-
ACCOUNTS RECEIVABLES- NET	1,013	1,152	-	-
TOTAL RESTRICTED ASSETS	1,208	1,200	-	-
CAPITAL ASSETS				
LAND, BUILDINGS AND EQUIPMENT	-	-	-	-
CONSTRUCTION IN PROCESS (PAGES #10-#19)	-	-	-	-
TOTAL ASSETS	1,208	1,200	-	-
DEFERRED OUTFLOWS OF RESOURCES				
PENSION / OPEB	-	-	-	-
TOTAL NET POSITION	-	-	1,203	1,198
<b>LIABILITIES</b>				
CURRENT LIABILITIES				
ACCOUNTS PAYABLE	-	-	-	-
ACCOUNTS PAYABLE- CONSTRUCTION	-	-	-	-
UNEARNED REVENUE	-	-	-	-
REVOLVING LOC FACILITY	-	-	-	-
CURRENT PORTION- LT LIABILITIES				
TOTAL CURRENT LIABILITIES	-	-	-	-
NONCURRENT LIABILITIES				
NET PENSION / OPEB LIABILITY	-	-	-	-
OTHER LT LIABILITIES	-	-	-	-
TOTAL LIABILITIES	-	-	-	-
DEFERRED INFLOWS OF RESOURCES				
PENSION	-	-	-	-
NET POSITION				
NET INVEST IN CAPITAL ASSETS	-	-	-	-
RESTRICTED FOR:				
REVOLVING LOAN FUND	-	-	-	-
HARBOR DREDGING	-	-	-	-
FOREIGN TRADE ZONE	-	-	-	-
UNRESTRICTED	-	-	-	-
TOTAL NET POSITION	-	-	1,203	1,198

### DISCUSSION AND ANALYSIS

- IN JULY 2018, EDA AWARDS PDA WITH INITIAL RISK RATING OF "A" (HIGHEST).
- STEADY STATE WITH NO INDICATION OF ANY FINANCIAL CHALLENGES RELATIVE TO THE FUND BALANCE.
- CURRENT REGULATORY CLIMATE DOES HOWEVER POTENTIALLY CHALLENGE THE DEMAND FOR FUTURE LOANS AND POTENTIALLY, REPAYMENT OF CURRENT LOANS OUTSTANDING.

### NET RESTRICTED POSITION AT JUNE 30



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# **CASH FLOW PROJECTIONS FOR THE NINE MONTH PERIOD ENDING APRIL 30, 2020**

**BOARD OF DIRECTOR'S MEETING  
AUGUST 22, 2019**



# PEASE DEVELOPMENT AUTHORITY CASH FLOW SUMMARY OVERVIEW AUGUST 1, 2019 TO APRIL 30, 2020

(EXCLUDING DIVISION OF PORTS AND HARBORS)

(\$ 000's)

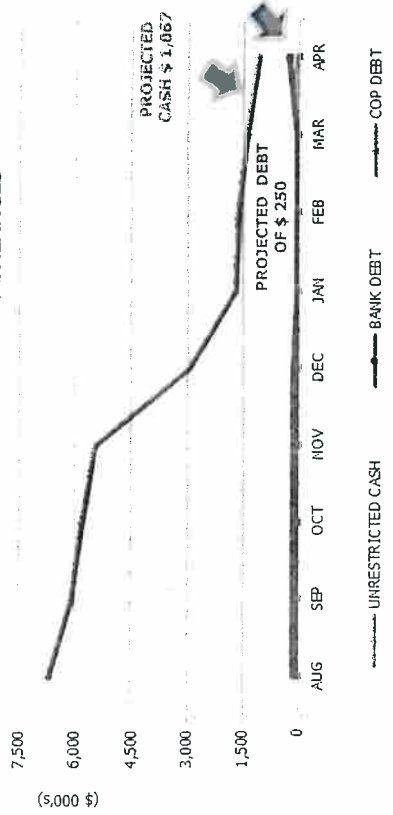
	<u>AMOUNT</u>
<b>OPENING FUND BALANCE</b>	<b><u>7,109</u></b>
<b>SOURCES OF FUNDS</b>	
TRADEPORT TENANTS	6,475
MUNICIPAL SERVICE FEE (COP)- NET	1,254
GRANT AWARDS (SEE PAGE #8)	1,235
PSM AIRPORT- LEASES, FUEL FLOWAGE FEES AND PARKING	1,012
GOLF COURSE FEE AND CONCESSION REVENUES	910
EXTERNAL BANK FINANCING- NET	250
SKYHAVEN AIRPORT HANGAR AND FUEL REVENUES	134
	<b><u>11,270</u></b>
<b>USES OF FUNDS</b>	
OPERATING EXPENSES	8,280
CAPITAL EXPENDITURES- NON GRANT (SEE PAGES #5-#7)	7,046
CAPITAL EXPENDITURES- GRANT (SEE PAGE #4)	1,870
LONG TERM DEBT RETIREMENT	116
STATE OF NH- POST RETIREMENT	-
	<b><u>17,312</u></b>
<b>NET CASH FLOW</b>	<b><u>(6,042)</u></b>
<b>CLOSING FUND BALANCE</b>	<b><u>1,067</u></b>

**DISCUSSION**

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

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

**PROJECTED CASH AND DEBT BALANCES**



TOTAL FUND BALANCES	BALANCE AT 07-31-2019	BALANCE AT 06-30-2018
PDA UNRESTRICTED	7,109	5,162
PDA DESIGNATED	14	19
<b>TOTAL</b>	<b><u>7,123</u></b>	<b><u>5,181</u></b>

# PEASE DEVELOPMENT AUTHORITY STATEMENT OF CASH FLOW

(EXCLUDING THE DIVISION OF PORTS AND HARBORS)

	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	TOTAL
<b>OPENING FUND BALANCE</b>	<b>7,109</b>	<b>6,679</b>	<b>6,063</b>	<b>5,822</b>	<b>5,465</b>	<b>2,926</b>	<b>1,676</b>	<b>1,600</b>	<b>1,350</b>	<b>7,109</b>
<b>SOURCES OF FUNDS</b>										
TRADEPORT TENANTS	710	715	715	720	720	720	725	725	725	6,475
MUNICIPAL SERVICE FEE	375	250	250	375	250	250	375	250	250	2,625
GOLF COURSE	175	150	150	100	50	65	65	70	85	910
PAY FOR PARKING- PSM	35	35	35	35	40	40	45	45	40	350
PORTSMOUTH AIRPORT	50	45	45	50	45	45	50	45	45	420
GRANT AWARDS (SEE PAGE #8)	-	-	-	130	-	20	108	270	707	1,235
FUEL FLOWAGE FEES- PSM	20	20	25	25	30	30	30	30	32	242
SKYHAVEN AIRPORT	17	16	16	15	14	14	14	14	14	134
EXTERNAL FINANCING- NET	-	-	-	-	-	-	-	-	250	250
	<b>1,382</b>	<b>1,231</b>	<b>1,236</b>	<b>1,450</b>	<b>1,149</b>	<b>1,184</b>	<b>1,412</b>	<b>1,449</b>	<b>2,148</b>	<b>12,641</b>
<b>USE OF FUNDS</b>										
OPERATING EXPENSES	825	850	840	1,050	1,325	850	800	825	915	8,280
CAPITAL- NONGRANT (SEE PAGES #5-#7)	977	921	537	657	898	763	383	564	1,346	7,046
MUNICIPAL SERVICE FEE	-	21	-	-	1,350	-	-	-	-	1,371
CAPITAL- GRANT RELATED (SEE PAGE #4)	10	55	100	100	115	705	305	310	170	1,870
STATE OF NH- POST RETIREMENT	-	-	-	-	-	-	-	-	-	-
LONG TERM DEBT RETIREMENT	-	-	-	-	-	116	-	-	-	116
	<b>1,812</b>	<b>1,847</b>	<b>1,477</b>	<b>1,807</b>	<b>3,688</b>	<b>2,434</b>	<b>1,488</b>	<b>1,699</b>	<b>2,431</b>	<b>18,683</b>
<b>NET CASH FLOW</b>	<b>(430)</b>	<b>(616)</b>	<b>(241)</b>	<b>(357)</b>	<b>(2,539)</b>	<b>(1,250)</b>	<b>(76)</b>	<b>(250)</b>	<b>(283)</b>	<b>(6,042)</b>
<b>CLOSING FUND BALANCE</b>	<b>6,679</b>	<b>6,063</b>	<b>5,822</b>	<b>5,465</b>	<b>2,926</b>	<b>1,676</b>	<b>1,600</b>	<b>1,350</b>	<b>1,067</b>	<b>1,067</b>

# PEASE DEVELOPMENT AUTHORITY CAPITAL EXPENDITURES

4

(EXCLUDING THE DIVISION OF PORTS AND HARBORS)

(\$ 000's)

	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>TOTAL</u>
<b><u>GRANT REIMBURSEMENT</u></b>										
<b>PORTSMOUTH AIRPORT</b>										
TERMINAL EXPANSION DESIGN AND CONSTRUCTION (AIP 62- \$1.6M)	-	-	-	-	-	150	150	150	150	600
TERMINAL EXPANSION DESIGN AND CONSTRUCTION (AIP 66- \$2.0M)	-	-	-	-	-	-	-	-	-	-
RUNWAY 16-34 DESIGN (AIP 58)	-	25	50	25	-	-	-	-	-	100
RUNWAY 16-34 RECONSTRUCTION	-	-	-	25	45	555	155	20	20	820
REIMBURSABLE AGREEMENT (AIP 65)	-	-	-	-	-	-	-	140	-	140
OBSTRUCTION MITIGATION- CONSTRUCT (AIP 60)	10	-	-	-	-	-	-	-	-	10
<b>SKYHAVEN AIRPORT</b>										
TAXILANE AND DRAINAGE (SBG 7)	-	30	50	50	70	-	-	-	-	200
<b>TOTAL</b>	<b>10</b>	<b>55</b>	<b>100</b>	<b>100</b>	<b>115</b>	<b>705</b>	<b>305</b>	<b>310</b>	<b>170</b>	<b>1,870</b>

NOTE:  
\*\*\* PENDING BOARD APPROVAL

# PEASE DEVELOPMENT AUTHORITY CAPITAL EXPENDITURES

(EXCLUDING THE DIVISION OF PORTS AND HARBORS)

(CONTINUED):

(\$ 000's)

	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	TOTAL
<b><u>NONGRANT REIMBURSEMENT</u></b>										
<b>SKYHAVEN AIRPORT</b>										
FUEL SYSTEM CREDIT CARD	-	-	-	5	15	-	-	-	-	20
REEROOFING TERMINAL BUILDING	-	-	-	-	-	-	-	-	25	25
	=	=	=	<u>5</u>	<u>15</u>	=	=	=	<u>25</u>	<u>45</u>
<b>ADMINISTRATION</b>										
COMPUTERS / PRINTERS / SOFTWARE / SERVERS / TELECOMMUNICATIONS **	-	15	-	-	-	15	-	-	-	30
PROPERTY MANAGEMENT SOFTWARE **	-	-	-	-	5	-	-	-	-	5
	=	<u>15</u>	=	=	<u>5</u>	<u>15</u>	=	=	=	<u>35</u>
<b>GOLF COURSE</b>										
FAIRWAY ROUGH MOWER**	-	-	-	-	-	-	-	-	75	75
VINYL FENCE- POST AND BEAN **	-	-	-	10	-	-	-	-	-	10
WOMEN'S BATHROOM MOP CLOSEST FLOOR **	-	-	-	-	20	20	-	-	-	40
	=	=	=	<u>10</u>	<u>20</u>	<u>20</u>	=	=	<u>75</u>	<u>125</u>

NOTE:  
\*\* PENDING BOARD APPROVAL



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

(\$ 000's)

	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	TOTAL
<b><u>NONGRANT REIMBURSEMENT</u></b> (CONTINUED):										
<b>PORTSMOUTH AIRPORT</b>										
TERMINAL EXPANSION	922	861	487	512	838	683	383	544	1,226	6,456
TERMINAL EXPANSION DESIGN	25	-	-	-	-	-	-	-	-	25
PAY FOR PARKING	-	25	-	-	-	-	-	-	-	25
GROUND TRANSPORTATION BUS **	-	-	-	100	-	-	-	-	-	100
TERMINAL LED LIGHTING **	-	-	20	-	-	-	-	-	-	20
DAC CONNECTION UPGRADE **	10	-	10	-	-	-	-	-	-	20
TREE REPLACEMENT	-	10	-	-	-	-	-	-	-	10
	<b>957</b>	<b>896</b>	<b>517</b>	<b>612</b>	<b>838</b>	<b>683</b>	<b>383</b>	<b>544</b>	<b>1,226</b>	<b>6,656</b>

**NOTE:**  
\*\* PENDING BOARD APPROVAL

# PEASE DEVELOPMENT AUTHORITY

## CAPITAL EXPENDITURES

(CONTINUED)

(EXCLUDING THE DIVISION OF PORTS AND HARBORS)

(\$ 000's)

	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	TOTAL
<b><u>NONGRANT REIMBURSEMENT</u></b>										
<b>TRADEPORT</b>										
TRAFFIC MONITORING	-	10	10	10	20	-	-	-	-	50
STORMWATER TREATMENT	-	-	10	20	-	-	-	20	20	70
	<u>  -</u>	<u>  10</u>	<u>  20</u>	<u>  30</u>	<u>  20</u>	<u>  -</u>	<u>  -</u>	<u>  20</u>	<u>  20</u>	<u>  120</u>
<b>MAINTENANCE</b>										
VEHICLE FLEET REPLACEMENT **	-	-	-	-	-	45	-	-	-	45
STEAMER **	20	-	-	-	-	-	-	-	-	20
	<u>  20</u>	<u>  -</u>	<u>  -</u>	<u>  -</u>	<u>  -</u>	<u>  45</u>	<u>  -</u>	<u>  -</u>	<u>  -</u>	<u>  65</u>
<b>TOTAL</b>	<u>  977</u>	<u>  921</u>	<u>  537</u>	<u>  657</u>	<u>  898</u>	<u>  763</u>	<u>  383</u>	<u>  564</u>	<u>  1,346</u>	<u>  7,046</u>

NOTE:  
\*\* PENDING BOARD APPROVAL

# PEASE DEVELOPMENT AUTHORITY RECEIPT GRANT AWARDS

(EXCLUDING THE DIVISION OF PORTS AND HARBORS)

(\$ 000's)

	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>TOTAL</u>
<b>PORTSMOUTH AIRPORT</b>										
TERMINAL EXPANSION DESIGN AND CONSTRUCTION (AIP 62- \$1.6M)	-	-	-	-	-	-	-	135	135	270
TERMINAL EXPANSION DESIGN AND CONSTRUCTION (AIP 66- \$2.0M)	-	-	-	-	-	-	-	-	-	-
RUNWAY 16-34 DESIGN (AIP 58)	-	-	-	60	-	20	-	10	-	90
RUNWAY 16-34 RECONSTRUCTION	-	-	-	-	-	-	-	-	560	560
RUNWAY 16-34 REIMBURSABLE AGREEMENT (AIP 65)	-	-	-	-	-	-	-	125	-	125
<b>SKYHAVEN AIRPORT</b>										
TAXIWAY PAVEMENT AND DRAINAGE (SBG-7)	-	-	-	70	-	-	108	-	12	190
<b>TOTAL</b>	<b>:-</b>	<b>:-</b>	<b>:-</b>	<b>130</b>	<b>:-</b>	<b>20</b>	<b>108</b>	<b>270</b>	<b>707</b>	<b>1,235</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

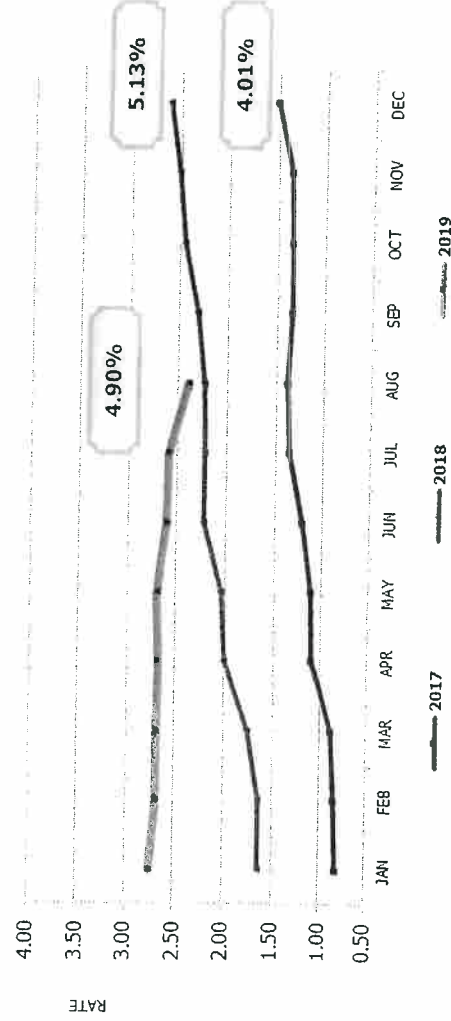
MINIMUM SIZE OF DRAWDOWN NO MINIMUM

OTHER DOES NOT CARRY THE STATE GUARANTEE

OUTSTANDING DEBT ANALYSIS	BALANCE AT		Maturity DATE	INTEREST RATE %
	07-31-2019	06-30-2018		
THE PROVIDENT BANK (RLOC)	-	-	12-31-2022	VARIABLE
CITY OF PORTSMOUTH	116	233	01-31-2020	4.50

WEIGHTED AVERAGE 233 4.50

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



# DIVISION OF PORTS AND HARBORS CASH FLOW SUMMARY OVERVIEW

(EXCLUDING RESTRICTED FUNDS)

(\$ 000's)

	<u>AMOUNT</u>
<b>OPENING FUND BALANCE</b>	<b><u>1,236</u></b>
<b>SOURCES OF FUNDS</b>	
FACILITY RENTALS	581
FUEL SALES	255
MOORING FEES	235
PARKING FEES AND CONCESSIONS	105
REGISTRATIONS / WHARFAGE	50
	<b><u>1,226</u></b>
<b>USES OF FUNDS</b>	
PERSONNEL SERVICES AND BENEFITS	1,340
OPERATING EXPENSES	387
FUEL PROCUREMENT	270
CAPITAL EXPENDITURES AND OTHER	30
STATE OF NH- POST RETIREMENT	-
<b>NET CASH FLOW</b>	<b><u>2,027</u></b>
	<b><u>(801)</u></b>
<b>CLOSING FUND BALANCE</b>	<b><u>435</u></b>

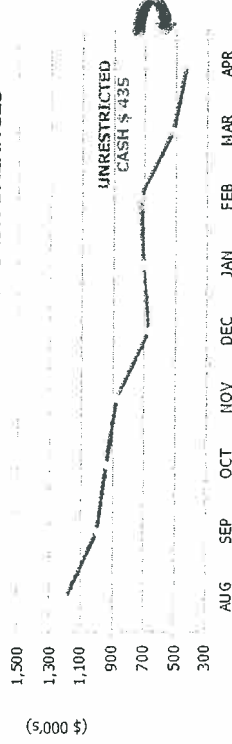
## DISCUSSION

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.

BULKHEAD INVESTIGATION AND REHABILITATION-PORTSMOUTH FISH PIER.

\$ 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



TOTAL FUND BALANCES	BALANCE AT 07-31-19	BALANCE AT 06-30-2018
UNRESTRICTED FUNDS	<b><u>1,236</u></b>	<b><u>940</u></b>
<b>RESTRICTED FUNDS:</b>		
HARBOR DREDGING	246	431
REVOLVING LOAN FUND	178	50
FOREIGN TRADE ZONE	4	10

# DIVISION OF PORTS AND HARBORS STATEMENT OF CASH FLOW- UNRESTRICTED FUNDS

(\$ 000'S)

	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>TOTAL</u>
<b>OPENING FUND BALANCE</b>	<u>1,236</u>	<u>1,195</u>	<u>1,002</u>	<u>945</u>	<u>878</u>	<u>675</u>	<u>710</u>	<u>730</u>	<u>524</u>	<u>1,236</u>
<b>SOURCES OF FUNDS</b>										
FACILITY RENTALS	63	63	65	65	65	65	65	65	65	581
FUEL SALES	30	35	30	30	30	25	25	25	25	255
PARKING FEES	40	25	20	10	-	-	-	-	-	95
REGISTRATIONS / WHARFAGE	-	-	25	-	-	25	-	-	-	50
CONCESSION REVENUES	10	-	-	-	-	-	-	-	-	10
MOORING FEES	-	-	-	-	-	100	120	15	-	235
	<u>143</u>	<u>123</u>	<u>140</u>	<u>105</u>	<u>95</u>	<u>215</u>	<u>210</u>	<u>105</u>	<u>90</u>	<u>1,226</u>
<b>USE OF FUNDS</b>										
PERSONNEL SERVICES AND BENEFITS	100	245	100	95	240	100	105	245	110	1,340
FUEL PROCUREMENT	40	30	45	30	20	30	30	25	20	270
UTILITIES	12	12	14	15	15	16	16	17	16	133
GENERAL AND ADMINISTRATIVE	12	14	13	12	13	14	14	14	13	119
BUILDINGS AND FACILITIES	10	15	15	10	10	10	15	10	10	105
PROFESSIONAL SERVICES	-	-	10	-	-	10	-	-	10	30
CAPITAL EXPENDITURES AND OTHER	10	-	-	10	-	-	10	-	-	30
STATE OF NH- POST RETIREMENT	-	-	-	-	-	-	-	-	-	-
	<u>184</u>	<u>316</u>	<u>197</u>	<u>172</u>	<u>298</u>	<u>180</u>	<u>190</u>	<u>311</u>	<u>179</u>	<u>2,027</u>
<b>NET CASH FLOW</b>	<u>(41)</u>	<u>(193)</u>	<u>(57)</u>	<u>(67)</u>	<u>(203)</u>	<u>35</u>	<u>20</u>	<u>(206)</u>	<u>(89)</u>	<u>(801)</u>
<b>CLOSING FUND BALANCE</b>	<u>1,195</u>	<u>1,002</u>	<u>945</u>	<u>878</u>	<u>675</u>	<u>710</u>	<u>730</u>	<u>524</u>	<u>435</u>	<u>435</u>



# DIVISION OF PORTS AND HARBORS

## STATEMENT OF CASH FLOW- HARBOR DREDGING FUND

### (RESTRICTED)

(\$ 000's)

	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	TOTAL
<b>-OPENING FUND BALANCE</b>	<b>246</b>	<b>257</b>	<b>229</b>	<b>247</b>	<b>257</b>	<b>276</b>	<b>277</b>	<b>249</b>	<b>250</b>	<b>246</b>
<b>S2OURCES OF FUNDS</b>										
PIER USAGE FEES	-	20	15	-	15	-	10	-	10	70
REGISTRATIONS	10	-	-	10	-	-	10	-	-	30
FUEL FLOWAGE FEES	3	4	3	4	4	3	4	3	3	31
GRANT FUNDING	-	-	-	-	-	-	-	-	-	-
	<u>13</u>	<u>24</u>	<u>18</u>	<u>14</u>	<u>19</u>	<u>3</u>	<u>24</u>	<u>3</u>	<u>13</u>	<u>131</u>
<b>USE OF FUNDS</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
	<u>2</u>	<u>52</u>	<u>2</u>	<u>4</u>	<u>2</u>	<u>2</u>	<u>52</u>	<u>2</u>	<u>2</u>	<u>114</u>
<b>NET CASH FLOW</b>	<b>11</b>	<b>(28)</b>	<b>18</b>	<b>10</b>	<b>19</b>	<b>1</b>	<b>(28)</b>	<b>1</b>	<b>13</b>	<b>17</b>
<b>CLOSING FUND BALANCE</b>	<b>257</b>	<b>229</b>	<b>247</b>	<b>257</b>	<b>276</b>	<b>277</b>	<b>249</b>	<b>250</b>	<b>263</b>	<b>263</b>

# DIVISION OF PORTS AND HARBORS

## STATEMENT OF CASH FLOW- REVOLVING LOAN FUND

### (RESTRICTED)

(\$ 000's)

	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	TOTAL
<b>OPENING FUND BALANCE</b>	<u>178</u>	<u>192</u>	<u>203</u>	<u>106</u>	<u>118</u>	<u>130</u>	<u>142</u>	<u>75</u>	<u>84</u>	<u>178</u>
<b>SOURCES OF FUNDS</b>										
LOAN REPAYMENTS	12	12	12	12	12	12	12	11	11	106
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>14</u>	<u>15</u>	<u>138</u>
<b>USE OF FUNDS</b>										
NEW LOANS ISSUED	-	-	110	-	-	-	80	-	20	210
PERSONNEL SERVICES AND BENEFITS	-	-	-	-	-	-	-	-	-	-
BUILDINGS AND FACILITIES	-	-	-	-	-	-	-	-	-	-
GENERAL AND ADMINISTRATIVE	-	2	-	-	2	-	-	2	-	6
UTILITIES	-	-	-	-	-	-	-	-	-	-
PROFESSIONAL SERVICES	2	2	3	3	2	3	3	3	3	24
ALL OTHER	-	-	-	-	-	-	-	-	-	-
	<u>2</u>	<u>4</u>	<u>113</u>	<u>3</u>	<u>4</u>	<u>3</u>	<u>83</u>	<u>5</u>	<u>3</u>	<u>240</u>
<b>NET CASH FLOW</b>	14	11	(97)	12	12	12	(67)	9	(8)	(102)
<b>CLOSING FUND BALANCE</b>	<u>192</u>	<u>203</u>	<u>106</u>	<u>118</u>	<u>130</u>	<u>142</u>	<u>75</u>	<u>84</u>	<u>76</u>	<u>76</u>

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

(\$ 000's)


	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>TOTAL</u>
<b>OPENING FUND BALANCE</b>	<u>4</u>	<u>4</u>	<u>4</u>	<u>2</u>	<u>12</u>	<u>12</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>4</u>
<b>SOURCES OF FUNDS</b>										
FACILITY RENTALS	-	-	-	10	-	-	-	-	-	10
ALL OTHER	-	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>10</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10</u>
<b>USE OF FUNDS</b>										
PERSONNEL SERVICES AND BENEFITS	-	-	-	-	-	-	-	-	-	-
BUILDINGS AND FACILITIES	-	-	-	-	-	-	-	-	-	-
GENERAL AND ADMINISTRATIVE	-	-	2	-	-	2	-	-	2	6
UTILITIES	-	-	-	-	-	-	-	-	-	-
PROFESSIONAL SERVICES	-	-	-	-	-	-	-	-	-	-
ALL OTHER	-	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>6</u>
<b>NET CASH FLOW</b>	-	-	(2)	10	-	(2)	-	-	(2)	4
<b>CLOSING FUND BALANCE</b>	<u>4</u>	<u>4</u>	<u>2</u>	<u>12</u>	<u>12</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>8</u>	<u>8</u>



**PEASE**  
INTERNATIONAL  
DEVELOPMENT  
AUTHORITY

55 International Drive Portsmouth, NH 03801

To: Pease Development Authority Board of Directors

From: David R. Mullen, Executive Director 

RE: Revolving Loan Fund

Date: August 6, 2019

In accordance with the "Delegation to Executive Director: Consent, Approval and Execution of Revolving Loan Fund Documents", the Pease Development Authority entered into the following Loan Agreements during the months of May, June and July, 2019:

- |                |   |
|----------------|---|
| 1. Borrower    | Scott Heisey  |
| Amount of Loan | \$27,000.00   |
| Interest Rate  | 4.00%   |
| Closing Date   | July 9, 2019  |
| Maturity Date  | July 9, 2029  |
| Purpose        | Purchase of a vessel together with all gear, equipment and accessories. |





June 24, 2019

**By Email Only (droy@bbbsnh.org)**

Debbie Roy  
Big Brothers Big Sisters  
3 Portsmouth Ave., Suite 2  
Stratham, NH 03885

**Re: Right of Entry for Use of Parking Area adjacent to 62 Durham Street  
September 21, 2019**

Dear Ms. Roy:

This letter will authorize Big Brothers Big Sisters (“BBBS”) to use the parking area adjacent to 62 Durham Street at the Pease International Tradeport, Portsmouth, New Hampshire as shown on the attached Exhibit A (the “Premises”) for the period of use on September 21, 2019 from the hours of 4:00 p.m. to 11:59 p.m. for the purposes of parking BBBS event participant vehicles. The privileges granted under this Right of Entry will expire at the conclusion of use or 11:59 p.m. on September 21, 2019, unless otherwise extended by agreement of BBBS and Pease Development Authority (“PDA”). This authorization is conditioned upon the following:

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



Page Two  
June 24, 2019

Re: Right of Entry for Use of Parking Area adjacent to 62 Durham Street  
September 21, 2019

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

3. BBBS and/or any agent of BBBS providing to the PDA satisfactory evidence of comprehensive general liability insurance to a limit of not less than One Million Dollars

(\$1,000,000.00) per occurrence, naming the Pease Development Authority as an additional insured and evidence of workers compensation coverage to statutory limits.

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

4. BBBS's agreement that all vehicles parked at the Premises will be driven to and from the Premises by a valet service provided by BBBS at its sole expense and that its patrons will not be allowed to self-park vehicles on the Premises. *BBBS's further agreement to take such steps as may be required to ensure that vehicles are not left on the Premises in excess of the term limits of this Right of Entry and to assume full responsibility for the removal of vehicle(s) left on the Premises after the of use.*

5. BBBS agrees that the management and valet service provider will provide evidence of insurance in the same amounts as outlined in paragraph 3, above.

6. BBBS's agreement that all vehicles shall be parked a minimum of 15 feet away from the Airport perimeter fence.

7. BBBS agrees the vehicles may be parked in the area depicted in Exhibit A. PDA has the right, in its sole discretion, to terminate all of or any portion of the Premises used for vehicle parking as a priority for PDA operations.

Page Three  
June 24, 2019

Re: Right of Entry for Use of Parking Area adjacent to 62 Durham Street  
September 21, 2019

8. BBBS agrees to obtain all permits and/or approvals necessary for any work referenced herein. All work referenced herein shall be done accordance with the plans submitted to and approved by the PDA.

9. PDA shall not be responsible for damages to property or injuries to persons which may arise from or be attributable or incident to the condition or state or repair of the Premises, or the use and occupation thereof, or for damages to the property or injuries to the person of BBBS's patrons, officers, agents, servants or employees, or others who may be on the Premises at its invitation.

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

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

Very truly yours,



David R. Mullen  
Executive Director

Agreed and accepted this 1 day of July, 2019

Big Brothers Big Sisters

By:

Duly authorized (Sign and Print)

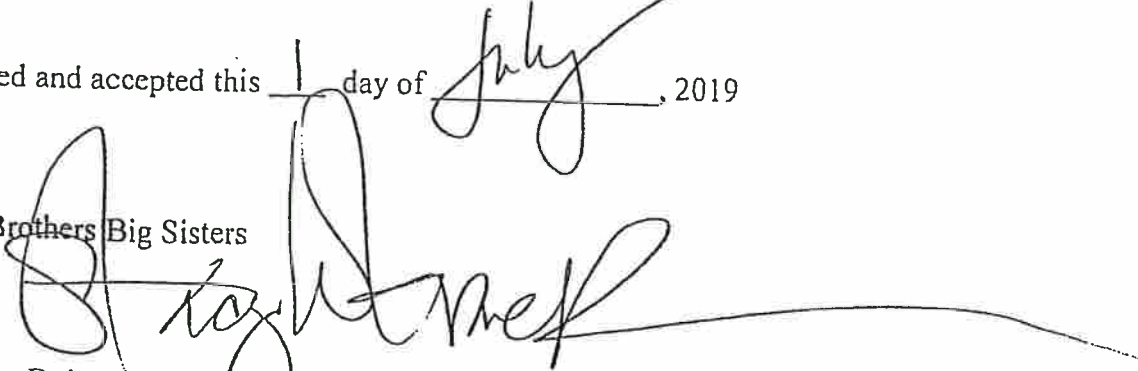
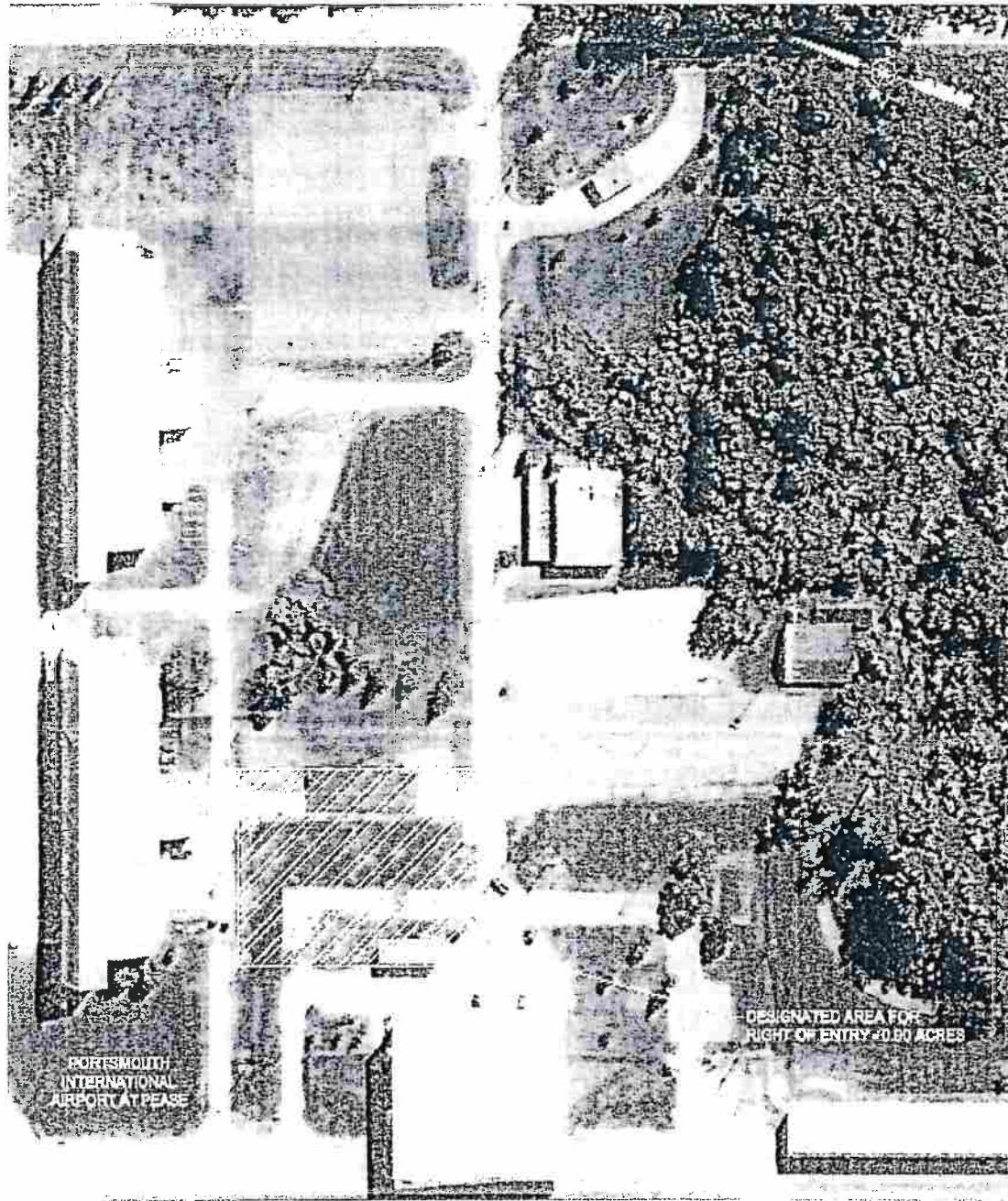
  
Stacy Kramer, CEO

EXHIBIT "A"



Big Brothers Big Sisters Right of Entry

DESIGNED BY: MRM

DATE: 6/24/19

SCALE: 1"=120'



PEASE DEVELOPMENT AUTHORITY

55 INTERNATIONAL DRIVE, PORTSMOUTH, NH 03801





**PEASE**  
INTERNATIONAL  
DEVELOPMENT  
AUTHORITY

U.S. Department of State, Bureau of Consular Affairs

July 12, 2019

Stanley J. Boduch, P.E., Facilities Manager  
U.S. Dept. of State A/OPR/FMS  
National Visa Center  
32 Rochester Avenue  
Portsmouth, NH 03801

**Re: Right of Entry for Use of Parking Area located at 100 New Hampshire Avenue  
Pease International Tradeport, Portsmouth, NH**

Dear Mr. Boduch:

This letter will authorize the National Visa Center ("NVC"), with an address of 32 Rochester Avenue, Portsmouth, NH, to enter upon and utilize 100 ± designated motor vehicle parking spaces at 100 New Hampshire Avenue, Portsmouth, NH, as shown in the attached **Exhibit A** (the "Premises"), for the period from 8:00 a.m. through 5:00 p.m. on Friday, July 26, 2019, for the purpose of providing NVC employees' to park at this location while NVC is hosting a Naturalization Ceremony at its location of 32 Rochester Avenue.

This authorization is conditioned upon the following:

1. NVC's agreement herein that any use of the Premises is at its sole risk and that its signature below constitutes its agreement to assume full responsibility for any and all risk of loss or damage to property and injury or death to persons by reason of or incident to its entry or the entry by any of its employees, agents, patrons, or invitees upon the Premises and/or the exercise of any of the authorities granted herein. NVC expressly waives all claims against the Pease Development Authority for any such loss, damage, personal injury or death caused by or occurring as a consequence of NVC's and its employees, agents, patrons, or invitees use of the Premises or the conduct of activities or the performance of responsibilities under this authorization. This assumption of liability by NVC is coextensive with and in accordance with the liability of the Federal Government under the Federal Tort Claims Act. Claims for tort damages shall be submitted and adjudicated in accordance with the procedures of the Federal Tort Claim Act and applicable state and federal law.

2. NVC understands and acknowledges that this Right of Entry: (a) allows only temporary use of the Premises; (b) is granted on a non-exclusive basis; and (c) permits the PDA to relocate the parking spaces provided to another PDA property at the Pease International Tradeport at any time subject to a 7-day advanced notice requirement. The use of the Premises shall be orderly and efficient, shall not constitute a nuisance and shall not cause disruption to other Airport activities.

3. NVC is self-insured and is liable for tort claims under the provisions of the Federal Tort Claims Act, 28 U.S.C. 2671 et seq.

Page 2

July 12, 2019

Re: **Right of Entry for Use of Parking Area located at 100 New Hampshire Avenue  
Pease International Tradeport, Portsmouth, NH**

4. NVC's agreement to use its best efforts to ensure that vehicles are not left on the Premises in excess of the term limit of this Right of Entry and to assume full responsibility for the immediate removal of vehicle(s) left on the Premises, time being of the essence.

5. NVC agrees the vehicles may be parked in the areas depicted in Exhibit A. PDA has the right, in its sole discretion, to terminate all of or any portion of the Premises used for vehicle parking as a priority for PDA operations, and to relocate the NVC to an equivalent number of spaces on other PDA property.

6. PDA shall not be responsible for damages to property or injuries to persons which may arise from or be attributable or incident to the condition or state or repair of the Premises, or the use and occupation thereof, or for damages to the property or injuries to the person of NVC's patrons, officers, agents, servants or employees, or others who may be on the Premises at its invitation.

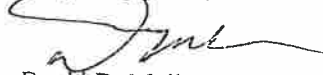
7. NVC's agreement that NVC's maintenance and management of the Premises shall be done at its own costs and expense.

8. Prior to termination of the Right of Entry, NVC agrees to restore the Premises to the same or better conditions than the Premises were in before its use pursuant to this Right of Entry.

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

Please indicate by your signature below NVCs consent to the terms and conditions of this Right of Entry and return the same to me with evidence of insurance and payment of fee as required.


Very truly yours,



David R. Mullen  
Executive Director

Agreed and accepted this 12 day of JULY, 2019

U.S. Department of State A/OPR/FMS  
National Visa Center

By:   
Print Name/Title STANLEY ROUCH

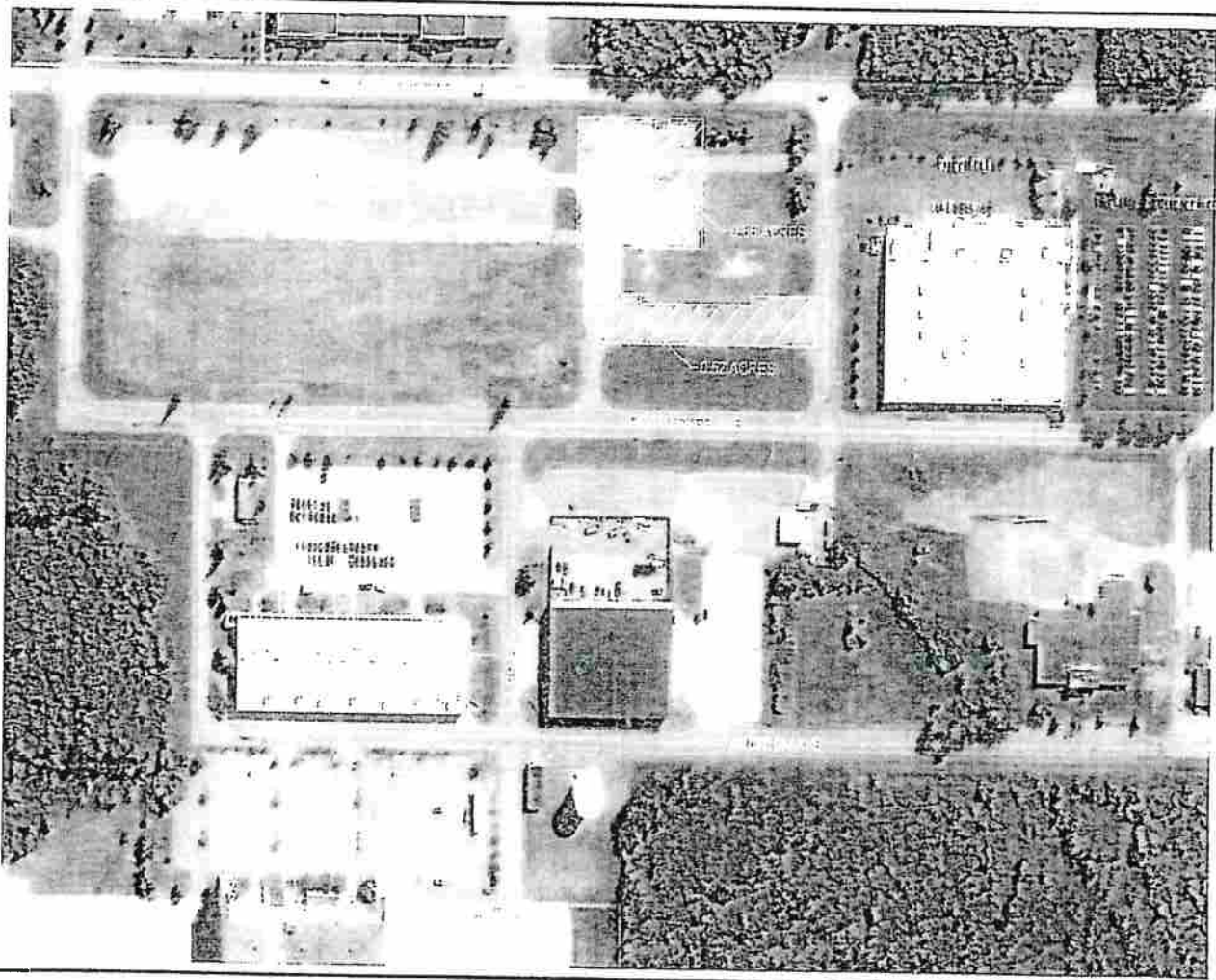
Duly Authorized

FACILITIES MANAGER

July 12, 2019

Re: Right of Entry for Use of Parking Area located at 100 New Hampshire Avenue  
Pease International Tradeport, Portsmouth, NH

EXHIBIT "A"



Right of Entry / Parking Area for Visa Center

DESIGNED BY: MRM    DATE: 6/12/19    SCALE: 1"=200'

 PEASE DEVELOPMENT AUTHORITY

55 INTERNATIONAL DRIVE, PORTSMOUTH, NH 03801







## MEMORANDUM

To: Pease Development Authority Board of Directors  
From: David R. Mullen, Executive Director *DM*  
Date: June 25, 2019  
Re: Sublease between 222 International, Limited Partnership and Seacoast Business Machines, Inc.

In accordance with the Delegation to Executive Director: Consent, Approval of Sub-sublease Agreements adopted by the Board on August 8, 1996, I am pleased to report that PDA has approved of a sublease between 222 International, Limited Partnership ("222ILP") and Seacoast Business Machines, Inc. ("SBM") for 937 square feet at 195 New Hampshire Avenue for a period of three years, effective July 1, 2019. SBM will use the premises for general office use and related uses.

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

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

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

Conditions one through three have been met. As to condition four, PDA relies on 222ILP's continued primary liability for payment of rent and other obligations pursuant to the PDA/200ILP Sublease.

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



## NOTICE OF CONSENT

This NOTICE OF CONSENT ("Notice") is given by the PEASE DEVELOPMENT AUTHORITY ("Lessor") to 222 INTERNATIONAL, LIMITED PARTNERSHIP ("Lessee"). Lessor and Lessee may be referred to jointly as the "Parties."

### RECITALS

A. The Parties entered into a Lease for 222 International Drive at Pease International Tradeport on September 7, 1999 (the "Lease") and amended by Lease Amendment No. 1 effective April 1, 2000 to include 195 New Hampshire Avenue, Pease International Tradeport, Portsmouth, New Hampshire.

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

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

C. Lessee has requested authorization to sublease approximately 937 square feet within the Leased Premises at 222 International Drive/195 New Hampshire Avenue to Seacoast Business Machines, Incorporated ("Seacoast"), a corporation.

D. The proposed sublease to Seacoast Business Machines, Incorporated is for general office use and related uses.

### TERMS AND CONDITIONS

1. Lessor hereby authorizes Lessee to execute the sublease, attached hereto as Exhibit A, with Seacoast Business Machines, Incorporated for approximately 937 square feet within the Leased Premises.
2. Upon execution of the sublease with Seacoast Business Machines, Incorporated, Lessee shall provide Lessor with a copy of the executed sublease, copies of all required insurance certificates and a certificate of good standing from the State of New Hampshire for Seacoast Business Machines, Incorporated.
3. Lessee hereby agrees that occupancy shall be subject to the issuance of a Certificate of Occupancy as may be required in accordance with PDA Zoning Regulations, Section 315.03(a).

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

This Notice of Consent is executed, effective this 25<sup>th</sup> day of June, 2019 by the Pease Development Authority.

PEASE DEVELOPMENT AUTHORITY

By:   
Its: Executive Director

AGREED AND ACCEPTED

222 INTERNATIONAL, LIMITED PARTNERSHIP

6-20-19  
Date

By:   
Its: Co-Manager

SUBLEASE

BETWEEN

222 INTERNATIONAL, LIMITED PARTNERSHIP

AS  
"SUBLESSOR"

AND

SEACOAST BUSINESS MACHINES, INCORPORATED

AS  
"SUBLESSEE"

222 INTERNATIONAL DRIVE

SUITE # 150

PORTSMOUTH, NEW HAMPSHIRE 03801

DATED AS OF <sup>JUNE</sup>~~MAY~~ 6, 2019

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EXHIBITS TO SUBLEASE

Exhibit

- 1 - PRIMARY SUBLEASE
- 2 - (INTENTIONALLY OMITTED)
- 3 - QUITCLAIM DEED OF THE UNITED STATES OF AMERICA ACTING BY AND THROUGH THE US AIR FORCE.
- 4 - FEDERAL FACILITIES AGREEMENT
- 5 - PLANS DESIGNATING THE SUBLEASED PREMISES
- 6 - ALTERATIONS
- 7 - LIST OF ENVIRONMENTAL LAWS AND REGULATIONS
- 8 - CERTIFICATE OF GOOD STANDING
- 9 - FAA REQUIREMENTS
- 10 - SUBORDINATION AND NON-DISTURBANCE AGREEMENT
- 11 - RULES AND REGULATIONS
- 12 - OPERATING EXPENSES





SUBLEASE

THIS SUBLEASE ("Sublease") is made by and between 222 International, Limited Partnership, ("Sublessor") and Seacoast Business Machines, Incorporated, ("Sublessee"). (Sublessor and Sublessee may be referred to jointly as the "Parties.")

SUMMARY OF BASIC LEASE PROVISIONS AND RECITALS

Summary of Basic Lease Provisions and Recitals

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

1. Date of Lease: <sup>JUNE</sup> ~~May~~ 6, 2019
2. Sublessor: 222 International, Limited Partnership
3. Property Manager: CPManagement, Inc., 11 Court Street, Suite 100, Exeter, NH 03833
4. Sublessee: Seacoast Business Machines, Incorporated
5. Property: The property is comprised of the building; and the land parcel on which it is located known as 222 International Drive, Portsmouth, New Hampshire, including the parking lot and other improvements (the "Building").
6. Subleased Premises: 937 rentable square feet of the Building shown on Exhibit #5.
7. Lease Term: Three (3) years beginning on July 1, 2019 or such other date as specified in Article 3 of this Sublease and ending on June 30, 2022.
8. Permitted Uses: General Office Use which must conform to the light industrial /manufacturing uses authorized by the Pease Development Authority.
9. Sublessee's Guarantees:
10. Initial Security Deposit: 
11. Parking: Three spaces per 1,000 rentable square feet. Visitor and handicapped parking spaces are so marked.
12. Base Rent: 
  1. The manner and timing of the payment of Base Rent is in accordance with Section 4.01.

13. Other Periodic Payments : As described under Article 4.
14. Sublessee's Prorata Share: 1.50% of Building's 62,545 rentable square feet.
15. Initial Public Liability Insurance: \$2,000,000 minimum Commercial General Liability coverage - \$1,000,000 in automobile coverage and Worker's Compensation coverage at statutory minimum levels.

### RECITALS

A. 222 International, Limited Partnership, entered into a Sublease dated September 7, 1999 with the Pease Development Authority ("PDA"), an agency of the State of New Hampshire established pursuant to RSA ch 12-G for premises located at the Pease International Tradeport in Portsmouth, New Hampshire described as follows: The premises shown on a Plan entitled "Subdivision Plan of Land at 222 International Drive at Pease International Tradeport, Portsmouth, New Hampshire" recorded in the Rockingham County Registry of Deeds as Plan #D-28060, a copy of which Sublease is attached hereto as Exhibit 1 (the "Primary Sublease"). The Primary Sublease is subject and subordinate to all agreements made between PDA and the United States of America or the United States Air Force including, but not limited to, the Federal Facilities Agreement ("FFA"), and the Quitclaim Deed (the "Deed") dated October 15, 2003 granted by the United States of America (the "Government"), acting by and through the United States Air Force ("Air Force") to PDA, all as hereinafter defined.

B. PDA has acquired fee title to a portion of the former Pease Air Force Base by Deed recorded at the Rockingham County Registry of Deeds at Book 4227, Page 0001. The Parties acknowledge that the Deed imposes certain requirements on PDA, the Sublessor and Sublessee which are addressed in the terms and conditions of the Deed. By the acceptance of this Sublease the Sublessee hereby acknowledges that it must abide by and conform to those terms, conditions and restrictions set forth in the Deed as the same may be applicable to this Sublease and Sublessee's tenancy.

C. The Parties acknowledge that a Federal Facilities Agreement ("FFA") required under Section 120 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601 *et seq.*, has been entered into by the Air Force, the New Hampshire Department of Environmental Services ("NHDES") and the United States Environmental Protection Agency ("EPA") regarding certain contamination at Pease and that this FFA also imposes certain conditions upon Sublessor and Sublessee which are addressed in the terms and conditions of the FFA and Deed. The term FFA shall include any amendments to said document. A copy of the FFA is attached as Exhibit 4 of this Sublease.

D. Sublessor is 222 International, Limited Partnership and is duly organized and existing under the laws of the State of Delaware with a principal place of business at One New Hampshire Avenue, Pease International Tradeport, Portsmouth, New Hampshire, and is qualified

to do business in the State of New Hampshire.

E. Sublessee is Seacoast Business Machines, Incorporated and is duly organized and existing under the laws of the State of New Hampshire with a principal place of business at 11 Colonial Way, Barrington, New Hampshire, and is qualified to do business in the State of New Hampshire.

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

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

## ARTICLE I.

### PREMISES

#### I.1. Description of Subleased Premises

Sublessor, for and in consideration of the rents and covenants herein specified to be paid and performed by Sublessee, hereby leases to Sublessee, and Sublessee hereby hires from Sublessor, the premises described generally below and more particularly on the plans attached as Exhibit 5 (the "Subleased Premises" or the "Premises"): consisting of approximately 937 square feet as adjusted by the final as built of square footage of the lease premises and located at 222 International Drive, Portsmouth, New Hampshire.

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

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

(b) Excepted and excluded from the Premises are the ceiling, floor, perimeter walls and exterior windows, except the inner surfaces thereof, but the entry doors (and related glass and finish work) to the Premises are a part thereof; and Sublessee agrees that Sublessor shall have the right to place in the Premises (but in such manner as to reduce to a minimum interference with Sublessee's use of the Premises) interior storm windows, subcontrol devices (by way of

illustration, an electric sub panel, etc.), utility lines, pipes, equipment and the like, in, over and upon the Premises. Sublessee shall install and maintain, as Sublessor may require, proper access panels in any hung ceilings or walls as may be installed by Sublessee in the Premises to afford access to any facilities above the ceiling or within or behind the walls.

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

This Sublease is subject to existing easements and rights-of-way of record, the Utility Sublease and License Agreement dated July 31, 1992 by and between PDA and Public Service Company of New Hampshire ("PSNH"), the utility Sublease and License Agreement dated May 10, 1995 by PDA and New England Telephone and Telegraph Company ("NETEL"); (iii) the Wastewater Disposal and Water Service Facilities Sublease and License Agreement dated as of January 1, 1993 and amended July 1, 1998 by and between PDA and the City of Portsmouth ("COP") and (iv) the Pipeline Easement and Transfer Agreement dated August 12, 1998 by and between PDA, Portland Natural Gas Transmission System and Maritime & Northeast Pipeline, L.L.C. and such other agreements as PDA shall reasonably require for the provision of utilities and the operation, maintenance and repair of the Airport.

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

### 1.3. Access

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

The rights of Sublessee under this Section 1.3 shall be subordinate to PDA's rights, to manage the common areas and roadways which rights shall include, without limitation, the right to impose reasonable rules and regulations relating to use of the common areas and roadways and the right to add, delete, alter or otherwise modify the designation and use of all parking areas, entrances, exits, roadways and other areas of the Airport, provided, however, that during the term of this Sublease, Sublessee shall have reasonable access the Premises.

The Government reserves a no cost right of access for purposes of environmental investigation, response or other corrective action, as required by CERCLA Section 12(h)(A)(iii), the FFA, and as otherwise set forth in Article 22 of this Sublease.



ARTICLE 2.

CONDITION OF SUBLEASED PREMISES

2.1. Sublessor agrees to provide the Premises on the Commencement Date professionally cleaned, with working toilet and polished bathroom tiles, stained ceiling tiles and burned light bulbs replaced.

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

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

ARTICLE 3.

TERM

3.1. This Sublease shall be for a base term of Three (3) year(s) ("Base Term") which term shall commence upon July 1, 2019, (Term Commencement Date) and shall expire at midnight on the day which is three (3) year(s) from the Term Commencement Date, unless terminated earlier or extended in accordance with the provisions of this Sublease.

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

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

ARTICLE 4.

BASIC RENT

4.1. 

#### 4.2 Security Deposit

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

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

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

On the first day following the expiration of the first year of the term of this Sublease and on the first day of each subsequent year (individually an "Adjustment Date" and collectively the "Adjustment Dates"), Basic Rent shall be subject to adjustment for the remainder of the term of this Sublease as follows:

(1) For the first annual adjustment (commencing on the first day following the expiration of the first year of the term of this Sublease), 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 Basic Rent for the one-year period commencing as of such first Adjustment Date shall be the result obtained by multiplying the annual Basic 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 annual adjustments, the rent shall be adjusted in the same manner as that for the first annual 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 Sublease or the effective date of any adjustment to the rent hereunder.

(3) If for any Adjustment Date the Index most recently published following 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 Sublease, 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. OPERATING EXPENSES

4.5. ADDITIONAL RENT. Sublessee agrees to pay to Sublessor as Additional Rent the Operating Expenses, Utility Expenses and Taxes as defined in this Section 4.5.

4.5.1. Definitions. For the purpose of this Article, the following terms shall have the following respective meanings:

- (i) Operating Year: Each calendar year in which any part of the Term of this Sublease shall fall.
- (ii) Operating Expenses: The aggregate costs or expenses reasonably incurred by Sublessor with respect to the operation, administration, insuring, cleaning, repair, maintenance and management of the Property (but specifically excluding Utility Expenses) all as set forth in Exhibit 12 annexed hereto, provided that, if during any portion of the Operating Year for which Operating Expenses are to be computed, less than all of the Premises Rentable Area was occupied by Sublessee or if Sublessor is not supplying all sublessees with the services being supplied hereunder, actual Operating Expenses incurred shall be reasonably extrapolated by Sublessor on an item by item basis to the estimated Operating Expenses that would have been incurred if the Premises were fully occupied for such Year and such services were being supplied to all sublessees, and such extrapolated amount



shall, for the purposes hereof, be deemed to be the Operating Expenses for such Year.

- (iii) **Utility Expenses:** The aggregate costs or expenses reasonably incurred by Sublessor with respect to supplying electricity (other than electricity supplied to those portions of the Premises leased to sublessees), oil, steam, gas, water and sewer and other utilities supplied to the Property and not paid or directly by sublessees, provided that, if during any portion of the Operating Year for which Utility Expenses are to be computed, less than all Building Rentable Area was occupied by sublessees or if Sublessor is not supplying all sublessees with the utilities being supplied hereunder, actual utility expenses incurred shall be reasonably extrapolated by Sublessor on an item by item basis to the estimated Utility Expenses that would have been incurred if the Premises were fully occupied for such Year and such utilities were being supplied to all sublessees, and such extrapolated amount shall, for the purposes hereof, be deemed to be the Utility Expenses for such Year.
- (iv) **Taxes:** "Taxes" shall mean all real estate taxes, special assessments and betterment assessments assessed with respect to the Premises for any Tax Year.
- (v) **Land Rent:** The rent charged to and paid by Sublessor to the PDA, or any successor authority, under the Primary Sublease assessed with respect to the Premises for any Operating Year.

4.5.2 Sublessee's Payments. Sublessee shall pay as Additional Rent to Sublessor in accordance with the schedule set forth in Section 4.5.3 during the Initial Term hereof and on the same schedule applicable to Base Rent under Section 4.3, an amount equal to the total amount of Sublessor's Operating Expenses, Utility Expenses, Land Rent and Taxes for each Operating Year multiplied by the Sublessee's Pro Rata Share.

4.5.3 Estimated Expenses.

- (a) Estimated Expense Payments. Sublessor shall present prior to the beginning of each calendar year during the term of this Sublease, a reasonable estimation of Sublessor's Pro Rata Share of Operating Expenses, Utility Expenses, Land Rent and Taxes allocable to the Subleased Premises; Sublessee shall pay in each ensuing calendar month one-twelfth (1/12) of the amount of such Sublessor's estimated expenses allocable to the Subleased Premises. A final reconciliation shall be made by Sublessor at the end of each calendar year by applying the amount of such interim payments to the amounts otherwise due upon presentation of the annual statement rendered to Sublessee on or before March 31<sup>st</sup> of each Operating Year.
- (b) Records. Sublessor agrees to keep in its principal office true and accurate records of such Operating Expenses. Sublessee shall have the right for a period of six months following receipt of any statement rendered under Section 4.5.3 (a) to

examine the records on which such statement is based. In the event of any dispute with respect to any amount due under either Section 4.5, either party may refer to the dispute to arbitration pursuant to Article 29 hereof.

## ARTICLE 5

### IMPOSITIONS

5.1. During the term of this Sublease, Sublessor shall pay when due, all taxes, charges, excises, license and permit fees, assessments, and other governmental charges, general and special, ordinary and extraordinary, unforeseen, as well as foreseen, of any kind and nature whatsoever, which during the term of this Sublease are assessed or imposed upon or become due and payable or a lien upon the land and buildings of which the Subleased Premises are a part.

5.2 Abatement. If Sublessor shall receive any tax refund or reimbursement of Taxes or sum in lieu thereof with respect to any Tax Year which is not due to vacancies in the Building, then out of any balance remaining thereof after deducting Sublessor's expenses reasonably incurred in obtaining such refund, Sublessor shall, provided there does not then exist a Default of Sublessee, credit an amount equal to such refund or reimbursement or sum in lieu thereof (exclusive of any interest) multiplied by the Pro Rata Share against the obligations of Sublessee next falling due under this Article IV or if no such amounts are due, refund the balance to the Sublessee upon receipt.

## ARTICLE 6.

### SURRENDER OF SUBLEASED PREMISES

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

ARTICLE 7.

INSURANCE

7.1. Public Liability Insurance. Sublessee agrees to maintain in full force from the date upon which Sublessee first enters the Premises for any reason, throughout the Term of this Sublease, and thereafter so long as Sublessee is in occupancy of any part of the Premises, a policy of general liability and property damage insurance (including broad form contractual liability, independent contractor's hazard and completed operations coverage) under which Sublessor, Manager (and such other persons as are in privity of estate with Sublessor as may be set out in notice from time to time) and Sublessee are named as additional insureds, and under which the insurer agrees to defend, indemnify and hold Sublessor, Manager, and those in privity of estate with Sublessor, harmless from and against all cost, expense and/or liability arising out of or based upon any and all claims, accidents, injuries and damages set forth in Article 12. Each such policy shall be non-cancelable and non-amendable with respect to Sublessor, Manager and Sublessor's said designees without thirty (30) days' prior notice to Sublessor and shall be as follows:

- (1) Comprehensive general liability insurance to a limit of not less than two million (\$2,000,000) dollars, endorsed for products and completed operations liability insurance, on an "occurrence basis" against claims for "personal injury", including without limitation, bodily injury, death or property damages, occurring upon, in or about the land and buildings of which the Subleased Premises are a part as required pursuant to the Primary Sublease.
- (2) Worker's compensation and employer's liability insurance in an amount and form which meets all applicable requirements of the labor laws of the State of New Hampshire, as amended from time to time, and which specifically covers the persons and risks involved in this Sublease.
- (3) Automobile liability insurance in amounts approved from time to time by Sublessor, but not less than one million (\$1,000,000) dollars combined single limit for owned, hired and non-owned automobiles.

7.2. All policies of insurance required to be carried under this Article shall be effected under valid and enforceable policies, in such forms and amounts as may, from time to time, be required under this Sublease, issued by insurers of recognized responsibility which are authorized to transact such insurance coverage in the State of New Hampshire, and which have been approved in writing by Sublessor, which approval shall not be withheld unreasonably. Except for workman's compensation coverage, all such policies of insurance shall be for the mutual benefit of Sublessor, PDA, and Sublessee as named additional insureds. Upon the execution of this Sublease (and thereafter not less than fifteen (15) days prior to the expiration date of each policy furnished pursuant to this Article) the original of each policy required to be furnished pursuant to this Article (or, with the consent of Sublessor, which consent shall not be unreasonably withheld,

in the case of comprehensive general liability insurance and products liability insurance, a certificate of the insurer reasonably satisfactory to Sublessor) bearing a notation evidencing the payment of the premium or accompanied by other evidence reasonably satisfactory to Sublessor of such payment, shall be delivered by Sublessee to Sublessor.

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

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

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

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

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

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



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

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

### ARTICLE 3.

#### USE OF SUBLEASED PREMISES

8.1. The sole purpose for which Sublessee may use the Subleased Premises is for general office use and related uses and for no other uses without Sublessor's and PDA's prior written consent. Sublessee shall not use, or permit to be used, the Subleased Premises for any other purpose without the prior express written consent of Sublessor and PDA. Sublessor's and PDA's consent shall be subject to the execution of an appropriate agreement which shall include a provision requiring the payment of established fees and charges that may be applicable to any such additional uses consented to by Sublessor and PDA. Sublessee is prohibited from any use of the Subleased Premises not specifically granted in this Section 8.1.

8.2. Sublessee recognizes that the uses authorized in Section 8.1 are not granted on an exclusive basis and that Sublessor and PDA may enter into subleases or other agreements with other tenants or users at areas of the building in which the Subleased Premises are a part or other areas of the Airport for similar, identical, or competing uses. No provision of this Sublease shall be construed as granting or authorizing the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act as the same may be amended from time to time.

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

8.4. Sublessee warrants that it holds all certificates, permits, licenses or other entitlements required by federal, state or local laws in order to allow Sublessee to conduct the permitted uses hereunder, and that the same are and will be kept current, valid and complete. Sublessee further

warrants that it shall at all times abide by and conform with all terms of the same and that it shall give immediate notice to Sublessor of any additions, renewals, amendments, suspensions or revocations. In the use and occupation of the Subleased Premises and the conduct of such business thereon, Sublessee, at its sole cost and expense, shall promptly comply with all present and future laws, ordinances, orders, rules, regulations and requirements of all federal, state and municipal governments, courts, departments, commissions and boards, any national, state or local Board of Fire Underwriters, or any other body exercising functions similar to those of any of the foregoing.

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

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

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

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

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

8.9. Intentionally omitted.

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

## ARTICLE 9

### LIENS

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



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

## ARTICLE 10

### ALTERATIONS – SIGNS

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

- (1) All work and Alterations shall be done in compliance with all applicable governmental regulations, codes, standards or other requirements, including fire, safety and building codes and Land Use Regulations promulgated by PDA and with the provisions of Article 22 of this Sublease. This obligation shall include compliance with all applicable provisions of the FFA (as defined in Article 22), including obligations imposed upon Sublessor in respect to construction and construction related work.
- (2) All Alterations shall be of such a character as not to materially reduce the value and usefulness of any of the buildings or other improvements below their value and usefulness immediately before such Alteration. All work performed hereunder shall be performed in a good and workmanlike manner, shall conform to drawings and specifications approved by Sublessor and PDA and shall not be disruptive of the overall operation of the Airport. All contractors engaged by Sublessee to perform such work shall employ labor that can work in harmony with all elements of labor at the Airport.
- (3) During the period of construction of any alteration, Sublessee or any contractor, subcontractor or sublessee of Sublessee shall maintain or cause to be maintained the following insurance:
  - (i) The comprehensive general liability and automobile insurance provided for in Article 7 and shall be maintained for the limits specified thereunder and shall provide coverage for the mutual benefit of Sublessor, PDA, and Sublessee as named or additional insured (as is appropriate) in connection with any Alteration permitted pursuant to this

Article 10.

- (ii) Fire and any other applicable insurance provided for in Article 7 which if not then covered under the provisions of existing policies shall be covered by special endorsement thereto in respect to any Alteration, including all materials and equipment therefor incorporated in, on, or about the Subleased Premises ( including excavations, foundations, and footings) under broad form all risk builder's risk completed value form or equivalent thereof; and
  - (iii) Worker's compensation insurance covering all persons employed in connections with the work and with respect to whom death or bodily injury claims could be asserted against PDA, Sublessor, Sublessee or the Subleased Premises, with statutory limits as then required under the laws of the State of New Hampshire.
- (4) Sublessee shall provide Sublessor and PDA with MYLAR as-built drawings when any Alteration authorized hereunder is completed.

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

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

10.4. In addition to the requirements to provide notice to Sublessor and PDA under this Article 10 in respect to any Alteration, Sublessee shall also provide notice to Air Force, EPA and NHDES in the same manner and to the extent required of PDA under the Deed and/or the FFA.

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

## ARTICLE 11

### RIGHT OF SUBLESSOR TO INSPECT AND REPAIR

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

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

11.3. Sublessee shall allow PDA and any agency of the United States, its officers, agents, employees and contractors to enter upon the Subleased Premises for any purposes not inconsistent with Sublessee's quiet use and enjoyment, including but not limited to the purpose of inspection. Notwithstanding the preceding sentence, in the event the Government (or any other 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 they may effect such entry without prior notice. The Sublessee shall have no claim against PDA, or against the United States or any officer, agent, employee or contractor thereof on account of any such entries.

## ARTICLE 12

### GENERAL INDEMNIFICATION BY SUBLESSEE

12.1. In addition to any other obligation of Sublessee under this Sublease to indemnify, defend and hold harmless Sublessor, its principals, agents and employees, etc., Sublessee agrees to indemnify, defend and hold harmless Sublessor 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 Sublease:

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

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

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

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

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

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

## ARTICLE 13

### UTILITIES

13.1. Sublessor shall bring or shall cause utility lines to be brought to the Subleased Premises at the points existing as of the Term Commencement Date or such other points as may be designated by Sublessor (in consultation with Sublessee). The utility lines shall have the capacities existing as of the Term Commencement Date which Sublessee acknowledges are sufficient to enable Sublessee to obtain for the Subleased Premises, as of the date of commencement of Sublessee's activities, sufficient water, electricity, telephone and sewer service. Sublessee shall not at any time overburden or exceed the capacity of the mains, feeders, ducts, conduits, or other facilities by which such utilities are supplied to, distributed in or serve the Subleased Premises. If Sublessee desires to install any equipment which shall require additional utility facilities or utility facilities of a greater capacity than the facilities provided by Sublessor, such installation shall be subject to Sublessor's and PDA's prior written approval of Sublessee's plans and specifications therefor, which approval shall not be unreasonably withheld.



If such installation is approved by Sublessor and PDA and if Sublessor and PDA agrees to provide any additional facilities to accommodate Sublessee's installation, Sublessee agrees to pay Sublessor and/or PDA, in advance and on demand, the cost for providing such additional utility facilities or utility facilities of greater capacity.

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

PDA under the Primary Sublease, at its sole discretion, shall have the right from time to time, to alter the method and source of supply of the above enumerated utilities to the Subleased Premises and Sublessee agrees to execute and deliver to PDA such documentation as may be required to effect such alteration. Sublessee agrees to pay all charges for the above enumerated utilities supplied by Sublessor, public utility or public authority, or any other person, firm or corporation which are separately metered to the Subleased Premises.

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

13.2. Sublessor shall be responsible for providing any meters or other devices for the measurement of utilities supplied to the Subleased Premises. Sublessee shall be solely responsible for and promptly pay, as and when the same become due and payable, all charges for water, sewer, electricity, gas, telephone and any other utility used or consumed in the Subleased Premises and supplied by PDA, any public utility or authority or any other person, firm or corporation which are separately metered to the Subleased Premises.

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

## ARTICLE 14

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

14.1. Installation and Alterations by Sublessee, etc. Sublessee shall make no alterations, additions (including, for the purposes hereof, wall-to-wall carpeting), or improvements in or to the

Premises without Sublessor's prior written consent. Any such alterations, additions or improvements shall (i) be in accordance with complete plans and specifications prepared by Sublessee and approved in advance by Sublessor; (ii) be performed in a good and workmanlike manner and in compliance with all applicable laws; (iii) be performed and completed in the manner required herein; (iv) be made at Sublessee's sole expense and at such times as Sublessor may from time to time designate; and (v) become a part of the Premises and the property of Sublessor. It is agreed and understood that Sublessor shall have the right to review and approve all changes to any plans which Sublessor shall have approved pursuant to this Section. It is also agreed and understood that Sublessor shall not be deemed to be unreasonable in denying its consent to alterations, additions and improvements to the Premises which affect "Base Building Systems" (as said term is hereafter defined). As used herein, the term "Base Building Systems" shall mean (i) any mechanical, electrical or plumbing system or component of the Building (including the Premises) (ii) the exterior of the Building (iii) the Building HVAC distribution system (iii) any fire safety prevention/suppression system and (iv) any structural element or component of the Building.

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

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

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

14.5. Sublessor Repairs. (a) Except as otherwise provided in this Sublease, Sublessor agrees to keep in good order, condition and repair the roof, public areas, exterior walls (including exterior

glass) and structure of the Building (including plumbing, mechanical and electrical systems installed by Sublessor but excluding any systems installed specifically for Sublessee's benefit or used exclusively by Sublessee) and the HVAC system serving the Premises, all insofar as they affect the Premises, except that Sublessor shall in no event be responsible to Sublessee for the condition of glass in the Premises or for the doors (or related glass and finish work) leading to the Premises, or for any condition in the Premises or the Building caused by any act or neglect of Sublessee, its agents, employees, invitees or contractors. Sublessor shall not be responsible to make any improvements or repairs to the Building other than as expressly in this Section, unless expressly provided otherwise in this Sublease. All costs and expenses incurred by Sublessor in performing its obligations under this Section shall be included in Operating Expenses.

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

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

(b) If repairs are required to be made by Sublessee pursuant to the terms hereof, Sublessor may demand that Sublessee make the same forthwith, and if Sublessee refuses or neglects to commence such repairs and complete the same with reasonable dispatch after such demand, Sublessor may (but shall not be required to do so) make or cause such repairs to be made (the provisions of Section 14.18 being applicable to the costs thereof) and shall not be responsible to Sublessee for any loss or damage that may accrue to Sublessee's stock or business by reason thereof. Notwithstanding the foregoing, Sublessor may elect to take action hereunder immediately and without notice to Sublessee if Sublessor reasonably believes an emergency to exist.

14.8. Floor Load - Heavy Machinery. (a) Sublessee shall not place a load upon any floor in the Premises exceeding the floor load per square foot of area which such floor was designed to carry and which is allowed by law. Sublessor reserves the right to prescribe the weight and position of all business machines and mechanical equipment, including safes, which shall be placed so as to distribute the weight. Business machines and mechanical equipment shall be placed and



maintained by Sublessee at Sublessee's expense in settings sufficient, in Sublessor's judgment, to absorb and prevent vibration, noise and annoyance. Sublessee shall not move any safe, heavy machinery, heavy equipment, freight, bulky matter or fixtures into or out of the Building without Sublessor's prior consent, which consent may include a requirement to provide insurance, naming Sublessor as an insured, in such amounts as Sublessor may deem reasonable.

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

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

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

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

## ARTICLE 15

### ACCESS TO PREMISES

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

## ARTICLE 16

### DAMAGE OR DESTRUCTION

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

16.2. Restoration. If this Sublease shall not be terminated pursuant to Section 16.1, Sublessor shall thereafter use due diligence to restore the Premises (excluding any alterations, additions or improvements made by Sublessee) to proper condition for Sublessee's use and occupation, provided that Sublessor's obligation shall be limited to the amount of insurance proceeds available therefor. If, for any reason, such restoration shall not be substantially completed within six months after the expiration of the 90 day period referred to in Section 16.1 (which six-month period may be extended for such periods of time as Sublessor is prevented from proceeding with or completing such restoration for any cause beyond Sublessor's reasonable control, but in no event for more than an additional three months), Sublessee shall have the right to terminate this Sublease by giving notice to Sublessor thereof within thirty (30) days after the expiration of such period (as so

extended). Upon the giving of such notice, this Sublease shall cease and come to an end without further liability or obligation on the part of either party unless, within such 30-day period, Sublessor substantially completes such restoration. Such right of termination shall be Sublessee's sole and exclusive remedy at law or in equity for Sublessor's failure so to complete such restoration. During the period of such restoration, if the Sublessee shall not have reasonable use and occupancy of the premises, the rent shall be abated during that period or portion thereof.

## ARTICLE 17

### EMINENT DOMAIN

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

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

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

## ARTICLE 18

### DEFAULT

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

18.2. In the case of such termination, Sublessee will indemnify Sublessor each month against all loss of rent, and all obligations which Sublessor may incur by reasons of any such termination, between the time of termination and the expiration of the term of this Sublease; or at the election of Sublessor, exercised at the time of the termination or at any time thereafter, Sublessee will indemnify Sublessor, each month until the exercise of the election, against all loss of rent and other obligations which Sublessor may incur by reason of such termination, during the period between the time of the termination and the exercise of the election, and upon the exercise of the election Sublessee will pay to Sublessor as damages such amount as at the time of the exercise of the election represents the amount by which the rental value of the leased Premises for the period from the exercise of the election until the expiration of the term shall be less than the amount of rent and other payments provided herein to be paid by Sublessee to Sublessor during said period. It is understood and agreed that at the time of the termination, or at any time thereafter, the Sublessor shall diligently perform the legal obligation to relet the premises for a term which may expire after the expiration of the term of this Sublease, without releasing Sublessee from any liability whatsoever, only for the term of this Sublease, but not for the longer re-let term. The Sublessee shall be liable for any expenses incurred by Sublessor in



connection with obtaining possession of the Subleased Premises, with removing from the Subleased Premises property of Sublessee and persons claiming under it (including warehouse charges), with putting the Subleased Premises into a condition reletting similar to its condition at the commencement of this lease, reasonable wear and tear excepted, and with any reletting, including, but without limitation, reasonable attorneys' fees and brokers' fees, and that any monies collected from any reletting shall be applied first to the foregoing expenses and then to the payment of rent and all other payments due from Sublessee to Sublessor. The Sublessor shall, commensurate with any demand for payment of any of the above as to expenses or rent, provide the Sublessee with an itemization of all such items as a condition to the Sublessee's obligations to make payment.

## ARTICLE 19

### SUBORDINATION TO MORTGAGES

Sublessee agrees that upon the request of Sublessor it will subordinate this Sublease and the lien hereof to the lien of any present or future mortgage or mortgages upon the Subleased Premises, any property of which the Subleased Premises are a part, or upon any ground lease of such property or upon any part thereof, irrespective of the time of execution or time of recording of any sub mortgage or mortgages. Sublessee agrees that it will, upon the request of Sublessor, execute, acknowledge and deliver any and all instruments deemed by Sublessor necessary or desirable to give effect or notice of such subordination. Sublessee also agrees that if it shall fail at any time to execute, acknowledge, or deliver any instrument requested by Sublessor under this Article, Sublessor may, only after seven (7) days notice to the Sublessee, in addition to any other remedies available to it, execute, acknowledge, and deliver such instrument as the attorney in fact of Sublessee and in Sublessee's name, and Sublessee hereby makes, constitutes, and irrevocably appoints Sublessor as its attorney in fact for that purpose. The word "mortgage" as used herein includes mortgages, deeds of trust, or other similar instruments and modifications, consolidations, extensions, renewals, replacements and substitutes thereof. At the request of the holder of any mortgage upon the Subleased Premises or any property of which the Subleased Premises is a part may subordinate the lien of such mortgage to this Sublease, thereby making this Sublease superior to such mortgage, by recording in the Rockingham County Registry of Deeds, a Notice of Subordination or other document of like effect, executed unilaterally by such mortgage. Whether the lien of any mortgage are a part shall be superior or subordinate to this Sublease and the lien hereof, Sublessee agrees that , if requested by Sublessor or the holder of such mortgage, it will attorn to the holder of such mortgage or anyone claiming under such holder and their respective successors and assigns in the event of foreclosure of or similar action taken under such mortgage.

## ARTICLE 20

### CERTIFICATE

Within ten (10) days after written request therefor by Sublessor, Sublessee agrees to deliver to Sublessor or to any mortgagee a certificate stating (if such be the case) that Sublessee has entered into occupancy of the Subleased Premises in accordance with the provisions of this

Sublease, that this Sublease is in full force and effect (if such be the case), that Sublessor has performed the construction required of Sublessor, and any other information reasonably requested.

## ARTICLE 21

### DELEGATION, ASSIGNMENT, SUBLEASES, MORTGAGE

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

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

21.3. Subleases. Sublessee may not enter into any sublease of the Subleased Premises without Sublessor's prior written approval. Any request for Sublessor's approval shall be made at least forty-five (45) days prior to the commencement of such tenancy and shall provide detailed information concerning the identity and financial condition of the proposed sublessee and the terms and conditions of the proposed sublease. Sublessor shall not unreasonably withhold its consent to such sublease if: (1) the use of the Subleased Premises associated with any sublease(s) is permitted under Article 8, (2) the sublease(s) are consistent with the terms and conditions of this Sublease and the Primary Sublease; provided, however, that Sublessee may rent the subleased area at rentals deemed appropriate by Sublessee, (3) Sublessee remains primarily liable to Sublessor to pay rent and to perform all other obligations to be performed by Sublessee under this Sublease, (4) the proposed sublessee is financially and operationally responsible and (5) PDA has given its approval to the proposed sublease. [In the event the rent for the Subleased Premises exceeds the rental charged to Sublessee under Article 4, Sublessee shall remit sixty percent (60%) of such excess to Sublessor upon receipt by Sublessee; provided, however, that any rental received by Sublessee during a period in which no rental is due to Sublessor shall be paid in its entirety to Sublessor.]

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



of this Article XXI shall be void and shall, at the option of Sublessor, terminate this Sublease.

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

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

## ARTICLE 22

### ENVIRONMENTAL PROTECTION

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

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

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

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

date of execution of this Sublease. "Occupancy" or "Use" shall mean any activity or presence including preparation and construction in or upon the Subleased Premises.

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

22.4. Notwithstanding any other provision of this Sublease, Sublessee and its sublessees and assignees do not assume any liability or responsibility for environmental impacts and damage caused by the use by the Air Force of Hazardous Substances on any portion of the Airport, including the Subleased Premises. The Sublessee and its sublessees and assignees have no obligation to undertake the defense, remediation and cleanup, including the liability and responsibility for the costs of damages, penalties, legal and investigative services solely arising out of any claim or action in existence now, or which may be brought in the future by any person, including governmental units against the Air Force, because of any use of, or release from, any portion of the Airport (including the Subleased Premises) of any Hazardous Substances prior to the Occupancy Date.

22.5. As used in this Sublease, the term "Hazardous Substances" means any hazardous or toxic substance, material or waste, oil or petroleum product, which is or becomes regulated by any local governmental authority, the State of New Hampshire or the United States Government. The term "Hazardous Substances" includes, without limitation, any material or substance which is (i) defined as a "hazardous waste," under New Hampshire RSA ch.147-A, (ii) defined as a "hazardous substance" under New Hampshire RSA ch.147-B, (iii) oil, gasoline or other petroleum product, (iv) asbestos, (v) listed under or defined as hazardous substance pursuant to Part Hc. P 1905 ("Hazardous Waste Rules") of the New Hampshire Code of Administrative Rules, (vi) designated as a "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. §1317), (vii) defined as a "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq. (42 U.S.C. §6903), or (viii) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601 et seq. (42 U.S.C. §9601) and (ix) so defined in the regulations adopted and publications promulgated pursuant to any of such laws, or as such laws or regulations may be further amended, modified or supplemented (collectively "Hazardous Substance Laws").

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

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

22.7. Notwithstanding any other provision of this Sublease and pursuant to the Primary

Sublease, PDA is not responsible for any removal or containment of asbestos. If Sublessee and any sublessee or assignee intend to make any improvements or repairs that require the removal of asbestos, an appropriate asbestos disposal plan must be incorporated in the plans and specifications. The asbestos disposal plan shall identify the proposed disposal site for the asbestos. In addition, non-friable asbestos which becomes friable through or as a consequence of the activities of Sublessee will be abated by Sublessee at its sole cost and expense. The Sublessor hereby certifies that the leased premises and the building containing the leased premises are free of any asbestos materials.

22.8. Sublessor and Sublessee acknowledge that the Airport has been identified as a National Priority List (NPL) Site under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) of 1980, as amended. Sublessee acknowledges that Sublessor has provided it with a copy of the Pease Federal Facility Agreement ("FFA") entered into by EPA, and the Air Force on April 24, 1991, and Modification No. 1 thereto, effective March 18, 1993, agrees that it will comply with the terms of the FFA to the extent the same may be applicable to the Subleased Premises and that should any conflict arise between the terms of the FFA and the provisions of this Sublease, the terms of the FFA will take precedence. The Sublessee further agrees that the Sublessor and PDA assume no liability to the Sublessee or any sublessee or assignee of Sublessee should implementation of the FFA interfere with their use of the Subleased Premises. The Sublessee and its sublessee(s) and assignee(s) shall have no claim on account of any such interference against the Sublessor, or PDA or any officer, agent, employee or contractor thereof, other than a claim to Sublessor for abatement of rent.

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

22.9. The Air Force, EPA, and NHDES and their officers, agents, employees, contractors, and subcontractors have the right, upon reasonable notice to the Sublessee and any sublessee or assignee, to enter upon the Subleased Premises for the purposes enumerated in this subparagraph and for such other purposes consistent with the FFA:

(1) to conduct investigations and surveys, including, where necessary, drilling, testpitting, borings and other activities related to the Pease Installation Restoration Program ("IRP") or the FFA (the term IRP as used herein refers to the broad Department of Defense-wide program to identify, investigate and clean ups contaminated areas on military installations as described in the Department of Defense Instruction Number 4715.7;

(2) to inspect field activities of the Air Force and its contractors and subcontractors in implementing the IRP or the FFA;

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

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

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

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

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

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

22.13. Any permit required under Hazardous Substance Laws for the management of Hazardous Substances stored or generated by Sublessee or any sublessee or assignee of Sublessee shall be obtained by Sublessee or its sublessees or assignee and shall be limited to generation and transportation. Any violation of this requirement shall be deemed a material breach of this Sublease. Sublessee shall provide at its own expense such hazardous waste storage facilities, complying with all laws and regulations, as it needs for management of its hazardous waste.

22.14. Sublessee, and any sublessee or assignee of Sublessee whose operations utilize Hazardous Substances, shall have a completed and approved plan for responding to Hazardous Substances spills prior to commencement of operations on the Subleased Premises. Such plan shall comply with changes in site conditions or applicable requirements and shall be updated from time to time, as may be required to comply with changes in site conditions or applicable requirements and shall be approved by agencies having regulatory jurisdiction over such plan. Such plan shall be independent of, but not inconsistent with, any plan or other standard of PDA applicable to the Airport and except for initial fire response and/or spill containment, shall not



rely on use of the Airport or Sublessor personnel or equipment. Should the Sublessor provide any personnel or equipment, whether for initial fire response and/or spill containment or otherwise, on request of the Sublessee, or because the Sublessee was not, in the opinion of Sublessor, conducting timely cleanup actions, the Sublessee agrees to reimburse the Sublessor for its costs.

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

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

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

## ARTICLE 23

### HOLDING OVER

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

## ARTICLE 24

### WAIVERS

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

## ARTICLE 25

### QUIET ENJOYMENT

Sublessor agrees that upon Sublessee's paying the rent and performing and observing the agreements, conditions and other provisions on its part to be performed and observed, Sublessee shall and may peaceably and quietly have, hold, and enjoy the Subleased Premises during the



term of this Sublease without any manner of hindrance or molestation from Sublessor or anyone claiming under Sublessor, subject, however, to the terms of this Sublease and any instruments having a prior lien.

## ARTICLE 26

### FAILURE OF PERFORMANCE

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

## ARTICLE 27

### INTERPRETATIONS

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

27.2. Wherever in this Sublease it is provided that the consent or approval of either party must be obtained in order to authorize any act or course of conduct by the other party, the party whose consent or approval is necessary may grant or withhold said consent or approval, except where expressly provided to the contrary in this Sublease, at its sole and absolute discretion and with or without explanation of the reason or reasons for granting or withholding the same.

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

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

ARTICLE 28

NOTICES

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

If to Sublessor: 222 International, Limited Partnership  
c/o CPManagement, Inc.  
11 Court Street, Suite 100  
Exeter, NH 03833

If to Sublessee: Seacoast Business Machines Incorporated  
Attn:  
11 Colonial Way  
Barrington, NH 03825

ARTICLE 29

DISPUTES AND LITIGATION

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

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

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

ARTICLE 30

MISCELLANEOUS

30.1. Any actions or proceedings with respect to any matters arising under or growing out of this Sublease shall be instituted and prosecuted only in the courts located in the State of New Hampshire. Nothing contained in this Article or any other provision of this Sublease shall be

deemed to constitute a waiver of the sovereign immunity of the State of New Hampshire, which immunity is hereby reserved to PDA and to the State of New Hampshire.

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

30.3. Sublessee agrees to conform to such additional provisions required, from time to time, by the FAA ("FAA Requirements") or its successor with respect to the operation of the Airport, or a portion thereof. The current FAA Requirements are attached hereto as Exhibit 9 and incorporated herein by reference.

30.4. This Sublease is subject and subordinate to any agreements heretofore or hereafter made between PDA and the United States or the Air Force, the execution of which is required to enable or permit transfer of rights or property to PDA for airport purposes or expenditure of federal grant funds for airport improvement, maintenance or development, including, without limitation, the Quitclaim Deed dated October 15, 2003 and the FFA. Sublessee shall abide by requirements of any agreement between PDA and the United States or the Air Force applicable to the Subleased Premises or Sublessee's activities at the Airport and shall consent to amendments and modifications of this Sublease if required by such agreements or as a condition of PDA's entry into such agreements.

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

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

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

That there shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, national origin, or ancestry, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the Premises herein leased nor shall the Sublessee, or any person claiming under or through it, establish or permit any such practice or

practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the Subleased Premises herein leased.

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

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

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

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

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

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

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







EXECUTION

IN WITNESS WHEREOF, Sublessor and Sublessee have executed this Sublease effective as of the 6 day of June, 2019.

222 INTERNATIONAL, LIMITED  
PARTNERSHIP

By:   
Its: Co-Manager  
"Sublessor"

SEACOAST BUSINESS MACHINES INCORPORATED

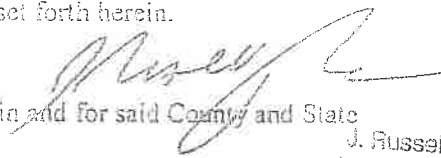
By:   
Its: Vice President SRM  
"Sublessee"

STATE OF NEW HAMPSHIRE

: ss.

COUNTY OF [Rockingham]

On this 6 day of June, 2019, before me, J. Russell Doyle, a Notary Public in and for said County and State, personally appeared Daniel L. Plummer, personally known to me (or proved to me on the basis of satisfactory evidence) to be the Co-Manager of 222 International Limited Partnership, and on oath stated that he was authorized to execute this instrument and acknowledged it to be his free and voluntary act for the uses and purposes set forth herein.



Notary Public in and for said County and State

J. Russell Doyle  
NOTARY PUBLIC  
New Hampshire

My Commission Expires 10/27/21  
9.27.2022

STATE OF [New Hampshire]

: ss.

COUNTY OF [Rockingham]

On this 6 day of June, 2019, before me, J. Russell Doyle, a Notary Public in and for said County and State, personally appeared [Susan Mitter], personally known to me (or proved to me on the basis of satisfactory evidence) to be the [VICE PRESIDENT] of [Seacoast Business Machines] and on oath stated that he was authorized to execute this instrument and acknowledged it to be his free and voluntary act for the uses and purposes set forth herein.



Notary Public in and for said County and State

J. Russell Doyle  
NOTARY PUBLIC  
New Hampshire

My Commission Expires 10/27/21

9.27.2022



EXHIBIT 1

PRIMARY SUBLEASE

EXHIBIT 2

(INTENTIONALLY OMITTED)

EXHIBIT 3

QUITCLAIM DEED OF THE UNITED STATES OF AMERICA

ACTING BY AND THROUGH THE US AIR FORCE

EXHIBIT 4

FEDERAL FACILITIES AGREEMENT

EXHIBIT 5

PLANS DESIGNATING THE SUBLEASED PREMISES

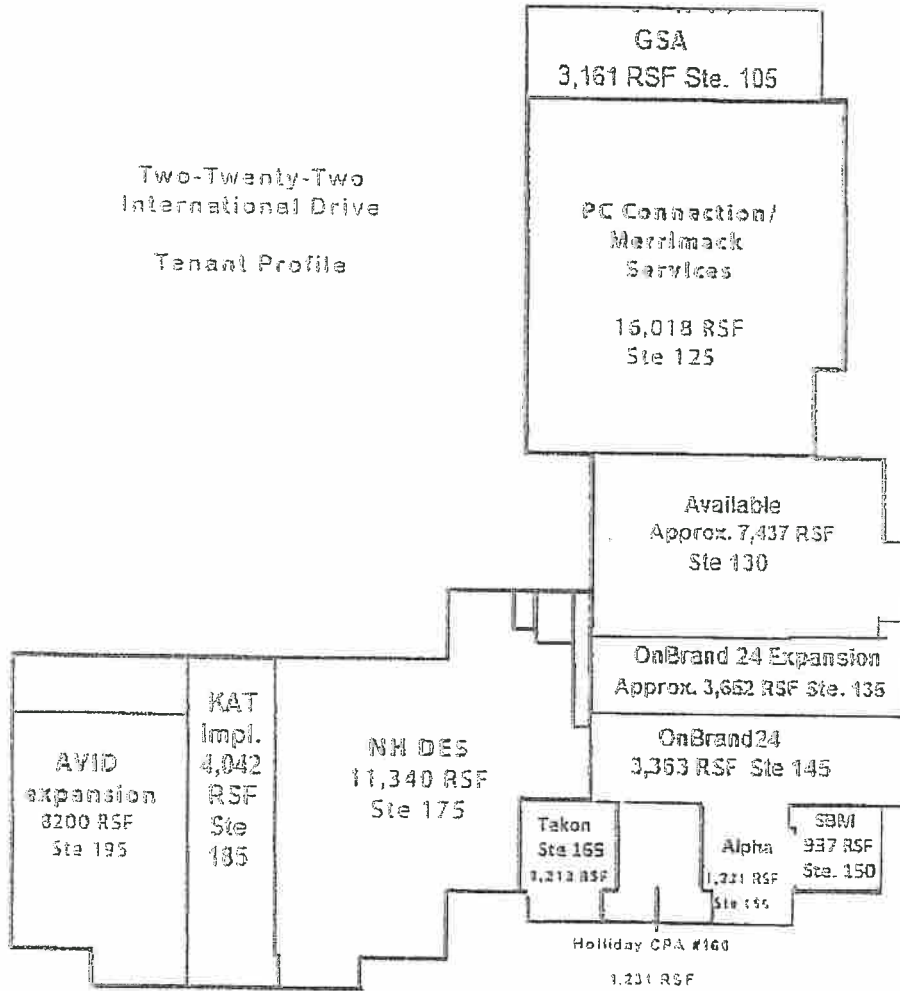


EXHIBIT 6

ALTERATIONS

Sublessor agrees to provide the Subleased Premises on the Commencement Date with the following improvements:

- Professionally clean
- Polish bathroom tiles
- Toilet in working condition
- Replace stained ceiling tiles as needed
- Replace light bulbs as needed



## EXHIBIT 7

### LIST OF ENVIRONMENTAL LAWS AND REGULATIONS

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

EXHIBIT 8

CERTIFICATE OF GOOD STANDING  
TO BE PROVIDED BY SUBLESSEE

EXHIBIT 9

SUBLEASE PROVISIONS REQUIRED BY  
THE FEDERAL AVIATION ADMINISTRATION

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

and/or services to the public on the Subleased Premises.

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

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

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

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

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

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

13. Sublessee, by accepting this Sublease expressly agrees for itself, its successors and assigns that it shall not erect nor permit the erection of any structure or object nor permit the growth of any tree on the land leased hereunder above the mean sea level elevation of [ ] feet. In the event the aforesaid covenants are breached, Sublessor reserves the right to enter upon the Premises and to remove the offending structure or object and cut the offending tree, all of which shall be at the expense of the Sublessee.

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

15. It is understood and agreed that nothing herein contained shall be construed to grant or authorize

the granting of an exclusive right within the meaning of Section 308a of the Federal Aviation Act of 1958 (49 U.S.C. 1349a).

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

EXHIBIT 10

SUBORDINATION, NON-DISTURBANCE  
AND ATTORNMENT AGREEMENT

THIS AGREEMENT made as of the \_\_\_\_\_ day of July, 20\_\_ between People's United Bank, of 325 State Street, Portsmouth, NH 03801 ("Lender"), and \_\_\_\_\_, with a mailing address of \_\_\_\_\_ ("Tenant").

WITNESSETH:

WHEREAS, Tenant has entered into a lease dated \_\_\_\_\_ (said lease, as heretofore or hereafter amended, modified or supplemented, is hereinafter called the "Lease"), between 222 International LP ("Landlord"), as landlord, and Tenant, as tenant, with respect to certain space leased by Landlord (the "Demised Premises") known by its address 222 International Drive, Suite \_\_\_\_\_, Pease International Tradeport in Portsmouth, NH (the "Premises"); and,

WHEREAS, Lender has entered into a financing arrangement with Landlord, in which the obligations of Landlord are secured by a certain Mortgage, Security Agreement and Financing Statement, and an Assignment of Leases and Rents, from Landlord to Lender (collectively the "Mortgage"), which Mortgage encumbers the Premises and Landlord's interest in the Lease; and,

WHEREAS, the financing is contingent on Lender obtaining Subordination Agreements from all the Tenants on the Premises; and

WHEREAS, Lender and Tenant desire to enter into this Agreement upon the terms, covenants and conditions contained herein.

NOW, THEREFORE, in consideration of the promises and the agreements of the parties contained herein, the parties agree as follows:

1. The Lease is and shall be at all times and in all respects subordinate to the lien of the Mortgage, and/or all future mortgages to Lender and to all advances made and/or hereafter to be secured by the Mortgage and to all renewals, modifications, consolidations, substitutions, additions and extensions of the Mortgage.

2. Provided that Tenant complies with this Agreement, and if Tenant shall not be in default under the Lease beyond any applicable grace or cure period as of the date Lender commences a foreclosure action against Landlord, or at any time thereafter: (a) Tenant shall not be named as a party defendant in any action or proceeding to enforce the Mortgage, unless such joinder shall be required under applicable law, nor shall the Lease be cut off or terminated nor Tenant's possession thereunder be disturbed in any such action or proceeding, and (b) subject to the provisions of Section 4 of this Agreement, Lender will recognize the Lease and Tenant's rights thereunder.



3. Upon any foreclosure of the Mortgage or other acquisition of the Premises, Tenant shall attorn to Lender or any other party acquiring the Premises or so succeeding to Landlord's rights (collectively, the "Successor Landlord") and shall recognize the Successor Landlord as its landlord under the Lease. Said attornment shall be effective and self-operative without the execution on the part of any party of any further instrument. Without limiting the foregoing, Tenant waives the provisions of, and any rights under, any statute or rule of law, now or hereafter in effect, which might otherwise give, or purport to give, any right or election to terminate or otherwise adversely affect the Lease and the obligations of Tenant thereunder as a result of said foreclosure or other acquisition.

4. Upon said attornment, the Lease shall continue as a direct lease between the Successor Landlord and Tenant upon all terms, covenants and conditions thereof as are then applicable except that the Successor Landlord shall not be (a) liable for any damages then accrued as the result of any previous act or omission of Landlord or any prior landlord under the Lease, (b) subject to any offsets or defenses that Tenant then has against Landlord or any prior landlord, (c) bound by any amendment or modification of the Lease hereafter executed, or the obligations of the parties thereto, unless said amendment or modification shall have been consented to by the successor Landlord or Lender, or (d) bound by any prepayment of more than one (1) month's rent or other charges under the Lease, unless such payment shall have been made in accordance with the terms of the Lease or shall have been expressly approved in writing by Lender.

5. Tenant, from and after the date hereof, shall send to Lender a copy of any notice of default or termination sent under the Lease to Landlord at the same time such notice is sent to Landlord under the Lease. Such notices shall be delivered to Lender at the following address:

People's United Bank  
325 State Street  
Portsmouth, NH 03801  
Attention: Karen J. Maneen

6. Tenant acknowledges notice that Landlord's interest under the Lease and the rent and all other sums due thereunder have been assigned to Lender as part of the security for repayment of the Note secured by the Mortgage. In the event that Lender notifies Tenant of a default under the Mortgage and demands that Tenant pay its rent and all other sums due under the Lease to Lender, Tenant agrees that it shall pay its rent and all other sums due under the Lease to Lender.

Landlord joins in the execution hereof for the purpose of consenting to the provisions of this Section.

7. This Agreement may not be amended, modified, supplemented or terminated unless in writing and duly executed by the party against whom the same is sought to be asserted and constitutes the entire agreement between the parties with respect to the subject matter hereof.

8. This Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above-written.

LENDER:  
People's United Bank

Witness:

By:  
Its:

TENANT:

Witness

By:  
Its:

STATE OF NEW HAMPSHIRE  
COUNTY OF ROCKINGHAM

This instrument was acknowledged before me on \_\_\_\_\_, 20\_\_ by  
as \_\_\_\_\_ of People's United Bank.

\_\_\_\_\_  
Signature of notarial officer

\_\_\_\_\_  
Title and rank:  
My Commission Expires:

STATE OF NEW HAMPSHIRE  
COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_, 20\_\_ by  
as \_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_  
Signature of notarial officer

\_\_\_\_\_  
Title and rank:  
My Commission Expires:

EXHIBIT 11  
RULES AND REGULATIONS

1. Except as specifically provided in the Sublease to which these Rules and Regulations are attached, no sign, placard, picture, advertisement, name or notice shall be installed or displayed on any part of the outside or inside of the building or Project without the prior written consent of Sublessor. Sublessor shall have the right to remove, at Sublessee's expense and without notice, any sign installed or displayed in violation of this rule. All approved signs or lettering on doors and walls shall be printed, painted, affixed or inscribed at the expense of Sublessee by a person approved by Sublessor.
2. If Sublessor objects in writing to any curtains, blinds, shades, screens or hanging plants or other similar objects attached to or used in connection with any window or door of the Premises, or placed on any windowsill, which is visible from the exterior of the Premises, Sublessee shall immediately discontinue such use. Sublessee shall not place anything against or near glass partitions or doors or windows, which may appear unsightly from outside the Premises.
3. Sublessee shall not obstruct any sidewalks, halls, passages, exits, entrances, elevators, escalators or stairways of the Project. The halls, passages, exits, entrances, shopping malls, elevators, escalators and stairways are not open to the general public, but are open, subject to reasonable regulations, to Sublessee's business invitees. Sublessor shall in all cases retain the right to control and prevent access thereto of all persons whose presence in the judgment of Sublessor would be prejudicial to the safety, character, reputation and interest of the Project and its Sublessees: provided that nothing herein contained shall be construed to prevent such access to persons with whom any Sublessee normally deals in the ordinary course of its business, unless such persons are engaged in illegal or unlawful activities. No Sublessee and no employee or invitee of any Sublessee shall go upon the roof(s) of the Project.
4. The directory of the building or Project, if any, will be provided exclusively for the display of the name and location of Sublessees only and Sublessor reserves the right to exclude any other names therefrom.
5. Sublessor will furnish Sublessee, free of charge, with two keys to each door lock in the Premises. Sublessor may make reasonable charge for any additional keys. Sublessee shall not make or have made additional keys, and Sublessee shall not alter any lock or install a new additional lock or bolt on any door of its Premises. Sublessee, upon the termination of its tenancy, shall deliver to Sublessor the keys of all doors which have been furnished to Sublessee, and in the event of loss of any keys so furnished, shall pay Sublessor therefor.
6. If Sublessee requires telegraphic, telephonic, burglar alarm or similar services, it shall first obtain, and comply with, Sublessor's instructions in their installation.
7. No deliveries shall be made which impede or interfere with other Sublessees or the operation of the building.
8. Sublessee shall not place a load upon any floor of the Premises, which exceeds the load per square foot, which such floor was designed to carry and which is allowed by law. Sublessor shall have the right to prescribe the weight, size and position of all equipment; materials, furniture or other property brought into the building. Heavy objects shall, if necessary by Sublessor, stand on such platforms as determined by Sublessor to be necessary to properly

distribute the weight, which platforms shall be provided at Sublessee's expense. Business machines and mechanical equipment belonging to Sublessee, which cause noise or vibration that may be transmitted to the structure of the building or to any space therein to such a degree as to be objectionable to Sublessor or to any Sublessees in the building, shall be placed and maintained by Sublessee, at Sublessee's expense, on vibration eliminators or other devices sufficient to eliminate noise or vibration. The persons employed to move such equipment in or out of the building must be acceptable to Sublessor. Sublessor will not be responsible for loss of, or damage to, any such equipment or other property from any cause, and all damage done to the building by maintaining or moving such equipment or other property shall be repaired at the expense of Sublessee.

9. Sublessee shall not use or keep in the Premises any kerosene, gasoline or inflammable or combustible fluid or material other than those limited quantities necessary for the operation or maintenance of office equipment. Sublessee shall not use or permit to be used in the Premises any foul or noxious gas or substance, or permit or allow the Premises to be occupied or used in a manner offensive or objectionable to Sublessor or other occupants of the building by reason of noise, odors or vibrations, nor shall Sublessee bring into or keep in or about the Premises any birds or animals.
10. Sublessee shall not use any method of heating or air conditioning other than that supplied by Sublessor.
11. Sublessor reserves the right, exercisable without notice and without liability to Sublessee, to change the name and street address of the building.
12. Sublessee shall close and lock the doors of its Premises and entirely shut off all water faucets or other apparatus, and electricity, gas or air outlets before Sublessee and its employees leave the Premises. Sublessee shall be responsible for any damage or injuries sustained by other Sublessees or occupants of the building or by Sublessor for noncompliance with this rule.
13. The toilet rooms, toilets, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown therein. The expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the Sublessee who, or whose employees or invitees shall have caused it.
14. Sublessee shall not sell, or permit the sale at retail of newspapers, magazines, periodicals, theater tickets or any other goods or merchandise to the general public in or on the Premises. Sublessee shall not make any room-to-room solicitation of business from other Sublessees in the Project. Sublessee shall not use the Premises for any business or activity other than that specifically provided for in Sublessee's Sublease.
15. Sublessee shall not install any radio or television antenna, loudspeaker or other devices on the roof(s) or exterior walls of the building or Project. Sublessee shall not interfere with radio or television broadcasting or reception from or in the Project or elsewhere.
16. Sublessee shall not mark, drive nails, screw or drill into the partitions, woodwork or plaster or in any way deface the Premises or any part thereof, except in accordance with the provisions of the Sublease pertaining to alterations. Pictures, artwork and bulletin boards may be hung provided proper materials are used. Sublessor reserves the right to direct electricians as to where and how telephones and telegraph wires are to be introduced to the Premises. Sublessee shall not cut or

- bore holes for wires. Sublessee shall not affix any floor covering to the floor of the Premises in any manner except as approved by Sublessor. Sublessee shall repair any damage resulting from noncompliance with this rule.
17. Sublessee shall not install, maintain or operate upon the Premises any vending machines without the written consent of Sublessor.
  18. Canvassing, soliciting and distribution of handbills or any other written material and peddling in the Project are prohibited, and Sublessee shall cooperate to prevent such activities.
  19. Sublessor reserves the right to exclude or expel from the Project any person whom, in Sublessor's judgement, is intoxicated or under the influence of liquor or drugs or who is in violation of any of the Rules and Regulations of the Building.
  20. No cooking shall be done or permitted on the Premises without Sublessor's consent, except that use by Sublessee of Underwriters' Laboratory approved equipment for brewing coffee, tea, hot chocolate and similar beverages or use of microwave ovens for employee use shall be permitted, provided that such equipment and use is in accordance with all applicable, federal, state, county and city laws, codes, ordinances, rules and regulations.
  21. Without the written consent of Sublessor, Sublessee shall not use the name of the building or Project in connection with or in promoting or advertising the business of Sublessee except as Sublessee's address.
  22. Sublessee shall comply with all safety, fire protection and evacuation procedures and regulations established by Sublessor or any governmental agency.
  23. Sublessee assumes any and all responsibility for protecting its Premises from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to the Premises closed.
  24. Sublessee's requirements will be attended to only upon appropriate application to the Project management office by an authorized individual. Employees of Sublessor shall not perform any work or do anything outside of their regular duties unless under special instructions from Sublessor, and no employee of Sublessor will admit any person (Sublessee or otherwise) to any office without specific instructions from Sublessor.
  25. Sublessor may waive any one or more of these Rules and Regulations for the benefit of Sublessee or any other Sublessee, but no such waiver by Sublessor shall be construed as a waiver of such Rules and Regulations in favor of Sublessee or any other Sublessee, nor prevent Sublessor from thereafter enforcing any such Rules and Regulations against any or all of the Sublessees of the Project.
  26. These Rules and Regulations are in addition to, and shall not be construed to in any way modify or amend in whole or in part, the terms, covenants, agreements and conditions of the Sublease.
  27. Sublessor reserves the right to make such other and reasonable Rules and Regulations as, in its judgment, may from time to time be needed for safety and security, for care and cleanliness of the Project and for the preservation of good order therein. Sublessee agrees to abide by all such Rules and Regulations herein above stated and any additional rules and regulations which are adopted.

28. Sublessee shall be responsible for the observance of all the foregoing rules by Sublessee's employees, agents, clients, customers, invitees and guests.



# Business Information

## Business Details

---

Business Name:	SEACOAST BUSINESS MACHINES, INCORPORATED	Business ID:	600240
Business Type:	Domestic Profit Corporation	Business Status:	Good Standing
Business Creation Date:	07/30/2008	Name in State of Incorporation:	Not Available
Date of Formation in Jurisdiction:	07/30/2008		
Principal Office Address:	11 Colonial Way, Barrington, NH, 03825, USA	Mailing Address:	11 Colonial Way, Barrington, NH, 03825, USA
Citizenship / State of Incorporation:	Domestic/New Hampshire		
		Last Annual Report Year:	2019
		Next Report Year:	2020
Duration:	Perpetual		
Business Email:	tmltner@sbmweb.com	Phone #:	603-330-3555
Notification Email:	NONE	Fiscal Year End Date:	NONE

## Principal Activities

---

S.No	NAICS Code	NAICS Subcode
1	Professional, Scientific, and Technical Services	Other Management Consulting Services
2	NOT REQUIRED	

Principal Information

Name/Title	Business Address
Terrence W Miltner / President	11 Colonial Way, Barrington, NH, 03825, USA
Terrence W Miltner / Director	11 Colonial Way, Barrington, NH, 03825, USA
Terrence W Miltner / Director	11 Colonial Way, Barrington, NH, 03825, USA
Terrence Miltner / President	11 Colonial Way, Barrington, NH, 03825, USA
Terrence Miltner Jr. / President	11 Colonial Way, Barrington, NH, 03825, USA

Page 1 of 1, records 1 to 5 of 5

Registered Agent

Name: Miltner, Terrence W.

Registered Office Address: 2 Greenhill Rd, Barrington, NH, 03825, USA

Registered Mailing Address: 2 Greenhill Rd, Barrington, NH, 03825, USA

Trade Name(s)

No Trade Name(s) associated to this business.

Trade Name Owned By

No Records to View.

Trademark Information


Trademark Number	Trademark Name	Business Address	Mailing Address
------------------	----------------	------------------	-----------------

No records to view.

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

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

MEMORANDUM

To: Pease Development Authority Board of Directors  
From: David R. Mullen, Executive Director   
Date: July 30, 2019  
Re: Sublease between 200 International Limited Partnership and Landry Architects, PLLC

In accordance with the "Delegation to Executive Director: Consent, Approval of Sub-sublease Agreements" adopted by the Board on August 8, 1996, I am pleased to report that PDA has approved a sublease at 200 International Drive between 200 International Limited Partnership ("TIG") for the following tenants:

- A. Tenant: Landry Architects, PLLC  
Space: 1,943 square feet (Suite 301)  
Use: General Office Use and Related Uses  
Term: Effective August 15, 2019

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

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

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

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

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



## NOTICE OF CONSENT

This NOTICE OF CONSENT ("Notice") is given by the PEASE DEVELOPMENT AUTHORITY ("Lessor") to 200 International Limited Partnership ("Lessee"). Lessor and Lessee may be referred to jointly as the "Parties."

### RECITALS

A. The Parties entered into a Lease for 200 International Drive at Pease International Tradeport on April 19, 2001 (the "Lease").

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

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

C. Lessee has requested authorization to sublease approximately 1,943 square feet (**Suite #150**) within the Leased Premises at **200 International Drive** to **Landry Architects, PLLC** ("Sublessee"), a limited liability company authorized to do business in New Hampshire.

D. The proposed sublease to **Landry Architects, PLLC** is for general office use, related uses and for no other uses without Sublessor's and PDA's prior written consent.

### TERMS AND CONDITIONS

1. Lessor hereby authorizes Lessee to execute the sublease, attached hereto as Exhibit A, with **Landy Architects, PLLC** for approximately 1,943 square feet within the Leased Premises.


2. Upon execution of the sublease with **Landy Architects, PLLC**, Lessee shall provide Lessor with a copy of the executed sublease, copies of all required insurance certificates and a certificate of good standing from the State of New Hampshire for **Landy Architects, PLLC**.

3. Lessee hereby agrees that occupancy shall be subject to the issuance of a Certificate of Occupancy as may be required in accordance with PDA Zoning Regulations, Section 315.03(a).

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


This Notice of Consent is executed, effective this 30<sup>th</sup> day of July, 2019 by the Pease Development Authority.

**PEASE DEVELOPMENT AUTHORITY**

By:   
Its: Executive Director

AGREED AND ACCEPTED

**200 INTERNATIONAL LIMITED PARTNERSHIP**

By:   
Its: Co-Manager

7-18-19  
Date



EXHIBIT A  
SUBLEASED PREMISES



SUBLEASE

BETWEEN

200 INTERNATIONAL, LIMITED PARTNERSHIP

AS  
"SUBLESSOR"

AND

LANDRY ARCHITECTS, PLLC

AS  
"SUBLESSEE"

200 INTERNATIONAL DRIVE

SUITE # 15

PORTSMOUTH, NEW HAMPSHIRE 03801

DATED AS OF <sup>ULY</sup> ~~JUNE~~ 10, 2019

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EXHIBITS TO SUBLEASE

Exhibit

- 1 - PRIMARY SUBLEASE
- 2 - INTENTIONALLY OMITTED
- 3 - QUITCLAIM DEED OF THE UNITED STATES OF AMERICA ACTING BY AND THROUGH THE US AIR FORCE.
- 4 - FEDERAL FACILITIES AGREEMENT
- 5 - PLANS DESIGNATING THE SUBLEASED PREMISES
- 6 - ALTERATIONS
- 7 - LIST OF ENVIRONMENTAL LAWS AND REGULATIONS
- 8 - CERTIFICATE OF GOOD STANDING
- 9 - FAA REQUIREMENTS
- 10 - SUBORDINATION AND NON-DISTURBANCE AGREEMENT
- 11 - RULES AND REGULATIONS
- 12 - OPERATING EXPENSES
- 12A - OFFICE AREA OPERATING EXPENSES


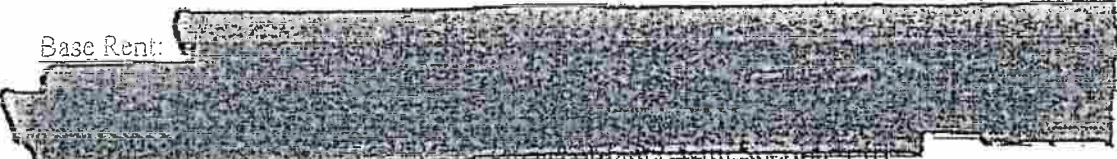
SUBLEASE

THIS SUBLEASE ("Sublease") is made by and between 200 International, Limited Partnership, ("Sublessor") and Landry Architects, PLLC, ("Sublessee"). (Sublessor and Sublessee may be referred to jointly as the "Parties.")

SUMMARY OF BASIC LEASE PROVISIONS AND RECITALS

Summary of Basic Lease Provisions and Recitals

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

1. Date of Lease: ~~June~~ <sup>July</sup> 10, 2019
2. Sublessor: 200 International, Limited Partnership
3. Property Manager: CPManagement, Inc., 11 Court Street, Suite 100, Exeter, NH 03833
4. Sublessee: Landry Architects, PLLC
5. Property: The property is comprised of the building; and the land parcel on which it is located known as 200 International Drive, Portsmouth, New Hampshire, including the parking lot and other improvements (the "Building").
6. Subleased Premises: Suite # 150 containing approximately 1,943 rentable square feet of the Building and as shown on Exhibit #5.
7. Lease Term: Five (5) years anticipated to begin on August 15, 2019 or such other date as specified in Article 3 of this Sublease.
8. Permitted Uses: General office use which must conform to the uses authorized by the Pease Development Authority.
9. Sublessee's Guarantees:
10. Initial Security Deposit: 
11. Parking: Four spaces per 1,000 rentable square feet. Visitor and handicapped parking spaces are so marked.
12. Base Rent:   
in accordance with Section 1.01.



13. Other Periodic Payments : As described under Article 4.
14. Sublessee's Prorata Share: 2.38% of Building's 81,663 rentable square feet.

Sublessee's Prorata Share of Office Area: 4.33% of 44,904 rentable square feet of office space within the Building.

15. Initial Public Liability Insurance: \$2,000,000 minimum Commercial General Liability coverage - \$1,000,000 in automobile coverage and Worker's Compensation coverage at statutory minimum levels.

#### RECITALS

A. 222 International, Limited Partnership, entered into a Sublease dated April 5, 2001 with the Pease Development Authority ("PDA"), an agency of the State of New Hampshire established pursuant to RSA ch 12-G for premises located at the Pease International Tradeport in Portsmouth, New Hampshire described as follows: The premises shown on a Plan entitled "Subdivision Plan of Land at 200 International Drive at Pease International Tradeport, Portsmouth, New Hampshire" recorded in the Rockingham County Registry of Deeds as Plan #\_D-28956, as assigned to 200 International Limited Partnership Pursuant to Assignment of Sublease dated May 14, 2001 recorded in the Rockingham county Registry of Deeds, Book #3581, Page #2944, a copy of which Sublease is attached hereto as Exhibit 1 (the "Primary Sublease"). The Primary Sublease is subject and subordinate to all agreements made between PDA and the United States of America or the United States Air Force including, but not limited to THE Federal Facilities Agreement ("FFA"), and the Quitclaim Deed (the "Deed") dated October 15, 2003 granted by the United States of America (the "Government"), acting by and through the United States Air Force ("Air Force") to PDA, all as hereinafter defined.

B. PDA has acquired fee title to a portion of the former Pease Air Force Base by Deed recorded at the Rockingham County Registry of Deeds at Book 4227, Page 0001. The Parties acknowledge that the Deed imposes certain requirements on PDA, the Sublessor and Sublessee which are addressed in the terms and conditions of the Deed. By the acceptance of this Sublease the Sublessee hereby acknowledges that it must abide by and conform to those terms, conditions and restrictions set forth in the Deed as the same may be applicable to this Sublease and Sublessee's tenancy.

C. The Parties acknowledge that a Federal Facilities Agreement ("FFA") required under Section 120 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601 *et seq.* has been entered into by the Air Force, the New Hampshire Department of Environmental Services ("NHDES") and the United States Environmental Protection Agency ("EPA") regarding certain contamination at Pease and that this FFA also imposes certain conditions upon Sublessor and Sublessee which are addressed in the terms and conditions of the FFA and Deed. The term FFA shall include any amendments to said

document. A copy of the FFA is attached as Exhibit 4 of this Sublease.

D. Sublessor is 200 International, Limited Partnership and is duly organized and existing under the laws of the State of Delaware with a principal place of business at One New Hampshire Avenue, Suite 101, Pease International Tradeport, Portsmouth, New Hampshire, and is qualified to do business in the State of New Hampshire.

E. Sublessee is Landry Architects, PLLC and is duly organized and existing under the laws of the State of New Hampshire with a principal place of business at 100 Market Street, Suite 300, Portsmouth, New Hampshire, and is qualified to do business in the State of New Hampshire.

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

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

## ARTICLE I.

### PREMISES

#### 1.1. Description of Subleased Premises

Sublessor, for and in consideration of the rents and covenants herein specified to be paid and performed by Sublessee, hereby leases to Sublessee, and Sublessee hereby hires from Sublessor, the premises described generally below and more particularly on the plans attached as Exhibit 5 (the "Subleased Premises" or the "Premises"): consisting of approximately 1,943 square feet located at 200 International Drive, Portsmouth, New Hampshire.

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

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

(b) Excepted and excluded from the Premises are the ceiling, floor, perimeter walls and exterior windows, except the inner surfaces thereof, but the entry doors (and related glass and finish

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

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

This Sublease is subject to existing easements and rights-of-way of record, the Utility Sublease and License Agreement dated July 31, 1992 by and between PDA and Public Service Company of New Hampshire ("PSNH"), the utility Sublease and License Agreement dated May 10, 1995 by PDA and New England Telephone and Telegraph Company ("NETEL"); (iii) the Wastewater Disposal and Water Service Facilities Sublease and License Agreement dated as of January 1, 1993 and amended July 1, 1998 by and between PDA and the City of Portsmouth ("COP") and (iv) the Pipeline Easement and Transfer Agreement dated August 12, 1998 by and between PDA, Portland Natural Gas Transmission System and Maritime & Northeast Pipeline, L.L.C. and such other agreements as PDA shall reasonably require for the provision of utilities and the operation, maintenance and repair of the Airport.

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

### 1.3. Access

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

The rights of Sublessee under this Section 1.3 shall be subordinate to PDA's rights, to manage the common areas and roadways which rights shall include, without limitation, the right to impose reasonable rules and regulations relating to use of the common areas and roadways and the right to add, delete, alter or otherwise modify the designation and use of all parking areas, entrances, exits, roadways and other areas of the Airport, provided, however, that during the term of this Sublease, Sublessee shall have reasonable access the Premises.

The Government reserves a no cost right of access for purposes of environmental investigation, response or other corrective action, as required by CERCLA Section 120(h)(3)(A)(iii), the FFA, and as otherwise set forth in Article 22 of this Sublease.

ARTICLE 2.

CONDITION OF SUBLEASED PREMISES

2.1. Sublessor shall provide the Subleased Premises on the Term Commencement Date as shown in Exhibit 6 with new carpeting/cove base and paint using building standard materials. Sublessor agrees to install a partition wall, location and dimensions to be determined.

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

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

ARTICLE 3.

TERM

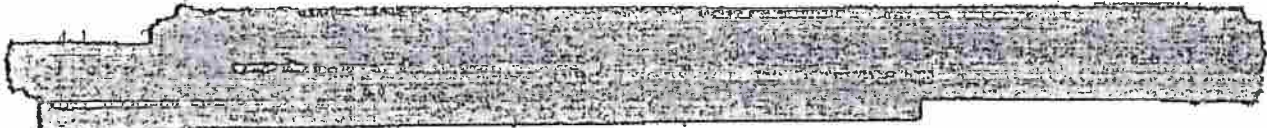
3.1. This Sublease shall be for a base term of Five (5) year(s) ("Base Term") which term shall commence upon August 15, 2019, (the "Term Commencement Date") and shall expire at midnight on the day which is five (5) year(s) from the Term Commencement Date, unless terminated earlier or extended in accordance with the provisions of this Sublease.

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

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

ARTICLE 4.

BASIC RENT





#### 4.2 Security Deposit

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

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

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

On the first day following the expiration of the first year of the term of this Sublease and on the first day of each subsequent year (individually an "Adjustment Date" and collectively the "Adjustment Dates"), Basic Rent shall be subject to adjustment for the remainder of the term of this Sublease as follows:

(1) For the first annual adjustment (commencing on the first day following the expiration of the first year of the term of this Sublease), 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 Basic Rent for the one-year period commencing as of such first Adjustment Date shall be the result obtained by multiplying the annual Basic 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 annual adjustments, the rent shall be adjusted in the same manner as that for the first annual 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 Sublease or the effective date of any adjustment to the rent hereunder.

(3) If for any Adjustment Date the Index most recently published following 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 Sublease, 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. OPERATING EXPENSES

4.5. ADDITIONAL RENT. Sublessee agrees to pay to Sublessor as Additional Rent the Operating Expenses, Utility Expenses, Land Rent, Taxes and Office Common Area Expenses as defined in this Section 4.5.

4.5.1 Definitions. For the purpose of this Article, the following terms shall have the following respective meanings:

- (i) Operating Year: Each calendar year in which any part of the Term of this Sublease shall fall.
- (ii) Operating Expenses: The aggregate costs or expenses reasonably incurred by Sublessor with respect to the operation, administration, insuring, cleaning, repair, maintenance and management of the Property (but specifically excluding Utility Expenses) all as set forth in Exhibit 12 annexed hereto, provided that, if during any portion of the Operating Year for which Operating Expenses are to be computed, less than all of the Premises Rentable Area was occupied by Sublessee or if Sublessor is not supplying all sublessees with the services being supplied hereunder, actual Operating Expenses incurred shall be reasonably extrapolated by Sublessor on an item by item basis to the estimated Operating Expenses that would have been incurred if the Premises were fully occupied for such Year and such services were being supplied to all sublessees, and such extrapolated amount shall, for the purposes hereof, be deemed to be the Operating Expenses for such Year.



- (iii) **Utility Expenses:** The aggregate costs or expenses reasonably incurred by Sublessor with respect to supplying electricity (other than electricity supplied to those portions of the Premises leased to sublessees), oil, steam, gas, water and sewer and other utilities supplied to the Property and not paid or directly by sublessees, provided that, if during any portion of the Operating Year for which Utility Expenses are to be computed, less than all Building Rentable Area was occupied by sublessees or if Sublessor is not supplying all sublessees with the utilities being supplied hereunder, actual utility expenses incurred shall be reasonably extrapolated by Sublessor on an item by item basis to the estimated Utility Expenses that would have been incurred if the Premises were fully occupied for such Year and such utilities were being supplied to all sublessees, and such extrapolated amount shall, for the purposes hereof, be deemed to be the Utility Expenses for such Year.
- (iv) **Taxes:** "Taxes" shall mean all real estate taxes, special assessments and betterment assessments assessed with respect to the Premises for any Tax Year.
- (v) **Office Common Areas:** "Office Common Areas" shall mean the Building's common entrances, lobbies, restrooms, elevators, stairways and accessways which service the Sublease Premises and the office portion of the Building.
- (vi) **Office Area Operating Expenses:** All reasonable and customary direct costs of operation and maintenance of the Building's Office Areas and Office Common Areas, including but not limited to janitorial services for the common areas, elevator maintenance, security, utilities, plumbing, electrical, heating ventilating and air conditioning.
- (vii) **Land Rent:** The rent charged to and paid by Sublessor to the PDA, or any successor authority, under the Primary Sublease, assessed with respect to the Premises for any Operating Year.

4.5.2 Sublessee's Payments. Sublessee shall pay as Additional Rent to Sublessor in accordance with the schedule set forth in Section 4.5.3 during the Initial Term hereof and on the same schedule applicable to Base Rent under Section 4.3, an amount equal to the total amount of Sublessor's Operating Expenses, Utility Expenses, Land Rent, Taxes and Office Area Operating Expenses for each Operating Year Multiplied by the Sublessee's Pro Rata Shares of each.

4.5.3 Estimated Expenses.

- (a) Estimated Expense Payments. Sublessor shall present prior to the beginning of each calendar year during the term of this Sublease, a reasonable estimation of Sublessor's Pro Rata Share of Operating Expenses, Utility Expenses, Land Rent, Taxes and Office Area Operating Expenses allocable to the Subleased Premises; Sublessee shall pay in each ensuing calendar month one-twelfth (1/12) of the amount of such Sublessor's estimated expenses allocable to the Subleased Premises. A final reconciliation shall be made by Sublessor at the end of each calendar year by applying the amount of such interim payments to the amounts

otherwise due upon presentation of the annual statement rendered to Sublessee on or before March 31<sup>st</sup> of each Operating Year.

- (b) Records. Sublessor agrees to keep in its principal office true and accurate records of such operating expenses. Sublessee shall have the right for a period of six months following receipt of any statement rendered under Section 4.5.3 (a) to examine the records on which such statement is based. In the event of any dispute with respect to any amount due under either Section 4.5, either party may refer to the dispute to arbitration pursuant to Article 29 hereof.

## ARTICLE 5

### IMPOSITIONS

5.1. During the term of this Sublease, Sublessor shall pay when due, all taxes, charges, excises, license and permit fees, assessments, and other governmental charges, general and special, ordinary and extraordinary, unforeseen, as well as foreseen, of any kind and nature whatsoever, which during the term of this Sublease are assessed or imposed upon or become due and payable or a lien upon the land and buildings of which the Subleased Premises are a part.

5.2. - Abatement. If Sublessor shall receive any tax refund or reimbursement of Taxes or sum in lieu thereof with respect to any Tax Year which is not due to vacancies in the Building, then out of any balance remaining thereof after deducting Sublessor's expenses reasonably incurred in obtaining such refund, Sublessor shall, provided there does not then exist a Default of Sublessee, credit an amount equal to such refund or reimbursement or sum in lieu thereof (exclusive of any interest) multiplied by the Pro Rata Share against the obligations of Sublessee next falling due under this Article 5 or if no such amounts are due, refund the balance to the Sublessee upon receipt.

## ARTICLE 6.

### SURRENDER OF SUBLEASED PREMISES

6.1. On the expiration or termination of this Sublease, Sublessee shall surrender to Sublessor the Subleased Premises, including all improvements and fixtures therein whether leased to or otherwise owned by Sublessee, broom clean and in good order, condition and repair, reasonable wear and tear excepted, together with all alterations, decorations, additions and improvements that may have been made in, to or on the Subleased Premises, except that Sublessee shall be allowed to remove its personal property or any improvements made by Sublessee at its sole expense that can be removed without damage to any buildings, facilities or other improvements to the Subleased Premises. The Subleased Premises, including the improvements and fixtures therein, shall be delivered free and clear of all subtenancies, liens and encumbrances, other than those, if any, permitted hereby or otherwise created or consented to by Sublessor, and, if requested to do so, Sublessee shall execute, acknowledge and deliver to Sublessor such instruments of further assurance as in the opinion of Sublessor are necessary or desirable to confirm or perfect Sublessor's

right, title and interest in and to the Subleased Premises including said improvements and fixtures. On or before the end of the Sublease term, Sublessee shall remove all of Sublessee's personal and other property allowed to be removed hereunder, and all such property not removed shall be deemed abandoned by Sublessee and may be utilized or disposed of by Sublessor without any liability to Sublessee. Sublessee's obligation under this Article 5 shall survive the expiration or termination of this Sublease.

## ARTICLE 7.

### INSURANCE

7.1. Public Liability Insurance. Sublessee agrees to maintain in full force from the date upon which Sublessee first enters the Premises for any reason, throughout the Term of this Sublease, and thereafter so long as Sublessee is in occupancy of any part of the Premises, a policy of general liability and property damage insurance (including broad form contractual liability, independent contractor's hazard and completed operations coverage) under which Sublessor, Manager (and such other persons as are in privity of estate with Sublessor as may be set out in notice from time to time) and Sublessee are named as additional insureds, and under which the insurer agrees to defend, indemnify and hold Sublessor, Manager, and those in privity of estate with Sublessor, harmless from and against all cost, expense and/or liability arising out of or based upon any and all claims, accidents, injuries and damages set forth in Article 12. Each such policy shall be non-cancelable and non-amendable with respect to Sublessor, Manager and Sublessor's said designees without thirty (30) days' prior notice to Sublessor and shall be as follows:

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

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

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

7.2. All policies of insurance required to be carried under this Article shall be effected under valid and enforceable policies, in such forms and amounts as may, from time to time, be required under this Sublease, issued by insurers of recognized responsibility which are authorized to transact such insurance coverage in the State of New Hampshire, and which have been approved in writing by Sublessor, which approval shall not be withheld unreasonably. Except for workman's compensation coverage, all such policies of insurance shall be for the mutual benefit

of Sublessor, PDA, and Sublessee as named additional insureds. Upon the execution of this Sublease (and thereafter not less than fifteen (15) days prior to the expiration date of each policy furnished pursuant to this Article) the original of each policy required to be furnished pursuant to this Article (or, with the consent of Sublessor, which consent shall not be unreasonably withheld, in the case of comprehensive general liability insurance and products liability insurance, a certificate of the insurer reasonably satisfactory to Sublessor) bearing a notation evidencing the payment of the premium or accompanied by other evidence reasonably satisfactory to Sublessor of such payment, shall be delivered by Sublessee to Sublessor.

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

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

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

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

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

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



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

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

#### ARTICLE 8.

#### USE OF SUBLEASED PREMISES

8.1. The sole purpose for which Sublessee may use the Subleased Premises is for general office use, related uses and for no other uses without Sublessor's and PDA's prior written consent. Sublessee shall not use, or permit to be used, the Subleased Premises for any other purpose without the prior express written consent of Sublessor and PDA. Sublessor's and PDA's consent shall be subject to the execution of an appropriate agreement which shall include a provision requiring the payment of established fees and charges that may be applicable to any such additional uses consented to by Sublessor and PDA. Sublessee is prohibited from any use of the Subleased Premises not specifically granted in this Section 8.1.

8.2. Sublessee recognizes that the uses authorized in Section 8.1 are not granted on an exclusive basis and that Sublessor and PDA may enter into subleases or other agreements with other tenants or users at areas of the building in which the Subleased Premises are a part or other areas of the Airport for similar, identical, or competing uses. No provision of this Sublease shall be construed as granting or authorizing the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act as the same may be amended from time to time.

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

8.4. Sublessee warrants that it holds all certificates, permits, licenses or other entitlements required by federal, state or local laws in order to allow Sublessee to conduct the permitted uses hereunder, and that the same are and will be kept current, valid and complete. Sublessee further

warrants that it shall at all times abide by and conform with all terms of the same and that it shall give immediate notice to Sublessor of any additions, renewals, amendments, suspensions or revocations. In the use and occupation of the Subleased Premises and the conduct of such business thereon, Sublessee, at its sole cost and expense, shall promptly comply with all present and future laws, ordinances, orders, rules, regulations and requirements of all federal, state and municipal governments, courts, departments, commissions and boards, any national, state or local Board of Fire Underwriters, or any other body exercising functions similar to those of any of the foregoing.

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

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

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

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

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

3.9. Intentionally omitted.



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

## ARTICLE 9

### LIENS

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

9.2. Should any lien be filed against the Subleased Premises or the building in which the

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

## ARTICLE 10

### ALTERATIONS – SIGNS

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

- (1) All work and Alterations shall be done in compliance with all applicable governmental regulations, codes, standards or other requirements, including fire, safety and building codes and Land Use Regulations promulgated by PDA and with the provisions of Article 22 of this Sublease. This obligation shall include compliance with all applicable provisions of the FFA (as defined in Article 22), including obligations imposed upon Sublessor in respect to construction and construction related work.
- (2) All Alterations shall be of such a character as not to materially reduce the value and usefulness of any of the buildings or other improvements below their value and usefulness immediately before such Alteration. All work performed hereunder shall be performed in a good and workmanlike manner, shall conform to drawings and specifications approved by Sublessor and PDA, and shall not be disruptive of the overall operation of the Airport. All contractors engaged by Sublessee to perform such work shall employ labor that can work in harmony with all elements of labor at the Airport.
- (3) During the period of construction of any alteration, Sublessee or any contractor, subcontractor or sublessee of Sublessee shall maintain or cause to be maintained the following insurance:
  - (i) The comprehensive general liability and automobile insurance provided for in Article 7 and shall be maintained for the limits specified thereunder and shall provide coverages for the mutual benefit of Sublessor, PDA and Sublessee as named or additional insured (as is appropriate) in connection with any Alteration permitted pursuant to this Article 10.
  - (ii) Fire and any other applicable insurance provided for

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

- (iii) Worker's compensation insurance covering all persons employed in connections with the work and with respect to whom death or bodily injury claims could be asserted against PDA, Sublessor, Sublessee or the Subleased Premises, with statutory limits as then required under the laws of the State of New Hampshire.
- (4) Sublessee shall provide Sublessor and PDA with MYLAR as-built drawings when any Alteration authorized hereunder is completed.

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

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

10.4. In addition to the requirements to provide notice to PDA under this Article 10 in respect to any Alteration, Lessee shall also provide notice to the Air Force, EPA and NHDES in the same manner and to the extent required of PDA under the Deed and/or the FFA.

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

## ARTICLE 11

### RIGHT OF SUBLESSOR TO INSPECT AND REPAIR

11.1. Sublessee will permit Sublessor and/or PDA and their authorized agents and representatives to enter the Subleased Premises at all reasonable times and upon reasonable notice for the purpose of: (i) inspecting the same; and (ii) making any necessary repairs and performing any other work that may be necessary by reason of Sublessee's failure to comply with the terms of this Sublease within ten (10) days after written notice from Sublessor, unless an emergency

situation (as determined in Sublessor's and/or PDA's sole discretion) requires earlier action by Sublessor. Nothing herein shall imply any duty upon the part of Sublessor and/or PDA to do any such work and performance thereof by Sublessor and/or PDA shall not constitute a waiver of Sublessee's default in failing to perform the same. Sublessor and/or PDA may during the progress of such work keep and store in or on the Subleased Premises all necessary materials, tools, supplies and equipment. Sublessor and/or PDA shall not be liable for inconvenience, annoyance, disturbance, loss of business or other damage of Sublessee by reason of making such repairs or the performance of any such work, on or account of bringing materials, tools, supplies or equipment into or through the Subleased Premises during the course thereof and the obligations of Sublessee under this Sublease shall not be affected thereby. Nothing herein shall limit the provisions of Article 8.

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

11.3. Sublessee shall allow PDA and any agency of the United States, its officers, agents, employees and contractors to enter upon the Subleased Premises for any purposes not inconsistent with Sublessee's quiet use and enjoyment, including but not limited to the purpose of inspection. Notwithstanding the preceding sentence, in the event the Government (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 Sublessee shall have no claim against PDA or against the United States or any officer, agent, employee or contractor thereof on account of any such entries.

## ARTICLE 12

### GENERAL INDEMNIFICATION BY SUBLESSEE

12.1. In addition to any other obligation of Sublessee under this Sublease to indemnify, defend and hold harmless Sublessor, its principals, agents and employees, etc., Sublessee agrees to indemnify, defend and hold harmless Sublessor 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 Sublease:

- (1) from any condition of the Premises resulting from the use of the Premises by the Sublessee;
- (2) from any breach or default on the part of Sublessee in the performance of any covenant or agreement on the part of Sublessee to be performed pursuant to the terms



of this Sublease, or from any act or omission of Sublessee, or any of its agents, contractors, servants, employees, sublessees, licensees or invitees; or

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

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

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

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

## ARTICLE 13

### UTILITIES

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

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

PDA under the Primary Sublease, at its sole discretion, shall have the right from time to time, to alter the method and source of supply of the above enumerated utilities to the Subleased Premises and Sublessee agrees to execute and deliver to PDA such documentation as may be required to effect such alteration. Sublessee agrees to pay all charges for the above enumerated utilities supplied by Sublessor, public utility or public authority, or any other person, firm or corporation which are separately metered to the Subleased Premises.

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

13.2. Sublessor shall be responsible for providing any meters or other devices for the measurement of utilities supplied to the Subleased Premises. Sublessee shall be solely responsible for and promptly pay, as and when the same become due and payable, all charges for water, sewer, electricity, gas, telephone and any other utility used or consumed in the Subleased Premises and supplied by PDA, any public utility or authority or any other person, firm or corporation which are separately metered to the Subleased Premises.

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

## ARTICLE 14

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

14.1. Installation and Alterations by Sublessee, etc. Sublessee shall make no alterations, additions (including, for the purposes hereof, wall-to-wall carpeting), or improvements in or to the Premises without Sublessor's prior written consent. Any such alterations, additions or improvements shall (i) be in accordance with complete plans and specifications prepared by Sublessee and approved in advance by Sublessor; (ii) be performed in a good and workmanlike manner and in compliance with all applicable laws; (iii) be performed and completed in the manner required herein; (iv) be made at Sublessee's sole expense and at such times as Sublessor may from time to time designate; and (v) become a part of the Premises and the property of Sublessor. It is agreed and understood that Sublessor shall have the right to review and approve all changes to any plans which Sublessor shall have approved pursuant to this Section. It is also agreed and understood that Sublessor shall not be deemed to be unreasonable in denying its consent to alterations, additions and improvements to the Premises which affect "Base Building Systems" (as said term is hereinafter defined). As used herein, the term "Base Building Systems" shall mean (i) any mechanical, electrical or plumbing system or component of the Building (including the Premises) (ii) the exterior of the



Building (iii) the Building HVAC distribution system (iii) any fire safety prevention/suppression system and (iv) any structural element or component of the Building.

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

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

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

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

14.6. Any services which Sublessor is required to furnish pursuant to the provisions of this Sublease may, at Sublessor's option be furnished from time to time, in whole or in part, by employees of Sublessor or by the Manager of the Property or by one or more third persons and Sublessor further

reserves the right to require Sublessee to enter into agreements with such persons in form and content approved by Sublessor for the furnishing of such services. Sublessor shall cause the paved portions of the Property to be kept reasonably free and clear of snow, ice and refuse and shall cause the landscaped areas of the Property to be maintained in a reasonably attractive appearance.

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

(b) If repairs are required to be made by Sublessee pursuant to the terms hereof, Sublessor may demand that Sublessee make the same forthwith, and if Sublessee refuses or neglects to commence such repairs and complete the same with reasonable dispatch after such demand, Sublessor may (but shall not be required to do so) make or cause such repairs to be made (the provisions of Section 14.13 being applicable to the costs thereof) and shall not be responsible to Sublessee for any loss or damage that may accrue to Sublessee's stock or business by reason thereof. Notwithstanding the foregoing, Sublessor may elect to take action hereunder immediately and without notice to Sublessee if Sublessor reasonably believes an emergency to exist.

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

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

14.9. Building Services. a) Sublessor shall, on Business Day from 8:00 a.m. to 6:00 p.m. and Saturdays from 8:00 a.m. to 12:00 noon, furnish heating and cooling as normal seasonal changes may require to provide reasonably comfortable space temperature and ventilation for occupants of

the Premises under normal business operation at an occupancy of not more than one person per 125 square feet of Premises Rentable Area and an electrical load not exceeding two (2) watts per square foot of Premises Rentable Area. If Sublessee shall require air conditioning, heating or ventilation outside of the hours and days above specified, Sublessor may furnish such service and Sublessee shall pay therefore such charges as may from time to time be in effect. In the event Sublessee introduces to the Premises personnel or equipment which overloads the capacity of the Building system or in any other way interferes with the system's ability to perform adequately its property functions, supplementary systems may, if and as needed, at Sublessor's option, be provided by Sublessor, at Sublessee's expense.

(b) Sublessor shall also provide:

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

(ii) Hot water for lavatory purposes and cold water for drinking, lavatory and toilet purposes. If Sublessee uses water for any purpose other than for ordinary lavatory and drinking purposes, Sublessor may assess a reasonable charge for the additional water so used, or install a water meter and thereby measure Sublessee's water consumption for all purposes. In the latter event, Sublessee shall pay the cost of the meter and the cost of installation thereof and shall keep such meter and installation equipment in good working order and repair. Sublessee agrees to pay for water consumed, as shown on such meter, together with the sewer charge based on such meter charges, as and when bills are rendered, and in default in making such payments Sublessor may pay such charges and collect the same from Sublessee as an additional charge.

(iii) Cleaning and janitorial services to the common areas.

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

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



the cost of repair and maintenance of any electric or gas meter used or to be installed in (or serving) the Premises.

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

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

## ARTICLE 15

### ACCESS TO PREMISES

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

## ARTICLE 16

### DAMAGE OR DESTRUCTION

16.1. Sublessor's Right of Termination. If the Premises or the Building are substantially damaged by fire or casualty (the term "substantially damaged" meaning damage of such a character that the

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

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

## ARTICLE 17

### EMINENT DOMAIN

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

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

of the injury to the Subleased Premises shall be abated for the balance of the term of this Sublease and in addition business interruption and/or relocation aware are to be paid out of the taking shall be the property of and shall be paid to the Sublessee.

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

## ARTICLE 18

### DEFAULT

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

18.2. In the case of such termination, Sublessee will indemnify Sublessor each month against all loss of rent, and all obligations which Sublessor may incur by reasons of any such termination, between the time of termination and the expiration of the term of this Sublease; or at the election of Sublessor, exercised at the time of the termination or at any time thereafter, Sublessee will indemnify Sublessor, each month until the exercise of the election, against all loss of rent and other



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

#### ARTICLE 19

#### SUBORDINATION TO MORTGAGES

Sublessee agrees that upon the request of Sublessor it will subordinate this Sublease and the lien hereof to the lien of any present or future mortgage or mortgages upon the Subleased Premises, any property of which the Subleased Premises are a part, or upon any ground lease of such property or upon any part thereof, irrespective of the time of execution or time of recording of any sub mortgage or mortgages. Sublessee agrees that it will, upon the request of Sublessor, execute, acknowledge and deliver any and all instruments deemed by Sublessor necessary or desirable to give effect or notice of such subordination. Sublessee also agrees that if it shall fail at any time to execute, acknowledge, or deliver any instrument requested by Sublessor under this Article, Sublessor may, only after seven (7) days notice to the Sublessee, in addition to any other remedies available to it, execute, acknowledge, and deliver such instrument as the attorney in fact of Sublessee and in Sublessee's name, and Sublessee hereby makes, constitutes, and irrevocably appoints Sublessor as its attorney in fact for that purpose. The word "mortgage" as used herein includes mortgages, deeds of trust, or other similar instruments and modifications, consolidations, extensions, renewals, replacements and substitutes thereof. At the request of the holder of any mortgage upon the Subleased Premises or any property of which the Subleased Premises is a part may subordinate the lien of such mortgage to this Sublease, thereby making this Sublease superior to such mortgage, by recording in the Rockingham County Registry of Deeds, a Notice of Subordination or other document of like effect, executed unilaterally by such mortgage. Whether the lien of any mortgage are a part shall be superior or subordinate to this Sublease and the lien hereof, Sublessee agrees that , if requested by Sublessor or the holder of such mortgage, it will attorn to the holder of such mortgage or anyone claiming under such holder and their respective successors and assigns in the event of foreclosure of or similar action taken under such mortgage.

## ARTICLE 20

### CERTIFICATE

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

## ARTICLE 21

### DELEGATION, ASSIGNMENT, SUBLEASES, MORTGAGE

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

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

21.3. Subleases. Sublessee may not enter into any sublease of the Subleased Premises without Sublessor's prior written approval. Any request for Sublessor's approval shall be made at least forty-five (45) days prior to the commencement of such tenancy and shall provide detailed information concerning the identity and financial condition of the proposed sublessee and the terms and conditions of the proposed sublease. Sublessor shall not unreasonably withhold its consent to such sublease if: (1) the use of the Subleased Premises associated with any sublease(s) is permitted under Article 3, (2) the sublease(s) are consistent with the terms and conditions of this Sublease and the Primary Sublease; provided, however, that Sublessee may rent the subleased area at rentals deemed appropriate by Sublessee, (3) Sublessee remains primarily liable to Sublessor to pay rent and to perform all other obligations to be performed by Sublessee under this Sublease, (4) the proposed sublessee is financially and operationally responsible and (5) PDA has given its approval to the proposed sublease. [In the event the rent for the Subleased Premises exceeds the rental charged to Sublessee under Article 4, Sublessee shall remit sixty percent (60%) of such excess to Sublessor upon receipt by Sublessee; provided, however, that any rental received by Sublessee during a period in which no rental is due to Sublessor shall be paid in its entirety to Sublessor.]

21.4. Continuing Liability of Sublessee. No subletting, assignment or transfer, whether Sublessor's consent is required or otherwise given hereunder, shall release Sublessee's obligations or alter the primary liability of Sublessee to pay the rent and to perform all other obligations to be performed by Sublessee hereunder. The acceptance of rent by Sublessor from any other person shall not be deemed to be a waiver by Sublessor of any provision hereof. Consent to one assignment or subletting shall not be deemed consent to any subsequent assignment or subletting. If any assignee of Sublessee or any successor of Sublessee defaults in the performance of any of the terms hereof, Sublessor may proceed directly against Sublessee without the necessity of

exhausting remedies against such assignee or successor. If Sublessee assigns this Sublease, or sublets all or a portion of the Subleased Premises, or requests the consent of Sublessor to any assignment or subletting, or if Sublessee requests the consent of Sublessor for any act that Sublessee proposes to do, then Sublessee shall pay Sublessor's reasonable processing fee and reimburse Sublessor for all reasonable attorneys' fees incurred in connection therewith. Any assignment or subletting of the Subleased Premises that is not in compliance with the provisions of this Article XXI shall be void and shall, at the option of Sublessor, terminate this Sublease.

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

21.6. Mortgages. Except as otherwise expressly agreed to by PDA in writing, Sublessee shall not have the right to engage in any financing or other transaction creating any mortgage upon the Subleased Premises. Any approval of PDA shall be expressly subject to Condition 21 of the Master Lease and the provisions of the Primary Sublease.

## ARTICLE 22

### ENVIRONMENTAL PROTECTION

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

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

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

This indemnification of Sublessor and PDA and the Air Force by Sublessee includes, without limitation, any and all claims, judgment, damages, penalties, fines, costs and expenses, liabilities and losses incurred by Sublessor or PDA or the Air Force in connection with any investigation of site conditions, or any remedial or removal action or other site restoration work required by any federal, state or local governmental unit or other person for or pertaining to any discharges, emissions, spills, releases, storage or disposal of Hazardous Substances arising or



resulting from any act or omission of the Sublessee or any sublessee or assignee of the Sublessee at the Subleased Premises after the Occupancy Date. "Occupancy Date" as used herein shall mean the earlier of the first day of Sublessee's occupancy or use of the Subleased Premises or the date of execution of this Sublease. "Occupancy" or "Use" shall mean any activity or presence including preparation and construction in or upon the Subleased Premises.

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

22.4. Notwithstanding any other provision of this Sublease, Sublessee and its sublessees and assignees do not assume any liability or responsibility for environmental impacts and damage caused by the use by the Air Force of Hazardous Substances on any portion of the Airport, including the Subleased Premises. The Sublessee and its sublessees and assignees have no obligation to undertake the defense, remediation and cleanup, including the liability and responsibility for the costs of damages, penalties, legal and investigative services solely arising out of any claim or action in existence now, or which may be brought in the future by any person, including governmental units against the Air Force, because of any use of, or release from, any portion of the Airport (including the Subleased Premises) of any Hazardous Substances prior to the Occupancy Date.

22.5. As used in this Sublease, the term "Hazardous Substances" means any hazardous or toxic substance, material or waste, oil or petroleum product, which is or becomes regulated by any local governmental authority, the State of New Hampshire or the United States Government. The term "Hazardous Substances" includes, without limitation, any material or substance which is (i) defined as a "hazardous waste," under New Hampshire RSA ch. 147-A, (ii) defined as a "hazardous substance" under New Hampshire RSA ch. 147-B, (iii) oil, gasoline or other petroleum product, (iv) asbestos, (v) listed under or defined as hazardous substance pursuant to Part Hc. P. 1905 ("Hazardous Waste Rules") of the New Hampshire Code of Administrative Rules, (vi) designated as a "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. §1317, (vii) defined as a "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq. (42 U.S.C. §6903), or (viii) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601 et seq. (42 U.S.C. §9601) and (ix) so defined in the regulations adopted and publications promulgated pursuant to any of such laws, or as such laws or regulations may be further amended, modified or supplemented (collectively "Hazardous Substance Laws").

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

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

22.7. Notwithstanding any other provision of this Sublease and pursuant to the Primary Sublease, PDA is not responsible for any removal or containment of asbestos. If Sublessee and any sublessee or assignee intend to make any improvements or repairs that require the removal of asbestos, an appropriate asbestos disposal plan must be incorporated in the plans and specifications. The asbestos disposal plan shall identify the proposed disposal site for the asbestos. In addition, non-friable asbestos which becomes friable through or as a consequence of the activities of Sublessee will be abated by Sublessee at its sole cost and expense. The Sublessor hereby certifies that the leased premises and the building containing the leased premises are free of any asbestos materials.

22.8. Sublessor and Sublessee acknowledge that the Airport has been identified as a National Priority List (NPL) Site under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) of 1980, as amended. Sublessee acknowledges that Sublessor has provided it with a copy of the Pease Federal Facility Agreement ("FFA") entered into by EPA, and the Air Force on April 24, 1991, and Modification No. 1 thereto, effective March 18, 1993, agrees that it will comply with the terms of the FFA to the extent the same may be applicable to the Subleased Premises and that should any conflict arise between the terms of the FFA and the provisions of this Sublease, the terms of the FFA will take precedence. The Sublessee further agrees that the Sublessor and PDA assume no liability to the Sublessee or any sublessee or assignee of Sublessee should implementation of the FFA interfere with their use of the Subleased Premises. The Sublessee and its sublessee(s) and assignee(s) shall have no claim on account of any such interference against the Sublessor, or PDA or any officer, agent, employee or contractor thereof, other than a claim to Sublessor for abatement of rent.

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

22.9. The Air Force, EPA, and NHDES and their officers, agents, employees, contractors, and subcontractors have the right, upon reasonable notice to the Sublessee and any sublessee or assignee, to enter upon the Subleased Premises for the purposes enumerated in this subparagraph and for such other purposes consistent with the FFA:

(1) to conduct investigations and surveys, including, where necessary, drilling, testpitting, borings and other activities related to the Pease Installation Restoration Program ("IRP") or the FFA (the term IRP as used herein refers to the broad Department of Defense-wide program to identify, investigate and clean ups contaminated areas on military installations as described in the Department of Defense Instruction Number 4715.7);

(2) to inspect field activities of the Air Force and its contractors and subcontractors in implementing the IRP or the FFA;

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

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

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

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

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

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

22.13. Any permit required under Hazardous Substance Laws for the management of Hazardous Substances stored or generated by Sublessee or any sublessee or assignee of Sublessee shall be obtained by Sublessee or its sublessees or assignee and shall be limited to generation and transportation. Any violation of this requirement shall be deemed a material breach of this Sublease. Sublessee shall provide at its own expense such hazardous waste storage facilities, complying with all laws and regulations, as it needs for management of its hazardous waste.

22.14. Sublessee, and any sublessee or assignee of Sublessee whose operations utilize Hazardous Substances, shall have a completed and approved plan for responding to Hazardous Substances spills prior to commencement of operations on the Subleased Premises. Such plan shall comply with changes in site conditions or applicable requirements and shall be updated from time to time, as may be required to comply with changes in site conditions or applicable requirements and shall be approved by agencies having regulatory jurisdiction over such plan. Such plan shall be independent of, but not inconsistent with, any plan or other standard of PDA applicable to the Airport and except for initial fire response and/or spill containment, shall not rely on use of the Airport or Sublessor personnel or equipment. Should the Sublessor provide any personnel or equipment, whether for initial fire response and/or spill containment or otherwise, on request of



the Sublessee, or because the Sublessee was not, in the opinion of Sublessor, conducting timely cleanup actions, the Sublessee agrees to reimburse the Sublessor for its costs.

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

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

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

## ARTICLE 23

### HOLDING OVER

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

## ARTICLE 24

### WAIVERS

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

## ARTICLE 25

### QUIET ENJOYMENT

Sublessor agrees that upon Sublessee's paying the rent and performing and observing the agreements, conditions and other provisions on its part to be performed and observed, Sublessee shall and may peaceably and quietly have, hold, and enjoy the Subleased Premises during the term

of this Sublease without any manner of hindrance or molestation from Sublessor or anyone claiming under Sublessor, subject, however, to the terms of this Sublease and any instruments having a prior lien.

## ARTICLE 26

### FAILURE OF PERFORMANCE

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

## ARTICLE 27

### INTERPRETATIONS

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

27.2. Wherever in this Sublease it is provided that the consent or approval of either party must be obtained in order to authorize any act or course of conduct by the other party, the party whose consent or approval is necessary may grant or withhold said consent or approval, except where expressly provided to the contrary in this Sublease, at its sole and absolute discretion and with or without explanation of the reason or reasons for granting or withholding the same.

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

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

## ARTICLE 28

### NOTICES

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

If to Sublessor: 200 International, Limited Partnership  
c/o CPManagement, Inc.  
11 Court Street, Suite 100  
Exeter, NH 03833

If to Sublessee: Landry Architects, PLLC  
Attn:  
PO Box 857  
New Castle, NH 03854

## ARTICLE 29

### DISPUTES AND LITIGATION

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

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

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

## ARTICLE 30

### MISCELLANEOUS

30.1. Any actions or proceedings with respect to any matters arising under or growing out of this Sublease shall be instituted and prosecuted only in the courts located in the State of New Hampshire. Nothing contained in this Article or any other provision of this Sublease shall be



deemed to constitute a waiver of the sovereign immunity of the State of New Hampshire, which immunity is hereby reserved to PDA and to the State of New Hampshire.

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

30.3. Sublessee agrees to conform to such additional provisions required, from time to time, by the FAA ("FAA Requirements") or its successor with respect to the operation of the Airport, or a portion thereof. The current FAA Requirements are attached hereto as Exhibit 9 and incorporated herein by reference.

30.4. This Sublease is subject and subordinate to any agreements heretofore or hereafter made between PDA and the United States or the Air Force, the execution of which is required to enable or permit transfer of rights or property to PDA for airport purposes or expenditure of federal grant funds for airport improvement, maintenance or development, including, without limitation, the Quitclaim Deed dated October 15, 2003 and the FFA. Sublessee shall abide by requirements of any agreement between PDA and the United States or the Air Force applicable to the Subleased Premises or Sublessee's activities at the Airport and shall consent to amendments and modifications of this Sublease if required by such agreements or as a condition of PDA's entry into such agreements.

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

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

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

That there shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, national origin, or ancestry, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the Premises herein leased nor shall the Sublessee, or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or

occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the Subleased Premises herein leased.

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

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

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

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

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

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

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



EXECUTION

IN WITNESS WHEREOF, Sublessor and Sublessee have executed this Sublease effective as of the 10 day of July, 2019.

200 INTERNATIONAL, LIMITED  
PARTNERSHIP

By: [Signature]  
Its: Co-Manager  
"Sublessor"

LANDRY ARCHITECTS, PLLC

By: [Signature]  
Its: M. H. GOR  
"Sublessee"

STATE OF NEW HAMPSHIRE  
COUNTY OF [Rockingham] : ss.

On this 10 day of July, 2019, before me, J. Russell Doyle Notary Public in and for said County and State, personally appeared Daniel L. Plummer, personally known to me (or proved to me on the basis of satisfactory evidence) to be the Co-Manager of 200 International, Limited Partnership, 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 in and for said County and State  
J. Russell Doyle  
NOTARY PUBLIC  
New Hampshire  
My Commission Expires ~~10-1-2021~~ 9-27-2022

STATE OF [New Hampshire]  
COUNTY OF [Rockingham] : ss.

On this 1 day of July, 2019, before me, Charlotte Hunko, a Notary Public in and for said County and State, personally appeared [ Rick Landre ], personally known to me (or proved to me on the basis of satisfactory evidence) to be the [ Sublessee ] of [ ] 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 in and for said County and State



EXHIBIT I

PRIMARY SUBLEASE

EXHIBIT 2

INTENTIONALLY OMITTED.

EXHIBIT 3

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

EXHIBIT 4

FEDERAL FACILITIES AGREEMENT



EXHIBIT 5

PLANS DESIGNATING THE SUBLEASED PREMISES

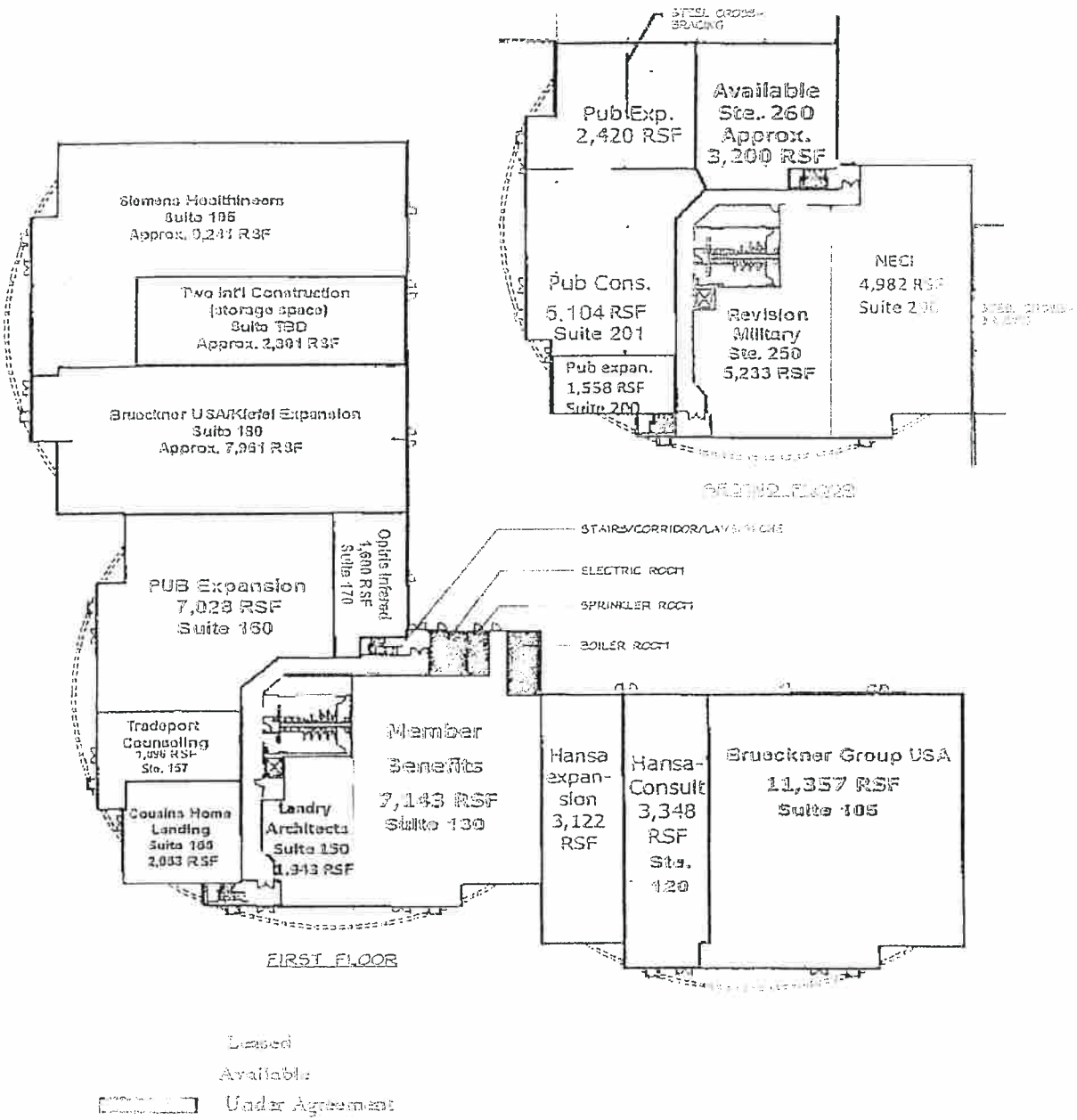
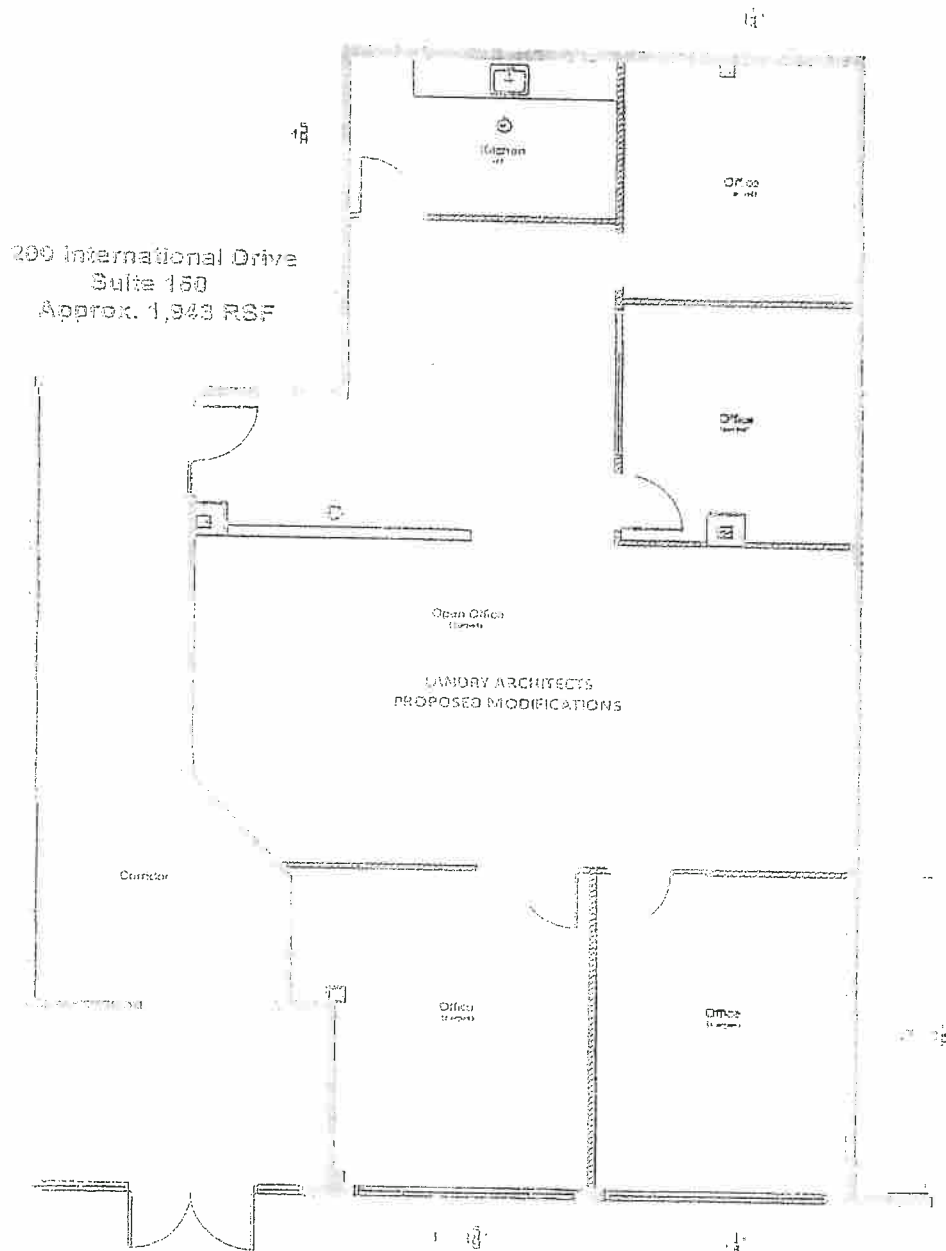


EXHIBIT 6  
ALTERATIONS



## EXHIBIT 7

### LIST OF ENVIRONMENTAL LAWS AND REGULATIONS

- Air Quality:
- (a) Clean Air Act & Amendments, 42 U.S.C. 7401-7642
  - (b) 40 CFR Parts 50-52, 61, 62, 65-67, 81
  - (c) RSA ch. 125-C, Air Pollution Control, and rules adopted thereunder
  - (d) RSA ch. 125-H, Air Toxic Control Act, and rules adopted thereunder
- Hazardous Materials:
- (a) Hazardous Materials Transportation Act, 49 U.S.C. 1801-1813, and Department of Transportation Regulations thereunder
  - (b) Emergency Planning and Community Right-To-Know Act, 42 U.S.C. 11001-11050
  - (c) 49 CFR Parts 100-179
  - (d) 40 CFR Part 302
  - (e) RSA ch. 277-A, Toxic Substances in the Workplace, and rules adopted thereunder
- Hazardous Waste:
- (a) Resource Conservation and Recovery Act (RCRA) of 1976 and RCRA Amendments of 1984, 42 U.S.C. 6901-69911
  - (b) Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) of 1980, as amended, 42 U.S.C. 9601-9675
  - (c) 40 CFR Parts 260-271, 300, 302
  - (d) RSA ch. 147-A, Hazardous Waste Management and rules adopted thereunder
- Water Quality:
- (a) Federal Water Pollution Control Act (Clean Water Act) and Amendments, 33 U.S.C. 1251-1387
  - (b) Safe Drinking Water Act, as amended, 42 U.S.C. 300f-300j-26  
40 CFR Title 100-143, 401 and 403
  - (c) RSA ch. 146-A, Oil Spillage in Public Waters, and rules adopted thereunder
  - (d) RSA ch. 485, New Hampshire Safe Drinking Water Act, and rules adopted thereunder
  - (e) RSA ch. 485-A, Pollution and Waste Disposal, and rules adopted thereunder

EXHIBIT 8

CERTIFICATE OF GOOD STANDING

TO BE PROVIDED BY SUBLESSEE

EXHIBIT 9

SUBLEASE PROVISIONS REQUIRED BY  
THE FEDERAL AVIATION ADMINISTRATION

1. Sublessee, for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby agree that in the event facilities are constructed, maintained, or otherwise operated on the Subleased Premises, for a purpose for which a United States Department of Transportation ("DOT") program or activity is extended or for another purpose involving the provision of similar services or benefits, Sublessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

2. Sublessee, for himself, his personal representative, successors in interest, and assigns, as a part of the consideration hereof, does hereby agree that: (i) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the use of said facilities; (ii) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination; and (iii) that the Sublessee shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulation may be amended.

3. That in the event of breach of any of the above nondiscrimination covenants, Sublessor shall have the right to terminate the Sublease, and to reenter and repossess said land and the facilities thereon, and hold the same as if said lease, had never been made or issued. This provision does not become effective until the procedures of 49 CFR Part 21 are allowed and completed including expiration of appeal rights.

4. Sublessee shall furnish its accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof and it shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service; PROVIDED THAT the Sublessee may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchasers.

5. Non-compliance with Provision 4 above shall constitute a material breach thereof and in the event of such noncompliance Sublessor shall have the right to terminate this Sublease, and the estate hereby created without liability therefore or at the election of the Sublessor or the United States either or both of Sublessor or the United States shall have the right to judicially enforce provisions.

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

7. Sublessee assures that it will undertake an affirmative action program as required by 14 CFR Part

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

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

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

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

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

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

13. Sublessee, by accepting this Sublease expressly agrees for itself, its successors and assigns that it shall not erect nor permit the erection of any structure or object nor permit the growth of any tree on the land leased hereunder above the mean sea level elevation of [ ] feet. In the event the aforesaid covenants are breached, Sublessor reserves the right to enter upon the Premises and to remove the offending structure or object and cut the offending tree, all of which shall be at the expense of the Sublessee.

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

15. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308a of the Federal Aviation Act of 1958 (49 U.S.C. 1349a).

16. This Sublease and all the provisions hereof shall be subject to whatever right the United States



Government now has or in the future may have or acquire, affecting the control, operation, regulation and taking over of said airport or the exclusive or non-exclusive use of the airport by the United States during the time of war or national emergency.

EXHIBIT 10

SUBORDINATION, NON-DISTURBANCE  
AND ATTORNMENT AGREEMENT

THIS AGREEMENT made as of the \_\_\_\_ day of \_\_\_\_\_, 2019 between People's United Bank, with an address of 325 State Street, Portsmouth, New Hampshire 03801 ("Lender"), and \_\_\_\_\_ of 200 International Drive, Suite \_\_\_\_\_, Portsmouth New Hampshire ("Tenant").

WITNESSETH:

WHEREAS, Tenant entered into a lease dated \_\_\_\_\_ (said lease, as heretofore or hereafter amended, modified or supplemented, is hereinafter called the "Lease"), between 200 International Limited Partnership ("Landlord"), as landlord, and Tenant, as tenant, with respect to certain space being \_\_\_\_\_ square feet leased by Landlord (the "Demised Premises") located at 200 International Drive, Pease International Tradeport, Portsmouth, New Hampshire 03801 (said land and improvements, the "Premises"); and,

WHEREAS, Lender has entered into a financing arrangement with Landlord, in which the obligations of Landlord are secured by certain loan documentation including, but not limited to, a Leasehold Mortgage, Security Agreement and Financing Statement and an Assignment of Leases and Rents from Landlord to Lender (collectively the "Mortgage"), which Mortgage encumbers the Premises and Landlord's interest in the Lease; and,

WHEREAS, the financing is contingent on Lender obtaining Subordination Agreements from all the Tenants on the Premises; and

WHEREAS, Lender and Tenant desire to enter into this Agreement upon the terms, covenants and conditions contained herein.

NOW, THEREFORE, in consideration of the promises and the agreements of the parties contained herein, the parties agree as follows:

1. Subject to the terms and provisions of this Agreement, the Lease is and shall be at all times and in all respects subordinate to the lien of the Mortgage, and/or all future mortgages to Lender and to all advances made and/or hereafter to be secured by the Mortgage and to all renewals, modifications, consolidations, substitutions, additions and extensions of the Mortgage.

2. Provided Tenant shall not be in default beyond any applicable notice and/or cure periods under the Lease as of the date Lender commences a foreclosure action against Landlord, or at any time thereafter: (a) Tenant shall not be named as a party defendant in any action or proceeding to enforce the Mortgage, unless such joinder shall be required under applicable law, nor shall the Lease be cut off or terminated nor Tenant's possession and/or any other rights thereunder be disturbed, interfered with, hindered or reduced in any such action or proceeding, and (b) subject to the provisions of Section 4 of this Agreement, Lender will recognize the Lease and Tenant's rights thereunder.

3. Upon any foreclosure of the Mortgage or other acquisition of the Premises, Tenant shall attorn to Lender or any other party acquiring the Premises or so succeeding to Landlord's rights (collectively, the "Successor Landlord") and shall recognize the Successor Landlord as its landlord under the Lease. Said attornment shall be effective and self-operative without the execution on the part of any party of any further instrument. Without limiting the foregoing, Tenant waives the provisions of, and any rights under, any statute or rule of law, now or hereafter in effect, which might otherwise give, or purport to give, any right or election to terminate or otherwise adversely affect the Lease and the obligations of Tenant thereunder in the event of said foreclosure or other acquisition.

4. Upon said attornment, the Lease shall continue as a direct lease between the Successor Landlord and Tenant upon all terms, covenants and conditions thereof as are then applicable except that the Successor Landlord shall not be (a) liable for any damages then accrued as the result of any previous act or omission of Landlord or any prior landlord under the Lease, provided that the foregoing shall not excuse Successor Landlord from any maintenance or repair obligation under the Lease, whether or not the condition requiring maintenance or repair existed prior to the Successor Landlord's acquisition of the Premises by foreclosure or otherwise, (b) subject to any offsets or defenses that Tenant then has against Landlord or any prior landlord, unless such right of offset is expressly provided for in the Lease, (c) bound by any amendment or modification of the Lease hereafter executed, or the obligations of the parties thereto, unless said amendment or modification shall have been consented to by the successor Landlord or Lender, or (d) bound by any prepayment of more than one (1) month's rent or other charges under the Lease, unless such payment shall have been made in accordance with the terms of the Lease or shall have been expressly approved in writing by Lender.

5. Tenant, from and after the date hereof, shall send to Lender a copy of any notice of default sent under the Lease to Landlord at the same time such notice is sent to Landlord under the Lease. Such notices shall be delivered to Lender at the following address:

People's United Bank  
325 State Street  
Portsmouth, NH 03801  
Attn: Suesan M. Macoblek, Sr. Vice President

6. Tenant acknowledges notice that Landlord's interest under the Lease and the rent and all other sums due thereunder have been assigned to Lender as part of the security for repayment of the Note secured by the Mortgage. In the event that Lender notifies Tenant of a default under the Mortgage and demands that Tenant pay its rent and all other sums due under the Lease to Lender, Tenant agrees that it shall pay its rent and all other sums due under the Lease to Lender. Landlord joins in the execution hereof for the purpose of consenting to the provisions of this Section, and Landlord agrees that Tenant may rely on any such notice received from Lender.

7. This Agreement may not be amended, modified, supplemented or terminated unless in writing and duly executed by the party against whom the same is sought to be asserted and constitutes the entire agreement between the parties with respect to the subject matter hereof.

8. This Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above-written.

Lender:  
People's United Bank

Witness

\_\_\_\_\_  
By: Susan M. Maciolek  
Its: Senior Vice President

TENANT:

Witness

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

LANDLORD:  
200 International Limited Partnership  
By: Its General Partner  
200 International, LLC

\_\_\_\_\_  
Witness

\_\_\_\_\_  
By: Cyrus W. Gregg, Co-Manager

\_\_\_\_\_  
Witness

\_\_\_\_\_  
By: Daniel L. Plummer, Co-Manager

STATE OF NEW HAMPSHIRE  
COUNTY OF ROCKINGHAM

On this the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me, the undersigned officer, personally appeared Suesan M. Maciolek, who acknowledged herself to be the Senior Vice President of People's United Bank, and that she as such Senior Vice President, being authorized so to do, executed the foregoing instrument for the purposes therein contained on behalf of the bank.

Notary Public Justice of the Peace  
Print Name:  
My Commission Expires:

STATE OF NEW HAMPSHIRE  
COUNTY OF ROCKINGHAM

On this the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me, the undersigned officer, personally appeared the above-named \_\_\_\_\_, as \_\_\_\_\_ of \_\_\_\_\_, known to me to be the person who executed the foregoing instrument and acknowledged the same to be the free act and deed of said \_\_\_\_\_.

\_\_\_\_\_  
Notary Public  
Print Name:

My Commission Expires:

STATE OF NEW HAMPSHIRE  
COUNTY OF ROCKINGHAM

On this the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me, the undersigned officer, personally appeared Cyrus W. Gregg, known to me, who acknowledged that he is the co-manager of 200 International, LLC, the General Partner of 200 International Limited Partnership and that he, as such co-manager, being duly authorized, executed the foregoing instruction of the purposes contained therein on behalf of the limited partnership.

Notary Public Justice of the Peace  
Printed Name:  
My Commission expires: \_\_\_\_\_

STATE OF NEW HAMPSHIRE  
COUNTY OF ROCKINGHAM

On this the \_\_\_ day of \_\_\_\_\_, 20\_\_\_, before me, the undersigned officer, personally appeared Daniel L. Plummer, known to me, who acknowledged that he is the co-manager of 200 International, LLC, the General Partner of 200 International Limited Partnership and that he, as such co-manager, being duly authorized, executed the foregoing instruction of the purposes contained therein on behalf of the limited partnership.

Notary Public Justice of the Peace

Printed Name:

My Commission expires: \_\_\_\_\_



EXHIBIT II  
RULES AND REGULATIONS

1. Except as specifically provided in the Sublease to which these Rules and Regulations are attached, no sign, placard, picture, advertisement, name or notice shall be installed or displayed on any part of the outside or inside of the building or Project without the prior written consent of Sublessor. Sublessor shall have the right to remove, at Sublessee's expense and without notice, any sign installed or displayed in violation of this rule. All approved signs or lettering on doors and walls shall be printed, painted, affixed or inscribed at the expense of Sublessee by a person approved by Sublessor.
2. If Sublessor objects in writing to any curtains, blinds, shades, screens or hanging plants or other similar objects attached to or used in connection with any window or door of the Premises, or placed on any windowsill, which is visible from the exterior of the Premises, Sublessee shall immediately discontinue such use. Sublessee shall not place anything against or near glass partitions or doors or windows, which may appear unsightly from outside the Premises.
3. Sublessee shall not obstruct any sidewalks, halls, passages, exits, entrances, elevators, escalators or stairways of the Project. The halls, passages, exits, entrances, shopping malls, elevators, escalators and stairways are not open to the general public, but are open, subject to reasonable regulations, to Sublessee's business invitees. Sublessor shall in all cases retain the right to control and prevent access thereto of all persons whose presence in the judgment of Sublessor would be prejudicial to the safety, character, reputation and interest of the Project and its Sublessees; provided that nothing herein contained shall be construed to prevent such access to persons with whom any Sublessee normally deals in the ordinary course of his business, unless such persons are engaged in illegal or unlawful activities. No Sublessee and no employee or invitee of any Sublessee shall go upon the roof(s) of the Project.
4. The directory of the building or Project, if any, will be provided exclusively for the display of the name and location of Sublessees only and Sublessor reserves the right to exclude any other names therefrom.
5. Sublessor will furnish Sublessee, free of charge, with two keys to each door lock in the Premises. Sublessor may make reasonable charge for any additional keys. Sublessee shall not make or have made additional keys, and Sublessee shall not alter any lock or install a new additional lock or bolt on any door of its Premises. Sublessee, upon the termination of its tenancy, shall deliver to Sublessor the keys of all doors which have been furnished to Sublessee, and in the event of loss of any keys so furnished, shall pay Sublessor therefor.
6. If Sublessee requires telegraphic, telephonic, burglar alarm or similar services, it shall first obtain, and comply with, Sublessor's instructions in their installation.
7. No deliveries shall be made which impede or interfere with other Sublessees or the operation of the building.
8. Sublessee shall not place a load upon any floor of the Premises which exceeds the load per square foot, which such floor was designed to carry and which is allowed by law. Sublessor shall have the right to prescribe the weight, size and position of all equipment, materials, furniture or other property brought into the building. Heavy objects shall, if necessary by Sublessor, stand on such platforms as determined by Sublessor to be necessary to properly distribute the weight, which platforms shall be provided at Sublessee's expense. Business machines and mechanical equipment belonging to Sublessee, which cause noise or vibration that may be transmitted to the structure of

the building or to any space therein to such a degree as to be objectionable to Sublessor or to any Sublessees in the building, shall be placed and maintained by Sublessee, at Sublessee's expense, on vibration eliminators or other devices sufficient to eliminate noise or vibration. The persons employed to move such equipment in or out of the building must be acceptable to Sublessor. Sublessor will not be responsible for loss of, or damage to, any such equipment or other property from any cause, and all damage done to the building by maintaining or moving such equipment or other property shall be repaired at the expense of Sublessee.

9. Sublessee shall not use or keep in the Premises any kerosene, gasoline or inflammable or combustible fluid or material other than those limited quantities necessary for the operation or maintenance of office equipment. Sublessee shall not use or permit to be used in the Premises any foul or noxious gas or substance, or permit or allow the Premises to be occupied or used in a manner offensive or objectionable to Sublessor or other occupants of the building by reason of noise, odors or vibrations, nor shall Sublessee bring into or keep in or about the Premises any birds or animals.
10. Sublessee shall not use any method of heating or air conditioning other than that supplied by Sublessor.
11. Sublessor reserves the right, exercisable without notice and without liability to Sublessee, to change the name and street address of the building.
12. Sublessee shall close and lock the doors of its Premises and entirely shut off all water faucets or other apparatus, and electricity, gas or air outlets before Sublessee and its employees leave the Premises. Sublessee shall be responsible for any damage or injuries sustained by other Sublessees or occupants of the building or by Sublessor for noncompliance with this rule.
13. The toilet rooms, toilets, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown therein. The expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the Sublessee who, or whose employees or invitees shall have caused it.
14. Sublessee shall not sell, or permit the sale at retail of newspapers, magazines, periodicals, theater tickets or any other goods or merchandise to the general public in or on the Premises. Sublessee shall not make any room-to-room solicitation of business from other Sublessees in the Project. Sublessee shall not use the Premises for any business or activity other than that specifically provided for in Sublessee's Sublease.
15. Sublessee shall not install any radio or television antenna, loudspeaker or other devices on the roof(s) or exterior walls of the building or Project. Sublessee shall not interfere with radio or television broadcasting or reception from or in the Project or elsewhere.
16. Sublessee shall not mark, drive nails, screw or drill into the partitions, woodwork or plaster or in any way deface the Premises or any part thereof, except in accordance with the provisions of the Sublease pertaining to alterations. Pictures, artwork and bulletin boards may be hung provided proper materials are used. Sublessor reserves the right to direct electricians as to where and how telephones and telegraph wires are to be introduced to the Premises. Sublessee shall not cut or bore holes for wires. Sublessee shall not affix any floor covering to the floor of the Premises in any manner except as approved by Sublessor. Sublessee shall repair any damage resulting from noncompliance with this rule.
17. Sublessee shall not install, maintain or operate upon the Premises any vending machines without the written consent of Sublessor.

18. Canvassing, soliciting and distribution of handbills or any other written material and peddling in the Project are prohibited, and Sublessee shall cooperate to prevent such activities.
19. Sublessor reserves the right to exclude or expel from the Project any person whom, in Sublessor's judgement, is intoxicated or under the influence of liquor or drugs or who is in violation of any of the Rules and Regulations of the Building.
20. No cooking shall be done or permitted on the Premises without Sublessor's consent, except that use by Sublessee of Underwriters' Laboratory approved equipment for brewing coffee, tea, hot chocolate and similar beverages or use of microwave ovens for employee use shall be permitted, provided that such equipment and use is in accordance with all applicable, federal, state, county and city laws, codes, ordinances, rules and regulations.
21. Without the written consent of Sublessor, Sublessee shall not use the name of the building or Project in connection with or in promoting or advertising the business of Sublessee except as Sublessee's address.
22. Sublessee shall comply with all safety, fire protection and evacuation procedures and regulations established by Sublessor or any governmental agency.
23. Sublessee assumes any and all responsibility for protecting his Premises from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to the Premises closed.
24. Sublessee's requirements will be attended to only upon appropriate application to the Project management office by an authorized individual. Employees of Sublessor shall not perform any work or do anything outside of their regular duties unless under special instructions from Sublessor, and no employee of Sublessor will admit any person (Sublessee or otherwise) to any office without specific instructions from Sublessor.
25. Sublessor may waive any one or more of these Rules and Regulations for the benefit of Sublessee or any other Sublessee, but no such waiver by Sublessor shall be construed as a waiver of such Rules and Regulations in favor of Sublessee or any other Sublessee, nor prevent Sublessor from thereafter enforcing any such Rules and Regulations against any or all of the Sublessees of the Project.
26. These Rules and Regulations are in addition to, and shall not be construed to in any way modify or amend in whole or in part, the terms, covenants, agreements and conditions of the Sublease.
27. Sublessor reserves the right to make such other and reasonable Rules and Regulations as, in his judgement, may from time to time be needed for safety and security, for care and cleanliness of the Project and for the preservation of good order therein. Sublessee agrees to abide by all such Rules and Regulations hereto above stated and any additional rules and regulations which are adopted.
28. Sublessee shall be responsible for the observance of all the foregoing rules by Sublessee's employees, agents, clients, customers, invitees and guests.

## Business Information

### Business Details

Business Name: LANDRY ARCHITECTS LLC	Business ID: 732201
Business Type: Domestic Limited Liability Company	Business Status: Not In Good Standing
Management Style: Manager Managed	
Business Creation Date: 09/16/2015	Name in State of Formation: Not Available
Date of Formation in Jurisdiction: 09/16/2015	
Principal Office Address: 100 Market St Ste 303, Portsmouth, NH, 03801, USA	Mailing Address: NONE
Citizenship / State of Formation: Domestic/New Hampshire	
	Last Annual Report Year: 2018
	Next Report Year: 2019
Duration: Perpetual	
Business Email: rl@landryarchitects.com	Phone #: 603-890-6414
Notification Email: NONE	Fiscal Year End Date: NONE

### Principal Purpose

S.No	NAICS Code	NAICS Subcode
1	OTHER / architectural services	

Page 1 of 1, records 1 to 1 of 1

### Principals Information

Name/Title	Business Address
Richard Landry Jr / Member	100 Market Street, Suite 303, Portsmouth, NH, 03801, USA
Richard Landry Jr / Manager	100 Market Street Suite 303, Portsmouth, NH, 03801, USA

Page 1 of 1, records 1 to 2 of 2

### Registered Agent Information

---

Name: Bosen, John K, Esq

Registered Office 266 Middle Street, Portsmouth, NH, 03801, USA  
Address:

Registered Mailing 266 Middle Street, Portsmouth, NH, 03801, USA  
Address:

### Trade Name Information

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No Trade Name(s) associated to this business.

### Trade Name Owned By

---

No Records to View.

### Trademark Information

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

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

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MEMORANDUM

To: Pease Development Authority Board of Directors  
From: David R. Mullen, Executive Director *DRM*  
Date: August 7, 2019  
Re: Sublease between Two International Group, LLC and HII Fleet Support Group LLC

In accordance with the "Delegation to Executive Director: Consent, Approval of Sub-sublease Agreements" adopted by the Board on August 8, 1996, I am pleased to report that PDA has approved a sublease at 2 International Drive between Two International Group, LLC ("TIG") and the following tenant:

- A. Tenant: HII Fleet Support Group LLC  
Space: 4,513 square feet (Suite 301)  
Use: General Office Use and Related Uses  
Term: Commencing November 1, 2019 and expiring December 31, 2024

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

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

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

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

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





## NOTICE OF CONSENT

This NOTICE OF CONSENT ("Notice") is given by the PEASE DEVELOPMENT AUTHORITY ("Lessor") to Two International Group, L.L.C. ("Lessee"). Lessor and Lessee may be referred to jointly as the "Parties."

### RECITALS

A. The Parties entered into a Lease for 2 International Drive at Pease International Tradeport on June 24, 1997 (the "Lease").

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

the use of the Leased Premises associated with the sublease is permitted under the original Lease;

the sublease is consistent with the terms and conditions of the original Lease;

the original Lessee remains primarily liable to Lessor to pay rent and to perform all other obligations to be performed by Lessee under the original Lease; and

4. the proposed Sublessee is financially and operationally responsible.

C. Lessee has requested authorization to sublease approximately 4,513 square feet (Suite #105) within the Leased Premises at 2 International Drive to **HII Fleet Support Group, LLC** (""), a limited liability company authorized and is qualified to do business in New Hampshire.

D. The proposed sublease to **HII Fleet Support Group, LLC** is for general office use and related uses.

### TERMS AND CONDITIONS

1. Lessor hereby authorizes Lessee to execute the sublease, attached hereto as Exhibit A, with **HII Fleet Support Group, LLC** for approximately 4,513 square feet within the Leased Premises.

2. Upon execution of the sublease with **HII Fleet Support Group, LLC**, Lessee shall provide Lessor with a copy of the executed sublease, copies of all required insurance certificates and a certificate of good standing from the State of New Hampshire for **HII Fleet Support Group, LLC**.

3. Lessee hereby agrees that occupancy shall be subject to the issuance of a Certificate of Occupancy as may be required in accordance with PDA Zoning Regulations, Section 315.03(a).

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

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

PEASE DEVELOPMENT AUTHORITY

By:   
Its: Executive Director

AGREED AND ACCEPTED

TWO INTERNATIONAL GROUP,  
L.L.C.

\_\_\_\_\_  
Date

By:   
Its: Co-Manager

EXHIBIT A  
SUBLEASED PREMISES



SUBLEASE

BETWEEN

TWO INTERNATIONAL GROUP, L.L.C.

AS  
"SUBLESSOR"

AND

HII FLEET SUPPORT GROUP LLC

AS  
"SUBLESSEE"

TWO INTERNATIONAL DRIVE

SUITE # 105

PORTSMOUTH, NEW HAMPSHIRE 03801

DATED AS OF JUNE <sup>LY</sup>~~EE~~ 12, 2019



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EXHIBITS TO SUBLEASE

Exhibit

- 1 - PRIMARY SUBLEASE
- 2 - (INTENTIONALLY OMITTED)
- 3 - QUITCLAIM DEED OF THE UNITED STATES OF AMERICA  
ACTING BY AN THROUGH THE AIR FORCE
- 4 - FEDERAL FACILITIES AGREEMENT
- 5 - PLANS DESIGNATING THE  
SUBLEASED PREMISES
- 6 - ALTERATIONS
- 7 - LIST OF ENVIRONMENTAL LAWS AND REGULATIONS
- 8 - CERTIFICATE OF GOOD STANDING
- 9 - FAA REQUIREMENTS
- 10 - SUBORDINATION AND NON-DISTURBANCE AGREEMENT
- 10A - ESTOPPEL CERTIFICATE
- 11 - RULES AND REGULATIONS
- 12 - OPERATING EXPENSES
- 13 - CLEANING SPECIFICATIONS

SUBLEASE

THIS SUBLEASE ("Sublease") is made by and between TWO INTERNATIONAL GROUP, L.L.C., ("Sublessor") and HII FLEET SUPPORT GROUP LLC, ("Sublessee"). (Sublessor and Sublessee may be referred to jointly as the "Parties.")

SUMMARY OF BASIC LEASE PROVISIONS AND RECITALS

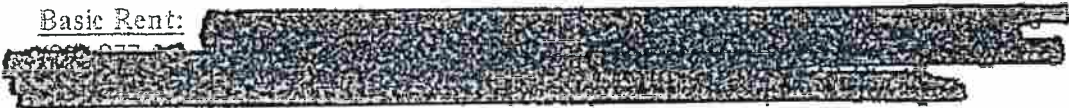
SUMMARY

BASIC DATA.

Sublessor: Two International Group, L.L.C.  
c/o CPManagement, Inc.  
11 Court Street, Suite 100  
Exeter, New Hampshire 03833

Sublessee: HII Fleet Support Group LLC  
Two International Drive, Suite 105  
Portsmouth, NH 03801

Guarantor: N/A


Basic Rent: 

Premises Rentable Area: Approximately 4,513 square feet.

Permitted Uses: General Office and related uses.

Prorata Share : Prorata share 5.19% of 86,993 Building square feet.

Initial Term: Five (5) years and Two (2) months commencing November 1, 2019 and expiring December 31, 2024.

Security Deposit: 

Manager: CP Management, Inc.

Business Days: All days except Saturday, Sunday, Federal and State Holidays.

Default: See Article 18.

**Initial Public Liability Insurance:** \$2,000,000—~~minimum~~ Commercial General Liability coverage - \$1,000,000 in Automobile coverage and Worker's Compensation coverage at statutory minimum levels.

**Sublessee's Removable Property:** As defined in Section 6.1.

**Parking:** Five spaces per 1,000 rentable square feet. Visitor and handicapped parking spaces are so marked.

### RECITALS

A. Two International Group, L.L.C., entered into a Sublease dated August 20, 1997, with the Pease Development Authority ("PDA"), an agency of the State of New Hampshire established pursuant to RSA ch 12-G for premises located at the Pease International Tradeport in Portsmouth, New Hampshire described as follows: The premises shown on a Plan entitled "Subdivision Plan of Land at 2 International Drive at Pease International Tradeport, Portsmouth, New Hampshire" recorded in the Rockingham County Registry of Deeds as Plan #D-25754, a copy of which Sublease is attached hereto as Exhibit 1 (the "Primary Sublease"). The Primary Sublease is subject and subordinate to all agreements made between PDA and the United States of America or the United States Air Force including, but not limited to, the Federal Facilities Agreement ("FFA"), and the Quitclaim Deed (the "Deed") dated October 13, 2005 granted by the United States of America (the "Government") acting by and through the United States Air force ("air force") to PDA, all as hereinafter defined.

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

C. The Parties acknowledge that a Federal Facilities Agreement ("FFA") required under Section 120 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601 *et seq.* has been entered into by the Air Force, the New Hampshire Department of Environmental Services ("NHDES") and the United States Environmental Protection Agency ("EPA") regarding certain contamination at Pease and that this FFA also imposes certain conditions upon Sublessor and Sublessee which are addressed in the terms and conditions of the FFA and Deed. The term FFA shall include any amendments to said document. A copy of the FFA is attached as Exhibit 4 of this Sublease.

D. Sublessor is Two International Group, L.L.C. and is duly organized and existing under the laws of the State of New Hampshire with a principal place of business at One New Hampshire Avenue, Pease International Tradeport, Portsmouth, New Hampshire, and is qualified to do business in the State of New Hampshire.

E. Sublessee is HII Fleet Support Group LLC and is duly organized and existing under the laws of the State of Delaware with a principal place of business at 5701 Cleveland Street, Virginia Beach, Virginia, and is qualified to do business in the State of New Hampshire.

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

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

## ARTICLE I.

### PREMISES

#### 1.1. Description of Subleased Premises

Sublessor, for and in consideration of the rents and covenants herein specified to be paid and performed by Sublessee, hereby leases to Sublessee, and Sublessee hereby hires from Sublessor, the premises described generally below and more particularly on the plans attached as Exhibit 5 (the "Subleased Premises" or the "Premises"): consisting of approximately 4,513 square feet as adjusted by the final as built of square footage of the lease premises and located at Two International Drive, Portsmouth, New Hampshire..

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

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

and to the right of Sublessor to designate and change from time to time areas and facilities so to be used.

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

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

This Sublease is subject to existing easements and rights-of-way of record, the Utility Sublease and License Agreement dated July 31, 1992 by and between PDA and Public Service Company of New Hampshire ("PSNH"), the utility Sublease and License Agreement dated May 10, 1995 by PDA and New England Telephone and Telegraph Company ("NETEL") (iii) the Wastewater Disposal and Water Service Facilities Sublease and License Agreement dated as of January 1, 1993 and amended July 1, 1998 by and between PDA and the City of Portsmouth ("COP") and (iv) the Pipeline Easement and Transfer Agreement dated August 12, 1998 by and between PDA, Portland Natural Gas Transmission System and Maritime & Northeast Pipeline, L.L.C. and such other agreements as PDA shall reasonably require for the provision of utilities and the operation, maintenance and repair of the Airport.

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

### 1.3. Access

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



The rights of Sublessee under this Section 1.3 shall be subordinate to PDA's rights, to manage the common areas and roadways which rights shall include, without limitation, the right to impose reasonable rules and regulations relating to use of the common areas and roadways and the right to add, delete, alter or otherwise modify the designation and use of all parking areas, entrances, exits, roadways and other areas of the Airport, provided, however, that during the term of this Sublease, Sublessee shall have reasonable access the Premises.

The Government reserves a no cost right of access for purposes of environmental investigation, response or other corrective action, as required by CERCLA Section 120(h)(3)(A)(iii), the FFA, and as otherwise set forth in Article 22 of this Sublease.

## ARTICLE 2.

### CONDITION OF SUBLEASED PREMISES

2.1. Sublessor agrees to provide the Premises with the improvements described in Exhibit 6 attached hereto. Sublessee hereby acknowledges and agrees to accept the Premises on the Commencement Date in its then "as is" condition without representation or warranty of Sublessor of any kind, either express or implied. Sublessor hereby extends to the Sublessee the benefit of any warranties given by any contractor or subcontractor of the Sublessor, as shall pertain to the subleased premises.

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

## ARTICLE 3.

### TERM

3.1. This Sublease shall be for a base term of Five (5) years and Two (2) months ("Base Term") which term shall commence upon November 1, 2019, (Term Commencement Date) and shall expire at midnight on December 31, 2024, unless terminated earlier or extended in accordance with the provisions of this Sublease.

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


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

ARTICLE 4.

BASIC RENT

4.1. 

4.2 Security Deposit

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

4.3. Basic Rent due under Section 4.1 shall commence with the third month, January 1, 2020. The annual Basic Rent shall be payable in each case in equal monthly installments of one twelfth thereof in advance on the first day of each month without offset in lawful money of the United States at the office of Sublessor at the Airport or at such other address as Sublessor may hereafter designate. In addition, Sublessee agrees to pay when due, such other amounts that may be required to be paid as additional rent. Sublessee's rent obligation for any fractional portion of a calendar month at the beginning or end of the term of this Sublease shall be a similar fraction of the rental due for an entire month.

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

On the first day following the expiration of the first year after the Rent Commencement Date, and on the first day of each subsequent year (individually an "Adjustment Date" and collectively the "Adjustment Dates"), Basic Rent shall be subject

to adjustment for the remainder of the term of this Sublease as follows:

(1) For the first annual adjustment (commencing on the first day following the expiration of the first year after the Rent Commencement Date), 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 Basic Rent for the one-year period commencing as of such first Adjustment Date shall be the result obtained by multiplying the annual Basic Rent in effect on the day of the Adjustment Date (i.e. the annual rental for year five by a fraction, the numerator of which is the Extension Index and the denominator of which is the Beginning Index.)

(2) For all subsequent annual adjustments, the rent shall be adjusted in the same manner as that for the first annual 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 Sublease or the effective date of any adjustment to the rent hereunder.

(3) If for any Adjustment Date the Index most recently published following 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 Sublease, 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. OPERATING EXPENSES

4.5. ADDITIONAL RENT. Sublessee agrees to pay to Sublessor as Additional Rent the Operating Expenses, Utility Expenses and Taxes as defined in this Section 4.5.

4.5.1 Definitions. For the purpose of this Article, the following terms shall have the following respective meanings:

- (i) **Operating Year:** Each calendar year in which any part of the Term of this Sublease shall fall.
- (ii) **Operating Expenses:** The aggregate costs or expenses reasonably incurred by Sublessor with respect to the operation, administration, insuring, cleaning, repair, maintenance and management of the Property (but specifically excluding Utility Expenses) all as set forth in Exhibit 12 annexed hereto, provided that, if during any portion of the Operating Year for which Operating Expenses are to be computed, less than all of the Premises Rentable Area was occupied by Sublessee or if Sublessor is not supplying all sublessees with the services being supplied hereunder, actual Operating Expenses incurred shall be reasonably extrapolated by Sublessor on an item by item basis to the estimated Operating Expenses that would have been incurred if the Premises were fully occupied for such Year and such services were being supplied to all sublessees, and such extrapolated amount shall, for the purposes hereof, be deemed to be the Operating Expenses for such Year.
- (iii) **Utility Expenses:** The aggregate costs or expenses reasonably incurred by Sublessor with respect to supplying electricity (other than electricity supplied to those portions of the Premises leased to sublessees), oil, steam, gas, water and sewer and other utilities supplied to the Property and not paid or directly by sublessees, provided that, if during any portion of the Operating Year for which Utility Expenses are to be computed, less than all Building Rentable Area was occupied by sublessees or if Sublessor is not supplying all sublessees with the utilities being supplied hereunder, actual utility expenses incurred shall be reasonably extrapolated by Sublessor on an item by item basis to the estimated Utility Expenses that would have been incurred if the Premises were fully occupied for such Year and such utilities were being supplied to all sublessees, and such extrapolated amount shall, for the purposes hereof, be deemed to be the Utility Expenses for such Year.
- (iv) **Taxes:** "Taxes" shall mean all real estate taxes, special assessments and betterment assessments assessed with respect to the Premises for any Tax Year.
- (v) **Land Rent:** The rent charged to and paid by Sublessor to the PDA, or any successor authority, under the Primary Sublease assessed with respect to the Premises for any Operating Year.

4.5.2 Sublessee's Payments. Commencing on the Term Commencement Date, Sublessee shall pay as Additional Rent to Sublessor in accordance with the schedule set forth in Section 4.5.3 during the Initial Term hereof and on the same schedule applicable to Base Rent under Section 4.3, an amount equal to the total per square foot amount of

Sublessor's Operating Expenses, Utility Expenses, Land Rent and Taxes for each Operating Year multiplied by the Sublessee's Prorata Share.

#### 4.5.3 Estimated Expenses.

- (a) Estimated Expense Payments. Sublessor shall present prior to the beginning of each calendar year during the term of this Sublease, a reasonable estimation of the Operating Expenses, Utility Expenses, Land Rent and Taxes allocable to the Subleased Premises; Sublessee shall pay in each ensuing calendar month one-twelfth (1/12) of the amount of such Sublessor's estimated expenses allocable to the Subleased Premises. A final reconciliation shall be made by Sublessor at the end of each calendar year by applying the amount of such interim payments to the amounts otherwise due upon presentation of the annual statement rendered to Sublessee.
- (b) Records. Sublessor agrees to keep in its principal office true and accurate records of such Operating Expenses. Sublessee shall have the right for a period of six months following receipt of any statement rendered under Section 4.5.3 (a) to examine the records on which such statement is based. In the event of any dispute with respect to any amount due under either Section 4.5, either party may refer to the dispute to arbitration pursuant to Article 29 hereof.

## ARTICLE 5

### IMPOSITIONS

5.1. During the term of this Sublease, Sublessor shall pay when due, all taxes, charges, excises, license and permit fees, assessments, and other governmental charges, general and special, ordinary and, of any kind and nature whatsoever, which during the term of this Sublease are assessed or imposed upon or become due and payable or a lien upon the land and buildings of which the Subleased Premises are a part.

5.2. Abatement. If Sublessor shall receive any tax refund or reimbursement of Taxes or sum in lieu thereof with respect to any Tax Year which is not due to vacancies in the Building, then out of any balance remaining thereof after deducting Sublessor's expenses reasonably incurred in obtaining such refund, Sublessor shall, provided there does not then exist a Default of Sublessee, credit an amount equal to such refund or reimbursement or sum in lieu thereof (exclusive of any interest) multiplied by the Sublessee's Prorata Share against the obligations of Sublessee next falling due under this Article V; provided, that in no event shall Sublessee be entitled to receive a credit equal to more than the payments made by Sublessee on account of Taxes for such Year pursuant to paragraph (b) of Section 8.1 or to



receive any payments or abatements of Basic Rent if Taxes for any Tax Year are less than Base Taxes or if Base Taxes are abated.

## ARTICLE 6.

### SURRENDER OF SUBLEASED PREMISES

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

## ARTICLE 7.

### INSURANCE

7.1. Public Liability Insurance. Sublessee agrees to maintain in full force from the date upon which Sublessee first enters the Premises for any reason, throughout the Term of this Sublease, and thereafter so long as Sublessee is in occupancy of any part of the Premises, a policy of general liability and property damage insurance (including broad form contractual liability, independent contractor's hazard and completed operations coverage) under which Sublessor, Manager (and such other persons as are in privity of estate with Sublessor as may be set out in notice from time to time) and Sublessee are named as additional insureds, and under which the insurer agrees to defend, indemnify and hold Sublessor, Manager, and those in privity of estate with Sublessor, harmless from and against all cost, expense and/or liability arising out of or based upon any and all claims, accidents, injuries and damages set forth in Article 12. Each such policy shall be non-cancelable and non-amendable with respect to



Sublessor, Manager and Sublessor's said designees without thirty (30) days' prior notice to Sublessor, ten (10) days prior notice due to non-payment of premium, and shall be as follows:

- (1) Comprehensive general liability insurance to a limit of two million (\$2,000,000) dollars, endorsed for products and completed operations liability insurance, on an "occurrence basis" against claims for "personal injury", including without limitation, bodily injury, death or property damages, occurring upon, in or about the land and buildings of which the Subleased Premises are a part as required pursuant to the Primary Sublease.
- (2) Worker's compensation and employer's liability insurance in an amount and form which meets all applicable requirements of the labor laws of the State of New Hampshire, as amended from time to time, and which specifically covers the persons and risks involved in this Sublease.
- (3) Automobile liability insurance in amount of one million (\$1,000,000) dollars combined single limit for owned, hired and non-owned automobiles.

7.2. All policies of insurance required to be carried under this Article shall be effected under valid and enforceable policies, in such forms and amounts as may, from time to time, be required under this Sublease, issued by insurers of recognized responsibility which are authorized to transact such insurance coverage in the State of New Hampshire. Except for workman's compensation coverage, all such policies of insurance shall be for the mutual benefit of Sublessor, PDA and Sublessee as named additional insureds. Upon the execution of this Sublease (and thereafter not less than fifteen (15) days prior to the expiration date of each policy furnished pursuant to this Article) a certificate of insurance evidencing each policy required to be furnished pursuant to this Article shall be delivered by Sublessee to Sublessor.

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

7.4. Each such policy or certificate therefor issued by the insurer shall to the extent obtainable contain (i) a provision that no act or omission of Sublessee, or any employee, officer or agent of Sublessee, which would otherwise result in forfeiture or reduction of the insurance therein provided shall affect or limit the obligation of the insurance company to pay the amount of any loss sustained, and (ii) an agreement by the insurer that such policy shall not be canceled without at least thirty (30) days prior written notice to Sublessor and PDA, ten (10) days prior written notice due to non-payment of premium, and (iii) provide that the insurer shall have no right of subrogation against the PDA.

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

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

7.7. Any insurance provided for in this Sublease may be effected by a policy or policies of blanket insurance; provided, however, that the amount of the total insurance allocated to the Subleased Premises shall be such as to furnish in protection the equivalent of separate policies in the amounts herein required, and provided further that in all other respects, any such policy or policies shall comply with the other provisions of this Sublease. In any such case it shall not be necessary to deliver the original of any such blanket policy to Sublessor, but Sublessee shall deliver to Sublessor and to any Mortgagee a certificate of insurance.

7.8. Sublessee's Risk. To the maximum extent this agreement may be made effective according to law, Sublessee agrees to use and occupy the Premises and to use such other portions of the Property as Sublessee is herein given the right to use at Sublessee's own risk; and Sublessor shall have no responsibility or liability for any loss of or damage to Sublessee's Removable Property or for any inconvenience, annoyance, interruption or injury to business arising from Sublessor's making any repairs or changes which Sublessor is permitted by this Sublease or required by law to make in or to any portion of the Premises or other sections of the Property, or in or to the fixtures, equipment or appurtenances thereof, except where the Sublessor is grossly negligent in making such repairs. Sublessee shall carry "all-risk" property insurance on a "replacement cost" basis (including so-called improvements and betterments), or be self-insured (with respect to the Sublessee's removal property), and provide a mutual waiver of subrogation for both parties. The provisions of this Section shall be applicable from and after the execution of this Sublease and until the end of the Term of this Sublease, and during such further period as Sublessee may use or be in occupancy of any part of the Premises or of the Building.

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

## ARTICLE 8.

### USE OF SUBLEASED PREMISES

8.1. The sole purpose for which Sublessee may use the Subleased Premises is for general office use, and related uses and for no other uses without Sublessor's and PDA's prior written consent. Sublessee shall not use, or permit to be used, the Subleased Premises for any other purpose without the prior express written consent of Sublessor and PDA. Sublessor's and PDA's consent shall be subject to the execution of an appropriate agreement which shall include a provision requiring the payment of established fees and charges that may be applicable to any such additional uses consented to by Sublessor and PDA. Sublessee is prohibited from any use of the Subleased Premises not specifically granted in this Section 8.1.

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

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

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

8.5. Sublessee shall have the right to contest by appropriate proceedings diligently conducted in good faith, without cost or expense to Sublessor, the validity or application of any law, ordinance, order, rule, regulation or requirement of the nature referred to in this

Article. If compliance with any such law, ordinance, order, rule, regulation or requirement may be delayed on the basis of an order from a court of competent jurisdiction pending the prosecution of any such proceeding without the incurrance of any lien, charge or liability of any kind against the Subleased Premises or Sublessee's interest therein and without subjecting Sublessor to any liability, civil or criminal, for failure so to comply therewith, Sublessee may delay compliance therewith consistent with such court order. Even if such lien, charge or civil liability would be incurred by reason of any such delay, Sublessee may, With the prior written consent of Sublessor, contest as aforesaid and delay provided that such contest or delay does not subject Sublessor to criminal liability, damages or expense and provided that Sublessee: (i) furnishes to Sublessor security, reasonably satisfactory to Sublessor, against any loss or injury by reason of such contest or delay; and (ii) prosecutes the contest with due diligence.

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

3.6 deleted

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

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

3.9. Intentionally omitted.

3.10. Sublessee agrees to conform to the following provisions during the Term of this Sublease: (i) Sublessee shall cause all freight to be delivered to or removed from the Building and the Premises in accordance with reasonable rules and regulations established by Sublessor therefor; (ii) Sublessee will not place on the exterior of the Premises (including both interior and exterior surfaces of doors and interior surfaces of windows) or on any part of the Building outside the Premises, any signs, symbol, advertisements or the like visible to public view outside of the Premises. Sublessor will not unreasonably withhold consent for signs or lettering on the entry doors to the Premises provided such signs conform to building



standards adopted by Sublessor and Sublessee has submitted a sketch of the sign to be placed on such entry doors. (iii) Sublessee shall not perform any act or carry on any practice which may injure the Premises, or any other part of the Building, or cause offensive odors or loud noise or constitute a nuisance or menace to any other Sublessee or sublessees or other persons in the Building; (iv) Sublessee shall, at its sole cost and expense: (x) in its use of the Premises, the Building or the Land, comply with the requirements of all applicable governmental laws, rules and regulations including, without limitation, the Americans with Disabilities Act of 1990, as amended (the "ADA") and (y) In the event of any Sublessee's work or improvements, pay for and perform any work necessary to bring the Premises, the Building or the Land into compliance with the ADA which work is required due to the Sublessee's use of the Premises, the Building or the Land for retail purposes; and (v) Sublessee shall continuously throughout the Term of this Sublease occupy the Premises for the Permitted Uses and for no other purposes. The Sublessor hereby certifies that the initial construction of the building and Sublessor's fit up of the leased premises conform to all ADA requirements.

## ARTICLE 9

### LIENS

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

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

ARTICLE 10

ALTERATIONS – SIGNS

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

- (1) All work and Alterations shall be done in compliance with all applicable governmental regulations, codes, standards or other requirements, including fire, safety and building codes and Land Use Regulations promulgated by PDA and with the provisions of Article 22 of this Sublease. This obligation shall include compliance with all applicable provisions of the FFA (as defined in Article 22), including obligations imposed upon Sublessor in respect to construction and construction related work.
- (2) All Alterations shall be of such a character as not to materially reduce the value and usefulness of any of the buildings or other improvements below their value and usefulness immediately before such Alteration. All work performed hereunder shall be performed in a good and workmanlike manner, shall conform to drawings and specifications approved by Sublessor and PDA and shall not be disruptive of the overall operation of the Airport. All contractors engaged by Sublessee to perform such work shall employ labor that can work in harmony with all elements of labor at the Airport.
- (3) During the period of construction of any alteration, Sublessee or any contractor, subcontractor or sublessee of Sublessee shall maintain or cause to be maintained the following insurance:
  - (i) The comprehensive general liability and automobile insurance provided for in Article 7 and shall be maintained for the limits specified thereunder and shall provide coverage for the mutual benefit of Sublessor, PDA and Sublessee as named or additional insured (as is appropriate) in connection with any Alteration permitted pursuant to this Article 10.



- (ii) Fire and any other applicable insurance provided for in Article 7 which if not then covered under the provisions of existing policies shall be covered by special endorsement thereto in respect to any Alteration, including all materials and equipment therefor incorporated in, on, or about the Subleased Premises ( including excavations, foundations, and footings) under broad form all risk builder's risk completed value form or equivalent thereof; and
  - (iii) Worker's compensation insurance covering all persons employed in connections with the work and with respect to whom death or bodily injury claims could be asserted against PDA, Sublessor, Sublessee or the Subleased Premises, with statutory limits as then required under the laws of the State of New Hampshire.
- (4) Sublessee shall provide Sublessor and PDA with MYLAR as-built drawings when any Alteration authorized hereunder is completed.

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

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

10.4. In addition to the requirements to provide notice to PDA under this Article 10 in respect to any Alteration, Sublessee shall also provide notice to the Air Force, EPA and NHDES in the same manner and to the extent required of PDA under the Deed and/or the FFA.

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

## ARTICLE 11

### RIGHT OF SUBLESSOR TO INSPECT AND REPAIR

11.1. Sublessee will permit Sublessor and/or PDA and their authorized agents and representatives to enter the Subleased Premises at all reasonable times and upon reasonable notice for the purpose of: (i) inspecting the same; and (ii) making any necessary repairs and performing any other work that may be necessary by reason of Sublessee's failure to comply with the terms of this Sublease within ten (10) days after written notice from Sublessor, unless an emergency situation (as determined in Sublessor's and/or PDA's sole discretion) requires earlier action by Sublessor. Nothing herein shall imply any duty upon the part of Sublessor and/or PDA to do any such work and performance thereof by Sublessor and/or PDA shall not constitute a waiver of Sublessee's default in failing to perform the same. Sublessor and/or PDA may during the progress of such work keep and store in or on the Subleased Premises all necessary materials, tools, supplies and equipment. Sublessor and/or PDA shall not be liable for inconvenience, annoyance, disturbance, loss of business or other damage of Sublessee by reason of making such repairs or the performance of any such work, on or account of bringing materials, tools, supplies or equipment into or through the Subleased Premises during the course thereof and the obligations of Sublessee under this Sublease shall not be affected thereby. Nothing herein shall limit the provisions of Article 3 of the Primary Sublease.

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

11.3. Sublessee shall allow PDA and any agency of the United States, its officers, agents, employees and contractors to enter upon the Subleased Premises for any purposes not inconsistent with Sublessee's quiet use and enjoyment, including but not limited to the purpose of inspection. Notwithstanding the preceding sentence, in the event the Government (or any other 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 they may effect such entry without prior notice. The Sublessee shall have no claim against PDA or against the United States or any officer, agent, employee or contractor thereof on account of any such entries. Provided, however, that if such activities result in impairment of Sublessee's use of the Leased Premises, the Rent shall be abated to reflect the diminution of use for the period of time Sublessee's occupancy is affected.

## ARTICLE 12

### GENERAL INDEMNIFICATION BY SUBLESSEE

12.1. In addition to any other obligation of Sublessee under this Sublease to indemnify, defend and hold harmless Sublessor, its principals, agents and employees, etc., Sublessee agrees to indemnify, defend and hold harmless Sublessor 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 Sublease:

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

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

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

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

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

12.3. The Sublessee also expressly waives any claims against the United States of America, including the Air Force, and further agrees to indemnify, save, hold harmless and defend the Air Force to the same extent required of PDA under the Master Lease.

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

## ARTICLE 13

### UTILITIES

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

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

PDA under the Primary Sublease, at its sole discretion, shall have the right from time to time, to alter the method and source of supply of the above enumerated utilities to the Subleased Premises and Sublessee agrees to execute and deliver to PDA such documentation as may be required to effect such alteration. Sublessee agrees to pay all charges for the above enumerated utilities supplied by Sublessor, public utility or public authority, or any other person, firm or corporation which are separately metered to the Subleased Premises.

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

change in the method of furnishing of such utilities.

13.2. Sublessor shall be responsible for providing any meters or other devices for the measurement of utilities supplied to the Subleased Premises. Sublessee shall be solely responsible for and promptly pay, as and when the same become due and payable, all charges for water, sewer, electricity, gas, telephone and any other utility used or consumed in the Subleased Premises and supplied by PDA, any public utility or authority or any other person, firm or corporation which are separately metered to the Subleased Premises.

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

#### ARTICLE 14

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

14.1. Installation and Alterations by Sublessee, etc. Sublessee shall make no alterations, additions (including, for the purposes hereof, wall-to-wall carpeting), or improvements in or to the Premises without Sublessor's prior written consent. Any such alterations, additions or improvements shall (i) be in accordance with complete plans and specifications prepared by Sublessee and approved in advance by Sublessor; (ii) be performed in a good and workmanlike manner and in compliance with all applicable laws; (iii) be performed and completed in the manner required herein; (iv) be made at Sublessee's sole expense and at such times as Sublessor may from time to time designate; and (v) become a part of the Premises and the property of Sublessor. It is agreed and understood that Sublessor shall have the right to review and approve all changes to any plans which Sublessor shall have approved pursuant to this Section. It is also agreed and understood that Sublessor shall not be deemed to be unreasonable in denying its consent to alterations, additions and improvements to the Premises which affect "Base Building Systems" (as said term is hereafter defined). As used herein, the term "Base Building Systems" shall mean (i) any mechanical, electrical or plumbing system or component of the Building (including the Premises) (ii) the exterior of the Building (iii) the Building HVAC distribution system (iii) any fire safety prevention/suppression system and (iv) any structural element or component of the Building.

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

14.3. All of the Sublessee's alterations, additions and installation of furnishings shall be coordinated with any work being performed by Sublessor and in such manner as to maintain harmonious labor relations and not damage the Property or interfere with Building



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

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

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

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



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

(b) If repairs are required to be made by Sublessee pursuant to the terms hereof, Sublessor may demand that Sublessee make the same forthwith, and if Sublessee refuses or neglects to commence such repairs and complete the same with reasonable dispatch after such demand, Sublessor may (but shall not be required to do so) make or cause such repairs to be made (the provisions of Section 14.13 being applicable to the costs thereof) and shall not be responsible to Sublessee for any loss or damage that may accrue to Sublessee's stock or business by reason thereof. Notwithstanding the foregoing, Sublessor may elect to take action hereunder immediately and without notice to Sublessee if Sublessor reasonably believes an emergency to exist.

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

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

14.9. Building Services. (a) Sublessor shall, on Business Day from 8:00 a.m. to 6:00 p.m. and Saturdays from 8:00 a.m. to 12:00 noon, furnish heating and cooling as normal seasonal changes may require to provide reasonably comfortable space temperature and ventilation

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

(b) Sublessor shall also provide:

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

(ii) Hot water for lavatory purposes and cold water for drinking, lavatory and toilet purposes. If Sublessee uses water for any purpose other than for ordinary lavatory and drinking purposes, Sublessor may assess a reasonable charge for the additional water so used, or install a water meter and thereby measure Sublessee's water consumption for all purposes. In the latter event, Sublessee shall pay the cost of the meter and the cost of installation thereof and shall keep such meter and installation equipment in good working order and repair. Sublessee agrees to pay for water consumed, as shown on such meter, together with the sewer charge based on such meter charges, as and when bills are rendered, and in default in making such payments Sublessor may pay such charges and collect the same from Sublessee as an additional charge.

(iii) Cleaning and janitorial services to the premises.

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

14.10 Electricity. (a) Sublessor shall permit Sublessor's existing wires, pipes, risers, conduits and other electrical equipment of Sublessor to be used for the purpose of providing electrical service to the Premises. All electrical service to the premises will be separately metered and paid directly by the Sublessee. Sublessee covenants and agrees that its electrical usage and consumption will not disproportionately "siphon off" electrical service necessary for other sublessees of the Building and that its total connected load will not exceed the maximum load from time to time permitted by applicable governmental regulations nor the design criteria of the existing Building electrical capacity. Sublessor shall not in any way be

liable or responsible to Sublessee for any loss or damage or expense which Sublessee may sustain or incur if, during the Term of this Sublease, either the quantity or character of electric current is changed or electric current is no longer available or suitable for Sublessee's requirements due to a factor or cause beyond Sublessor's control. Sublessee shall purchase and install all lamps, tubes, bulbs, starters and ballasts. Sublessee shall pay all charges for electricity, HVAC, gas and other utilities used or consumed in the Premises. Sublessee shall bear the cost of repair and maintenance of any electric or gas meter used or to be installed in (or serving) the Premises.

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

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

## ARTICLE 15

### ACCESS TO PREMISES

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

Sublease, Sublessor may maintain "For Rent" signs on the front or any part of the exterior of the Subleased Premises.

## ARTICLE 16

### DAMAGE OR DESTRUCTION

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

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

## ARTICLE 17

### EMINENT DOMAIN

17.1. If after the execution of the Sublease and prior to the expiration of the term of this Sublease, the whole of the Subleased Premises shall be taken under the power of eminent domain, then the term of this Sublease shall cease as of the time when Sublessor shall be



divested of its title in the Subleased Premises, and minimum rent shall be apportioned and adjusted as of the time of termination.

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

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

## ARTICLE 18

### DEFAULT

18.1. If Sublessee shall default in the payment of rent or other payments required of Sublessee, and if Sublessee shall fail to cure said default within seven (7) business days after receipt of written notice of said default from Sublessor; or if Sublessee shall default in the performance or observance of any other agreement or condition on its part to be performed or observed, and if Sublessee shall fail to cure said default within fifteen (15) business days after receipt of written notice of said default from Sublessor; or if any person shall levy upon, or take this leasehold interest or any part hereof, upon execution, attachment, or their process of law; or if Sublessee shall make an assignment of its property for the benefit of creditors; or if Sublessee shall file voluntary bankruptcy; or if any bankruptcy or insolvency proceedings shall be commenced by Sublessee or an involuntary

bankruptcy shall be filed against the Sublessee which remains undischarged for a period of 60 days, or if a receiver, trustee, or assignee shall be appointed for the whole or any part of the Sublessee's property, then in any of said cases, Sublessor lawfully may upon seven days' notice or if such notice shall adversely affect the rights of the Sublessor in any bankruptcy or receivership, then immediately, or at any time thereafter, and without further notice of demand, enter into and upon the Subleased Premises, or any part hereof in the name of the whole, and hold the Subleased Premises as if this Sublease had not been made, and expel Sublessee and those claiming under it, and remove its or their property without being taken or deemed to be guilty of any manner of trespass (or Sublessor may send written notice to Sublessee of the termination of this Sublease, and upon entry as aforesaid (or in the event that Sublessor shall send to Sublessee notice of termination as above provided, on the fifth (5<sup>th</sup>) day next following the date of the sending of the notice), the term of this Sublease shall terminate. Sublessee hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of Sublessee being evicted or dispossessed for any cause, or in the event Sublessor terminates this Sublease as provided in this Article. The Sublessee shall be liable for a 2% late fee applicable to any amounts due under this Sublease, from the due date of such payment.

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



## ARTICLE 19

### SUBORDINATION TO MORTGAGES

Sublessee agrees that upon the request of Sublessor it will subordinate this Sublease and the lien hereof to the lien of any present or future mortgage or mortgages upon the Subleased Premises, any property of which the Subleased Premises are a part, or upon any ground lease of such property or upon any part thereof, irrespective of the time of execution or time of recording of any sub mortgage or mortgages. Sublessee agrees that it will, upon the request of Sublessor, execute, acknowledge and deliver any and all instruments deemed by Sublessor necessary or desirable to give effect or notice of such subordination. Sublessee also agrees that if it shall fail at any time to execute, acknowledge, or deliver any instrument requested by Sublessor under this Article, Sublessor may, only after seven (7) days notice to the Sublessee, in addition to any other remedies available to it, execute, acknowledge, and deliver such instrument as the attorney in fact of Sublessee and in Sublessee's name, and Sublessee hereby makes, constitutes, and irrevocably appoints Sublessor as its attorney in fact for that purpose. The word "mortgage" as used herein includes mortgages, deeds of trust, or other similar instruments and modifications, consolidations, extensions, renewals, replacements and substitutes thereof. At the request of the holder of any mortgage upon the Subleased Premises or any property of which the Subleased Premises is a part may subordinate the lien of such mortgage to this Sublease, thereby making this Sublease superior to such mortgage, by recording in the Rockingham County Registry of Deeds, a Notice of Subordination or other document of like effect, executed unilaterally by such mortgage. Whether the lien of any mortgage are a part shall be superior or subordinate to this Sublease and the lien hereof, Sublessee agrees that , if requested by Sublessor or the holder of such mortgage, it will attorn to the holder of such mortgage or anyone claiming under such holder and their respective successors and assigns in the event of foreclosure of or similar action taken under such mortgage.

## ARTICLE 20

### CERTIFICATE

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

## ARTICLE 21

### DELEGATION, ASSIGNMENT, SUBLEASES, MORTGAGE

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

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

21.3. Subleases. Sublessee may not enter into any sublease of the Subleased Premises without Sublessor's prior written approval. Any request for Sublessor's approval shall be made at least forty-five (45) days prior to the commencement of such tenancy and shall provide detailed information concerning the identity and financial condition of the proposed sublessee and the terms and conditions of the proposed sublease. Sublessor shall not unreasonably withhold its consent to such sublease if: (1) the use of the Subleased Premises associated with any sublease(s) is permitted under Article 8, (2) the sublease(s) are consistent with the terms and conditions of this Sublease and the Primary Sublease; provided, however, that Sublessee may rent the subleased area at rentals deemed appropriate by Sublessee, (3) Sublessee remains primarily liable to Sublessor to pay rent and to perform all other obligations to be performed by Sublessee under this Sublease, (4) the proposed sublessee is financially and operationally responsible and (5) PDA has given its approval to the proposed sublease. [In the event the rent for the Subleased Premises exceeds the rental charged to Sublessee under Article 4, Sublessee shall remit sixty percent (60%) of such excess to Sublessor upon receipt by Sublessee; provided, however, that any rental received by Sublessee during a period in which no rental is due to Sublessor shall be paid in its entirety to Sublessor.]

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

Article XXI shall be void and shall, at the option of Sublessor, terminate this Sublease.

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

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

## ARTICLE 22

### ENVIRONMENTAL PROTECTION

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

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

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

This indemnification of Sublessor and PDA and Air Force by Sublessee includes, without limitation, any and all claims, judgment, damages, penalties, fines, costs and expenses, liabilities and losses incurred by Sublessor or PDA or Air Force in connection with any investigation of site conditions, or any remedial or removal action or other site restoration work required by any federal, state or local governmental unit or other person for or pertaining to any discharges, emissions, spills, releases, storage or disposal of Hazardous Substances arising or resulting from any act or omission of the Sublessee or any sublessee or assignee of the Sublessee at the Subleased Premises after the Occupancy Date. "Occupancy Date" as used herein shall mean the earlier of the first day of Sublessee's

occupancy or use of the Subleased Premises or the date of execution of this Sublease. "Occupancy" or "Use" shall mean any activity or presence including preparation and construction in or upon the Subleased Premises.

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

22.4. Notwithstanding any other provision of this Sublease, Sublessee and its sublessees and assignees do not assume any liability or responsibility for environmental impacts and damage caused by the use by the Air Force of Hazardous Substances on any portion of the Airport, including the Subleased Premises. The Sublessee and its sublessees and assignees have no obligation to undertake the defense, remediation and cleanup, including the liability and responsibility for the costs of damages, penalties, legal and investigative services solely arising out of any claim or action in existence now, or which may be brought in the future by any person, including governmental units against the Air Force, because of any use of, or release from, any portion of the Airport (including the Subleased Premises) of any Hazardous Substances prior to the Occupancy Date.

22.5. As used in this Sublease, the term "Hazardous Substances" means any hazardous or toxic substance, material or waste, oil or petroleum product, which is or becomes regulated by any local governmental authority, the State of New Hampshire or the United States Government. The term "Hazardous Substances" includes, without limitation, any material or substance which is (i) defined as a "hazardous waste," under New Hampshire RSA ch. 147-A, (ii) defined as a "hazardous substance" under New Hampshire RSA ch. 147-B, (iii) oil, gasoline or other petroleum product, (iv) asbestos, (v) listed under or defined as hazardous substance pursuant to Part Hc. P 1905 ("Hazardous Waste Rules") of the New Hampshire Code of Administrative Rules, (vi) designated as a "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. §1317), (vii) defined as a "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq. (42 U.S.C. §6903), or (viii) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601 et seq. (42 U.S.C. §9601) and (ix) so defined in the regulations adopted and publications promulgated pursuant to any of such laws, or as such laws or regulations may be further amended, modified or supplemented (collectively "Hazardous Substance Laws").

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

22.6. Sublessor's rights under this Sublease and PDA's rights under the Primary Sublease specifically include the right for Sublessor and PDA to inspect the Subleased Premises and any buildings or other facilities thereon for compliance with environmental, safety, and occupational health laws and regulations, whether or not the Sublessor or PDA is



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

22.7. Notwithstanding any other provision of this Sublease and pursuant to the Primary Sublease, PDA is not responsible for any removal or containment of asbestos. If Sublessee and any sublessee or assignee intend to make any improvements or repairs that require the removal of asbestos, an appropriate asbestos disposal plan must be incorporated in the plans and specifications. The asbestos disposal plan shall identify the proposed disposal site for the asbestos. In addition, non-friable asbestos which becomes friable through or as a consequence of the activities of Sublessee will be abated by Sublessee at its sole cost and expense. The Sublessor hereby certifies that the leased premises and the building containing the leased premises are free of any asbestos materials.

22.8. Sublessor and Sublessee acknowledge that the Airport has been identified as a National Priority List (NPL) Site under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) of 1980, as amended. Sublessee acknowledges that Sublessor has provided it with a copy of the Pease Federal Facility Agreement ("FFA") entered into by EPA, and the Air Force on April 24, 1991, and Modification No. 1 thereto, effective March 13, 1993, agrees that it will comply with the terms of the FFA, to the extent the same may be applicable to the Subleased Premises and that should any conflict arise between the terms of the FFA and the provisions of this Sublease, the terms of the FFA will take precedence. The Sublessee further agrees that the Sublessor and PDA assume no liability to the Sublessee or any sublessee or assignee of Sublessee should implementation of the FFA interfere with their use of the Subleased Premises. The Sublessee and its sublessee(s) and assignee(s) shall have no claim on account of any such interference against the Sublessor, or PDA, or any officer, agent, employee or contractor thereof, other than a claim to Sublessor for abatement of rent, rent and Sublessee's right to terminate this Sublease if its occupancy is materially impaired, after 20 days' notice to Sublessor, as provided for herein.

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

22.9. The Air Force, EPA, and NHDES and their officers, agents, employees, contractors, and subcontractors have the right, upon reasonable notice to the Sublessee and any sublessee or assignee, to enter upon the Subleased Premises for the purposes enumerated in this subparagraph and for such other purposes consistent with the FFA:

(1) to conduct investigations and surveys, including, where necessary, drilling, test pitting, borings and other activities related to the Pease Installation Restoration Program ("IRP") or the FFA (the term IRP as used herein refers to the broad Department of Defense-wide program to identify, investigate and clean up contaminated areas on military installations as described in the Department of Defense Instruction Number 4715.7;

(2) to inspect field activities of the Air Force and its contractors and subcontractors in implementing the IRP or the FFA;

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

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

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

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

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

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

22.13. Any permit required under Hazardous Substance Laws for the management of Hazardous Substances stored or generated by Sublessee or any sublessee or assignee of Sublessee shall be obtained by Sublessee or its sublessees or assignee and shall be limited to generation and transportation. Any violation of this requirement shall be deemed a material breach of this Sublease. Sublessee shall provide at its own expense such



hazardous waste storage facilities, complying with all laws and regulations, as it needs for management of its hazardous waste.

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

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

## ARTICLE 23

### HOLDING OVER

Holding Over. Any holding over by Sublessee after the expiration of the Term of this Sublease shall be treated as a daily tenancy at sufferance at a rate equal to the then fair rental value of the Subleased Premises but in no event less twice the sum of (i) Basic Rent and (ii) Escalation Charges in effect on the expiration date. Sublessee shall also pay to Sublessor all damages, direct and/or indirect (including any loss of a Sublessee or rental income), sustained by reason of any such holding over. Otherwise, such holding over shall be on the terms and conditions set forth in this Sublease as far as applicable.

## ARTICLE 24

### WAIVERS

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

## ARTICLE 25

### QUIET ENJOYMENT

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

## ARTICLE 26

### FAILURE OF PERFORMANCE (Intentionally Omitted.)

ARTICLE 27

INTERPRETATIONS

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

27.2. Wherever in this Sublease it is provided that the consent or approval of either party must be obtained in order to authorize any act or course of conduct by the other party, the party whose consent or approval is necessary may grant or withhold said consent or approval, except where expressly provided to the contrary in this Sublease, at its sole and absolute discretion and with or without explanation of the reason or reasons for granting or withholding the same.

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

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

ARTICLE 28

NOTICES

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

If to Sublessor: Two International Group, L.L.C.  
c/o CPManagement, Inc.  
11 Court Street, Suite 100  
Exeter, NH 03833

If to Sublessee: HFI Fleet Support Group LLC  
Attn:  
4101 Washington Avenue  
N308 – Bldg 909-7  
Newport News, VA 23607

## ARTICLE 29

### DISPUTES AND LITIGATION

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

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

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

## ARTICLE 30

### MISCELLANEOUS

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

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

30.3. Sublessee agrees to conform to such additional provisions required, from time to time, by the FAA ("FAA Requirements") or its successor with respect to the operation of the Airport, or a portion thereof. The current FAA Requirements are attached hereto as Exhibit 9 and incorporated herein by reference.

30.4. This Sublease is subject and subordinate to any agreements heretofore or hereafter made between PDA and the United States or the Air Force, the execution of which is required to enable or permit transfer of rights or property to PDA for airport purposes or expenditure of federal grant funds for airport improvement, maintenance or development, including, without limitation, the QuitClaim Deed Dated October 13, 2005 and the FFA. Sublessee shall abide by requirements of any agreement between PDA and the United States or the Air Force applicable to the Subleased Premises or Sublessee's activities at the Airport and shall consent to amendments and modifications of this Sublease if required by such agreements or as a condition of PDA's entry into such agreements.

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

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

30.6. Intentionally omitted.

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

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

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

(c) With respect to any repairs or restoration which are required or permitted to be made by Sublessor, the same may be made during normal business hours and Sublessor shall have no



liability for damages to Sublessee for inconvenience, annoyance or interruption of business arising therefrom.

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

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

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



EXECUTION

IN WITNESS WHEREOF, Sublessor and Sublessee have executed this Sublease effective as of the 12 day of July, 2019.

TWO INTERNATIONAL GROUP, L.L.C.

By: [Signature]  
Its: Co-Manager  
"Sublessor"

HII FLEET SUPPORT GROUP LLC (H.F.S.G.)

By: [Signature]  
Its: President  
"Sublessee"

STATE OF NEW HAMPSHIRE

: ss.

COUNTY OF [ Dorchester ]

On this 12 day of July, 2019, before me, J. Russell Coyle, a Notary Public in and for said County and State, personally appeared Daniel L. Plummer, personally known to me (or proved to me on the basis of satisfactory evidence) to be the Co-Manager of Two International Group, 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.

[Signature]  
Notary Public in and for said County and State  
J. Russell Coyle  
NOTARY PUBLIC  
New Hampshire  
My Commission Expires 9-27-2022

STATE OF [ VIRGINIA ]

: ss.

COUNTY OF [ Virginia Beach ]

On this 7 day of July, 2019, before me, Ann Barber, a Notary Public in and for said County and State, personally appeared Daniel L. Plummer, personally known to me (or proved to me on the basis of satisfactory evidence) to be the [ President ] of [ H.F.S.G. ] and on oath stated that he was authorized to execute this instrument and acknowledged it to be his free and voluntary act for the uses and purposes set forth herein.

Notary Public in and for said County and State  
[Signature]  
ANN SURGESS GARNER  
NOTARY PUBLIC  
REG. # 100801  
COMMISSION EXPIRES 12/31/2021  
COMMONWEALTH OF VIRGINIA

EXHIBIT I

PRIMARY SUBLEASE

EXHIBIT 2

(Intentionally omitted)

EXHIBIT 3

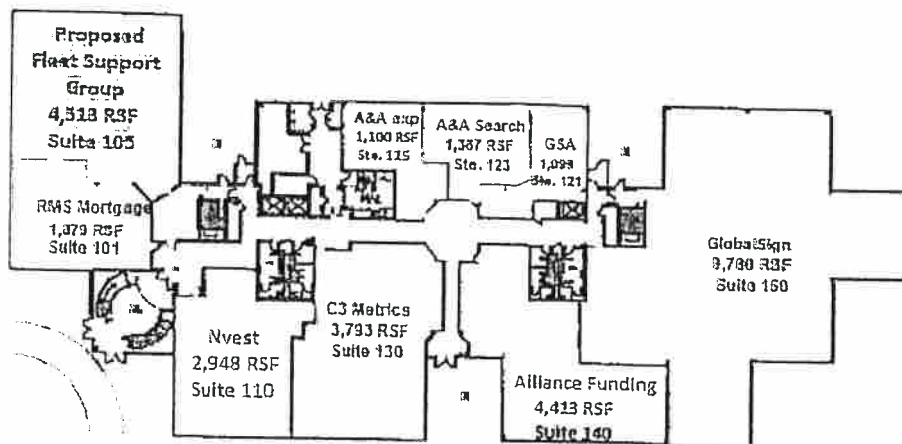
QUITCLAIM DEED OF THE UNITED STATES OF AMERICA ACTING BY AND  
THROUGH THE AIR FORCE

EXHIBIT 4

FEDERAL FACILITIES AGREEMENT

EXHIBIT 5

PLANS DESIGNATING THE SUBLEASED PREMISES



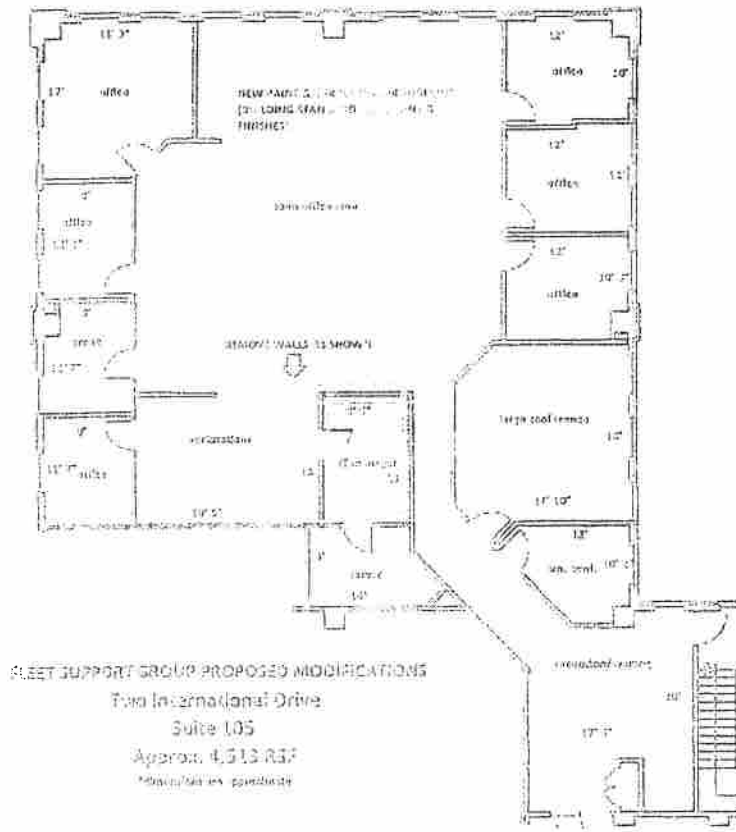
Two International Drive  
First Floor  
- not to scale -



EXHIBIT 6

ALTERATIONS

Sublessor agrees to provide the Subleased Premises on the Term Commencement Date with the improvements as shown in the drawing below, with new paint and carpeting throughout (building standard materials).



## EXHIBIT 7

### LIST OF ENVIRONMENTAL LAWS AND REGULATIONS

- Air Quality:
- (a) Clean Air Act & Amendments, 42 U.S.C. 7401-7542
  - (b) 40 CFR Parts 50-52, 61, 62, 65-67, 81
  - (c) RSA ch. 125-C, Air Pollution Control, and rules adopted thereunder
  - (d) RSA ch. 125-H, Air Toxic Control Act, and rules adopted thereunder
- Hazardous Materials:
- (a) Hazardous Materials Transportation Act, 49 U.S.C. 1801-1813, and Department of Transportation Regulations thereunder
  - (b) Emergency Planning and Community Right-To-Know Act, 42 U.S.C. 11001-11050
  - (c) 49 CFR Parts 180-179
  - (d) 40 CFR Part 302
  - (e) RSA ch. 277-A, Toxic Substances in the Workplace, and rules adopted thereunder
- Hazardous Waste:
- (a) Resource Conservation and Recovery Act (RCRA) of 1976 and RCRA Amendments of 1984, 42 U.S.C. 6901-6991f
  - (b) Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) of 1980, as amended, 42 U.S.C. 9601-9675
  - (c) 40 CFR Parts 260-271, 300, 302
  - (d) RSA ch. 147-A, Hazardous Waste Management and rules adopted thereunder
- Water Quality:
- (a) Federal Water Pollution Control Act (Clean Water Act) and Amendments, 33 U.S.C. 1251-1387
  - (b) Safe Drinking Water Act, as amended, 42 U.S.C. 300f-300j-26  
40 CFR Title 100-143, 401 and 403
  - (c) RSA ch. 146-A, Oil Spillage in Public Waters, and rules adopted thereunder
  - (d) RSA ch. 485, New Hampshire Safe Drinking Water Act, and rules adopted thereunder
  - (e) RSA ch. 485-A, Pollution and Waste Disposal, and rules adopted thereunder

EXHIBIT 3

CERTIFICATE OF GOOD STANDING

TO BE PROVIDED BY SUBLESSEE

EXHIBIT 9

SUBLEASE PROVISIONS REQUIRED BY  
THE FEDERAL AVIATION ADMINISTRATION

1. Sublessee, for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby agree that in the event facilities are constructed, maintained, or otherwise operated on the Subleased Premises, for a purpose for which a United States Department of Transportation ("DOT") program or activity is extended or for another purpose involving the provision of similar services or benefits, Sublessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

2. Sublessee, for himself, his personal representative, successors in interest, and assigns, as a part of the consideration hereof, does hereby agree that: (i) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the use of said facilities; (ii) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination; and (iii) that the Sublessee shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulation may be amended.

3. That in the event of breach of any of the above nondiscrimination covenants, Sublessor shall have the right to terminate the Sublease, and to reenter and repossess said land and the facilities thereon, and hold the same as if said lease, had never been made or issued. This provision does not become effective until the procedures of 49 CFR Part 21 are allowed and completed including expiration of appeal rights.

4. Sublessee shall furnish its accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof and it shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service; PROVIDED THAT the Sublessee may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchasers.

5. Non-compliance with Provision 4 above shall constitute a material breach thereof and in the event of such noncompliance Sublessor shall have the right to terminate this Sublease, and the estate hereby created without liability therefore or at the election of the

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

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

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

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

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

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

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

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

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

right to enter upon the Premises and to remove the offending structure or object and cut the offending tree, all of which shall be at the expense of the Sublessee.

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

15. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 303a of the Federal Aviation Act of 1958 (49 U.S.C. 1349a).

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



EXHIBIT 10

SUBORDINATION, NON-DISTURBANCE  
AND ATTORNMENT AGREEMENT

THIS AGREEMENT made as of the \_\_\_\_\_ day of \_\_\_\_\_ between People's United Bank, National Association of 325 State Street, Portsmouth, NH 03801 ("Lender"), Two International Group, L.L.C. ("Landlord") and \_\_\_\_\_, with a mailing address of \_\_\_\_\_ ("Tenant").

WITNESSETH:

WHEREAS, Tenant has entered into a Sublease dated \_\_\_\_\_ (said lease, as heretofore or hereafter amended, modified or supplemented, is hereinafter called the "Lease"), between Landlord, as landlord, and Tenant, as tenant, with respect to certain space leased by Landlord being \_\_\_\_\_ (the "Demised Premises") on land known as \_\_\_\_\_ (said land and improvements, the "Premises"); and,

WHEREAS, Lender has entered into and is desirous of entering into additional financing arrangements with Landlord, in which the obligations of Landlord will be secured by certain Leasehold Mortgages, Security Agreements and Financing Statements, and a Assignments of Leases and Rents, from Landlord to Lender (collectively the "Mortgage"), which Mortgage will encumber the Premises and Landlord's interest in the Lease; and,

WHEREAS, the financing is contingent on Lender obtaining Subordination Agreements from all the Tenants on the Premises; and

WHEREAS, Lender and Tenant desire to enter into this Agreement upon the terms, covenants and conditions contained herein.

NOW, THEREFORE, in consideration of the promises and the agreements of the parties contained herein, the parties agree as follows:

1. The Lease is and shall be at all times and in all respects subordinate to the lien of the Mortgage, and/or all prior and future mortgages and assignments to Lender and to all advances made and/or hereafter to be secured by the Mortgage or future mortgages and to all renewals, modifications, consolidations, substitutions, additions and extensions of the Mortgage.

2. Provided that Tenant complies with this Agreement, and if Tenant shall not be in default under the Lease as of the date Lender commences a foreclosure action

against Landlord, or at any time thereafter: (a) Tenant shall not be named as a party defendant in any action or proceeding to enforce the Mortgage, unless such joinder shall be required under applicable law, nor shall the Lease be cut off or terminated nor Tenant's possession thereunder be disturbed in any such action or proceeding, and (b) subject to the provisions of Section 4 of this Agreement, Lender will recognize the Lease and Tenant's rights thereunder.

3. Upon any foreclosure of the Mortgage or other acquisition of the Premises, Tenant shall attorn to Lender or any other party acquiring the Premises or so succeeding to Landlord's rights (collectively, the "Successor Landlord") and shall recognize the Successor Landlord as its landlord under the Lease. Said attornment shall be effective and self-operative without the execution on the part of any party of any further instrument. Without limiting the foregoing, Tenant waives the provisions of, and any rights under, any statute or rule of law, now or hereafter in effect, which might otherwise give, or purport to give, any right or election to terminate or otherwise adversely affect the Lease and the obligations of Tenant thereunder in the event of said foreclosure or other acquisition.

4. Upon said attornment, the Lease shall continue as a direct lease between the Successor Landlord and Tenant upon all terms, covenants and conditions thereof as are then applicable except that the Successor Landlord shall not be (a) liable for any damages then accrued as the result of any previous act or omission of Landlord or any prior landlord under the Lease, (b) subject to any offsets or defenses that Tenant then has against Landlord or any prior landlord, c) bound by any amendment or modification of the Lease hereafter executed, or the obligations of the parties thereto, unless said amendment or modification shall have been consented to by the successor Landlord or Lender, or (d) bound by any prepayment of more than one (1) month's rent or other charges under the Lease, unless such payment shall have been made in accordance with the terms of the Lease or shall have been expressly approved in writing by Lender.

5. Tenant, from and after the date hereof, shall send to Lender a copy of any notice of default or termination sent under the Lease to Landlord at the same time such notice is sent to Landlord under the Lease and if notified by Lender, shall give lender a reasonable time to cure such default. Such notices shall be delivered to Lender at the following address:

People's United Bank, N.A.  
325 State Street  
Portsmouth, NH 03801  
Attention:

6. Tenant acknowledges notice that Landlord's interest under the Lease and the rent and all other sums due thereunder have been assigned to Lender as part of the security for repayment of the Note secured by the Mortgage. In the event that Lender notifies Tenant of a default under the Mortgage and demands that Tenant pay its rent and all other sums due under the Lease to Lender, Tenant agrees that it shall pay its rent and

all other sums due under the Lease to Lender. Landlord joins in the execution hereof for the purpose of consenting to the provisions of this Section.

7. Tenant acknowledges that the Lease is not in default and Tenant has no knowledge of any event which solely with the passing of time would put the Lease in default.

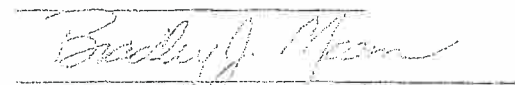
8. This Agreement may not be amended, modified, supplemented or terminated unless in writing and duly executed by the party against whom the same is sought to be asserted and constitutes the entire agreement between the parties with respect to the subject matter hereof.

9. This Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above-written.

  
\_\_\_\_\_  
Witness

Tenant

  
\_\_\_\_\_  
By Bradley J. Mason  
Its President

STATE OF FLORIDA  
COUNTY OF Volusia Beach


This instrument was acknowledged before me on 9 July 2012 by  
as of

\_\_\_\_\_  
Signature of notarial officer  
\_\_\_\_\_  
Title and rank:  
My Commission Expires:

LANDLORD:

TWO INTERNATIONAL GROUP, L.L.C.

Witness

  
By: Daniel L. Plummer  
Its: Co-Manager

Witness

By: Say Pease IV, LLC  
Its: Co-Manager

By:  
Cyrus W. Gregg  
Its: Manager

STATE OF  
COUNTY OF

This instrument was acknowledged before me on \_\_\_\_\_ by \_\_\_\_\_ as  
of by \_\_\_\_\_

\_\_\_\_\_  
Signature of notarial officer

\_\_\_\_\_  
Title and rank:

My Commission Expires:

STATE OF

COUNTY OF

This instrument was acknowledged before me on \_\_\_\_\_, \_\_\_\_\_ by \_\_\_\_\_ as \_\_\_\_\_  
of by \_\_\_\_\_.

\_\_\_\_\_  
Signature of notarial officer

\_\_\_\_\_  
Title and rank:  
My Commission Expires:

LENDER:  
People's United Bank, N.A

\_\_\_\_\_  
Witness

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

STATE OF NEW HAMPSHIRE  
COUNTY OF

This instrument was acknowledged before me on \_\_\_\_\_ by \_\_\_\_\_  
as \_\_\_\_\_ of People's United Bank, N.A..

\_\_\_\_\_  
Signature of notarial officer

\_\_\_\_\_  
Title and rank:

My Commission Expires:



EXHIBIT II  
RULES AND REGULATIONS

1. Except as specifically provided in the Sublease to which these Rules and Regulations are attached, no sign, placard, picture, advertisement, name or notice shall be installed or displayed on any part of the outside or inside of the building or Project without the prior written consent of Sublessor. Sublessor shall have the right to remove, at Sublessee's expense and without notice, any sign installed or displayed in violation of this rule. All approved signs or lettering on doors and walls shall be printed, painted, affixed or inscribed at the expense of Sublessee by a person approved by Sublessor.
2. If Sublessor objects in writing to any curtains, blinds, shades, screens or hanging plants or other similar objects attached to or used in connection with any window or door of the Premises, or placed on any windowsill, which is visible from the exterior of the Premises, Sublessee shall immediately discontinue such use. Sublessee shall not place anything against or near glass partitions or doors or windows, which may appear unsightly from outside the Premises.
3. Sublessee shall not obstruct any sidewalks, halls, passages, exits, entrances, elevators, escalators or stairways of the Project. The halls, passages, exits, entrances, shopping malls, elevators, escalators and stairways are not open to the general public, but are open, subject to reasonable regulations, to Sublessor's business invitees. Sublessor shall in all cases retain the right to control and prevent access thereto of all persons whose presence in the judgment of Sublessor would be prejudicial to the safety, character, reputation and interest of the Project and its Sublessees: provided that nothing herein contained shall be construed to prevent such access to persons with whom any Sublessee normally deals in the ordinary course of its business, unless such persons are engaged in illegal or unlawful activities. No Sublessee and no employee or invitee of any Sublessee shall go upon the roof(s) of the Project.
4. The directory of the building or Project will be provided solely for the display of the name and location of Sublessees only and Sublessor reserves the right to exclude any other names therefrom.
5. All cleaning and janitorial services for the Project and the Premises shall be provided exclusively through Sublessor, and except with the written consent of Sublessor, no person or persons other than those approved by Sublessor shall be employed by Sublessee or permitted to enter the Project for the purpose of cleaning the same. Sublessee shall not cause any unnecessary labor by carelessness or indifference to the good order and cleanliness of the Premises.
6. Sublessor will furnish Sublessee, free of charge, with two keys to each door lock in the Premises and one key FOB for each 250 sq. ft. of leased space. Sublessor may make reasonable charge for any additional or lost keys. Sublessee shall not make or have made additional keys, and Sublessee shall not alter any lock or install a new additional lock or bolt on any door of its Premises. Sublessee, upon the termination of its tenancy, shall deliver to Sublessor the keys of all doors which have been furnished to Sublessee, and in the event of loss of any keys so furnished, shall pay Sublessor therefor.

7. If Sublessee requires telegraphic, telephonic, burglar alarm or similar services, it shall first obtain, and comply with, Sublessor's instructions in their installation.
8. Freight elevator(s) shall be available for use by all Sublessees in the building, subject to such reasonable scheduling as Sublessor, in its discretion, shall deem appropriate. No equipment, materials, furniture, packages, supplies, merchandise or other property will be received in the building or carried in the elevators except between such hours and in such elevators as may be designated by Sublessor. Sublessee initial move in and subsequent deliveries of bulky items, such as furniture, safes and similar items shall, unless otherwise agreed in writing by Sublessor, be made during the hours of 8:00 p.m. to 6:00 a.m. or on Saturday or Sunday. Deliveries during normal office hours shall be limited to normal office supplies and other small items. No deliveries shall be made which impede or interfere with other Sublessees or the operation of the building.
9. Sublessee shall not place a load upon any floor of the Premises, which exceeds the load per square foot, which such floor was designed to carry and which is allowed by law. Sublessor shall have the right to prescribe the weight, size and position of all equipment, materials, furniture or other property brought into the building. Heavy objects shall, if necessary by Sublessor, stand on such platforms as determined by Sublessor to be necessary to properly distribute the weight, which platforms shall be provided at Sublessee's expense. Business machines and mechanical equipment belonging to Sublessee, which cause noise or vibration that may be transmitted to the structure of the building or to any space therein to such a degree as to be objectionable to Sublessor or to any Sublessees in the building, shall be placed and maintained by Sublessee, at Sublessee's expense, on vibration eliminators or other devices sufficient to eliminate noise or vibration. The persons employed to move such equipment in or out of the building must be acceptable to Sublessor. Sublessor will not be responsible for loss of, or damage to, any such equipment or other property from any cause, and all damage done to the building by maintaining or moving such equipment or other property shall be repaired at the expense of Sublessee.
10. Sublessee shall not use or keep in the Premises any kerosene, gasoline or inflammable or combustible fluid or material other than those limited quantities necessary for the operation or maintenance of office equipment. Sublessee shall not use or permit to be used in the Premises any foul or noxious gas or substance, or permit or allow the Premises to be occupied or used in a manner offensive or objectionable to Sublessor or other occupants of the building by reason of noise, odors or vibrations, nor shall Sublessee bring into or keep in or about the Premises any birds or animals.
11. Sublessee shall not use any method of heating or air conditioning other than that supplied by Sublessor.
12. Sublessee shall not waste electricity, water or air conditioning and agrees to cooperate fully with Sublessor to assure the most effective operation of the building's heating and air conditioning and to comply with any governmental energy-saving rules, laws or regulations of which Sublessee has actual notice, and shall refrain from attempting to adjust controls. Sublessee shall keep corridor doors closed, and shall close window coverings at the end of each business day.
13. Sublessor reserves the right, exercisable without notice and without liability to Sublessee, to change the name and street address of the building.

14. Sublessor reserves the right to exclude from the building between the hours of 3:00 p.m. and 7:00 a.m. the following day, or such other hours as may be established from time to time by Sublessor, and on Sundays and legal holidays, any person unless that person is known to the person or employee in charge of the building and has a pass or is properly identified. Sublessee shall be responsible for all persons for whom it requests passes and shall be liable to Sublessor for all acts of such persons. Sublessor shall not be liable for damages for any error with regard to the admission to or exclusion from the building of any person. Sublessor reserves the right to prevent access to the building in case of invasion, mob, riot, public excitement or other commotion by closing the doors or by other appropriate action.
15. Sublessee shall close and lock the doors of its Premises and entirely shut off all water faucets or other apparatus, and electricity, gas or air outlets before Sublessee and its employees leave the Premises. Sublessee shall be responsible for any damage or injuries sustained by other Sublessees or occupants of the building or by Sublessor for noncompliance with this rule.
16. The toilet rooms, toilets, urinals, wash basins and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown therein. The expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the Sublessee who, or whose employees or invitees shall have caused it.
17. Sublessee shall not sell, or permit the sale at retail of newspapers, magazines, periodicals, theater tickets or any other goods or merchandise to the general public in or on the Premises. Sublessee shall not make any room-to-room solicitation of business from other Sublessees in the Project. Sublessee shall not use the Premises for any business or activity other than that specifically provided for in Sublessee's Sublease.
18. Sublessee shall not install any radio or television antenna, loudspeaker or other devices on its roof(s) or exterior walls of the building or Project. Sublessee shall not interfere with radio or television broadcasting or reception from or in the Project or elsewhere.
19. Sublessee shall not mark, drive nails, screw or drill into the partitions, woodwork or plaster or in any way deface the Premises or any part thereof, except in accordance with the provisions of the Sublease pertaining to alterations. Pictures, artwork and bulletin boards may be hung provided proper materials are used. Sublessor reserves the right to direct electricians as to where and how telephones and telegraph wires are to be introduced to the Premises. Sublessee shall not cut or bore holes for wires. Sublessee shall not affix any floor covering to the floor of the Premises in any manner except as approved by Sublessor. Sublessee shall repair any damage resulting from noncompliance with this rule.
20. Sublessee shall not install, maintain or operate upon the Premises any vending machines without the written consent of Sublessor.
21. Canvassing, soliciting and distribution of handbills or any other written material and peddling in the Project are prohibited, and Sublessee shall cooperate to prevent such activities.
22. Sublessor reserves the right to exclude or expel from the Project any person whom, in

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

in its judgment, may from time to time be needed for safety and security, for care and cleanliness of the Project and for the preservation of good order therein. Sublessee agrees to abide by all such Rules and Regulations herein above stated and any additional rules and regulations which are adopted.

33. Sublessee shall be responsible for the observance of all the foregoing rules by Sublessee's employees, agents, clients, customers, invitees and guests.
34. Sublessor shall furnish, free of charge, a reasonable number of access cards to Sublessee for the purpose of accessing exterior doors to the Building. Sublessee, upon termination of its tenancy, shall return all access cards, which have been furnished, to the Sublessor and in the event of loss of any cards so furnished, Sublessee shall pay Sublessor therefore.



## EXHIBIT 13

### TWO INTERNATIONAL DRIVE CLEANING SPECIFICATIONS

#### I. CLEANING

##### A. Office Area

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

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

Quarterly:

Dusting not reached in daily cleaning to include:

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

##### B. Lavatories (Commen Area)

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

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

Monthly:

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

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

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

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



J. Spot clean any metal work surrounding building entrance doors.

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

# Business Information

## Business Details

Business Name:	HII FLEET SUPPORT GROUP LLC	Business ID:	467834
Business Type:	Foreign Limited Liability Company	Business Status:	Good Standing
Business Creation Date:	03/26/2004	Name in State of Formation:	HII FLEET SUPPORT GROUP LLC
Date of Formation in Jurisdiction:	03/26/2004	Mailing Address:	4101 Washington Avenue N308 - Bldg 909-7, Newport News, VA, 23607, USA
Principal Office Address:	5701 Cleveland Street, Virginia Beach, VA, 23462, USA	Last Annual Report Year:	2019
Citizenship / State of Formation:	Foreign/Delaware	Next Report Year:	2020
Duration:	Perpetual	Phone #:	NONE
Business Email:	NONE	Fiscal Year End Date:	NONE
Notification Email:	NONE		

## Principal Purpose

S.No	NAICS Code	NAICS Subcode
1	OTHER / GOVERNMENT CONTRACTING WHOLE SHIP REPAIR	

## Principals Information

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Name/Title	Business Address
Fleet Services Holding Corporation / Member	4101 Washington Ave, Bldg 909-7, Newport News, VA, 23607, USA

Page 1 of 1, records 1 to 1 of 1

## Registered Agent Information

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Name: C T Corporation System

Registered Office 2 1/2 Beacon Street, Concord, NH, 03301 - 4447, USA  
Address:

Registered Mailing 2 1/2 Beacon Street, Concord, NH, 03301 - 4447, USA  
Address:

## Trade Name Information

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No Trade Name(s) associated to this business.

## Trade Name Owned By

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No Records to View.

## Trademark Information

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

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

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



**PEASE**  
INTERNATIONAL  
DEVELOPMENT  
AUTHORITY

75 International Drive, Portsmouth, NH 03801

## MEMORANDUM

TO: Pease Development Authority Board of Directors

FROM: David R. Mullen, Executive Director

SUBJECT: Executive Director's Report *DRM*

DATE: August 8, 2019

---

The purpose of this memorandum is to apprise the Board of the following activity on the Tradeport:

In accordance with the terms of Lease effective August 1, 2016, Next Level Now, Inc., located at 16 Pease Boulevard, exercised the first of two One (1) year renewal options. As Next Level Now, Inc. is not in default under the terms of the Lease, the exercise of the option was approved by the PDA and the Lease was extended through July 31, 2020.

AUG 7 2019



David Mullen

Executive Director

Pease Development Authority

55 International Drive

Portsmouth, NH 03801

July 29, 2019

Dear David,

Please consider this notice that we will be taking the 1<sup>st</sup> option to extend our lease at 16 Pease Boulevard.

If you have any questions, please contact me at 603-828-6870.

Thanks,



Kenneth Peterson  
President



MOTION

Director Loughlin:

The Pease Development Authority Board of Directors hereby authorizes the Executive Director to complete negotiations, finalize, and execute the Pease Rehab/Wentworth Douglass restrictive covenant; and to approve, following any required approvals, the concept plan for 105 Corporate Drive as submitted by Pease Rehab, LLC, including the requests for deviations from the rear setback and loading berth requirements as shown on plans attached hereto and incorporated herein; all in accordance with the memorandum of Maria Stowell, P.E., Engineering Manager, dated August 13, 2019 attached hereto.





## MEMORANDUM

To: David R. Mullen, Executive Director  
From: Maria J. Stowell, P.E., Engineering Manager *Maria*  
Date: August 13, 2019  
Subject: 105 Corporate Drive Concept Plans

Attached are concept plans submitted by Pease Rehab, LLC ("PR") for an addition to its building at 105 Corporate Drive. The existing building is approximately 46,000 square feet on two floors and the proposed addition would add 30,910 square feet also on two floors. The upper level would be used for 30 new patient beds and the lower level would house staff functions.

With regard to the site plan, PR is requesting relief from the following requirements of the PDA Zoning Ordinance:

1. Part 304.04(e) wherein a rear yard setback of 50 feet is required and 10 feet is being provided; and,
2. Part 307.02 wherein two loading berths are required and one is being provided.

As to the setback, PR considered alternative building layouts that would satisfy the setback requirement. The alternatives are not feasible because of the rehab hospital's unique requirements limiting the distances between patients and support staff. In other words, a long narrowly shaped addition would fit within the setbacks but would not meet hospital specifications.

In an effort to ameliorate the nonconformance of the rear yard setback, PR has reached an agreement with the lessee of the abutting property, Wentworth Douglass Hospital ("WDH"), whereby WDH will reserve an area on its leased parcel to be used as the equivalent of PR's rear yard. PR will achieve an equal or greater rear setback by receiving a restrictive covenant from WDH. The draft covenant is attached. While PDA is a beneficiary of the restrictive covenant, it has no obligations for implementation.

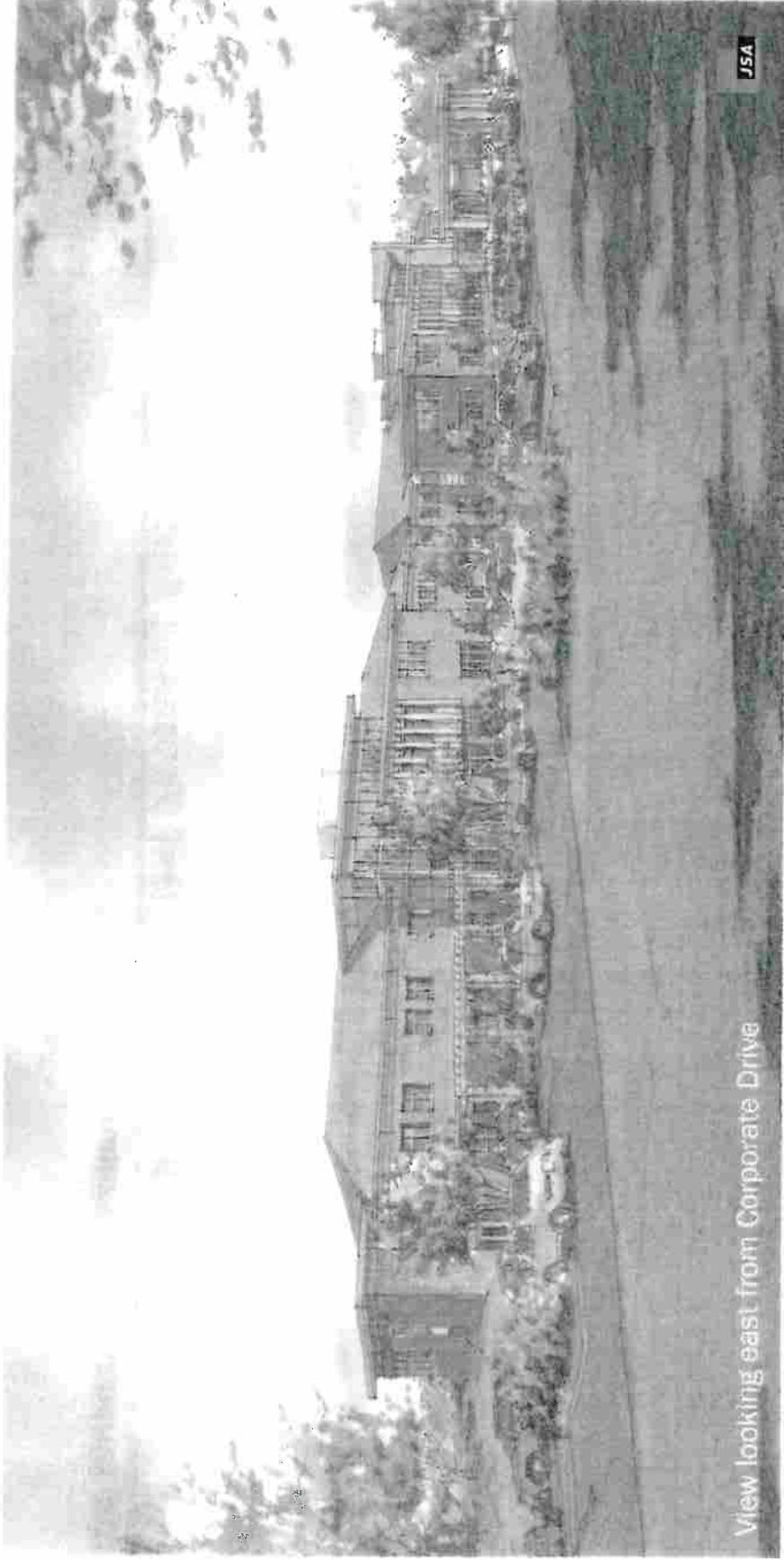
To implement this proposed remedy, PR will also need to apply to the City of Portsmouth's Board of Adjustment and obtain a variance in accordance with Part 317.03 - Zoning Variances Referred to Local Municipalities for Administration.

As noted, PR is also requesting approval to reduce the required number of loading berths. Part 307.02(b) allows a change in the required number of spaces if recommended during the Site Plan Review process. Should the Board agree to PR's request, the concurrence will be noted in the referral to the Portsmouth Planning Board for its consideration during Site Review.

The attached plan shows that the site can accommodate the required patron/employee parking, open space, and remaining dimensional requirements. As further progress is made on the design, staff will review additional information regarding grading, drainage, soils management, and other site related issues. At this time, we recommend approval of the concept plan and draft restrictive covenant.

At the meeting next week, please ask the Board to authorize the Executive Director to complete negotiations, finalize, and execute the Pease Rehab/Wentworth Douglass restrictive covenant; and to approve the concept plan for 105 Corporate Drive as submitted by Pease Rehab, LLC, including the requests for deviations from the rear setback and loading berth requirements. This approval will allow PR to apply to the City of Portsmouth for Site Review Approval and a Variance.

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View looking east from Corporate Drive

## **Northeast Rehabilitation Hospital Proposed Addition**

**105 Corporate Dr, Portsmouth, NH**





View looking south from drive to WBH facilities

## **Northeast Rehabilitation Hospital Proposed Addition**

**105 Corporate Dr, Portsmouth, NH**













**Request for Appeal/Variance Application**

<b>For PDA Use Only:</b>			
Date Submitted: _____	Municipal Review: _____	Fee: _____	
Application Complete: _____	Date Forwarded: _____	Paid: _____	Check #: _____

<b>Action Requested (please check one):</b>	Appeal from Administrative Decision: <input type="checkbox"/>	Variance: <input type="checkbox"/>
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**Applicant Information**

Applicant: Pease Rehab, LLC		Contact Name: Ari B. Pollack, Esq.
Address: 105 Corporate Drive, Portsmouth, NH 03801		Description of Property: Improved with Rehab Hospital
Business Phone: (603) 228-1181		Frontage:
Mobile Phone: (603) 496-6696		Left Side:
Fax: (603) 228-8396		Right Side:
Zone(s) Location: Bus/Comm Zone	Lot #:	Rear:
Assessors Plan #: 303/7	Lot Area:	
Existing Use: Rehabilitation Hospital	Proposed Use: Expansion of same	

**Request for Appeal from Administrative Decision:**

**Variance:**

Applicable Rule/Regulation/Code Provision: _____
Applicable Zoning Regulation: _____
Interpretation Claimed: _____
Administrative Decision from which appeal is sought: _____

Zoning Regulation(s) from which Variance is Sought: <b>Applicant seeks variance from Zoning Ordinance Section 304.04(e) to allow rear setback of 8' whereas 50' is required.</b>
Reason(s) Why Variance Should Be Granted Including Circumstances Which Constitute Unnecessary Hardship: Applicant considered lease line adjustment with abutting tenant but encountered concerns regarding the placement of an existing chlordane stockpile regulated pursuant to a Soils Management Plan prepared for Wentworth-Douglass Hospital. Applicant proposes to achieve an equal or greater setback by receiving a restrictive covenant from abutter. See attached Chlordane and Setback Plan prepared by Tighe & Bond for Applicant; see also Declaration of Restrictive Covenant.

Please attach any required site plans or drawings to this application with a fee of \$ \_\_\_\_\_. All forms must be completely filled out and signed by the applicant or their agent before they will be accepted. Additional sheets may be attached if required. Completed forms must be returned to the PDA for a hearing by the PDA Zoning Adjustment and Appeals Committee or referral to the appropriate municipality. The applicant or their agent is required to attend the Public Hearing for the Appeal/Variance. If you have any questions, please contact the PDA Engineering Department at 603-427-2836.

I hereby certify under the penalties of perjury that the foregoing information and accompanying plans, documents, and supporting data are true and complete to the best of my knowledge.	
_____ Signature of Applicant	November _____, 2018 Date

*When recorded return to:*  
Ari B. Pollack, Esq.  
Gallagher, Callahan & Gartrell, P.C.  
214 N. Main Street  
Concord, NH 03301

## DECLARATION OF RESTRICTIVE COVENANT

THIS DECLARATION OF RESTRICTIVE COVENANT ("Declaration") is made as of \_\_\_\_\_, 2018 by **WENTWORTH-DOUGLASS HOSPITAL**, a New Hampshire nonprofit corporation, having an address of 789 Central Avenue, Dover, New Hampshire 03820 ("Declarant").

### R E C I T A L S:

A. Declarant leases approximately 21.259 acres of land, identified as 73 Corporate Drive, Portsmouth, New Hampshire, and as Map 303, Lot 5, within the Pease Development Authority ("PDA"), being more particularly described in **Exhibit A** attached hereto and made a part hereof ("Declarant Property").

B. Pease Rehab, LLC ("PR"), a New Hampshire Limited Liability Company, having an address of 105 Corporate Drive, Portsmouth, New Hampshire 03801, leases approximately 7.364 acres of land, identified as 105 Corporate Drive, Portsmouth, New Hampshire, and as Map 303, Lot 7, within the PDA, being more particularly described in **Exhibit B** attached hereto and made a part hereof ("PR Property").

C. PDA, a State-chartered New Hampshire authority, having an address of 55 International Drive, Portsmouth, New Hampshire 03801, by virtue of certain lease agreements, is the lessor of the Declarant Property and the PR Property to the Declarant and PR, respectively.

D. PR has requested that Declarant subject a portion of the Declarant Property described in Exhibit C as the "Current Chlordane Stockpile Location" to certain development restrictions that may be enforced, subject to the terms and conditions set forth in this Declaration ("the Restricted Area").

NOW, THEREFORE, Declarant for itself and on behalf of its successors and assigns, does hereby declare and agree that the Restricted Area of the Declarant Property shall hereinafter remain unimproved and shall remain a chlordane stockpile location pursuant to a certain Soil Management Plan, dated April 17, 2018, prepared for Declarant by Vanasse Hangen Brustlin, Inc., and approved by and on file with the New Hampshire Department of Environmental Services and PDA. This Declaration shall run with the Declarant Property and be binding upon Declarant and its successors and assigns for the term of Declarant's leasehold rights as they may subsequently be extended.

1. RESTRICTIVE COVENANT. Commencing upon the date of this Declaration, and continuing through the term of its leasehold interest in the Declarant Property, Declarant, for valuable consideration, for itself and on behalf of its successors and assigns, agrees as follows:

a) No portion of the Restricted Area of the Declarant Property shall be improved with buildings or structures, principal or accessory, such that the Restricted Area would no longer serve as an effective "rear yard" "setback", as the same terms are currently defined in Sections 302.39 and 302.43 of the Pease Development Authority Zoning Requirements, from improvements upon the adjacent portions of the PR Property.

b) The restriction in (a) above shall not prohibit Declarant from exercising its rights, obligations and "future activities" under Section 3.5 of the Soil Management Plan.

2. REAL COVENANTS. Declarant for itself and on behalf of its successors and assigns, understands and agrees that the restrictions, covenants, obligations and agreements contained in this Declaration shall be real covenants running with the land and shall, in perpetuity, be binding upon and inure to the benefit of PR and PDA, their respective successors and assigns.

3. CONSIDERATION. As consideration for this Restrictive Covenant, PR shall pay to Declarant an amount equal to a portion of the annual rent payment paid by Declarant to PDA based upon the annual per acre rental charge paid by Declarant and the square footage of the restricted area. Declarant and PR acknowledge that the annual rent payment is adjusted and increased on May 1 of each year. The payment shall be made in arrears in an annual payment and shall be paid within thirty (30) days of receipt of an invoice from Declarant. There shall be no payment for the period prior to May 1, 2019. The first payment shall be for the year May 1, 2019 to April 30, 2020.

4. REMEDIES AND ENFORCEMENT. Declarant, for itself and on behalf of its successors and assigns, understands, acknowledges and agrees that PR and PDA are the benefited parties to this Declaration, and Declarant agrees that said parties shall have all rights at law or in equity in connection with the enforcement of the restrictions, covenants, obligations and agreements contained herein.

5. MISCELLANEOUS.

(a) Headings, Captions and Table of Contents. The descriptive headings and captions used in this Declaration are for the purposes of convenience only and do not constitute a part of this Declaration.

(b) Authority. The individuals executing this Declaration hereby represent binding authority to execute this instrument.

(c) Governing Law. This Declaration and its performance shall be governed by and construed in accordance with the laws of the State of New Hampshire, excluding New Hampshire's rules regarding conflict of laws and any rule requiring construction against the party drafting this Declaration.

(d) Amendments. This Declaration may not be amended except by an instrument in writing signed by the Declarant, PR and PDA.

[Remainder of this page intentionally blank.]

EXECUTED as of the day and year first above written.

DECLARANT:

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

WENTWORTH-DOUGLASS HOSPITAL

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

Name:

Title:

BENEFICIARY:

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

PEASE REHAB, LLC

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

Name:

Title:

BENEFICIARY:

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

PEASE DEVELOPMENT AUTHORITY

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

Name:

Title:



STATE OF NEW HAMPSHIRE  
COUNTY OF \_\_\_\_\_

On this the \_\_\_ day of \_\_\_\_\_, 2018, before me the undersigned officer, personally appeared \_\_\_\_\_, being the \_\_\_\_\_ of Wentworth-Douglass Hospital, a New Hampshire non-profit corporation, signer and sealer of the foregoing instrument, and that he/she as such \_\_\_\_\_, being authorized so to do, acknowledged the execution of the same to be his/her free act and deed and the free act and deed of said entity.

IN WITNESS WHEREOF, I hereunto set my hand.

\_\_\_\_\_  
Justice of the Peace/Notary Public

STATE OF NEW HAMPSHIRE  
COUNTY OF \_\_\_\_\_

On this the \_\_\_ day of \_\_\_\_\_, 2018, before me the undersigned officer, personally appeared \_\_\_\_\_, being the \_\_\_\_\_ of Pease Rehab, LLC, a New Hampshire Limited Liability Company, signer and sealer of the foregoing instrument, and that he/she as such \_\_\_\_\_, being authorized so to do, acknowledged the execution of the same to be his/her free act and deed and the free act and deed of said entity.

IN WITNESS WHEREOF, I hereunto set my hand.

\_\_\_\_\_  
Justice of the Peace/Notary Public

STATE OF NEW HAMPSHIRE  
COUNTY OF \_\_\_\_\_

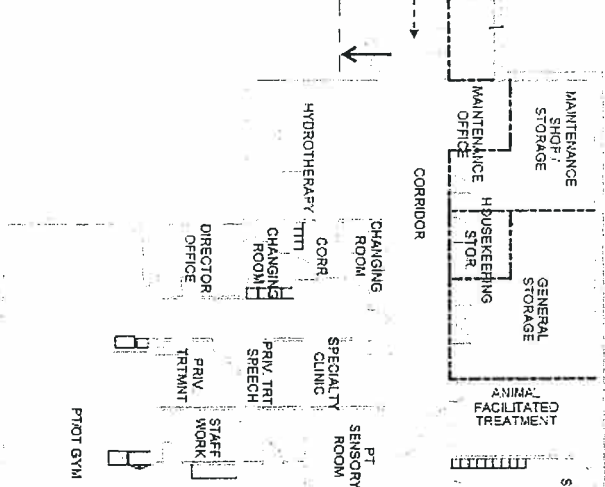
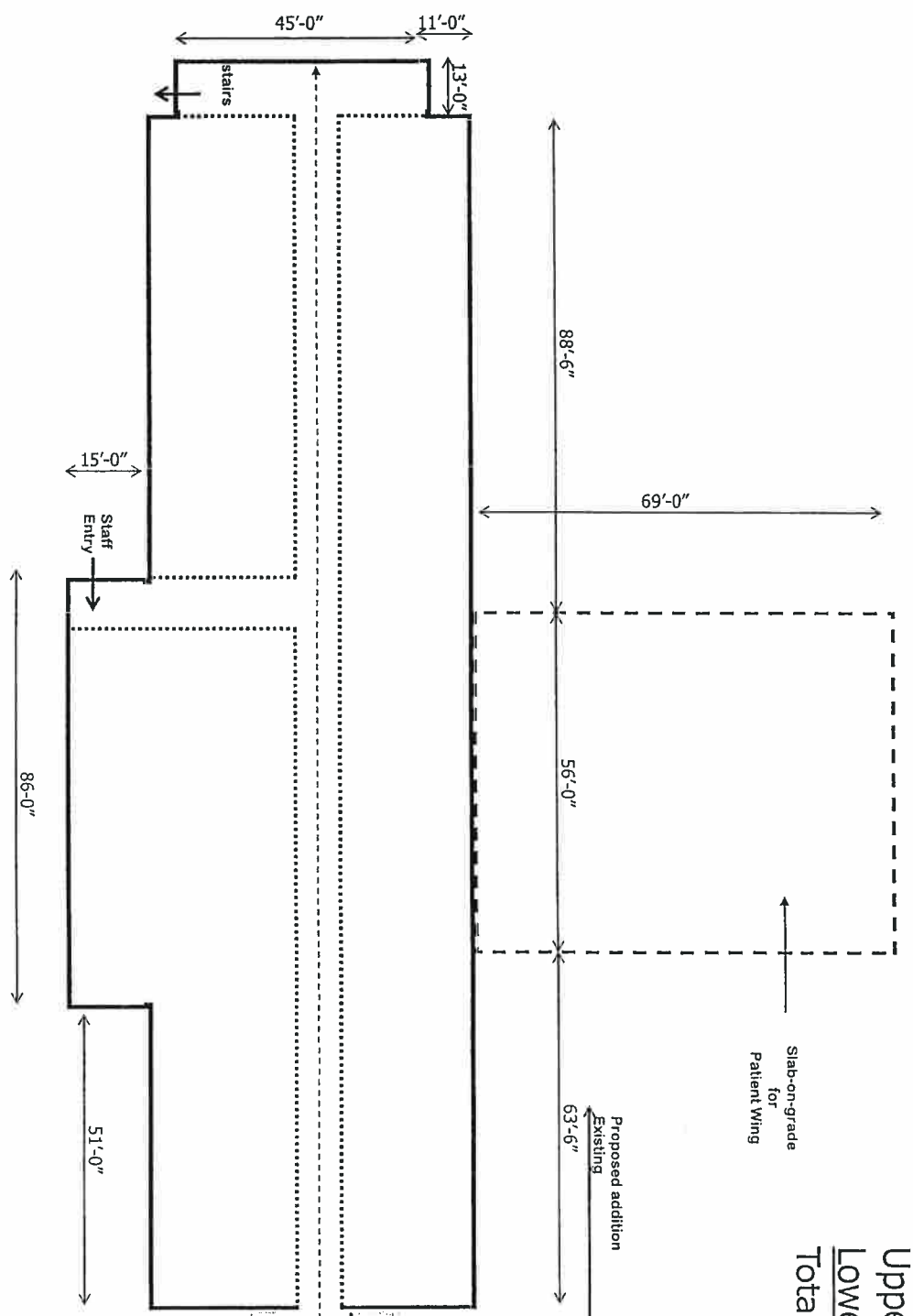
On this the \_\_\_ day of \_\_\_\_\_, 2018, before me the undersigned officer, personally appeared \_\_\_\_\_, being the \_\_\_\_\_ of Pease Development Authority, a New Hampshire chartered authority, signer and sealer of the foregoing instrument, and that he/she as such \_\_\_\_\_, being authorized so to do, acknowledged the execution of the same to be his/her free act and deed and the free act and deed of said entity.

IN WITNESS WHEREOF, I hereunto set my hand.

\_\_\_\_\_  
Justice of the Peace/Notary Public



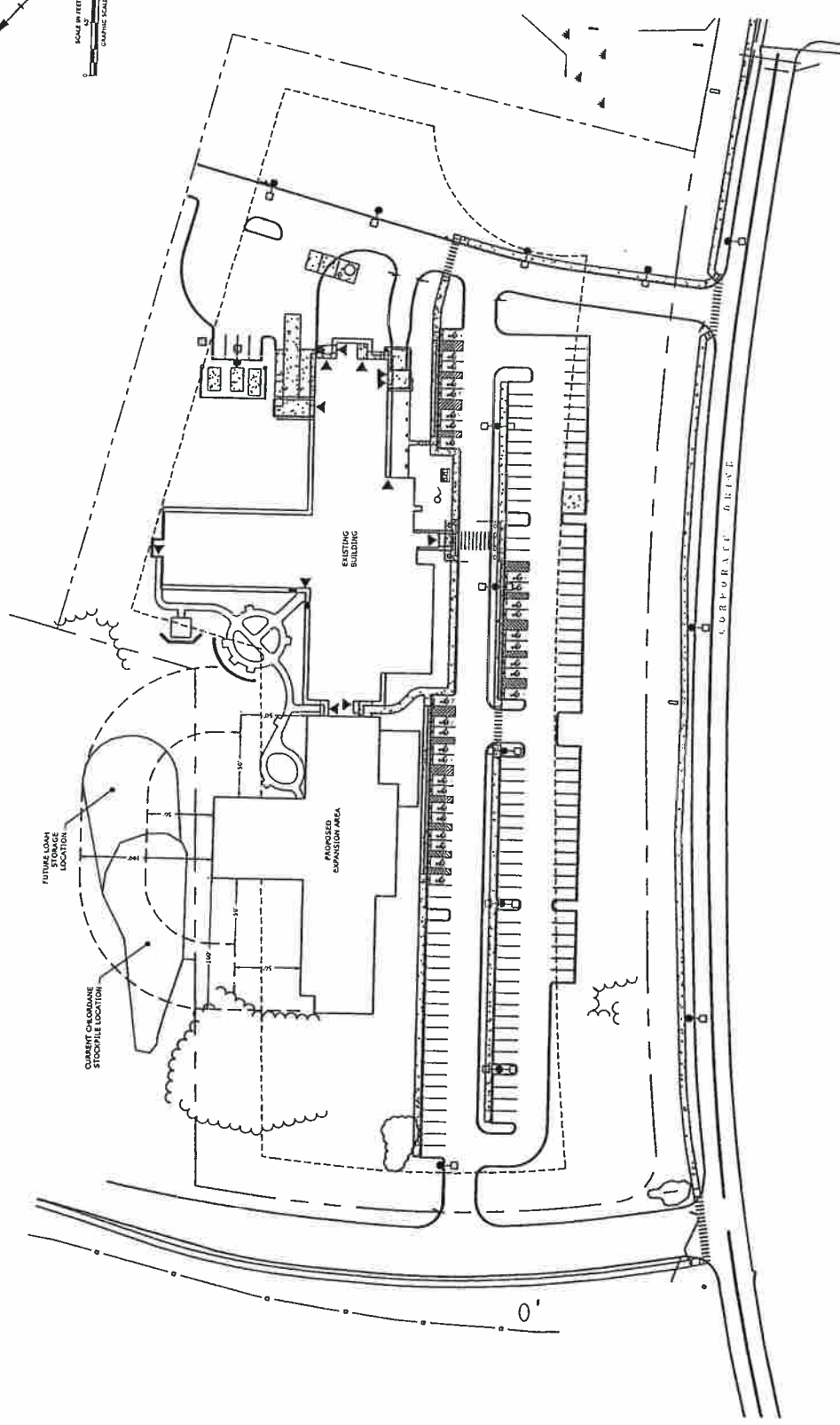
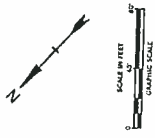
Upper Level = 17,387 gsf  
 Lower Level = 13,523 gsf  
 Total = 30,910 gsf



**Lower Level 30 Bed Concept Diagram**  
 12/10/18

Northeast  
 Rehab  
 Hospital  
 105 Corporate  
 Drive  
 Portsmouth,  
 New Hampshire

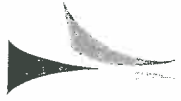
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2	09/15/2011	REVISED FOR PERMITTING
3	10/10/2011	REVISED FOR PERMITTING
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CORPORATE DRIVE





**MEMORANDUM**

TO: Pease Development Authority Board of Directors  
FROM: David R. Mullen, Executive Director *[Signature]*  
RE: Contract Reports  
DATE: August 8, 2019

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In accordance with the "Delegation to Executive Director: Consent, Approval and Execution of Documents and Expenditure of Funds for Emergency Repairs," PDA entered into the following contract:

Contractor: Appledore Marine Engineering, LLC  
Project Name: Sea Wall Failure, Portsmouth Commercial Fish Pier  
PDA Obligation: Not to Exceed - \$42,950  
Board Authority: Director Peter Loughlin on June 17, 2019  
Summary: Monitor the potential failure and inspect the sea wall tie-back system, which is ten (10) feet below the existing grade.








# PEASE

INTERNATIONAL

PORTS AND HARBORS

555 Market Street, Suite 1 Portsmouth, NH 03801

Date: June 13, 2019  
To: David Mullen, Executive Director  
From: Geno Marconi, Port Director   
Subject: Sea Wall Failure, Portsmouth Commercial Fish Pier

On May 20, 2019 in the course of daily facility inspections, Division staff reported what appeared to be separation of the steel sheet pile sea wall and the pavement and concrete apron at the Portsmouth Commercial Fish Pier. Attached is EXHIBIT 1, the photograph taken by Division staff that day.

The Division consulted with Appledore Marine Engineering, the Division's On-Call Marine Engineers and because the cause of the separation was not known, it was in the best interests of public safety that the affected area, including the hoist crane, should be closed off to use. The Division and Appledore continued to monitor the area of the sea wall and it was determined that the separation was becoming larger in length and width. Attached is EXHIBIT 2 & 3, are photographs taken May 28, 2019.

EXHIBIT 4 was taken on June 13, 2019 and clearly shows the extent of deterioration.

During this period, we were able to acquire an electronic copy of the As-Built drawings (1977) from the NH Division of Public Works, showing how the wall was constructed and secured which allowed discussion of what were the potential failures. EXHIBIT 5 is a page from the drawings showing the wall. The basic structure consists of an anchor system, 45 feet in from the wall, connected to a steel channel by 2 1/8 inch rod. The channel is directly abutting the inside of the sheet wall.

The steel sheet wall is connected to the channel by 1 inch bolts with a backing plate. This is the connection that has failed. See EXHIBITS 6, 7, and 8.

In order to develop a rehabilitation plan, it will be necessary to monitor the situation and inspect the tie-back system, which is 10 feet below the existing grade. The Division discussed a scope of work and requested a detailed proposal from Appledore Marine Engineers (attached). The not to exceed price is \$42,950. The funds will be expended from the Harbor Dredging and Pier Maintenance Fund.

Because of the urgency of this matter, the Division is requesting permission to proceed under the emergency delegation authorized by the PDA Board of Directors.



07/20/1979

EXHIBIT 1

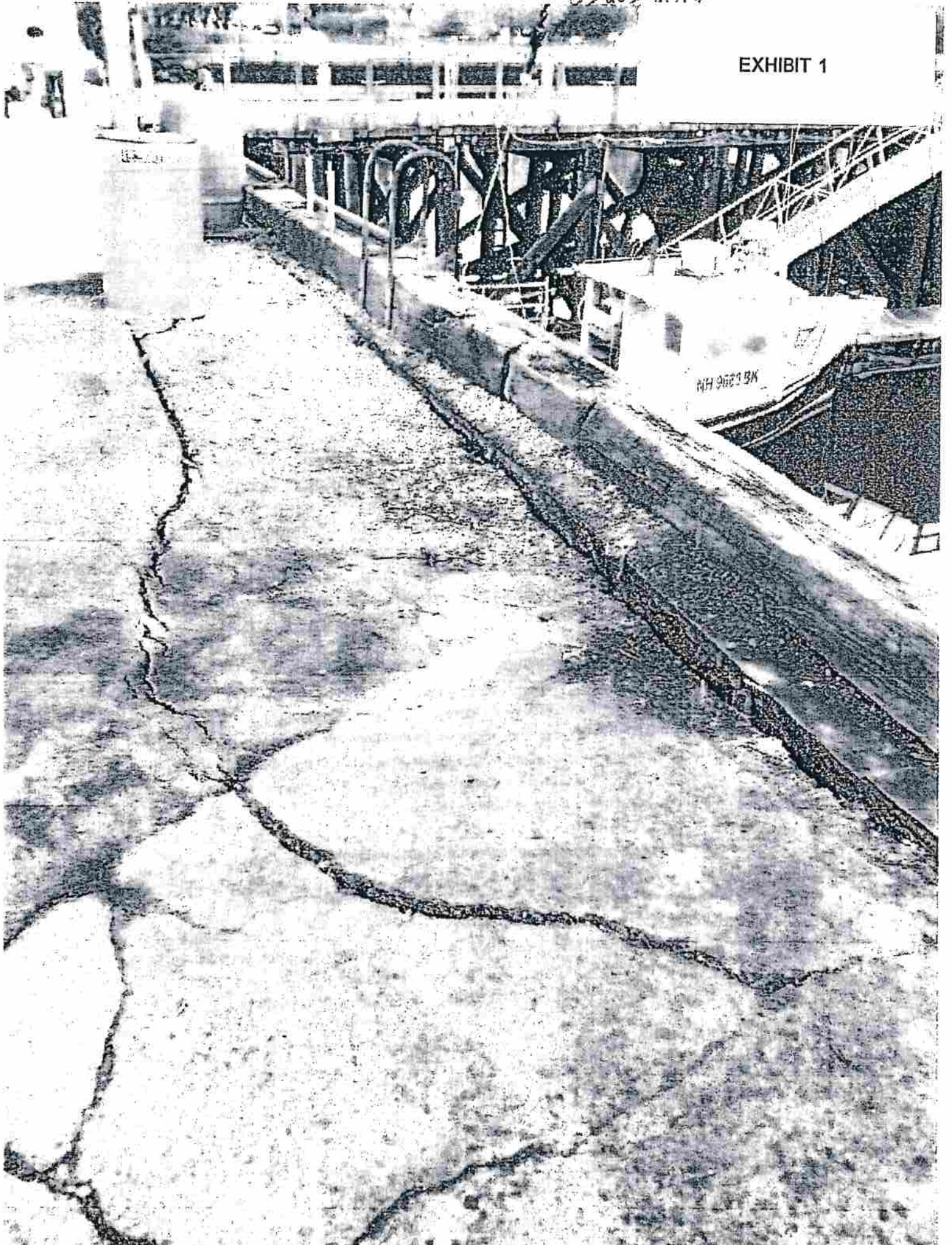




EXHIBIT 2

.5.28.19

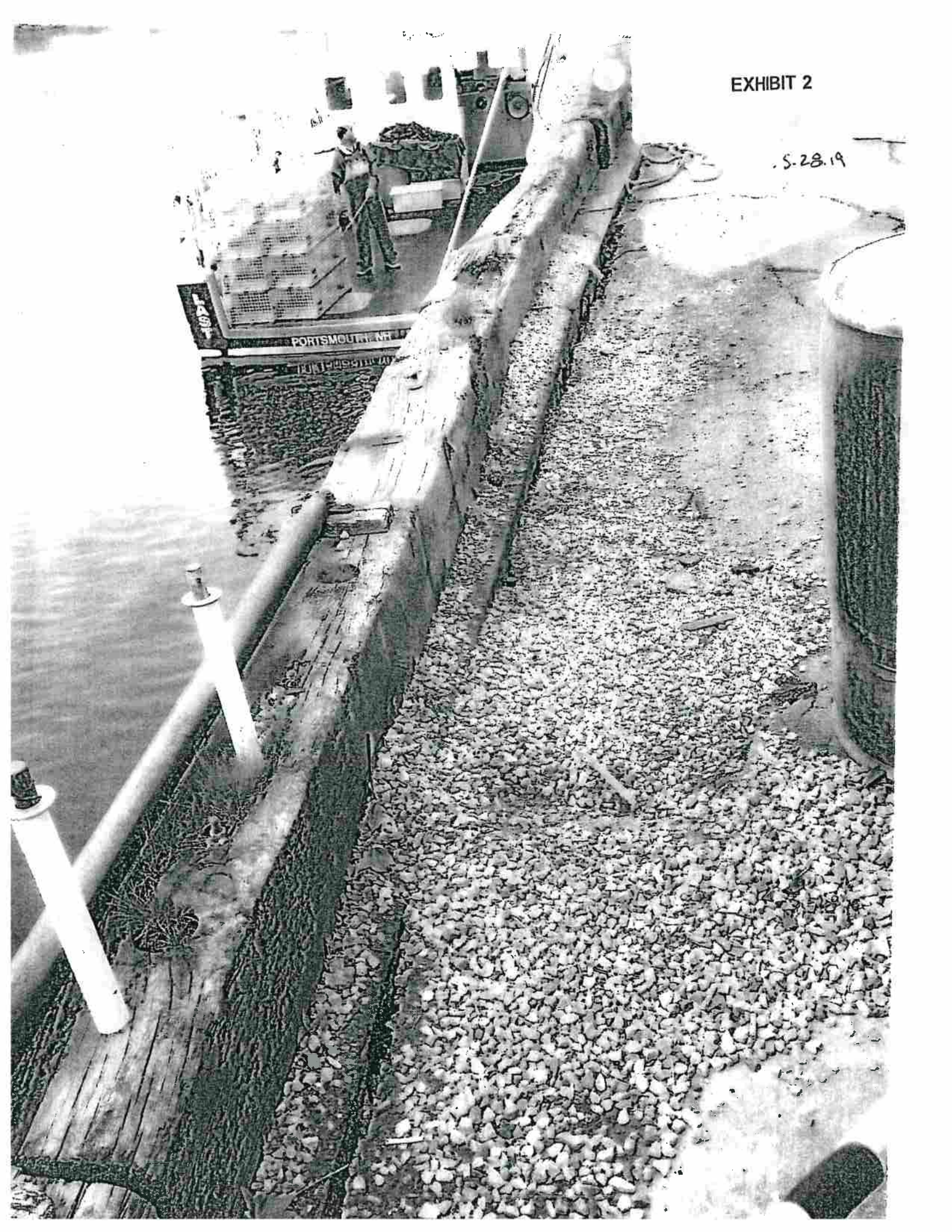
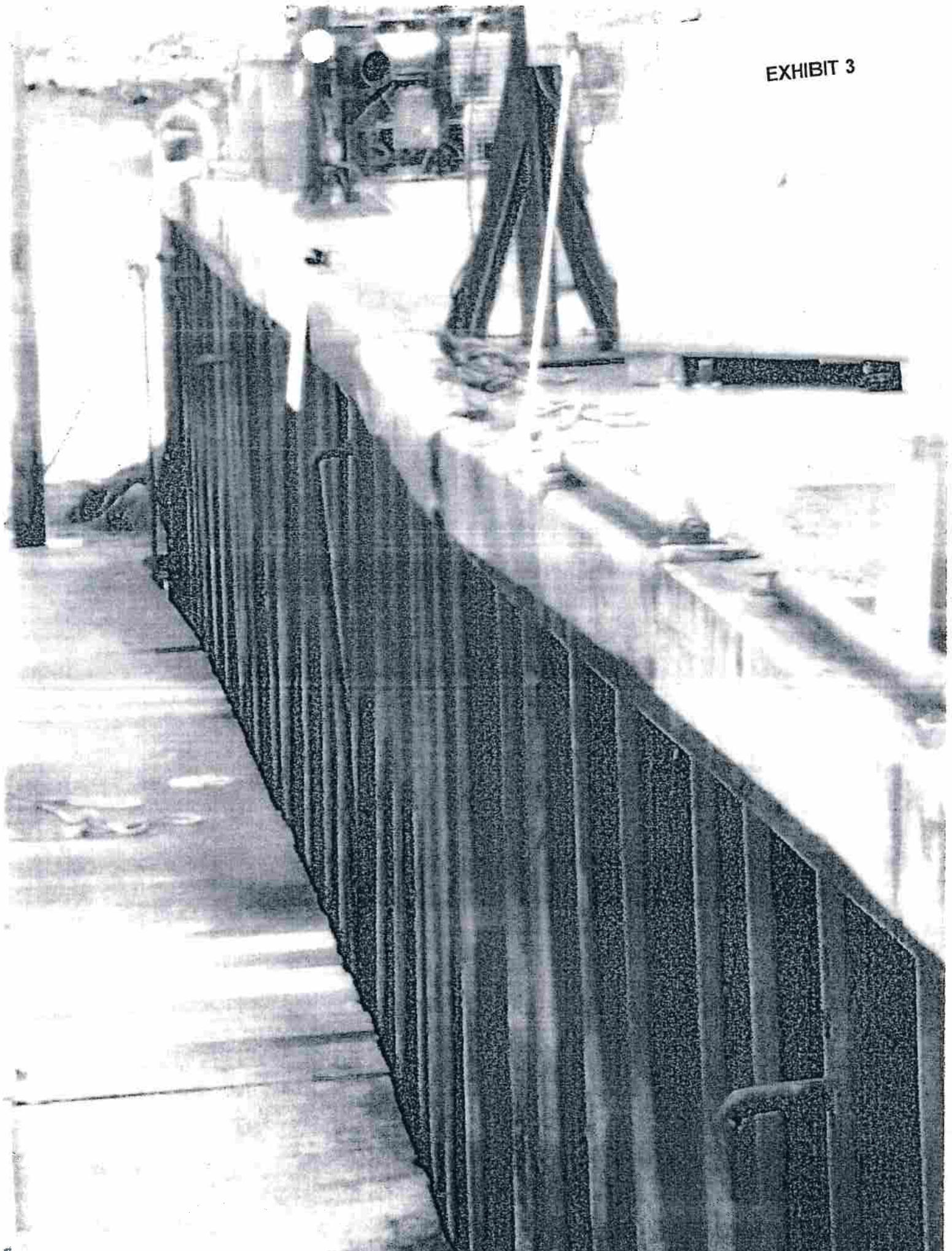




EXHIBIT 3





NOV 13, 2017

EXHIBIT 4



118





EXHIBIT 6





5-21-19

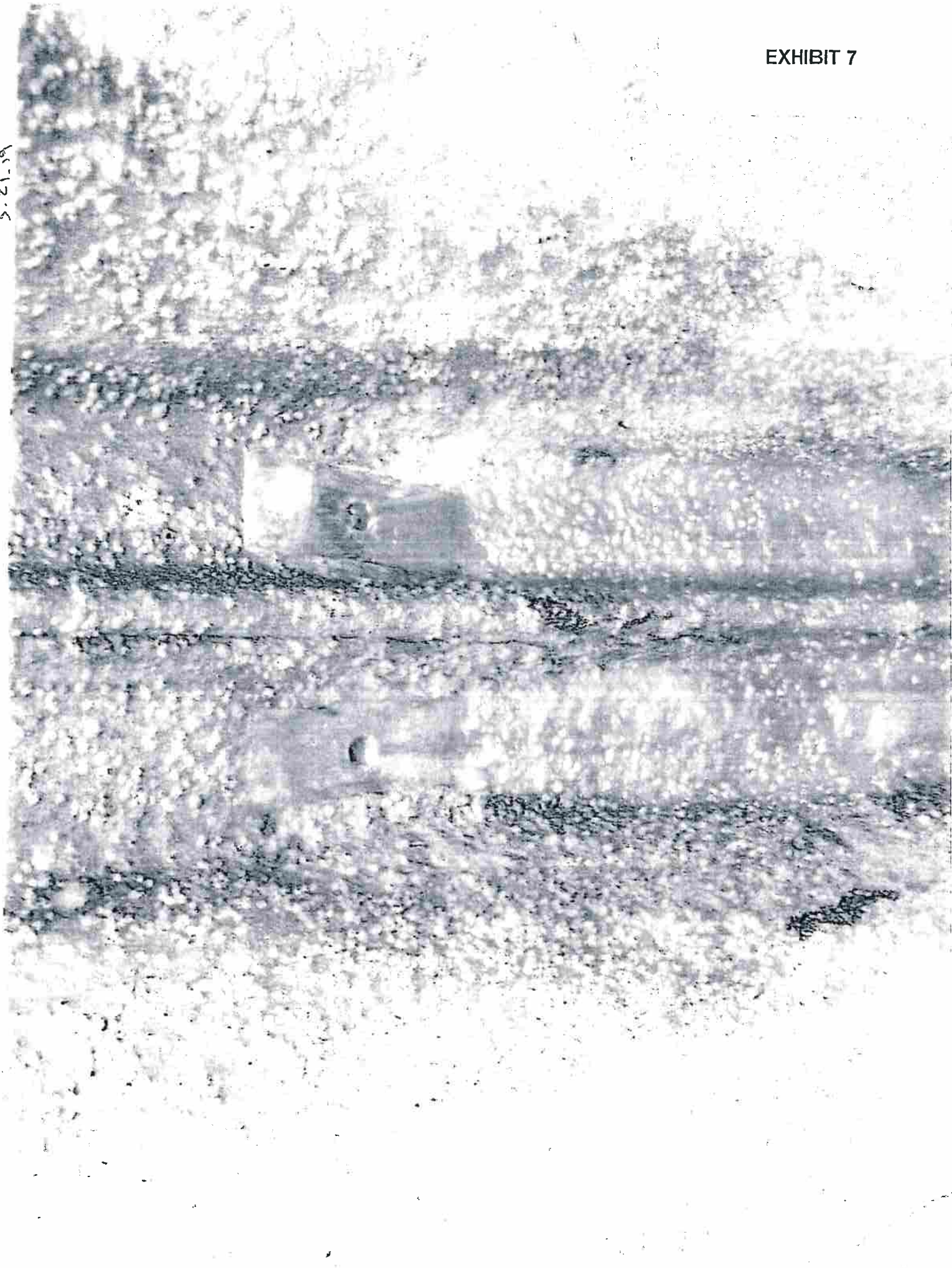
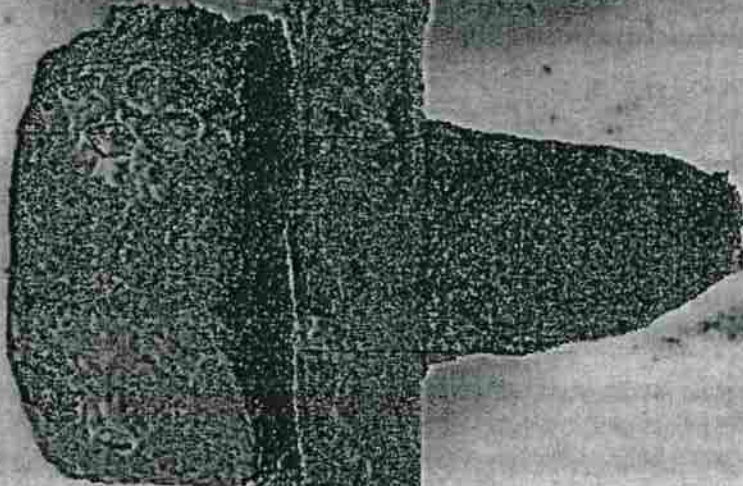




EXHIBIT 8





# Appledore Marine Engineering, LLC

600 State Street, Suite E | Portsmouth New Hampshire 03801

May 29, 2019

Geno Marconi  
PDA Division of Ports & Harbors  
555 Market Street  
Portsmouth, New Hampshire 03801

Re: Proposal to Provide Marine Engineering Services  
Portsmouth Fish Pier Bulkhead Investigation  
Portsmouth NH

Dear Capt. Marconi:

Appledore Marine Engineering, LLC (AME) is pleased to present this proposal for Marine Engineering services for the above-referenced project. This proposal will outline the Background, Scope of Services, Schedule of Work and Fees for Consulting Services to perform the work.

## BACKGROUND

AME received a call from Tracy Shattuck on Monday, 20 May 2019 identifying a potential issue at the Portsmouth Fish Pier. AME met with Tracy on site and confirmed the bulkhead at the Fish Pier had failed along a 20 foot section. Within the area of failure the steel sheet pilings have translated approximately 6-inches outboard and behind the wall a 2 to 3 inch wide crack outlines a 6 foot wide area of settlement. The site visit was completed during high tide limiting the ability to view the tieback system along the face of the sheet pile wall. Tracy informed AME the failure likely occurred Sunday morning, 19 May 2019.

It is our understanding that the sheet pile bulkhead is bulging in the vicinity of station 1+33 to 1+52. The bulkhead has a top elevation of 14.0 feet and dredge elevation in front of the wall between elevation -6 to -10 feet. Record drawing notes below grade tieback rods at elevation 4.0 feet extending laterally 45 feet tying into another row of sheet piles.

AME inspected the bulkhead in November of 2017 and at the time rated the structure in poor condition due to section loss of the steel sheets and age of the structure. At the time the tie-back system was unable to be inspected as it is hidden behind the wall. The apparent failure mode is likely the smaller bolts connecting the hidden waler to the steel sheeting.

The intent of this proposal is to assist the owner in evaluating root cause of failure, determine the level of deterioration to hidden components behind the wall, and develop schematic rehabilitation alternatives.

## SCOPE OF SERVICES

The scope of services is targeted to the tasks required in assisting the owner with planning the rehabilitation.

**Investigation and Rehabilitation Alternatives:**

Periodic inspections will be completed over a 30 day period to monitor for additional movement and distress to allow the development of a loading restriction plan and provide guidance on further restrictions.

A geotechnical sub consultant will be retained to complete an excavation of a test pit behind the bulkhead. The test pit will allow a visual inspection of a limited portion of the tie-back and hidden water system. This is required to determine if any of the buried components are able to be re-used to reduce cost of the rehabilitation. Upon completion of the test pits, the area will be backfilled with excavated material and compacted with the excavator. The surface will not be paved as it is anticipated that paving will occur after bulkhead rehabilitation.

The excavation company will saw-cut the pavements in a suitable area for a test pit. Test pit will be made extending to depths of about 10 feet in efforts to expose the tieback rods. To allow for personnel to enter the excavation for inspection, a trench box will be installed. Work will be planned near low tide to reduce water flow infiltration to the test pit. Following completion of the test pits, the excavation spoils will be attempted to be re-used as backfill. If the material is deemed too wet for suitable reuse, imported material will be used and the excavation spoils will be removed from the site. The pavement will be patched with hot mix asphalt. It must be understood that settlement of the backfills and pavement patch should be expected given the wet conditions anticipated.

**CONSIDERATIONS**

Our scope of services does not include handling, sampling, testing or disposal of suspect contaminated soils. If suspect contaminated soils are encountered (i.e. petroleum impacted, urban debris fill, burn debris, ash, etc.), the soils will be stockpiled on site and covered with polyethylene sheeting to await direction on disposal options.

We will pre-mark the test pit locations in the field. We will notify Dig Safe to mark out utilities that may exist in the vicinity of the test pits. It is also the obligation of the owner to provide records of buried utilities for review by the excavation team and dig safe.

An alternative analysis will be completed to assess potential rehabilitation alternatives, with supporting sketches and an opinion of the probable construction cost. The findings from the investigation and alternative analysis will be summarized in a report.

**SCHEDULE**

We will start work on this project immediately after receiving written Notice to Proceed (NTP). We expect to submit our report and recommendations within (60) days after notice to proceed.

**FEES FOR CONSULTING SERVICES**

Fees for consulting services will be on a firm fixed fee basis in the amount of \$42,950. The fixed fee includes all labor, reimbursable, and equipment expenses required to complete the work.

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, PE  
President

This Proposal is subject and subordinate to the Agreement for Marine Engineering Services between the Parties dated July 1, 2017.



**PEASE**  
 INTERNATIONAL  
 DEVELOPMENT  
 AUTHORITY

55 International Drive, Portsmouth, NH 03801

**MEMORANDUM**

TO: Pease Development Authority Board of Directors  
 FROM: David R. Mullen, Executive Director *[Signature]*  
 RE: Contract Reports  
 DATE: August 7, 2019

\*\*\*\*\*

In accordance with Article 3.9.1.1 of the PDA Bylaws, I am pleased to report the following:

Project Name: Dell  
 PDA Obligation: \$5,859.13  
 Board Authority: Director Peter Loughlin on August 1, 2019  
 Summary: Purchase of Computer Replacement Equipment from Dell



P.O. Number: PDA2019-05

# PURCHASE ORDER

If no P.O. number is specified, the date on the P.O. will be used as the P.O. number.

Customer Agreement Number: -8001863

P.O. Date: 08/01/2019

Payment Terms

\*Net 30

**Bill to:**  
 Pease Development Authority  
 55 International Drive  
 Portsmouth, NH 03801

Phone #: 603-433-6088 or 603-766-9290  
 Fax #: 603-433-6317

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

Phone #: 603-433-6088 or 603-766-9290  
 Fax #: 603-433-6317

- Customer agrees to purchase the products(s) itemized on the quotation number(s) indicated below at the price(s) indicated, plus applicable taxes and shipping & handling charges, subject to the applicable Dell terms and conditions of sale located at [http://www.dell.com/us/en/gen/misc/policy\\_009\\_policy.htm](http://www.dell.com/us/en/gen/misc/policy_009_policy.htm).
- \*Net 30 Payment Terms are applicable to this purchase order and are subject to Credit Approval. Additional financial information in the form of financial statements from previous years may be required.
- Please attach tax exempt letter/certificate if applicable.
- This Purchase Order may only be used for purchases within the Continental United States.

QTY	QUOTE #	DESCRIPTION	UNIT PRICE	TOTAL
1	3000043513982.1	Precision 7920 Tower	4,200.00	4,200.00
1	3000043355255.1	Dell Latitude 7490 14"	1,493.54	1,493.54
		Dell Dock - WD19 90w	165.59	165.59
			SUBTOTAL	5,859.13
			SALES TAX (IF APPLICABLE)	
			SHIPPING & HANDLING	
			TOTAL	\$5,859.13

\*\*ALL pages of the referenced quotation(s) MUST accompany this Purchase Order

Signature (Authorized Buyer):  Date: 8/1/19

Print Name (Authorized Buyer): David R. Mullen Executive Director  
Name Title



## A quote for your consideration!

Based on your business needs, we put the following quote together to help with your purchase decision. Below is a detailed summary of the quote we've created to help you with your purchase decision.

To proceed with this quote, you may respond to this email, order online through your Premier page, or, if you do not have Premier, use this [Quote to Order](#).

Quote No.	3000043513982.1	Sales Rep	Jay Hass
Total	\$4,200.00	Phone	(800) 456-3355, 5138752
Customer #	6959932	Email	Joseph_Hass@Dell.com
Quoted On	Jul. 31, 2019	Billing To	JESSICA PATTERSON
Expires by	Nov. 28, 2019		PEASE DEVELOPMENT AUTHORIT Y 55 INTL DR PORTSMOUTH, NH 03801-2882

### Message from your Sales Rep

Please contact your Dell sales representative if you have any questions or when you're ready to place an order. Thank you for shopping with Dell!

Regards,  
Jay Hass

---

### Shipping Group

<b>Shipping To</b>	<b>Shipping Method</b>
JESSICA PATTERSON PEASE DEVELOPMENT AUTHORITY 55 INTL DR PORTSMOUTH, NH 03801 (603) 766-9290	Standard Ground

Product	Unit Price	Qty	Subtotal
Precision 7920 Tower	\$4,200.00	1	\$4,200.00

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Subtotal:	\$4,200.00
Shipping:	\$0.00
Non-Taxable Amount:	\$4,200.00
Taxable Amount:	\$0.00
Estimated Tax:	\$0.00
<hr/>	
Total:	\$4,200.00

Special lease pricing may be available for qualified customers and offers. Please contact your DFS Sales Representative for details.



## Shipping Group Details

<b>Shipping To</b> JESSICA PATTERSON PEASE DEVELOPMENT AUTHORITY 55 INTL DR PORTSMOUTH, NH 03801 (603) 766-9290	<b>Shipping Method</b> Standard Ground
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Precision 7920 Tower	\$4,200.00	Qty 1	Subtotal \$4,200.00
Estimated delivery if purchased today: Aug. 15, 2019 Contract # 70137 Customer Agreement # Dell Std Terms			
<b>Description</b>	<b>SKU</b>	<b>Unit Price</b>	<b>Qty</b>
			<b>Subtotal</b>
Precision 7920 Tower XCTO Base	210-AMRM	-	1 -
Intel Xeon Silver 4110 2.1GHz, 3.0GHz Turbo, 8C, 9.6GT/s 2UPI, 11MB Cache, HT (85W) DDR4-2400	338-BMWW	-	1 -
Intel Xeon Silver 4110 2.1GHz, 3.0GHz Turbo, 8C, 9.6GT/s 2UPI, 11MB Cache, HT (85W) DDR4-2400 2nd	338-BMXR	-	1 -
CPU clip, assemble CPU with heatsink	575-BBPB	-	1 -
CPU clip, assemble CPU with heatsink	575-BBPB	-	1 -
Windows 10 Pro for Workstation (4 Cores Plus) Multi - English, French, Spanish	619-AMSU	-	1 -
No AutoPilot	340-CKSZ	-	1 -
Microsoft(R) Office 30 Days Trial	658-BCSB	-	1 -
NVIDIA Quadro P4000. 8GB, 4 DP (7X20T)	490-BDTP	-	1 -
Precision 7920 Tower Chassis CL	321-BENQ	-	1 -
64GB (8x8GB) DDR4 2666MHz RDIMM ECC	370-ADTS	-	1 -
No Out-of-Band Systems Management	631-ABML	-	1 -
No Driver	555-BBNI	-	1 -
SATA/SAS Hard Drive/Solid State Drive	449-BBLT	-	1 -
Integrated Intel AHCI SATA chipset controller (8x 6.0Gb/s), SW RAID 0,1,5,10	403-BBRL	-	1 -
2.5" 512GB SATA Class 20 Solid State Drive	400-AUOZ	-	1 -
No Hard Drive	400-AKZR	-	1 -
No Hard Drive	400-AKZR	-	1 -
No Hard Drive	400-AKZR	-	1 -
No Hard Drive	400-AKZR	-	1 -
No Additional Storage	400-AVDX	-	1 -
No Hard Drive	400-AKZR	-	1 -
No Hard Drive	400-AKZR	-	1 -
No Hard Drive	400-AKZR	-	1 -
No Hard Drive	400-AKZR	-	1 -
16x Half Height DVD-/+RW	429-AAVR	-	1 -

Half Height Drive Cable,7920 Tower	470-ACOX	-	1	-
Slim filler panel (no opt.)	429-ABEL	-	1	-
No Hard Drive	400-AKZR	-	1	-
No Hard Drive	400-AKZR	-	1	-
No RAID	780-BBCJ	-	1	-
Black Dell KB216 Wired Multi-Media Keyboard English	580-ADJC	-	1	-
Black Dell MS116 Wired Mouse	275-BBBW	-	1	-
Thank You for Choosing Dell	340-ADBJ	-	1	-
No Additional Network Card Selected (Integrated NIC included)	555-BBJO	-	1	-
Not selected in this configuration	817-BBBC	-	1	-
US Power Cord	470-AATC	-	1	-
Placemat 7920 Tower DAO	340-BVYE	-	1	-
Resource DVD not Included	430-XXYU	-	1	-
OS-Windows Media Not Included	620-AALW	-	1	-
No Energy Star	387-BBBE	-	1	-
Dell Precision Optimizer	640-BBRC	-	1	-
CMS Essentials DVD no Media	658-BBTV	-	1	-
Single Processor Air Heatpipe	412-AALD	-	1	-
Single Processor Air Heatpipe (2nd)	412-AALE	-	1	-
Boot drive or storage volume is greater than 2TB (select when 3TB/4TB HDD is ordered)	411-XXYB	-	1	-
7920 Tower Regulatory Label (DAO)	389-CGHR	-	1	-
Safety/Environment and Regulatory Guide (English/French Multi-language)	340-AGIK	-	1	-
Ship Material	328-BCRF	-	1	-
SHIP,PWS,LNK,NO,NO,AMF	340-AEYP	-	1	-
No Accessories	461-AABV	-	1	-
No Stand included	575-BBCH	-	1	-
TPM Enabled	329-BBJL	-	1	-
No Driver	555-BBNI	-	1	-
External Speaker Not Included	520-AABF	-	1	-
Dell Limited Hardware Warranty Plus Service	997-5852	-	1	-
Onsite/In-Home Service After Remote Diagnosis 3 Years	997-5854	-	1	-
US Order	332-1286	-	1	-
Performance Optimized	370-AAIP	-	1	-
BIOS match checked back to factory	444-BBBG	-	1	-
BIOS binary check enabled and verified	444-BBBS	-	1	-
SupportAssist	525-BBCL	-	1	-
Dell(TM) Digital Delivery Cirrus Client	640-BBLW	-	1	-
Enable Low Power Mode	658-BBMQ	-	1	-
Dell Developed Recovery Environment	658-BCUV	-	1	-

**Subtotal: \$4,200.00**

Shipping:	\$0.00
Estimated Tax:	\$0.00

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Total:	\$4,200.00
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## Important Notes

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### Terms of Sale

Unless you have a separate written agreement that specifically applies to this order, your order will be subject to and governed by the following agreements, each of which are incorporated herein by reference and available in hardcopy from Dell at your request: Dell's Terms of Sale, which include a binding consumer arbitration provision and incorporate Dell's U.S. Return Policy and Warranty (for Consumer warranties; for Commercial warranties).

If this purchase includes software: in addition to the foregoing applicable terms, your use of the software is subject to the license terms accompanying the software, and in the absence of such terms, then use of the Dell-branded application software is subject to the Dell End User License Agreement - Type A and use of the Dell-branded system software is subject to the Dell End User License Agreement - Type S.

If your purchase is for Mozy, in addition to the foregoing applicable terms, your use of the Mozy service is subject to the terms and conditions located at <https://mozy.com/about/legal/terms>.

If your purchase is for Boomi services or support, your use of the Boomi Services (and related professional service) is subject to the terms and conditions located at <https://boomi.com/msa>.

If your purchase is for Secureworks services or support, your use of the Secureworks services (and related professional service) is subject to the terms and conditions located at <https://www.secureworks.com/eula/eula-us>.

If this purchase is for (a) a storage product identified in the DELL EMC Satisfaction Guarantee Terms and Conditions located at ("Satisfaction Guarantee") and (ii) three (3) years of a ProSupport Service for such storage product, in addition to the foregoing applicable terms, such storage product is subject to the Satisfaction Guarantee.

You acknowledge having read and agree to be bound by the foregoing applicable terms in their entirety. Any terms and conditions set forth in your purchase order or any other correspondence that are in addition to, inconsistent or in conflict with, the foregoing applicable online terms will be of no force or effect unless specifically agreed to in a writing signed by Dell that expressly references such terms.

### Pricing, Taxes, and Additional Information

All product, pricing, and other information is valid for U.S. customers and U.S. addresses only, and is based on the latest information available and may be subject to change. Dell reserves the right to cancel quotes and orders arising from pricing or other errors. Please indicate any tax-exempt status on your PO, and fax your exemption certificate, including your Customer Number, to the Dell Tax Department at 800-433-9023. Please ensure that your tax-exemption certificate reflects the correct Dell entity name: **Dell Marketing L.P.**

Note: All tax quoted above is an estimate; final taxes will be listed on the invoice.

If you have any questions regarding tax please send an e-mail to [Tax\\_Department@dell.com](mailto:Tax_Department@dell.com).

For certain products shipped to end-users in California, a State Environmental Fee will be applied to your invoice. Dell encourages customers to dispose of electronic equipment properly.







## A quote for your consideration!

Based on your business needs, we put the following quote together to help with your purchase decision. Below is a detailed summary of the quote we've created to help you with your purchase decision.

To proceed with this quote, you may respond to this email, order online through your Premier page, or, if you do not have Premier, use this [Quote to Order](#).

Quote No.	3000043355255.1	Sales Rep	Jay Hass
Total	\$1,659.13	Phone	(800) 456-3355, 5138752
Customer #	6959932	Email	Joseph_Hass@Dell.com
Quoted On	Jul. 29, 2019	Billing To	JESSICA PATTERSON
Expires by	Nov. 26, 2019		PEASE DEVELOPMENT AUTHORIT Y 55 INTL DR PORTSMOUTH, NH 03801-2882

### Message from your Sales Rep

Please contact your Dell sales representative if you have any questions or when you're ready to place an order. Thank you for shopping with Dell!

Regards,  
Jay Hass

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### Shipping Group

<b>Shipping To</b>	<b>Shipping Method</b>
JESSICA PATTERSON PEASE DEVELOPMENT AUTHORITY 55 INTL DR PORTSMOUTH, NH 03801 (603) 766-9290	Standard Delivery

Product	Unit Price	Qty	Subtotal
Dell Latitude 7490	\$1,493.54	1	\$1,493.54
Dell Dock- WD19 90w Power Delivery - 130w AC	\$165.59	1	\$165.59

---

<b>Subtotal:</b>	<b>\$1,659.13</b>
<b>Shipping:</b>	<b>\$0.00</b>
<b>Non-Taxable Amount:</b>	<b>\$1,659.13</b>
<b>Taxable Amount:</b>	<b>\$0.00</b>
<b>Estimated Tax:</b>	<b>\$0.00</b>
<hr/>	
<b>Total:</b>	<b>\$1,659.13</b>

Special lease pricing may be available for qualified customers and offers. Please contact your DFS Sales Representative for details.

## Shipping Group Details

### Shipping To

JESSICA PATTERSON  
 PEASE DEVELOPMENT AUTHORITY  
 55 INTL DR  
 PORTSMOUTH, NH 03801  
 (603) 766-9290

### Shipping Method

Standard Delivery

Description	SKU	Unit Price	Qty	Subtotal
Dell Latitude 7490				
Estimated delivery if purchased today:				
Aug. 13, 2019				
Contract # 70137				
Customer Agreement # Dell Std Terms				
		\$1,493.54	1	\$1,493.54
Description	SKU	Unit Price	Qty	Subtotal
Dell Latitude 7490	210-ANQU	-	1	-
8th Gen Intel Core i7-8650U Processor (Quad Core, 8MB Cache, 1.9GHz,15W)	379-BCXG	-	1	-
Win 10 Pro 64 English, French, Spanish	619-AHKN	-	1	-
Microsoft(R) Office 30 Days Trial	658-BCSB	-	1	-
Dell Data Protection Encryption Personal Digital Delivery	421-9984	-	1	-
Dell ProSupport for Software, Dell Data Protection Encryption Personal, 1 Year	954-3455	-	1	-
Intel Core i7-8650U Processor Base, Integrated UHD Graphics 620 with Displayport over USB Type-C	338-BNKY	-	1	-
No Out-of-Band Systems Management	631-ABNZ	-	1	-
16GB 1X16GB DDR4 Memory,2400 MHz,Non-ECC	370-ADHW	-	1	-
M.2 256GB SATA Class 20 Solid State Drive	400-AOTF	-	1	-
14" FHD WVA (1920 x 1080) Anti-Glare Non-Touch, Camera & Microphone, WWAN/WLAN capable	391-BDLM	-	1	-
Internal US English Qwerty Non-backlit Keyboard	583-BCUP	-	1	-
No Mouse	570-AADK	-	1	-
Qualcomm QCA61x4A 802.11ac Dual Band (2x2) Wireless Driver+ Bluetooth 4.1	555-BDWR	-	1	-
Qualcomm® QCA61x4A 802.11ac Dual Band (2x2) Wireless Adapter+ Bluetooth 4.2	555-BCMW	-	1	-
No Mobile Broadband Card	362-BBBB	-	1	-
(3-cell) 42 Whr Express Charge Capable	451-BBYD	-	1	-
65W AC Adapter, 7.4mm Barrel	492-BBXF	-	1	-
Single Pointing, 82 key with No Smartcard or Fingerprint Reader with Displayport over Type C	346-BCPQ	-	1	-
No Anti-Virus Software	650-AAAM	-	1	-
No Media	620-AAOH	-	1	-
No Docking Station	452-BBSE	-	1	-
No FGA	817-BBBB	-	1	-

E5 Power Cord (US)	537-BBBD	-	1	-
Safety/Environment and Regulatory Guide (English/French Multi-language)	340-AGIK	-	1	-
No Resource DVD / USB	430-XXYG	-	1	-
Quick Reference Guide, English/French	340-BYPJ	-	1	-
No Energy Star	387-BBCE	-	1	-
No Option Included	340-ACQQ	-	1	-
US Order	332-1286	-	1	-
Intel(R) Core(TM) i7 Processor Label	389-CGBC	-	1	-
No UPC Label	389-BCGW	-	1	-
Direct ship Info Mod	340-AAPP	-	1	-
MIX SHIP Config (DAO), Latitude 7490	340-BYRC	-	1	-
Dell Command   Power Manager (DCPM)	525-0131	-	1	-
SupportAssist	525-BBCL	-	1	-
Dell(TM) Digital Delivery Cirrus Client	640-BBLW	-	1	-
Dell Client System Update (Updates latest Dell Recommended BIOS, Drivers, Firmware and Apps)	658-BBMR	-	1	-
Waves Maxx Audio	658-BBRB	-	1	-
Dell Developed Recovery Environment	658-BCUV	-	1	-
Latitude 7490 Software Driver	658-BDSI	-	1	-
Regulatory Label included	389-BEYY	-	1	-
BTO Standard Shipment (VS)	800-BBGU	-	1	-
No AutoPilot	340-CKSZ	-	1	-
Onsite/In-Home Service After Remote Diagnosis 3 Years	804-2166	-	1	-
Dell Limited Hardware Warranty Plus Service	804-2167	-	1	-
Dell Dock- WD19 90w Power Delivery - 130w AC		\$165.59	1	Subtotal \$165.59
Estimated delivery if purchased today:				
Aug. 02, 2019				
Contract # 70137				
Customer Agreement # Dell Std Terms				
<b>Description</b>	<b>SKU</b>	<b>Unit Price</b>	<b>Qty</b>	<b>Subtotal</b>
Dell Dock- WD19 90 PD	210-ARIO	-	1	-
Advanced Exchange Service, 3 Years	824-3984	-	1	-
Dell Limited Hardware Warranty	824-3993	-	1	-

<b>Subtotal:</b>	<b>\$1,659.13</b>
<b>Shipping:</b>	<b>\$0.00</b>
<b>Estimated Tax:</b>	<b>\$0.00</b>
<b>Total:</b>	<b>\$1,659.13</b>

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Note: All tax quoted above is an estimate; final taxes will be listed on the invoice.

If you have any questions regarding tax please send an e-mail to [Tax\\_Department@dell.com](mailto:Tax_Department@dell.com).

For certain products shipped to end-users in California, a State Environmental Fee will be applied to your invoice. Dell encourages customers to dispose of electronic equipment properly.







**PEASE**  
INTERNATIONAL  
DEVELOPMENT  
AUTHORITY

55 International Drive, Portsmouth, NH 03801

**MEMORANDUM**

TO: Pease Development Authority Board of Directors  
 FROM: David R. Mullen, Executive Director *DRM*  
 RE: Contract Reports  
 DATE: August 9, 2019

\*\*\*\*\*

In accordance with Article 3.9.1.1 of the PDA Bylaws, I am pleased to report the following:

Project Name: Competitive Energy Services, LLC (CES)  
 PDA Obligation: \$7,000.00  
 Board Authority: Director Robert Allard on August 9, 2019  
 Summary: To perform a Solar Feasibility Study at Pease Tradeport, Port of New Hampshire and Skyhaven Airport (DAW) to include an overview of potential installation sites, whether on buildings or parcels.





**Pease Development Authority  
Master Consulting Agreement  
Solar PV Evaluation**

This **AGREEMENT** is made effective as of the 13 th day of August, 2019 ("Effective Date") by and between Competitive Energy Services, LLC, with its principal offices at 148 Middle Street, Portland, ME 04101, ("CES"), and Pease Development Authority, and agency of the State of New Hampshire, with its principal offices at 55 International Drive, Portsmouth, NH 03801 ("CLIENT"), each a "Party" and together "Parties".

*WHEREAS*, CLIENT desires the assistance of CES with the items outlined in the attached Appendix A.

*WHEREAS*, CES is familiar with the items outlined in the attached Appendix A.

*NOW, THEREFORE, IN CONSIDERATION OF THE PROMISES, MUTUAL COVENANTS AND AGREEMENTS CONTAINED HEREIN, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, CES AND CLIENT AGREE AS FOLLOWS:*

1. **Scope of Work.** CES will perform the Scope of Work as set forth in Appendix A. This may be changed from time to time by the mutual consent of the Parties, in writing.
2. **Term.** The Term of this Agreement shall begin on the Effective Date and run until the scope of work has been completed by November 30, 2019.
3. **Compensation.** CLIENT agrees to pay CES fees and on the terms and conditions as set forth in Appendix A.
4. **Confidentiality.** Each Party will keep in confidence (and not disclose) the terms of this Agreement or any applicable Schedule to any third party (other than the Parties' and their affiliates' employees, lenders, counsel, consultants, or accountants who have agreed to keep such terms confidential), except in order to comply with any applicable law, including NH RSA 91-A, order, regulation or exchange rule. In the event such disclosure is ordered or required, the disclosing Party will notify the other Party as soon as reasonably able. The Parties will be entitled to all remedies at law or equity to enforce this confidentiality obligation.
5. **No Joint Venture.** CES and CLIENT are and shall be independent contractors to one another, and nothing herein shall be deemed to cause this Agreement to create an agency, partnership or joint venture. Nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee between CLIENT and CES or between CLIENT and any employee or agent of CES.
6. **No Consequential Damages.** In no event, shall either CES or CLIENT be liable to each other or any third party for any incidental, special, indirect, exemplary or consequential damages, including but not limited to loss of use or loss of profits, whether foreseeable or not, occasioned by or arising out of CES's or CLIENT's breach hereof or performance hereunder, or delay in performance.
7. **Exclusive Remedy.** CES's and CLIENT's sole obligation and exclusive remedy to each other, in the event of an alleged breach or defect in any service provided hereunder is the

Client Initials: ma



correction by that Party of such alleged breach or defect. If after repeated efforts that Party is unable to correct, or if that Party fails within reasonable time to attempt to correct and continues not to attempt to correct within ten (10) business days of receipt from the other Party of written notice of such breach or defect, the other Party shall be entitled to terminate this Agreement and to recover actual damages in an amount not to exceed the amount of fees due and payable to CES under this Agreement. Both Parties understand and agree that this exclusive remedy allocates risk of service defects between the Parties as authorized by applicable law.

8. **Successors and Assigns.** This Agreement shall be binding upon the Parties and their respective partners, affiliates, heirs, successors and assigns. No portion of this Agreement or any right or obligation thereunder can be transferred or assigned, in whole or in part, whether by operation of law or otherwise, by either Party without prior written consent of the other Party.

9. **Severability.** If any provision contained in this Agreement shall for any reason be held unenforceable in any respect under the law of any state or of the United States of America, such unenforceability shall not affect any other provisions in this Agreement, and this Agreement shall then be construed as if such unenforceable provision or provisions had never been contained.

*IN WITNESS WHEREOF*, the Parties hereto have caused this *AGREEMENT* to be executed as of the date first above written.

Agreed and accepted on behalf of

**Competitive Energy Services, LLC**

Andrew Price  
BY: ANDREW PRICE

TITLE: PRESIDENT & COO

DATE: Aug 13 2019

**Pease Development Authority**

[Signature]  
BY: **Executive Director**

TITLE: \_\_\_\_\_

DATE: 8/13/19



## APPENDIX A

### SCOPE OF WORK

#### 1. Feasibility:

- a. CES will prepare an independent pro-forma analysis of CLIENT's potential savings and benefits from an onsite solar PV project(s). The financial feasibility analysis will be of a level of detail and completeness that will allow CLIENT to fully understand the fiscal requirements and budgetary impacts associated with an onsite solar project(s). The feasibility will include:
  - i. An independent analysis of the potential financial benefits from an onsite solar PV project(s) at the Pease Tradeport in Portsmouth and Newington, including an overview of potential installation sites, whether on CLIENT buildings or parcels
  - ii. An independent analysis of the potential financial benefits from an onsite solar PV project(s) at Skyhaven Airport in Rochester, including an overview of potential installation sites, whether on CLIENT buildings or parcels
  - iii. An independent analysis of the potential financial benefits from an onsite solar PV project(s) at the Port of New Hampshire in Portsmouth, including an overview of potential installation sites, whether on CLIENT buildings or parcels
  - iv. Solar PV Metering and Compensation Options
  - v. System Ownership Options
  - vi. Analysis of potential Renewable Energy Credits (REC's)
  - vii. New Hampshire regulatory environment
  - viii. Recommendations
- b. CES will make arrangements to review and discuss the analysis in detail with CLIENT.

### PRICING

CES proposes to offer Scope of Services for:

SERVICE	CES FEE
I. Feasibility	\$7,000

### PAYMENTS

CES shall invoice CLIENT upon completion of each respective Phase of the project. Each invoice shall be due and payable by CLIENT within 30 days, and thereafter shall incur an interest charge at the lesser of 1% per month or the maximum legal rate allowed by law.





MOTION

Director Levesque:

The Pease Development Authority Board of Directors approves of and authorizes the Executive Director to enter into an agreement with Allied Equipment, LLC ("Allied") in a total amount not to exceed \$21,841.00 for the purchase of a Weedtechnics Model SW800 Steamwand System ("Weedtechnics") weed control machine for use at the Pease Tradeport, Pease Golf Course, Portsmouth International Airport at Pease ("PSM") and Skyhaven Airport (DAW); all in accordance with the memorandum of Paul E. Brean, Airport Director, dated April 4, 2019, attached hereto.

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

- The Weedtechnics SW800 is the only locally distributed organic weed steamer and has been purchased for a consistent price by neighboring municipalities.
- The current status of herbicide application licensing and permitting near a watershed will challenge the ability of the airport to stay in compliance with FAA Regulations.

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



## Memorandum

**To:** David R. Mullen, Executive Director *DM*  
**From:** Paul E. Brean, Airport Director *PEB*  
**Date:** 8/8/2019  
**Subj:** Weedtechnics Steam Weeder

This is a request to purchase a Weedtechnics Model SW800 Steamwand system from Allied Equipment, LLC, Rockwood, ME for the price of \$21,841.00. This piece of equipment is scheduled in the FY2020 Pease Development Capital Expenditure Budget.

Portsmouth International Airport at Pease ("PSM") encompasses 900 Acres with 250 acres of pavement comprising an 11,000 ft runway, taxiways and aprons. In order to meet FAA Part 139 Certification and implement best pavement maintenance practices the airport conducts herbicide treatment for weeds and vegetation as part of its annual maintenance plan. Specifically, weeds that protrude through pavement cracks, around navigational aids, and impede the perimeter fence line are treated with glyphosate and prodiamine based chemicals. Use of these chemicals require a licensed herbicide applicator and State permitting for application in watershed areas. Approval for herbicide application in watershed areas is becoming increasingly difficult to obtain and organic methods of weed removal are being recommended.

Airport Maintenance has tested high temperature supersaturated steam technology and saw significant results in eradicating weeds and noncompliant vegetation. High temperature steam weed removal eradicates the weed at the root and eliminates the need for additional application. This equipment does not require a licensed herbicide applicator, is safe in watershed areas, and has no impact on navigational equipment. Additionally, the use of organic steam will eliminate \$8,000.00 from the annual maintenance budget that is allocated for herbicide chemicals.

Please ask the Pease Development Authority Board of Directors for approval of the purchase from Allied Equipment, LLC with a waiver of the formal RFP process based on the following reasons:

- The Weedtechnics SW800 is the only locally distributed organic weed steamer and has been purchased for a consistent price by neighboring municipalities.
- The current status of herbicide application licensing and permitting near a watershed will challenge the ability of the airport to stay in compliance with FAA Regulations.

Thank you for your consideration.

attachment



Allied Equipment, LLC  
 PO Box 398  
 Rockwood, Maine 04478  
 603-892-8535 ph  
 207-512-1434 fax

# Quote

Date	Quote #
7/9/2019	697

Name / Address
Pease Development Authority 55 International Drive Portsmouth, New Hampshire 03801



Rep	Project

Description	Qty	Cost	Total
Weedtechnics Model SW800 Steamwand system: -Model SW800 base heating unit -270 Gallon tank -Skid mounting kit for mounting in a truck bed -manual hose reel with 100' of heat jacketed hose -50' fresh water fill hose with reel -Satusteam head kit, to include Steam wand and 3 heads -Spike set for root killing	1	21,841.00	21,841.00

*Stewart L Sevey*

Sales Tax (5.5%)	\$0.00
<b>Total</b>	<b>\$21,841.00</b>



# Weedtechnics

SATUSTEAM™ WEED CONTROL

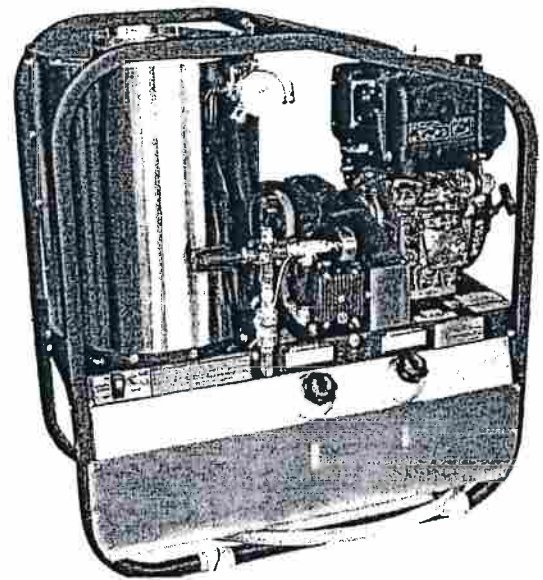
## SW800 Product Specifications

Fast heating, high volume delivery gives you the fastest hydro thermal kill available

The Steamwand SW800 model is our mid-range unit, perfect for contractors and commercial situations.

It has the same water output as the SW700 (5L/minute) but is built for continuous, every-day use. This model is most popular among councils, contractors and small scale farms.

The SW800 is available in 4 packages to suit your individual needs and budget. These can be seen on the next page.



SW800 Bare unit

Gotta job for this one?

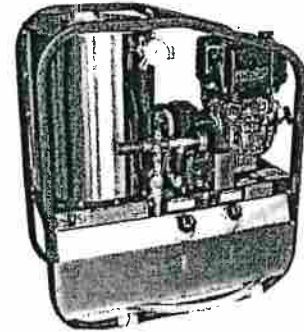
207-949-0163

- ✔ Built to last
- ✔ Robust powder coated frame
- ✔ Becket 12V burner
- ✔ Easily accessible components
- ✔ Belt Drive AR Pump
- ✔ Steel spiral heating coil



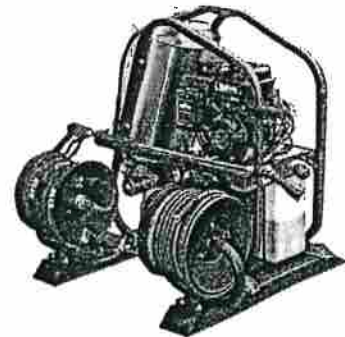
# The SW800 Mounts

**Bare unit:** SW800 unit with VOH 5L, VCH-35-5L, 100' HP insulated hose and Vented lance and gun



Bare unit

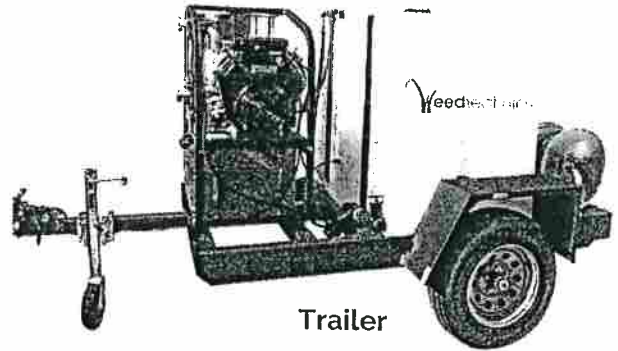
**Short Skid:** SW800 includes, Outlet hose reel, 100' HP insulated hose, Vented lance and gun, VOH 5L, VCH-35-5L . Comes ready for mounting on small vehicles or on the forks of a tractor. Water tank and fittings optional.



Short skid

**Tank Skid:** includes, 265-gallon water tank, inlet and outlet hose reels, 100' HP Insulated hose, inlet water hose, vented lance and gun, VOH 5L, VCH-35-5L .

**Trailer:** includes, T250E trailer, 265-gallon water tank, inlet and outlet hose reels, 100' HP insulated hose, inlet water hose, vented lance and gun, VOH 5L, VCH-35-5L. The T250E trailer has heavy duty axle and height clearance for Agricultural use, electric brakes and 1500kg carrying capacity.



Trailer

**Safe operations, maintenance and productivity training required for 1st machine purchase \$995 + travel & expenses**

SW 800 Range	Water Usage:	80 gal/hr (300 L/ hr)
	Petrol Pump Motor:	0.25 gal/hr (1 L/ hr)
	Diesel Burner:	1 gal/hr (3.8 L/ hr)
	Weight:	350-770 lbs (160-350 kg)

\*Note: Consumption figures are a guide only.

Package	Length		Width		Height	
Bare	3' 4"	102 cm	1' 11"	58 cm	3' 5"	106 cm
Carryall	4' 0"	92 cm	3' 0"	92 cm	3' 8"	112 cm
Short Skid	3' 4"	102 cm	3' 1"	93 cm	3' 5"	106 cm
Tank Skid	7' 0"	213 cm	3' 11"	121 cm	3' 11"	121 cm
Trailer	10' 3"	310 cm	5' 9"	175 cm	5' 2"	156 cm

Your Regional Distributor



Allied Equipment  
 Rockwood Maine  
 Phone 207-949-0163  
 shannon@alliedequipsales.com



MOTION

Director Torr:

The Pease Development Authority Board of Directors hereby authorizes the Executive Director to award and enter into a contract with NRC East Environmental Services, Inc. of Franklin, MA to provide Emergency Spill Response & Waste Disposal Services to the Pease Development Authority. The contract is for a period of three (3) years with two (2) one (1) year options to renew; all in accordance with the memorandum of Maria J. Stowell, P.E. Manager – Engineering, dated August 8, 2019 and attached hereto.

N:\RESOLVES\2019\Emergency Spill Response & Waste Disposal Services 08-22.docx





## MEMORANDUM

To: David Mullen, Executive Director *DM*

From: Maria J. Stowell, PE, Manager, Engineering *Maria*

Date: August 7, 2019

Subject: Emergency Spill Response & Waste Disposal Services

On July 16, 2019, PDA staff advertised a request for proposals (RFP) for Emergency Spill Response & Waste Disposal Services with the proposal deadline of August 5, 2019. The scope of the RFP included the following:

1. Emergency spill response within one hour of notification, 7 days per week, 24-hours a day for Pease International Tradeport, Skyhaven Airport, and the Division of Ports and Harbors;
2. Routine waste disposal of waste oil, antifreeze, and cleaning solvents within 48 hours of notification;
3. Annual oil/water separator maintenance for the three underground separators on the airfield, one underground separator at maintenance, and the large open separator at the golf course ;
4. Special projects where the contractor may be required to remove hazardous material at the request of the PDA; and
5. Hourly rates and unit costs for labor, heavy equipment, personal protective equipment, lab analyses, waste material removal, containers, and cleanup materials.

Two proposals were received by the August 5th deadline. The contractor selection process was based upon cost, qualifications, field experience, responsiveness, completed proposal forms, bid bond documentation, references, and ability to meet specific PDA requirements.

Each respondent provided prices for the annual oil/water separator cleanings that were based on estimates provided in the bid tabulation. To approximate the spill response cost for the proposals, PDA staff used the provided unit costs for labor rates, equipment, and materials to calculate a potential spill cost using data from a previous spill response event.

With competitive rates, good references, and the ability to respond quickly to spill situations, staff recommends awarding the Emergency Spill Response & Waste Disposal Services contract to NRC East Environmental Services, Inc.

At next week's board meeting, please request approval for the Executive Director to award the contract for Emergency Spill Response & Waste Disposal Services to NRC East Environmental Services, Inc. The contract term will be three years with two options to extend for one year each.







## MEMORANDUM

TO: Pease Development Authority Board of Directors  
FROM: David R. Mullen, Executive Director *DRM*  
RE: Signage Change  
DATE: August 8, 2019

\*\*\*\*\*

In accordance with the "Delegation to Building Inspector: Consent and Approval of Minor Revisions to Existing Signs" adopted by the Board on June 20, 2005, I am pleased to report that PDA has approved a minor signage change request by The Kane Company to update existing signage at property located at 325 Corporate Drive as follows:

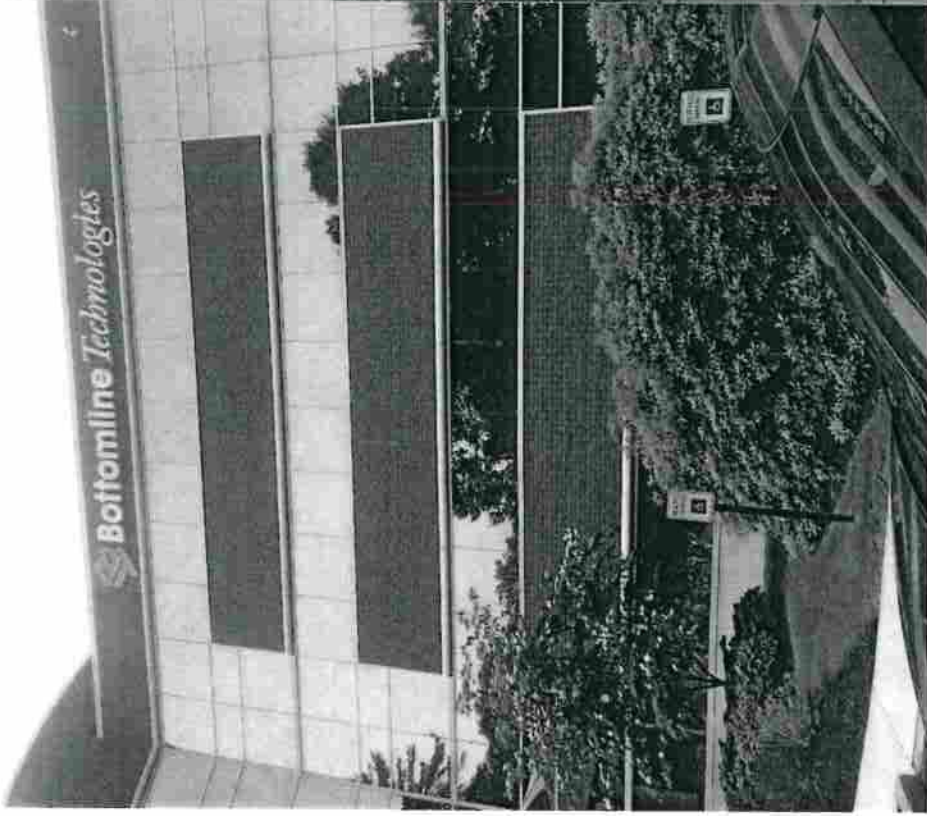
1. Update to the Bottomline logo on the building; the signage will be approximately the same footprint and placed in the same location.
2. Update to the vinyl panels on the pylon sign; it is anticipated that both the logos and the size of the vinyl will change, but the size of the sign will remain unchanged.

Photos have been attached which depict both the existing and the proposed minor signage changes referenced above.

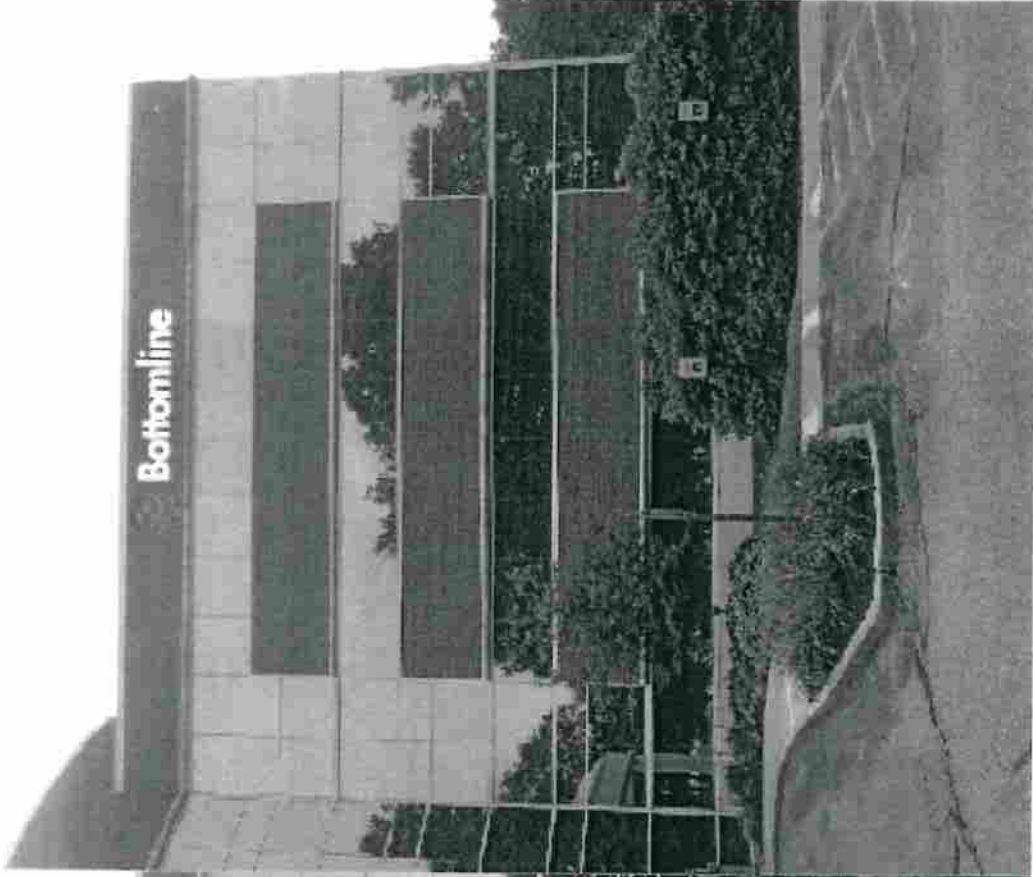
The Delegation to Building Inspector: Consent and Approval of Minor Revisions to Existing Signs also requires the consent of one member of the PDA Board of Directors. In this instance, Director Loughlin was consulted and granted his consent on July 11, 2019.



Existing



Proposed



Existing



Proposed



## Memorandum

**To:** Paul Brean, Airport Director *pas*  
**From:** Sandra McDonough, Airport Community Liaison *sm*  
**Date:** 8/9/2019  
**Subj:** Noise Report for June 2019

---

The Portsmouth International Airport at Pease received a total of six noise inquiries in June, 2019. Four inquiries were for rotor-wing aircraft, one inquiry was for a fixed wing aircraft and the last inquiry was for both fixed and rotor-wing aircraft.

The four rotor-wing inquiries were from two residences, one from Portsmouth, NH and the other from South Berwick, ME. All four inquiries were concerning Seacoast Helicopters.

The fixed wing inquiry originated from Durham, NH concerning two C130 aircraft. We were unable to track down where the C130's were from and instructed the caller to call the FAA office that investigates safety issues.

The last inquiry originated from the same residence in Durham, NH as listed above, concerning multiple rotor and fixed-wing aircraft flying over the University of New Hampshire. The aircraft information is unknown along with the departure and arrival airports.

All inquiries are reviewed and logged in the airport database. Individual inquiries are researched and followed up on with phone calls where appropriate. Certain callers have indicated that call backs are unnecessary.

## Memorandum

**To:** Paul Brean, Airport Director *PCB*  
**From:** Sandra McDonough, Airport Community Liaison *SM*  
**Date:** 8/9/2019  
**Subj:** Noise Report for July 2019

---

The Portsmouth International Airport at Pease did not receive any noise inquiries in July, 2019. Both the noise phone line and the website noise submission form were tested and found to be operational.





MOTION

Director Loughlin:

The Pease Development Authority Board of Directors authorizes the Executive Director to expend funds in the total amount of \$79,504.24 for legal services to the Pease Development Authority rendered as follows:

KutakRock

March 1, 2019 – May 31, 2019	\$ 943.00	
June 1, 2019 – June 30, 2019	<u>\$ 164.00</u>	
		\$ 1,107.00

Sheehan, Phinney, Bass & Green

May 1, 2019 – May 31, 2019	\$15,475.00	
May 1, 2019 – May 31, 2019	\$10,535.00	
June 1, 2019 – June 30, 2019	\$10,092.00	
June 1, 2019 – June 30, 2019	\$10,034.00	
July 1, 2019 – July 31, 2019	\$ 232.00	
July 1, 2019 – July 31, 2019	\$21,019.50	
July 1, 2019 – July 31, 2019	<u>\$11,009.74</u>	
		<u>\$78,397.24</u>
Total Legal Services		<b>\$79,504.24</b>



# KUTAKROCK

JUL 8 2019

Kutak Rock LLP  
1625 Eye Street NW, Suite 800, Washington, DC 20006-4099  
office 202.828.2400

Barry P. Steinberg  
202.828.2316  
barry.steinberg@kutakrock.com

June 26, 2019

Suzanne M. Woodland  
Deputy City Attorney  
City of Portsmouth  
1 Junkins Ave.  
Portsmouth, NH 03801

Lynn Hinchee  
Pease Development Authority  
55 International Drive  
Portsmouth, NH 03801

TOTAL HOURS	4.50	
TOTAL FOR SERVICES RENDERED		\$1,845.00
TOTAL CURRENT AMOUNT DUE		\$1,845.00



KUTAK ROCK LLP

WASHINGTON, D.C.

Telephone 202-828-2400

Facsimile 202-828-2488

Federal ID 47-0597598

July 15, 2019-

Suzanne M. Woodland

Deputy City Attorney

City of Portsmouth

1 Junkins Ave.

Portsmouth, NH 03801

Lynn Hinchee

Pease Development Authority

55 International Drive

Portsmouth, NH 03801

Check Remit To:

Kutak Rock LLP

PO Box 30057

Omaha, NE 68103-1157

Wire Transfer Remit To:

ABA #104000016

First National Bank of Omaha

Kutak Rock LLP

A/C # 24-690470

Reference: Invoice No. 2581816

Client Matter No. 294603-1

Invoice No. 2581816

294603-1

---

TOTAL FOR SERVICES RENDERED	\$164.00
TOTAL CURRENT AMOUNT DUE	\$164.00





SHEEHAN PHINNEY BASS & GREEN PA  
1000 ELM STREET  
P.O. BOX 3701  
MANCHESTER, NH 03105-3701

SERVICE AND EXPENSE MAILBACK SUMMARY

RE: Permit Implementation  
-----  
CLIENT/CASE NO. 14713-19658  
BILLING ATTORNEY:Lynn J. Preston

TOTAL FOR PROFESSIONAL SERVICES RENDERED:	\$4,785.00
TOTAL EXPENSES:	\$10,690.00
	-----
TOTAL THIS BILL:	\$15,475.00
	-----
BALANCE DUE:	\$15,475.00
	-----

PAYMENT DUE 30 DAYS FROM INVOICE DATE

Please return this page with your remittance and please reference the client/case number on all related correspondence.

AMOUNT PAID... \$ \_\_\_\_\_

To pay by CREDIT CARD, please visit [www.sheehan.com](http://www.sheehan.com), scroll to the bottom and click " ClientPay " or contact our office directly.



SHEEHAN PHINNEY BASS & GREEN PA  
1000 ELM STREET  
P.O. BOX 3701  
MANCHESTER, NH 03105-3701

SERVICE AND EXPENSE MAILBACK SUMMARY

RE: Trade Port - General Representation  
-----

CLIENT/CASE NO. 14713-10167  
BILLING ATTORNEY: Robert P Cheney  
Invoice Number: 337490

TOTAL FOR PROFESSIONAL SERVICES RENDERED:	\$10,535.00
TOTAL EXPENSES:	\$0.00
	-----
TOTAL THIS BILL:	\$10,535.00
	-----
PREVIOUS BALANCE:	\$4,318.25
	-----
TOTAL BALANCE DUE:	\$14,853.25
	-----

PAYMENT DUE 30 DAYS FROM INVOICE DATE

Please return this page with your remittance and please reference the client/case number on all related correspondence.

AMOUNT PAID... \$ \_\_\_\_\_

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SHEEHAN PHINNEY BASS & GREEN PA  
1000 ELM STREET  
P.O. BOX 3701  
MANCHESTER, NH 03105-3701

SERVICE AND EXPENSE MAILBACK SUMMARY

RE: Permit Implementation

-----  
CLIENT/CASE NO. 14713-19658  
BILLING ATTORNEY:Lynn J. Preston

TOTAL FOR PROFESSIONAL SERVICES RENDERED:	\$10,092.00
TOTAL EXPENSES:	\$0.00
	-----
TOTAL THIS BILL:	\$10,092.00
	-----
BALANCE DUE:	\$10,092.00
	-----

PAYMENT DUE 30 DAYS FROM INVOICE DATE

Please return this page with your remittance and please reference the client/case number on all related correspondence.

AMOUNT PAID... \$ \_\_\_\_\_

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SHEEHAN PHINNEY BASS & GREEN PA  
1000 ELM STREET  
P.O. BOX 3701  
MANCHESTER, NH 03105-3701

SERVICE AND EXPENSE MAILBACK SUMMARY

RE: Trade Port - General Representation  
-----

CLIENT/CASE NO. 14713-10167  
BILLING ATTORNEY: Robert P Cheney  
Invoice Number: 338630

TOTAL FOR PROFESSIONAL SERVICES RENDERED:	\$10,034.00
TOTAL EXPENSES:	\$0.00
	-----
TOTAL THIS BILL:	\$10,034.00
	-----
PREVIOUS BALANCE:	\$10,535.00
	-----
TOTAL BALANCE DUE:	\$20,569.00
	-----

PAYMENT DUE 30 DAYS FROM INVOICE DATE

Please return this page with your remittance and please reference the client/case number on all related correspondence.

AMOUNT PAID... \$ \_\_\_\_\_

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SHEEHAN PHINNEY BASS & GREEN PA  
1000 ELM STREET  
P.O. BOX 3701  
MANCHESTER, NH 03105-3701

SERVICE AND EXPENSE MAILBACK SUMMARY

RE: Wentworth - Douglas Ground Lease  
-----

CLIENT/CASE NO. 14713-19809  
BILLING ATTORNEY:Lynn J. Preston

TOTAL FOR PROFESSIONAL SERVICES RENDERED:	\$232.00
TOTAL EXPENSES:	\$0.00
	-----
TOTAL THIS BILL:	\$232.00
	-----
BALANCE DUE:	\$232.00
	-----

PAYMENT DUE 30 DAYS FROM INVOICE DATE

Please return this page with your remittance and please reference the client/case number on all related correspondence.

AMOUNT PAID... \$ \_\_\_\_\_

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SHEEHAN PHINNEY BASS & GREEN PA  
1000 ELM STREET  
P.O. BOX 3701  
MANCHESTER, NH 03105-3701

SERVICE AND EXPENSE MAILBACK SUMMARY

RE: Trade Port - General Representation  
-----

CLIENT/CASE NO. 14713-10167  
BILLING ATTORNEY: Robert P Cheney

TOTAL FOR PROFESSIONAL SERVICES RENDERED:	\$20,677.00
TOTAL EXPENSES:	\$342.50
	-----
TOTAL THIS BILL:	\$21,019.50
	-----
BALANCE DUE:	\$21,019.50
	-----

PAYMENT DUE 30 DAYS FROM INVOICE DATE

Please return this page with your remittance and please reference the client/case number on all related correspondence.

AMOUNT PAID... \$ \_\_\_\_\_

To pay by CREDIT CARD, please visit [www.sheehan.com](http://www.sheehan.com), scroll to the bottom and click " ClientPay " or contact our office directly.





SHEEHAN PHINNEY BASS & GREEN PA  
1000 ELM STREET  
P.O. BOX 3701  
MANCHESTER, NH 03105-3701

SERVICE AND EXPENSE MAILBACK SUMMARY

RE: Permit Implementation  
-----  
CLIENT/CASE NO. 14713-19658  
BILLING ATTORNEY:Lynn J. Preston

TOTAL FOR PROFESSIONAL SERVICES RENDERED:	\$5,858.00
TOTAL EXPENSES:	\$5,151.74
	-----
TOTAL THIS BILL:	\$11,009.74
	-----
BALANCE DUE:	\$11,009.74
	-----

PAYMENT DUE 30 DAYS FROM INVOICE DATE

Please return this page with your remittance and please reference the client/case number on all related correspondence.

AMOUNT PAID... \$ \_\_\_\_\_

To pay by CREDIT CARD, please visit [www.sheehan.com](http://www.sheehan.com), scroll to the bottom and click " ClientPay " or contact our office directly.



MOTION

Director Lamson:

In accordance with the provisions of Section 3.11 of the Second Amendment to By-Laws of the Pease Development Authority, the Pease Development Authority Board of Directors hereby approves of and authorizes the Executive Director to create the position of Information Technology (IT) Director and to immediately fill said position with an appropriately qualified candidate; all in accordance with the memorandum of David R. Mullen, Executive Director, dated July 8, 2019 attached hereto.





**PEASE**  
INTERNATIONAL  
DEVELOPMENT  
AUTHORITY

55 International Drive, Portsmouth, NH 03801

**Memorandum**

**To:** Board of Directors  
**From:** David R. Mullen, Executive Director *DM*  
**Date:** 7/8/19  
**Subj:** New position: IT Director

New technologies are rapidly emerging and having widespread impact on all business units with the Pease Development Authority (“PDA”). Information Technology (“IT”) encompasses cyber security, electronic records management, digital forms of communication, financial reporting, asset management, engineering, digital marketing and point of purchase sales. Increased reliance on technology requires technical and change management expertise to research, implement, and educate employees in its use.

Cyber security and risk are an extreme threat to both the Division of Ports and Harbors and Portsmouth International Airport at Pease. IT infrastructure at our ports must be in compliance with federal and international security regulations. A multitude of regulators continuously alter IT security requirements and direct oversight is required to ensure PDA is in compliance.

A recent outside assessment of our IT infrastructure identified several key areas in which the PDA could be compromised. Our system is antiquated and some programs no longer offer product support. The current IT Coordinator is consumed with the day-to-day troubleshooting that accompanies such a system. The PDA lacks specific oversight of its IT hierarchy.

We currently rely on an IT contractor to supplement the efforts of our one-person IT department. Working with a contractor in this capacity means we do not receive critical IT leadership or planning, skilled oversight of an operating budget, or recommendations for how to best enhance our current IT systems and equip ourselves to fend off security threats.

I am requesting the creation of a full-time, benefited IT Director position. The IT Director will report to the Executive Director. This position is an exempt (salaried) position with a salary range of \$80,000-\$125,000 per year, and will assume primary responsibility for future IT planning, upgrading our IT infrastructure, and supervision of the IT coordinator. Duties will also include working with senior management to prioritize security initiatives and spending based upon risk-management and financial considerations.

At the August 22, 2019 meeting of the Board, please authorize the PDA to add a full-time benefited IT Director position. The attached job description provides detailed information on essential duties and responsibilities. Thank you for your consideration.

attachment

cc: Tanya Coppeta, Human Resources

PEBOARDMTC02019AIT Director justification memo 08-22.docx







## Pease Development Authority Job Description

**Job Title:** Information Technology Director  
**Department:** Finance  
**Reports to:** Executive Director  
**Revision Date:** June 2019  
**Status:** **Exempt (salaried)**  
**Employee Type:** Regular Full Time

---

### **Job Summary**

The Information Technology Director is a position responsible for the deployment, monitoring, maintenance, upgrade and support of all IT systems, including:

- Email
- Data backup
- Disaster Recovery
- Access controls
- Virtual desktops and servers
- Security for PDA's overall technical infrastructure, with emphasis on airport security
- Office telephone support

### **Essential Duties and Responsibilities**

- Provide daily support of infrastructure
- Deliver excellent internal and external customer service
- Oversee contract service providers
- Direct and prioritize the workload of subordinate personnel
- Analyze complex business needs and recommend technical solutions
- Prepare technical reports and evaluations and make effective written/oral presentations
- Assess existing systems and make recommendations for upgrades
- Ensure staff, tenant, and customer support on all IT systems, 24X7
- Stay current with the latest technology and applications
- Identify protection goals, objectives and metrics consistent with the PDA strategic plan and work with leadership to prioritize security initiatives and spending based on appropriate IT risk-management and financial considerations.
- Perform information security risk assessments and serve as internal auditor for security issues
- Oversee incident response planning as well as the investigation of security breaches

- Stay current with developing cyber-security threats and assess PDA's needs in terms of addressing these threats
- Maintain confidentiality and appropriate handling of sensitive information
- Develop and monitor fiscal year information technology and telecommunications operating and capital budgets
- Develop workable implementation plans and communicate changes effectively
- Build commitment to change and overcome resistance through education
- Monitor transitions and evaluate results

Systems supported:

- Tradeport-specific systems
- Port-specific systems
- Airport-specific systems (PSM & DAW)
- Remote access
- Virtualized and physical servers, desktops, appliances, switches
- Passenger processing systems (shared-use)
- Airport Security

---

### **Essential Behavior Requirements**

These behaviors are based on PDA cultures and values critical to support the mission of the organization.

**Service Quality:** Exceed the customer's (both internal and external) needs in every interaction.

**Teamwork:** Ability to demonstrate cooperative spirit and capacity to work well as a team member.

**Problem Solving:** Recognize and define problems; analyze relevant information; encourage alternative solutions and plans to resolve situations; seek additional assistance when needed.

**Communication:** Actively listen to customers empathizes and work together to solve the problem through affective communication.

---

### **Supervisory Responsibilities**

Does this job have supervisory responsibilities? Yes: IT Coordinator

Choose an item.

### **Minimum Qualifications**

- 5-10 years' relevant experience with increasing levels of responsibility
- Four-year degree from an accredited college or university, preferably in a technical field or relevant experience in lieu of a degree

### **Knowledge/Skills/Abilities**

- Knowledge of methods and procedures to protect information systems and data

- Working knowledge of methods, tools and procedures, including the development of information security plans, to prevent IT system vulnerabilities and provide or restore security of information systems and network services
- Thorough knowledge of and diagnostic abilities with common hardware, software and networking technologies
- Hands-on background in Microsoft Technologies, including Windows and SQL Server
- Proficiency in Internet Explorer, Microsoft Access, Excel, Outlook, PowerPoint, Word and various other software and technology skills
- Ability to recognize core and underlying problems and through analysis, innovation and creativity, devise potential solutions

**Other Requirements**

- Background check may be required prior to employment
- May be required to work irregular hours in an on-call capacity
- Valid driver's license in state of residence, good driving record and the ability to support remote locations

**Certifications/Registrations**

- CISSP, CISM, GIAC or other recognized security certification is preferred

**Physical Demands**

How much on-the-job time is spent in following physical activities? Show the amount of time (in %) by checking the appropriate boxes below.

Condition	None	Less than 33%	33% - 66%	Over 66%
Stand			X	
Walk			X	
Sit			X	
Use Hands to finger, handle or feel				X
Reach with hands and arms			X	
Climb or balance			X	
Stoop, kneel, crouch, or crawl			X	
Talk or hear				X
Taste or smell	X			

Does this job require that weight be lifted or force be exerted? If so, how much and how often? Check the appropriate boxes below representing % of time spent.

Condition	None	Less than 33%	33% - 66%	Over 66%
Up to 10 lbs			X	
Up to 25 lbs		X		
Up to 50 lbs		X		
Up to 100 lbs	X			

More than 100 lbs	X			
-------------------	---	--	--	--

**Work Environment**

How much exposure to the following environmental conditions does this job require?  
 Show the amount of time (in %) by checking the appropriate boxes below.

Condition	None	Less than 33%	33% - 66%	Over 66%
Wet or humid conditions (non-weather)	X			
Work near moving mechanical parts		X		
Work in high or precarious places	X			
Fumes or airborne particles	X			
Toxic or caustic chemicals	X			
Outdoor weather conditions		X		
Extreme cold (non-weather)	X			
Extreme heat (non-weather)	X			
Risk of electrical shock		X		
Work with explosives	X			
Risk of radiation	X			
Vibration	X			

How much noise is typical for the work environment of this job? Check the appropriate level below.

- Very quiet (examples: forest trail, isolation booth for hearing test)
- Quiet (examples: library, private office)
- X Moderate noises (examples: business office with computers and printers, light traffic)
- Loud (examples: metal can manufacturing department, large earth-moving equipment)
- Very loud (examples: jack hammer work, front row at rock concert)

*The above statements are intended to describe the general nature and level of work being performed by individuals assigned to this position. They are not intended to be an exhaustive list of all duties, responsibilities, and skills required of personnel so classified.*

MOTION

Director Allard:

In accordance with the provisions of Section 3.11 of the Second Amendment to By-Laws of the Pease Development Authority, the Pease Development Authority Board of Directors hereby approves of and authorizes the Executive Director to create the position of Security Specialist/Trusted Agent and to immediately fill said position with an appropriately qualified candidate; all in accordance with a memorandum from Paul E. Brean, PDA Deputy Director/PSM Airport Director, dated July 23, 2019 attached hereto.





## Memorandum

**To:** David R. Mullen, Executive Director *DRM*  
**From:** Paul E. Brean, PDA Deputy Director/PSM Airport Director *Paul*  
**Date:** 7/23/19  
**Subj:** Airport Position: Security Specialist/Trusted Agent

Portsmouth International Airport at Pease ("PSM") is committed to providing the highest standard of safety, security and customer service. Increased airport activity has resulted in an influx of new employees at airport businesses and the need for a larger security presence at the airport terminal. An additional airport security position is required to support increased airport badging and assist with additional security assignments.

The Airport Security Office is currently limited to one full-time position and is supported by a part-time work force of security agents. The Airport Operations Department's Administrative Assistant is responsible for processing the majority of airport badges. Airport badging has grown to approximately 1,000 airport badge holders, and will drastically increase over the next three years due to large scale construction projects. The badging process encompasses government mandated background checks, classroom training, documentation and continuous auditing of personal and security sensitive information. Additionally, the Security Office is responsible to proctor TSA-required classroom training for badge holders. The increased number of badge holders and more frequent training has resulted in a greater demand for staff to proctor classes. Airport badging has evolved into a full-time position and an increase in staff will provide resiliency to the program that is currently susceptible to understaffing.

I am requesting the creation of a full-time, benefited Security Specialist/Trusted Agent position. The Security Specialist/Trusted Agent will report to the Security Manager. This position is a non-exempt (hourly) position with a salary range between \$17.00 and \$19.00 per hour, and will assume primary responsibility for the airport badging process and serve as a backup to the Security Manager. Duties will also include teaching badging classes, assisting with audits of GA badges, SIDA badges, keys and gate tags, and providing as-needed customer service support for the airport terminal and revenue parking.

At the August 22, 2019, meeting of the Board, please request authorization to add a full-time benefited position to create the Security Specialist/Trusted Agent position. The attached Job Description provides detailed information on essential duties and responsibilities.

Thank you for your consideration.

attachment

cc: Ed Pottberg, Security Manager





## Pease Development Authority Job Description

Job Title: Airport Security Specialist/Trusted Agent  
Department: Airport Management  
Reports to: Security Manager  
Revision Date: 6/24/19  
Status: Non-Exempt (hourly)  
Employee Type: Regular Full Time

---

### **Job Summary**

The Airport Security Specialist assists the Security Manager in ensuring that the airport is in compliance with regulatory and security requirements.

### **Essential Duties and Responsibilities**

- Maintains the airport badging program
- Processes initial and renewal badge applications
- Analyzes newly issued TSA regulations and determines necessary procedural changes for compliance
- Ensures the integrity of security and ground vehicle training program
- Coordinates all aspects of badging, including fingerprinting, ID compliance, and record keeping
- Conducts TSA required airport badge audits
- Verifies security ID applications and data for accuracy and completeness
- Continuously confirms that security badge applicants meet TSA requirements
- Represents the Security Manager in routine TSA matters in his/her absence
- Assists Security Manager in maintaining the airport security program.
- Conducts airport perimeter inspections
- Conducts airport terminal inspections
- Updates perimeter gate security systems
- Audits Concessioner
- Schedules law enforcement details

### **Additional Duties**

- Supports revenue parking
- Assists in scheduling Security Agents
- Teaches security and ground vehicle procedures class
- Performs other duties as assigned

---

### **Essential Behavior Requirements**

These behaviors are based on PDA cultures and values critical to support the mission of the organization.

**Service Quality:** Exceed the customer's (both internal and external) needs in every interaction.

**Teamwork:** Ability to demonstrate cooperative spirit and capacity to work well as a team member.

**Problem Solving:** Recognize and define problems; analyze relevant information; encourage alternative solutions and plans to resolve situations; seek additional assistance when needed.

**Communication:** Actively listen to customers (includes coworkers, public, BOD, etc.) empathizes (sees the situation from the customer's perspective) and work together to solve the problem through effective communication.

---

### **Supervisory Responsibilities**

Does this job have supervisory responsibilities? No

### **Minimum Qualifications**

#### **Education and/or Experience**

Associate's Degree and two years' experience in airport operations and/or security or equivalent combination of education and experience.

#### **Knowledge/Skills/Abilities**

- Ability to solve practical problems and deal with a variety of concrete variables in situations where only limited standardization exists. Ability to interpret a variety of instructions furnished in written, oral, diagram, or schedule form.
- Must meet the requirements of 49 CFR 1542 for a criminal history and/or background check and security identification display area training (SIDA).
- Must have the ability to react calmly and logically in stressful situations.
- Must be very detail oriented and diligent in following established procedures.
- Demonstrated ability to prioritize and execute projects simultaneously under tight deadlines.
- Excellent written and verbal communication skills
- Must have strong public speaking skills
- Working knowledge of a variety of computer software applications in word processing, spreadsheets and aviation management software.

#### **Certificates, Licenses, Registrations**

Must hold valid driver's license from the current state of residence.

**Physical Demands**

How much on-the-job time is spent in following physical activities? Show the amount of time (in %) by checking the appropriate boxes below.

Condition	None	Less than 33%	33% - 66%	Over 66%
Stand	<input type="checkbox"/>		X	<input type="checkbox"/>
Walk	<input type="checkbox"/>		X	<input type="checkbox"/>
Sit	<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>
Use Hands to finger, handle or feel	<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>
Reach with hands and arms	<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>
Climb or balance	<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>
Stoop, kneel, crouch, or crawl	<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>
Talk or hear	<input type="checkbox"/>		<input type="checkbox"/>	X
Taste or smell	<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>

Does this job require that weight be lifted or force be exerted? If so, how much and how often? Check the appropriate boxes below representing % of time spent.

Condition	None	Less than 33%	33% - 66%	Over 66%
Up to 10 lbs	<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>
Up to 25 lbs	<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>
Up to 50 lbs	<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>
Up to 100 lbs	<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>
More than 100 lbs	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Work Environment**

How much exposure to the following environmental conditions does this job require? Show the amount of time (in %) by checking the appropriate boxes below.

Condition	None	Less than 33%	33% - 66%	Over 66%
Wet or humid conditions (non-weather)	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Work near moving mechanical parts		X	<input type="checkbox"/>	<input type="checkbox"/>
Work in high or precarious places		X	<input type="checkbox"/>	<input type="checkbox"/>
Fumes or airborne particles	<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>
Toxic or caustic chemicals	<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>
Outdoor weather conditions	<input type="checkbox"/>		X	<input type="checkbox"/>
Extreme cold (non-weather)	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Extreme heat (non-weather)	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Risk of electrical shock	<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>
Work with explosives	<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>
Risk of radiation	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vibration	<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>

How much noise is typical for the work environment of this job? Check the appropriate level below.

- Very quiet (examples: forest trail, isolation booth for hearing test)
- Quiet (examples: library, private office)
- X Moderate noises (examples: business office with computers and printers, light traffic)
- Loud (examples: metal can manufacturing department, large earth-moving equipment)
- Very loud (examples: jack hammer work, front row at rock concert)

*The above statements are intended to describe the general nature and level of work being performed by individuals assigned to this position. They are not intended to be an exhaustive list of all duties, responsibilities, and skills required of personnel so classified.*



## MOTION

Director Bohenko:

The Pease Development Authority Board of Directors hereby authorizes the Executive Director to complete and submit to the NH Department of Transportation the grant applications for two potentially eligible air quality improvement and congestion mitigation projects from the Congestion Mitigation and Air Quality (CMAQ) Program and to:

1. Accept, if offered, a grant in the amount \$40,000 in CMAQ funding for the installation of electrical vehicle charging stations at the golf course and airport terminal parking lots and expend \$10,000 in matching funds; and
2. Accept, if offered, a grant in the amount \$360,000 in CMAQ funding for construction of a right turn lane on New Hampshire Ave and expend \$80,000 in matching funds;

all in accordance with the memorandum of Maria J. Stowell, P.E. Manager – Engineering, dated August 2, 2019 and attached hereto.





## MEMORANDUM

To: David R. Mullen, Executive Director *DRM*  
 From: Maria J. Stowell, P.E., Engineering Manager *Maria*  
 Date: August 2, 2019  
 Subject: CMAQ Grants for Vehicle Charging Stations and Right Turn Lane

The NH Department of Transportation is now accepting applications to receive funding through the Congestion Mitigation and Air Quality (CMAQ) Program. The program provides assistance for air quality improvement and congestion mitigation projects. PDA staff has identified two potentially eligible projects and is preparing applications to be submitted before the September 6 deadline. The first application requests funding for a total of eight electrical vehicle charging stations to be installed at the golf course and airport. The stations would serve customers who currently own electric vehicles and encourage prospective owners by demonstrating the availability of charging infrastructure. The second application requests funds for a right turn lane on New Hampshire Avenue at its intersection with Pease Boulevard and Arboretum Drive. The right turn lane has been recommended as a priority to increase level of service on the Tradeport.

If the applications are selected for award, the CMAQ program would fund 80% of the improvements and PDA would be responsible for the remaining 20%. The project cost estimates at this conceptual level are as follows:

	<u>CMAQ</u>	<u>PDA</u>	<u>Total</u>
Vehicle Charging Stations	\$40,000	\$10,000	\$50,000
Right Turn Lane	\$320,000	\$80,000	\$400,000

An affirmative vote from the Board of Directors will demonstrate PDA's commitment and support of the projects and will strengthen the applications. To this end, please seek Board approval to:

1. Accept, if offered, a grant in the amount \$40,000 in CMAQ funding for the installation of electrical vehicle charging stations at the golf course and airport terminal parking lots and expend \$10,000 in matching funds;
2. Accept, if offered, a grant in the amount \$360,000 in CMAQ funding for construction of a right turn lane on New Hampshire Ave and expend \$80,000 in matching funds.

N:\ENGINEER\Board Memos\2019\CMAQ.docx





*Division of Ports and Harbors Advisory Council*  
555 Market St.  
Portsmouth, NH 03801  
Tel 603-436-8500  
Fax 603-436-2780

**PORT ADVISORY COUNCIL MEETING MINUTES**  
**WEDNESDAY, MAY 8, 2019**

PRESENT: Roger Groux, Chairman  
Brad Cook  
Chris Holt  
Erik Anderson  
Chris Snow  
Geno Marconi, Secretary, Director, DPH

1. CALL TO ORDER

Chairman Groux called the meeting to order at 6:45 pm following an update from the University of NH presentation on the "Living Bridge" (Memorial Bridge Turbine Project)

2. APPROVE MINUTES

Holt made a motion to accept the April 8, 2019 minutes, Cook 2<sup>nd</sup>, no further discussion, the council voted and the motion carried.

3. FINANCE REPORT

Marconi reported that reported revenues are exceeding the budget. Groux commented that there is a significant increase over last year. Marconi reminded everyone that the fiscal year is July 1 to June 30<sup>th</sup>.

4. DIRECTOR'S REPORT

Marconi reported on the following items from the April 10, 2019 PDA board meeting:

- Approval, Morton Salt, Extension through 2020, Market St. Terminal
- Approval, ROE, Savage Charters, Rye
- Approval, Final adoption Pda 300 rules
- Approval, ROE, NAS dba Atlantic Fuels, to deliver diesel fuel to vessels, all harbors
- Approval, ROE, Broco Oil, to deliver diesel fuel to vessels, all harbors
- Approval, ROE, Independent Boat Haulers, Rye
- Approval, expense from Harbor Dredging and Maintenance Fund to accept a proposal from Appledore to prepare the National Environmental Pollution Act (NEPA) clearance in association with the BUILD Grant for the rehabilitation of the Main Pier.
- Marconi reported that the Division will be submitting the 65% preliminary plans to NH DOT and seek approval to move into the Final Design phase. Hopefully the Division will be going out to bid by the first of the year and the project will involve about 14-16 months of construction.
- Holt asked if the berth would be open for business during construction, Marconi said yes.
- Groux asked if he had heard any news for the Hampton or Wentworth Bridge. Marconi updated the council on what he knew.

5. COMMITTEE REPORTS

**Fisheries**-Anderson reported on the continuing efforts on the Right Whale preservation issues.

**Government**-Ned Reynolds was not in attendance, No report

**Moorings**- Snow reported on the handout regarding commercial moorings for hire that were granted

during this mooring permit season. Marconi pointed out that the Wentworth by the Sea only has 2 moorings. Chris gave an update and handout on the waitlist statistics. Snow reported that the Division has started sending out waitlist offers for several areas. Good information is on the website.

**PDA liaison-** Groux reported that the next PDA Board meeting is May 16<sup>th</sup>. Wentworth Douglas has built their new complex and Lonza is coming along with their expansion.

**Maritime/Public Affairs-** Marconi reported that the Coast Guard Cutter Eagle is coming August 1<sup>st</sup> and will be open for tours from the 2<sup>nd</sup> to the 5<sup>th</sup>. Marconi talked about the 3 schooners that will be visiting for the Sail Portsmouth Event. After the sail, the Lynx will be doing day sails out of the UNH pier. The Roseway and the Harvey Gamage will be hosting 20 kids each for a week out to sea for the annual Sea Challenge. Groux reported that the annual Maritime Day lobster bake is May 24<sup>th</sup>, Holt reminded folks to go to the Portsmouth Propeller Club website to purchase tickets.

**Dredging-**Holt reported that he was told that there is one abutter in Hampton/Seabrook that is challenging the dredging and is holding things up a bit. May 22<sup>nd</sup> is the next dredge meeting.

**Recreational Piers-**Cook reported that the floats are in and things are coming alive slowly. The Division is ready for the season but with the bad weather the 6 pack charters are a bit behind. The whale watch ship should be arriving in Rye anytime now. Guaron's (Hampton) did not start until May 4<sup>th</sup> which is late for them.

6. NEW BUSINESS

Groux handed out a Waterways Analysis & Management survey from the U.S. Sector Northern New England.

7. OLD BUSINESS

Marconi expanded a bit more on the activities with the construction at the Market St. Terminal. Appledore is in a phase in their design work that involves onsite investigations especially regarding the mooring arrangements for different size ships and tidal currents and how it might affects a ship at the dock. They are mapping the entire docking facility. Holt asked about the preliminary design and if there is anything on paper, Marconi said he could take the 35% plans with him and the 65% plans are here if he would like to see those.

Groux reported that Newington purchased a new rescue and boom deployment boat with the help of some of the users on the river. We will be inviting the Newington Fire Chief to present to the Council on their new boat.

8. PUBLIC COMMENT

No public comment

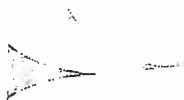
9. PRESS QUESTIONS

There were no members of the press present.

10. ADJOURNMENT

Holt made a motion to adjourn, Snow seconded, and all were in favor. Meeting was adjourned at 7:25 PM.





**PEASE**  
INTERNATIONAL  
PORTS AND HARBORS

555 Market Street, Suite 1 Portsmouth, NH 03801

TO: David Mullen, Executive Director, PDA

FROM: Geno J. Marconi, Director, DPH

DATE: June 24, 2019

RE: Commercial Mooring For Hire

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

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


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





**PEASE**  
INTERNATIONAL  
PORTS AND HARBORS

555 Market Street, Suite 1 Portsmouth, NH 03801

TO: David Mullen, Executive Director, PDA  
FROM: Geno J. Marconi, Director, DPH   
DATE: June 26, 2019  
RE: Commercial Mooring Transfer

The Pease Development Authority, Division of Ports and Harbors has received a request for the transfer of a commercial mooring, permit #4681, from Adam Baker to Jason Townsend.

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

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



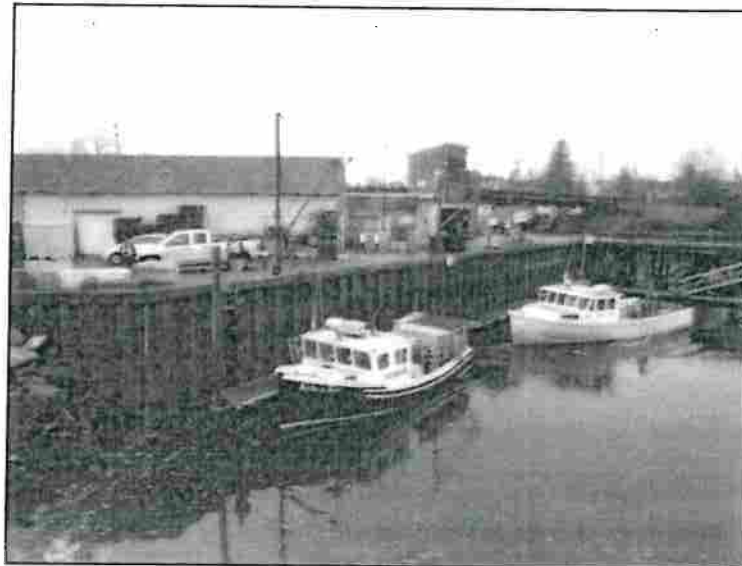
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# Bulkhead Investigation and Rehabilitation Concepts

**Pease Development Authority Portsmouth Fish Pier**

**Piscataqua River  
Portsmouth, New Hampshire**



**July 2019**

Prepared For

Pease Development Authority  
555 Market Street, PO Box 369  
Portsmouth, New Hampshire 03802

Prepared By:

 **Appledore Marine  
Engineering, LLC**

Specializing in Waterfront Engineering & Underwater Investigations

Tel: 603-766-1870 | [www.appledoremarine.com](http://www.appledoremarine.com)

This Report was prepared by Appledore Marine Engineering, LLC (AME) for the Pease Development Authority – Division of Ports and Harbors (Port Authority) in support of the investigation of the Portsmouth Fish Pier bulkhead failure and the development of conceptual rehabilitation alternatives. This study is intended to identify the root cause of the failure and to provide an opinion on the probable construction cost to rehabilitate.

The existing bulkhead was constructed in 1974 and is comprised of steel PZ27 driven sheet piles tied back to a deadman buried behind the wall. The lateral restraint (tieback) is located at elevation +4.0 feet in reference to mean low water (MLW).

On May 20<sup>th</sup>, 2019 the bulkhead failed laterally over a 20 foot section of the wall just south of the fuel station. The failure consisted of a lateral movement of the top of the wall outward and apparent failure of the tieback system. The failure continued to progress over the next two weeks to a point of approximately 12 inches of lateral movement at the center of the failure. On June 26<sup>th</sup>, 2019 a test pit was completed to evaluate the buried components behind the sheet pile wall. This investigation determined that the buried wale and tiebacks are in satisfactory condition with minimal corrosion and section loss. The failure was a result of the connection bolts between the sheet piles and tieback system, in an area concealed from inspection until after the wall failure.

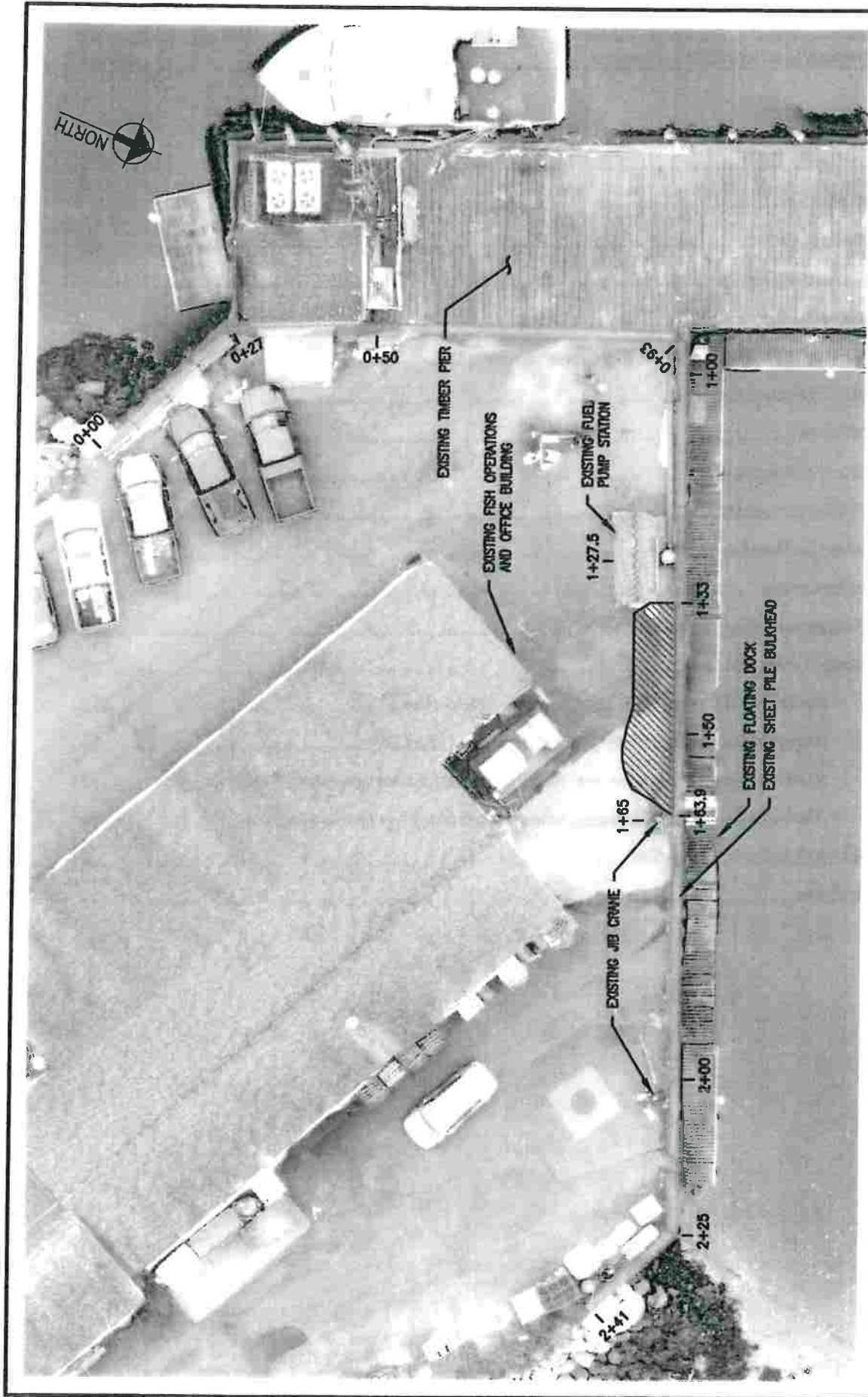
Two approaches to restoring the bulkhead were evaluated and are presented in this study. The alternatives and associated costs are presented in Table A. Below costs include auxiliary facilities such as floating dock, utilities and paving as well as required engineering fees.

**Table A: Rehabilitation/Replacement Concepts**

	Description*	Estimated Service life	Estimated Construction Cost
Concept 1	Replacement of bulkhead re-using portions of the buried tie-back system and, additional corrosion protection to extend service life.	50 Years	\$3,250,000
Concept 1a	Replacement of bulkhead re-using portions of the buried tie-back system.	30 Years	\$2,600,000
Concept 2	Re-use of existing sheeting and buried tie-back with replacement of tie-back connection, and corrosion protection provided to extend service life.	20 Years	\$2,650,000
Concept 2a	Re-use of existing sheeting and buried tie-back with replacement of tie-back connection.	10 Years	\$2,000,000

Figure 1 presents an overall site plan of the bulkhead including the area of deterioration.





**LEGEND:**

- 0+00 | STATION DESIGNATION
- BULKHEAD DESIGNATION
- ▨ AREA OF DETERIORATION

GRAPHIC SCALE

NOT TO SCALE

DATE  
JULY  
2019

**Appledore Marine  
Engineering, LLC**

PEASE DEVELOPMENT AUTHORITY  
DIVISION OF PORTS AND HARBORS  
PORTSMOUTH, NEW HAMPSHIRE  
PORTSMOUTH FISH PIER  
PORTSMOUTH, NH  
FIG. NO.  
1

OVERALL SITE PLAN

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## 1.0 Introduction

### 1.1 Background

The Portsmouth Commercial Fish Pier supports local fishing operations in the region. The location of the facility is approximately 3 miles upriver from where the Piscataqua River meets the Atlantic Ocean. The location of the facility is ideal for fishing vessels holding a New Hampshire Commercial Fishing License, and also those holding an Area 1 Permit. The facility provides customers with fuel, bait, ice, loading equipment and close proximity to roadway infrastructure to transport fish to market.

The bulkhead was constructed in 1974, provides a vertical interface along the shoreline to allow vessels close access to shore side support facilities and prevent erosion. In November of 2017 the bulkhead was inspected and determined to be in overall Fair condition based on thickness measurements and external visual inspection of the exposed components.

On May 20th, 2019 the bulkhead reportedly failed laterally over a 20 foot section of the wall, just south of the fuel station. The failure consisted of a lateral movement of the top of the wall outward and notable failure of the internal wale connection bolts to the sheets. The failure continued to progress over the next two weeks to a point of approximately 12 inches of lateral movement at the center of the failure.

On June 26th, 2019 a test pit was completed to evaluate the buried components behind the sheet pile wall. This investigation determined that the buried wale, tiebacks and backside of the sheet pile connection bolts are in satisfactory condition with minimal corrosion and section loss. Examination of recovered failed connection bolts determined that the failure is a result of the section of the bolt concealed between the sheet piles and wale likely as a result of crevice corrosion at the interface.

### 1.2 Project Objective

This Report was prepared by Appledore Marine Engineering, LLC (AME) for the Pease Development Authority – Division of Ports and Harbors (Port Authority) in support of the investigation of the Portsmouth Fish Pier bulkhead failure and the development of conceptual rehabilitation alternatives. This study is intended to identify the root cause of the failure and to provide an opinion on the probable construction cost to plan the rehabilitation.

## 2.0 Bulkhead Construction

The steel sheet pile bulkhead is approximately 241 feet long, extending along the majority of the shoreline. Constructed in 1974 the bulkhead is comprised of steel PZ27 sheet piles driven to approximately -27 feet (minimum) in reference to mean low water (MLW). The deck elevation at the top of the wall is +14.0 feet (MLLW), 25 feet above the river bed.

The lateral restraint (tieback) is provided by a buried double channel wale at +4 feet (MLW). The wale is secured to the sheet pile by two 1 inch diameter through bolts at approximately two feet on center. The sheet pile and wale are then secured to 2-1/8 inch diameter anchor rods which have been secured to a steel sheet pile deadman 45 feet back from the face of the wall. The buried elements behind the wall were inaccessible during the 2017 inspection.







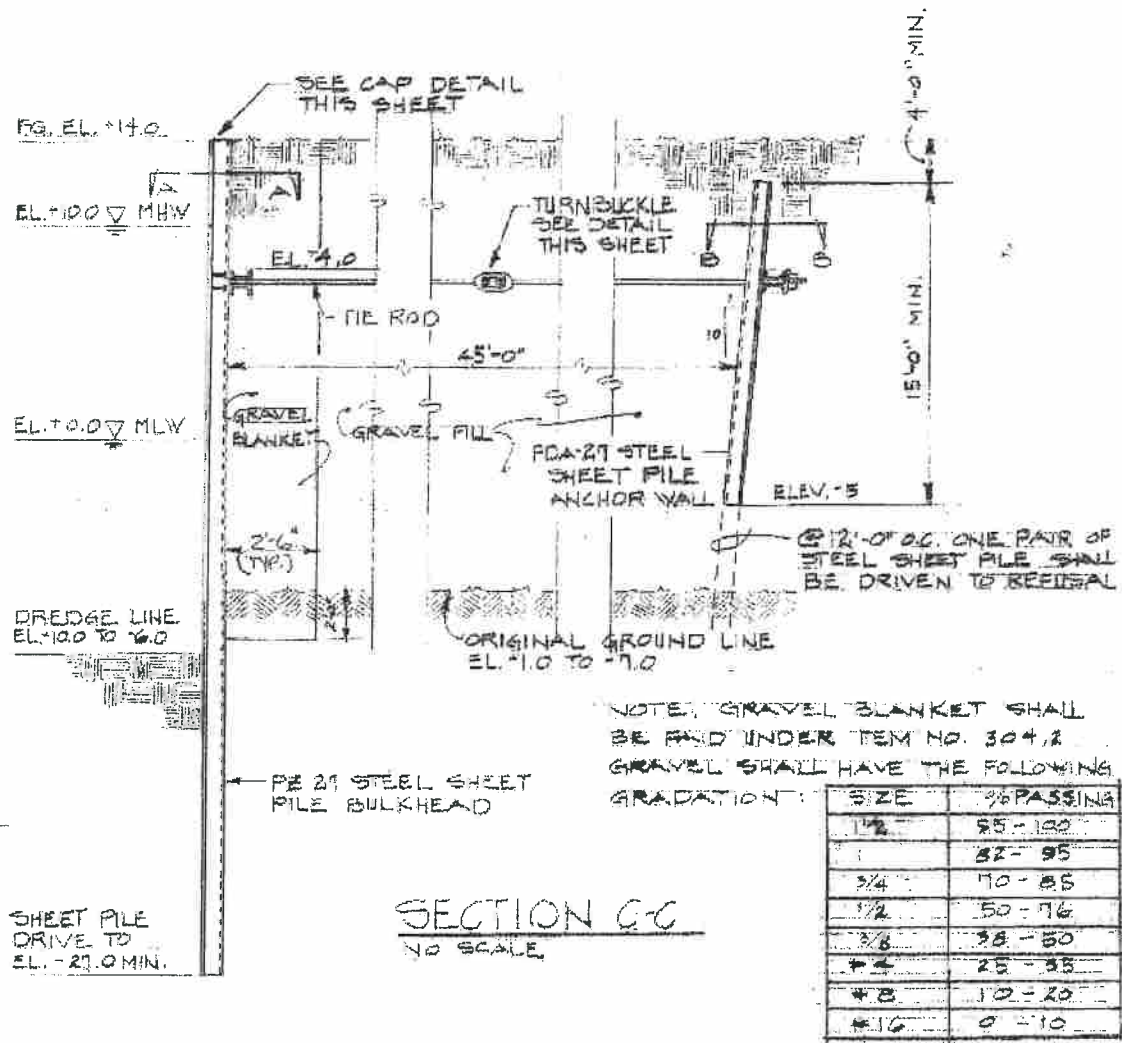


Figure 2.2: Typical Bulkhead Construction Cross Section



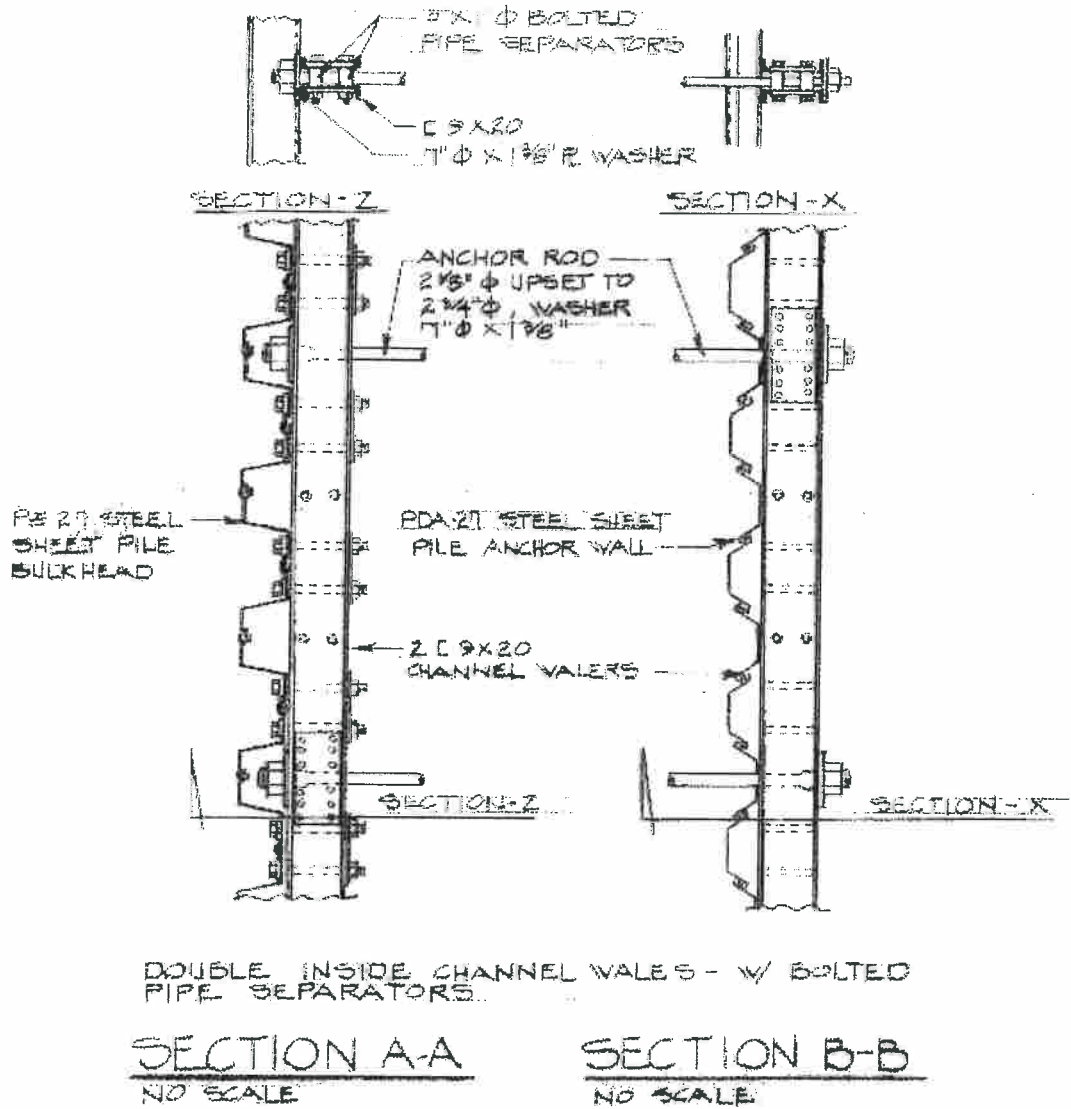


Figure 2.3: Typical Sheet Pile Connection Construction Detail

Geotechnical explorations were completed circa 1958 prior to construction of the Pierce Island Bridge, which is adjacent to the Portsmouth Fish Pier. For preliminary engineering a typical boring from the 1958 subsurface investigations is assumed for the facility (Figure 2.4). Figure 2.5 depicts the archive drawing of the boring locations. Prior to completion of design additional borings will be required.

The explorations indicated that the general subsurface conditions consist of organic silt and sand for the top couple of feet transitioning to brown sandy gravel for the next 12 feet reaching refusal at 14 feet below the surface. The datum referenced in the drawings is mean sea level (MSL). The conceptual layout assumes that the bedrock elevation has not significantly changed since the original construction of the facility. Additional geotechnical data should be collected for the final design of the elected concept.

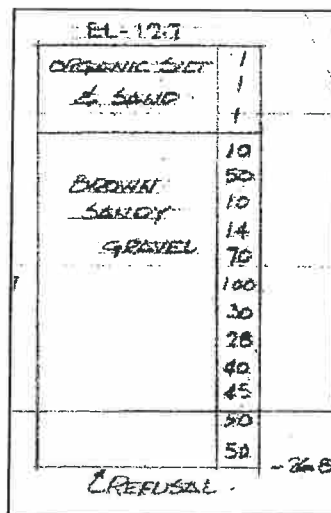


Figure 2.4: Assumed Typical Soil Profile Base on Archive Boring Information

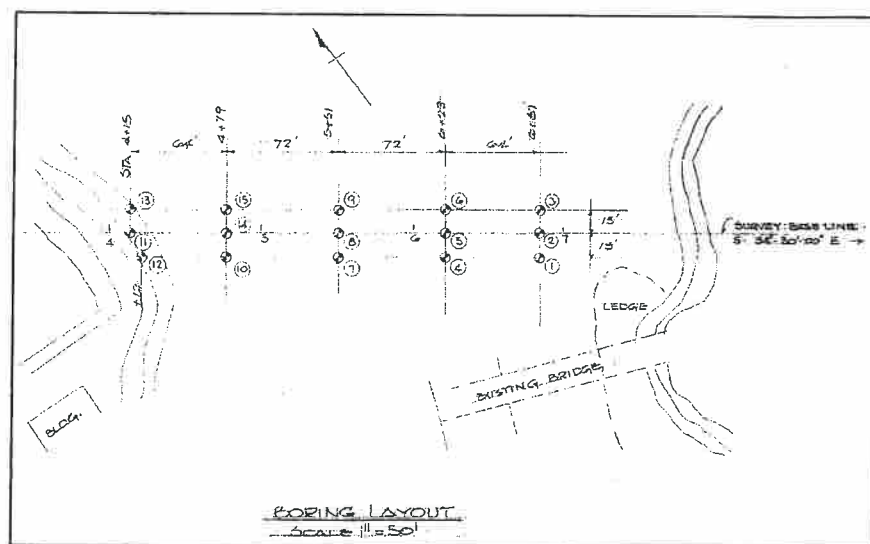


Figure 2.5: Archive Drawing Boring Locations

### 3.0 Bulkhead 2017 Structural Condition Assessment

An above water and underwater structural condition assessment was completed of the Portsmouth Fish Pier facility in November, 2017 by a team of engineer-divers from AME. The investigation included an evaluation of the visible portions of the existing Bulkhead.

The steel sheet pile (SSP) is uncoated. Ultrasonic thickness (UT) measurements were taken to determine the thickness of the remaining steel. Readings were taken in the splash zone, low water and at mudline. The original thickness is estimated as 0.375 inches, based on measurements in areas with limited section loss, matching closely to a traditional PZ27. The flanges have an average of 12 percent section loss and webs have an average of 3 percent section loss, with isolated areas of more advanced deterioration.

**Table 3.1: Ultrasonic Thickness Measurements**

Station	Elevation (ft. below top of sheet)	UT Reading (in.)		Measured Section Loss (%) PZ27 Sheet Pile	
		Flange	Web	Flange	Web
0+00	-1	0.305	0.405	19%	0%
0+08	-3	0.390	0.390	0%	0%
1+00	-3	0.370	0.400	1%	0%
	-10	0.350	0.410	7%	0%
	Mudline	0.335	0.365	11%	3%
1+75	-3	0.295	0.390	21%	0%
	-10	0.390	0.325	0%	13%
	Mudline	0.350	0.360	7%	4%
2+35	-3	0.415	0.420	0%	0%
	-10	0.220	0.425	41%	0%
	Mudline	0.260	0.320	31%	15%

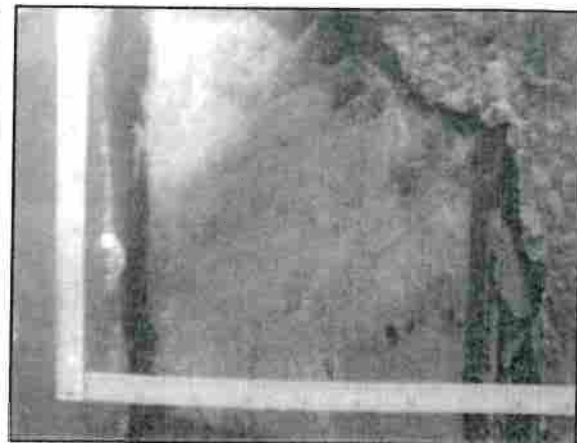
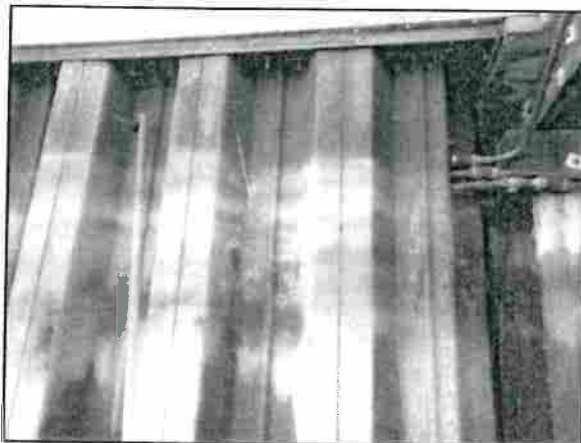


Photo 3-1: Typical condition of steel sheet pile bulkhead in the splash zone and tidal zone. Station 0+95 shown.

Photo 3-2: Typical condition of steel sheet pile bulkhead underwater.

The steel cap has widespread major to severe deterioration. The section between 0+27 and 0+93 has several holes and failures. Between station 0+93 and 2+25 severe corrosion of the cap was observed.

The timber curb has widespread severe deterioration with 50 to 75 percent section loss from fungal decay.

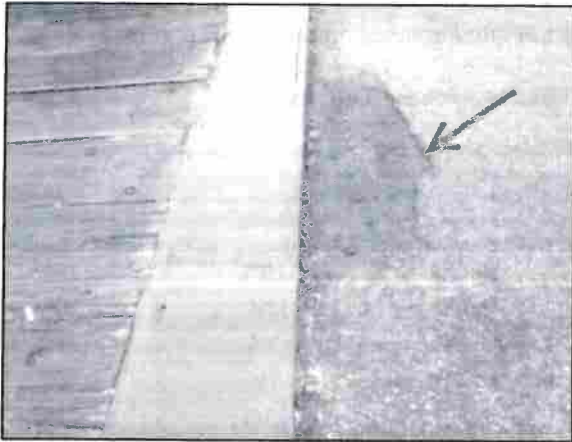


Photo 3-3: Sinkhole behind SSP bulkhead.

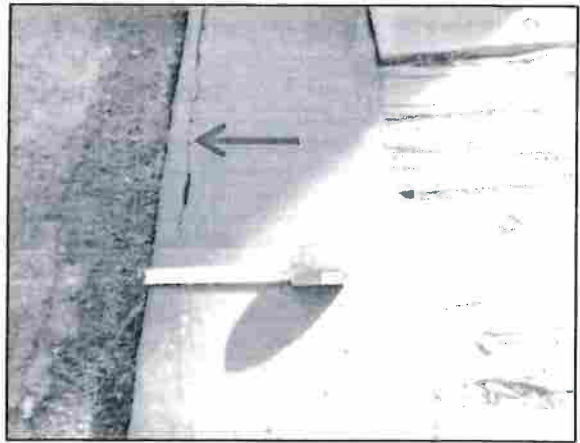


Photo 3-4: Failure in SSP steel cap.

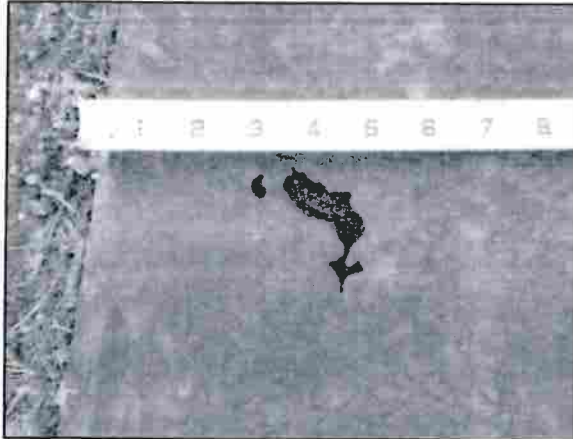


Photo 3-5: Corrosion hole in steel cap.

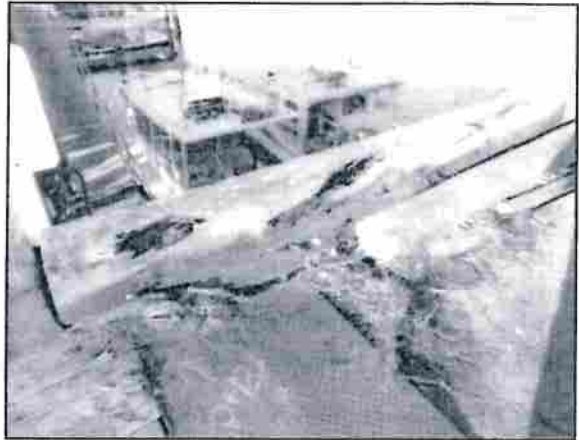


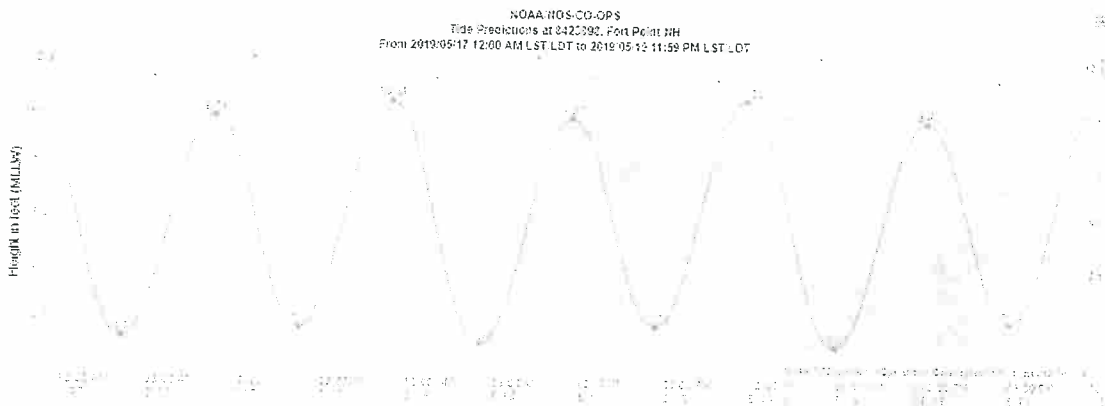
Photo 3-6: Severe fungal decay in timber curb between stations 0+93 and 2+25.

## 4.0 Failure Investigation

A failure investigation was completed of the Portsmouth Fish Pier facility Bulkhead in May, 2019 by AME. The investigation included an evaluation of the existing condition of the bulkhead, the progression of failure, tidal effects related to acceleration of failure, the limits of failure, mode of failure, and test pit investigations.

### 4.1 Tides/Tide

Understanding of the failure of the bulkhead system requires and investigation of the environmental loading at the time of the failure. During the days leading up to the failure the facility experienced higher than average tide levels shown in Figure 4.1.1, due to the cycle of astronomical tides.



**Figure 4.1.1: Local Tidal Information During the Event Window**

The average high tide during the failure event was an **average 10.1 feet** above mean lower low water (MLLW); with a maximum 10.68 feet (MLLW). This is approximately 1.3 feet above the known mean higher high water (MHHW) elevation for this area. The known tidal information for the facility has been provided in Table 4.1.1. The increased loading and noted deterioration lead to the failure of the bulkhead. It is anticipated that this bulkhead has progressively deteriorated behind the wall due to corrosion slowly reducing the bulkheads original design factor of safety. The date of failure did not have any reported extreme operational loading and therefore it is surmised that the failure occurred from astronomically elevated hydrostatic pressures.

**Table 4.1.1 Tidal and Flood Elevations**

Seavey Island, ME 8419870	MLLW (FT)
Existing Pier Elevation	+14.32
Base Flood Elevation	+13.62
Highest Observed Water Level (02/07/1978)	+12.52
Water Level on Day of Failure	+10.68
Mean Higher High Water (MHHW)	+8.84
Mean High Water (MHW)	+8.43



**May 20, 2019:**

AME was notified by Tracy Shattuck identifying a potential issue at the Portsmouth Fish Pier.

**May 21, 2019**

AME met with Tracy onsite and confirmed the bulkhead at the Fish Pier had failed along a 20 foot section. Within the area of failure the steel sheet piles have translated approximately 6 inches outboard and behind the wall a 2 to 3 inch crack outlined a 6 foot wide area of settlement.

Inspection of the through bolts exposed along the outboard of the sheet pile wall found, 19 bolts were missing.



Photo 4.1-1: Deterioration observed at the top of the wall

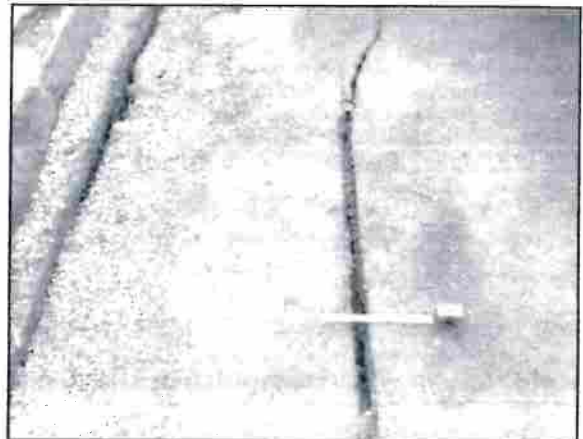


Photo 4.1-2: Typical crack in the pavement as a result of settlement of the soil below.

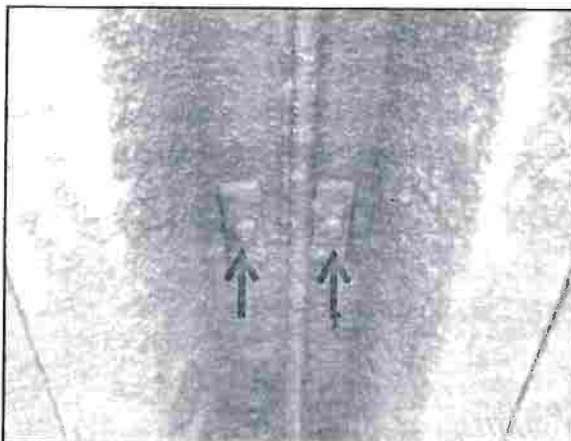


Photo 4.1-3: Typical through bolt and plate located along the outboard of the wall. Bolts are visible at low tide.

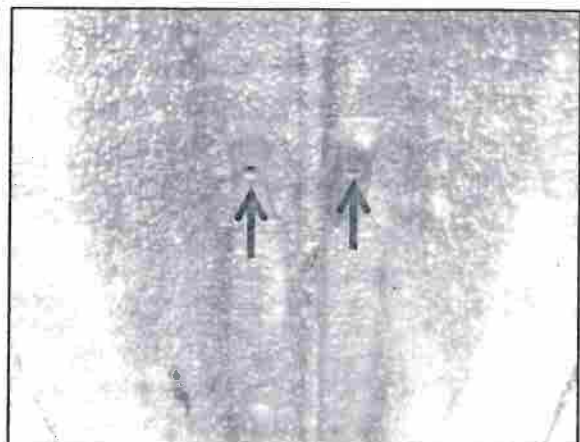


Photo 4.1-4: Missing bolt location



**May 22, 2019**

The continued failure is observed by the additional pavement cracking behind the wall.

AME recommended prohibiting berthing/mooring loads along the area of deterioration (30 feet).

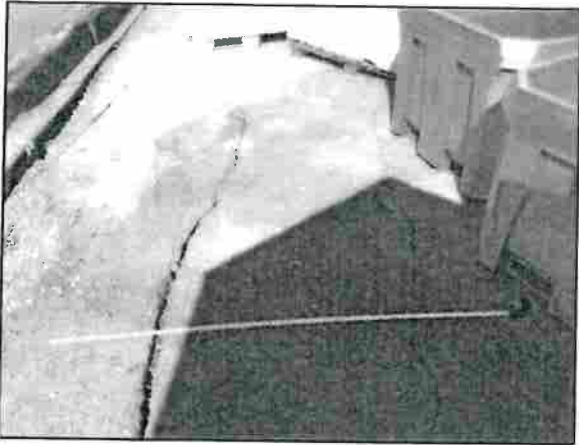


Photo 4.1-5: Progression of pavement cracking behind the wall.

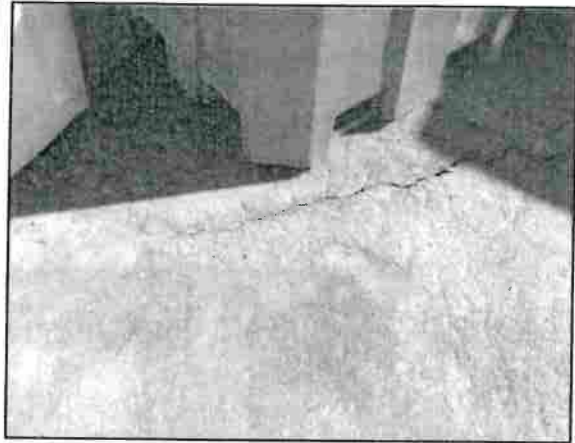


Photo 4.1-6: Typical crack in the pavement as a result of loss of soil fill below.

**May 24, 2019**

The failure continued to progress with notable movement of the wall. To alleviate the hydrostatic pressure and slow the progression of failure AME recommended cutting holes in the sheeting just above low water.



Photo 4.1-7: Additional settlement of the pavement observed at the back of the sheet pile wall.

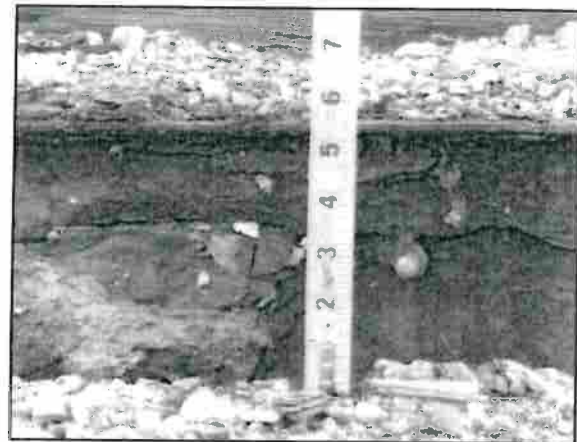


Photo 4.1-8: Approximately 5 inches of settlement at the back of the sheet pile wall.

**May 29<sup>th</sup> to June 16<sup>th</sup>, 2019**

Holes were burned into the sheet pile wall just above low water to alleviate the buildup of hydrostatic pressure. The slab and pavement have settled along the back of the sheet pile further deflecting the wall under the imposed load, removal of this material is recommended.

In response to the advanced settlement over the course of the next three weeks Fish Pier personnel removed the following equipment:

- Timber floating docks adjacent to the bulkhead
- Jib crane hoist
- Fuel pump station

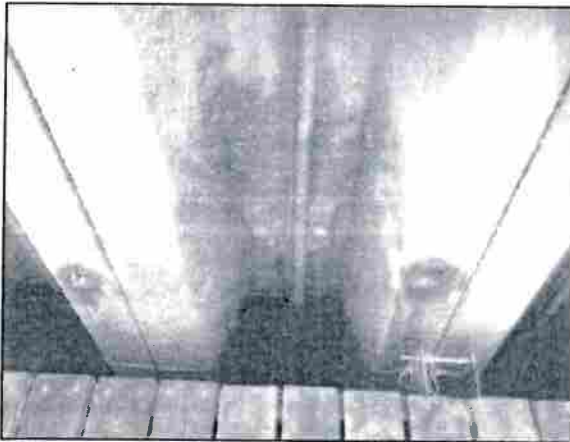


Photo 4.1-9: Burned holes in the steel sheet pile to relieve the hydrostatic pressure behind the wall.

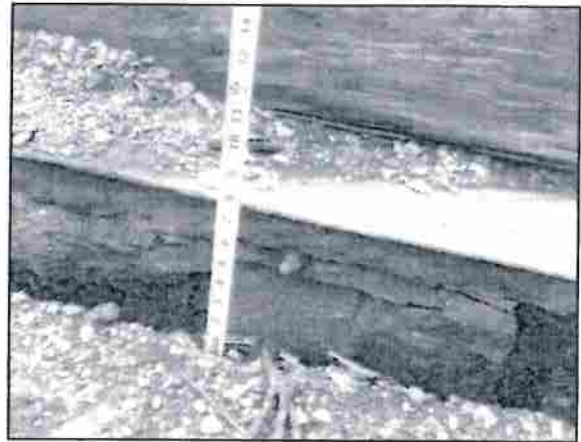


Photo 4.1-10: Approximately 7 inches of settlement at the back of the sheet pile wall (5/26/2019).



Photo 4.1-11: Observed sinkhole extents on 6/5/2019.

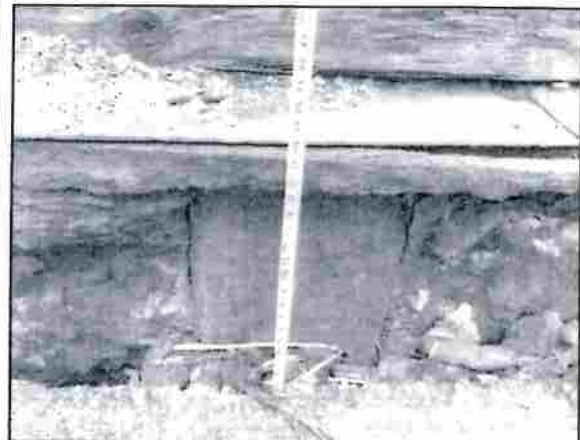


Photo 4.1-12: Approximately 14 inches of settlement at the back of the sheet pile wall (6/5/2019).



Photo 4.1-13: Removal of existing jib crane within the area of deterioration.



Photo 4.1-14: Observed loss of fill and sinkhole depression on 6/11/2019.

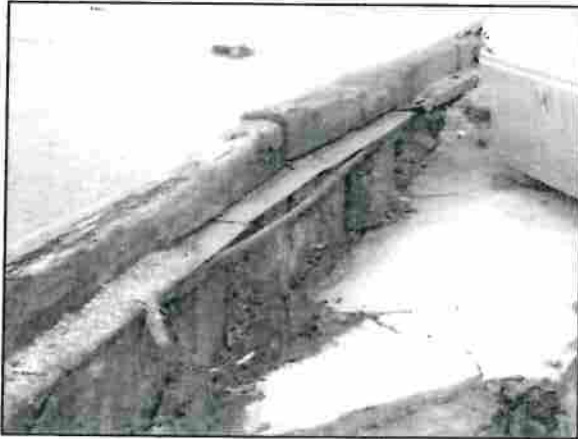


Photo 4.1-15: Approximately 18 inches of settlement behind the wall on 6/11/2019.

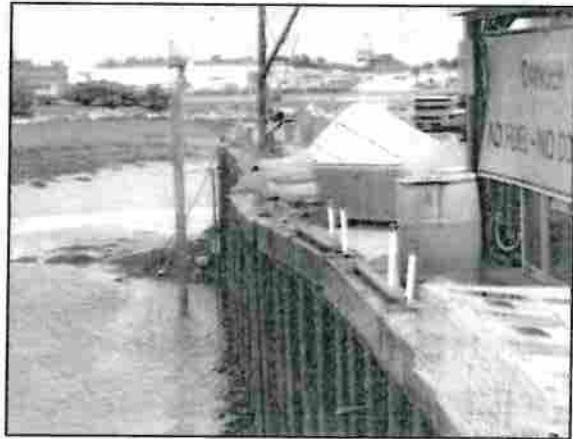


Photo 4.1-16: Visible deflection at the top of the wall (6/11/2019).

**June 26, 2019**

To relieve the bulkhead of the additional surcharge material loads at the top of the wall removal of the asphalt and concrete slab were completed as a part of the test pit investigation.



Photo 4.1-17: Removal of failed asphalt and concrete slab above the sinkhole.

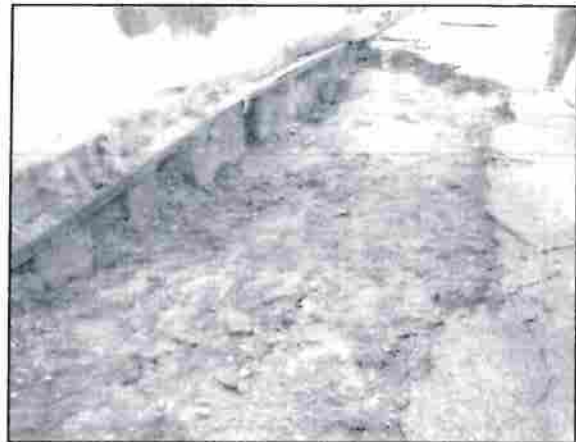


Photo 4.1-18: exposed soil behind the top of the failure location.

## 4.2 Test Pit Investigation

Rehabilitation or the reuse of the bulkhead's existing tieback system is advantageous as it saves cost and takes advantage of an asset that supports current operations. To determine the condition of the tieback system a test pit investigation was required.

The test pit inspection was completed on June 25<sup>th</sup>, 2019 and included a 10 foot by 10 foot excavation located at the northeast end of the bulkhead. A 10 foot deep excavation was obtained through the use of an excavator and trench box, before hand tools were used to expose the steel double channel wale, tie rod, and through bolts.

The steel tie rod and exposed through bolts behind the wall have minor corrosion with no significant section loss. The steel double channel wale has moderate corrosion with approximately 22 percent section loss.

It is expected that these elements along the length of the bulkhead are in similar condition. The failure area along the bulkhead however, has experienced more advanced deterioration likely due to the accumulation of chlorides from fish unloading as well as potentially increased electrical activity from vessels, fuel station, and other utilities in the area.





Photo 4.2-1: Excavation at the northeast end of the bulkhead.



Photo 4.2-2: Placement of trench box.



Photo 4.2-3: Additional excavation to expose the buried tieback system.

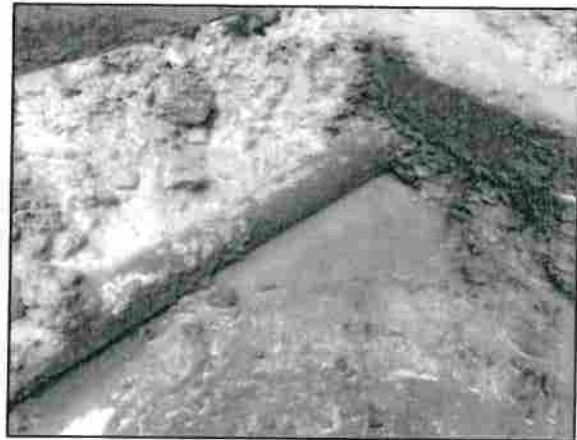


Photo 4.2-4: Steel 2-1/8" diameter anchor rod with no significant deterioration.

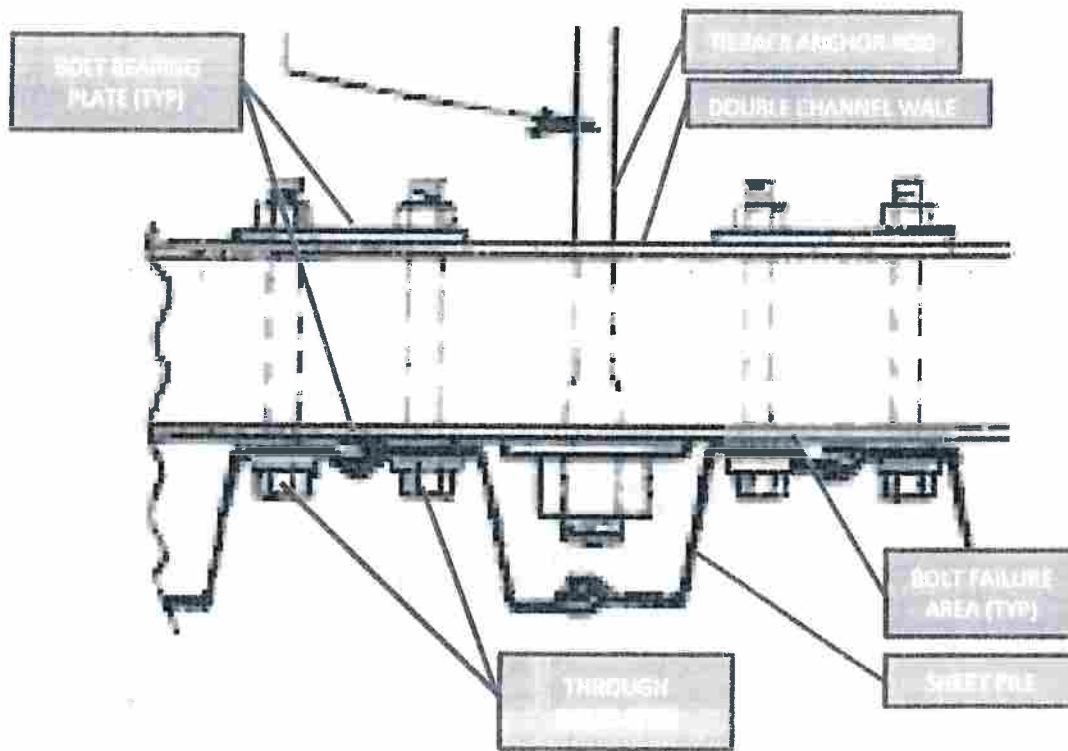


Photo 4.2-5: Steel bearing plate and through bolts with minor corrosion.



Photo 4.2-6: Steel double channel wale with moderate corrosion and section loss.

The existing bulkhead has an internal hidden-wale tieback system; the through bolts (Figure 4.3.1) fasten the interior wale to the steel sheet piles and are a primary structural component. The operational loading of the bulkhead is supported by the steel sheet piles and transferred to the through bolts, in tension, to the double channel wale. The load is then supported by the wale and transferred to the tieback system by the anchor rod.



**Figure 4.3.1: Typical Through Bolt Connection Detail**

During the 2017 waterfront inspection the through bolts, observed from the exterior of the wall had moderate corrosion with no visible signs of overstressing (Photo 4.3-1). Failed bolt samples collected, revealed severe corrosion and section loss between the bearing plate and the face of the sheet pile (Photo 4.3-2). This phenomenon is known as crevice corrosion, where a localized attack on a metal surface immediately adjacent to the gap between two adjoining surfaces. The two ends of the bolts are located in different environments; buried in soil and exposed to the salt and sea spray. The difference in the environments sets up a corrosion cell accelerating the rate of corrosion.



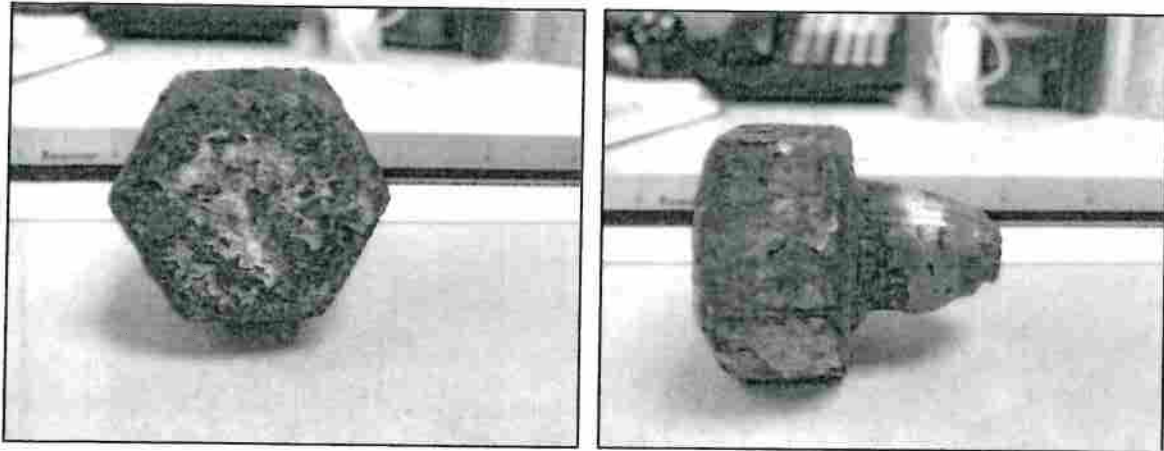
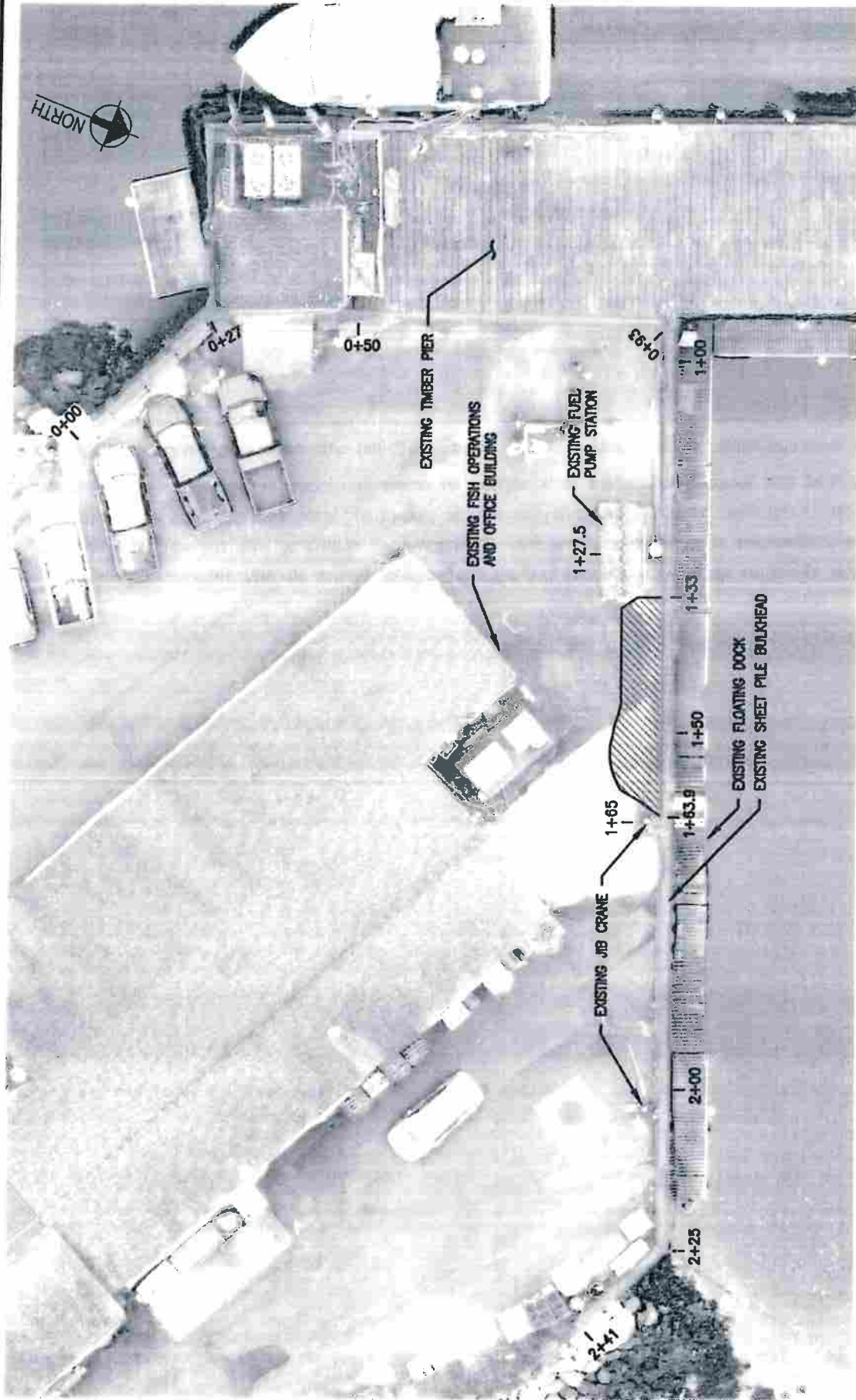


Photo 4.3-1: In-service visible bolt deterioration

Photo 4.3-2: Bolt with severe corrosion and necking

It is likely that the location of failure is a section of more advanced deterioration due to the accumulation of chlorides from fish unloading as well as potentially increased electrical activity from vessels, fuel station and other utilities in the area. During the week of May 14<sup>th</sup> the wall experienced elevated tide elevation applying additional hydrostatic pressure to the already deteriorated through bolts.

Figure 4.3.2 depicts the area of failure at the facility.



**LEGEND:**

- 0+00 — STATION DESIGNATION
- BULKHEAD DESIGNATION
- ▨ AREA OF DETERIORATION

GRAPHIC SCALE

NOT TO SCALE

DATE  
JULY  
2019

**Appledore Marine  
Engineering, LLC**

PEASE DEVELOPMENT AUTHORITY  
DIVISION OF PORTS AND HARBORS  
PORTSMOUTH, NEW HAMPSHIRE

PORTSMOUTH FISH PIER PORTSMOUTH, NH FIG. NO.  
BULKHEAD DETERIORATION PLAN 4.3.2

## 5.0 Conceptual Development

### 5.1 Introduction

This study is being completed to assess the best approach to replacement/rehabilitation of the Bulkhead with consideration given for cost, current operations, service life and basic facility requirements as identified by the Pease Development Authority-Department of Ports and Harbors.

This section outlines concepts that were developed to meet the above goals.

### 5.2 Conceptual Design Considerations

The conceptual development considered contemporary construction materials (steel and concrete) and modern construction practices. An emphasis was placed on reusing the existing bulkhead tieback system to realize best value provided service life targets are maintained.

### 5.3 Design

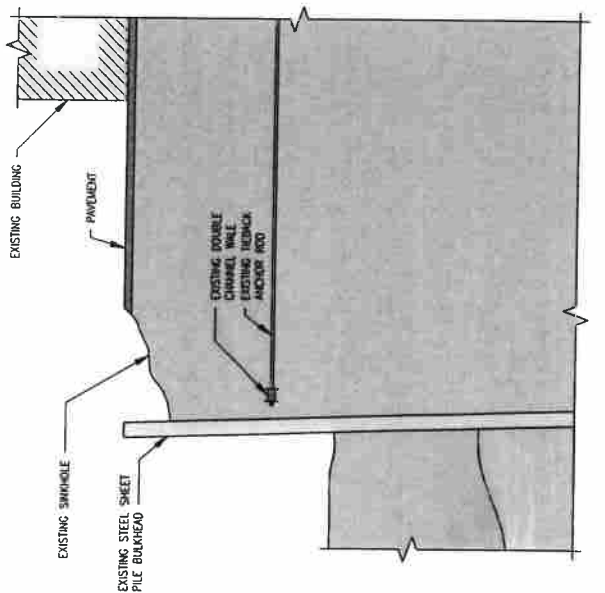
The concept development of the bulkhead is controlled by vertical crane and vehicle loads, berthing and mooring of a 40 and 65 foot commercial fishing vessels. In determining the appropriate structural design and material type the focus is on obtaining a 25 year or more service life with limited maintenance burden.

Rehabilitation/Reuse of the steel sheet pile bulkhead tieback system is advantageous as it saves cost and takes advantage of an existing structure that supports the current operations.

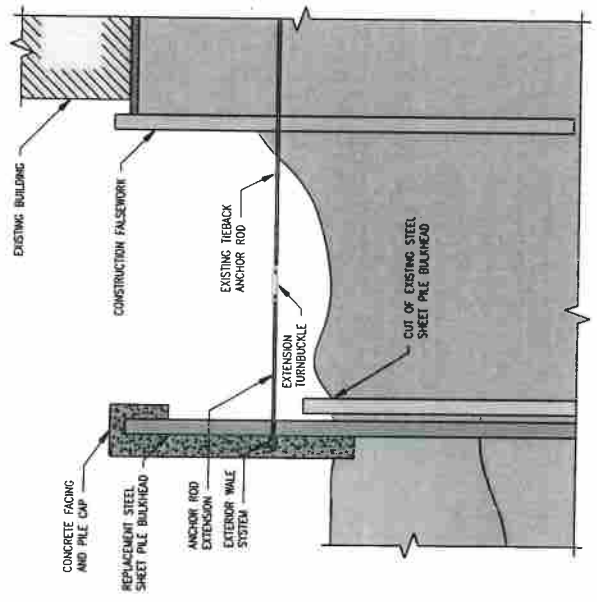
The first concept consists of replacement sheet piles driven just outboard of the existing bulkhead and utilizes the existing buried tieback system by extending the tie rod through the new sheets connected to a new external wale. To limit corrosion issues and assure a programmed service life a concrete cap and facing would extend from the top of the sheet piles down the face of the wall to MLW. Below the facing a cathodic protection system would minimize underwater corrosion.

This approach could be installed in phases potentially allowing the fish operations to remain partially operational through construction. The challenges with this alternative include further destabilizing the bulkhead during pile driving operations, as well as the difficulty of extending the tie rod system through the proposed bulkhead. The replacement sheet piles and corrosion protection is anticipated to provide a 50 year service life.

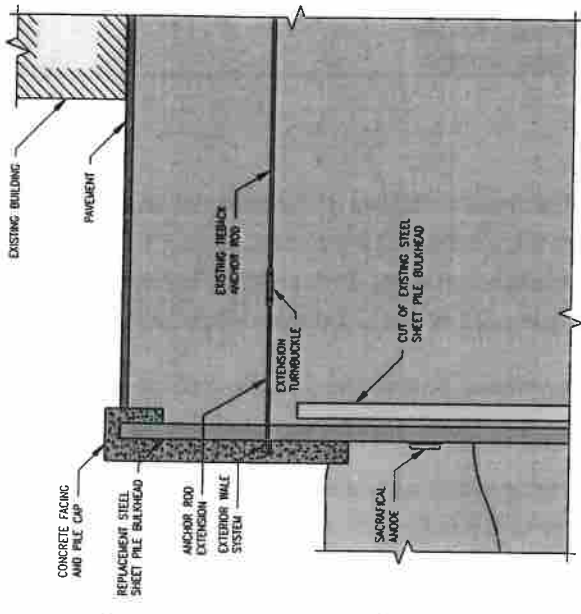
An opinion of probable construction costs were developed for this alternative including the replacement of the 123 foot floating dock along the bulkhead, jib cranes, affected utilities, and paving.



CURRENT BULKHEAD CONDITION



BULKHEAD REPAIR CONSTRUCTION



REPAIRED BULKHEAD CONDITION

GRAPHIC SCALE  
NOT TO SCALE

DATE  
JULY 2019



Applied Marine Engineering, LLC

PEASE DEVELOPMENT AUTHORITY  
DIVISION OF PORTS AND HARBORS  
PORTSMOUTH, NH

PORTSMOUTH FISH PIER  
DESIGN CONCEPT  
REPAIR OPTION 1

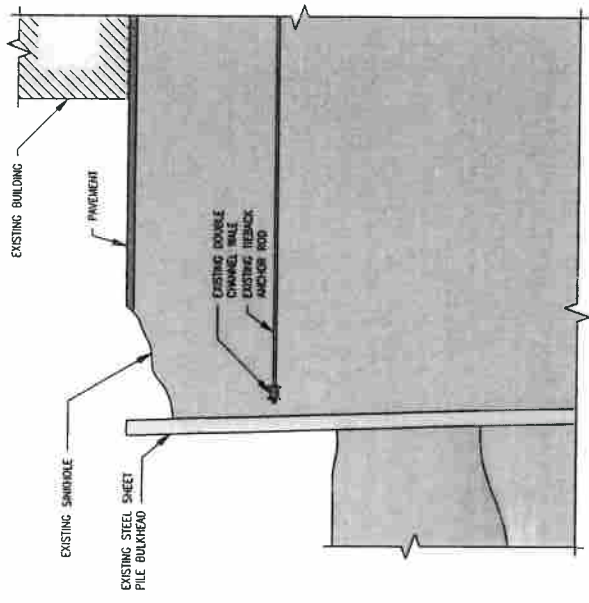
PORTSMOUTH, NH  
FILE NO.  
5.3.1.1

The another option to the first concept consists of replacement sheet piles driven just outboard of the existing bulkhead and utilizes the existing buried tieback system by extending the tie rod through the new sheets connected to a new external wale, similar to the first concept. However, to reduce costs the option does not include a concrete cap or and installation of the cathodic protection system.

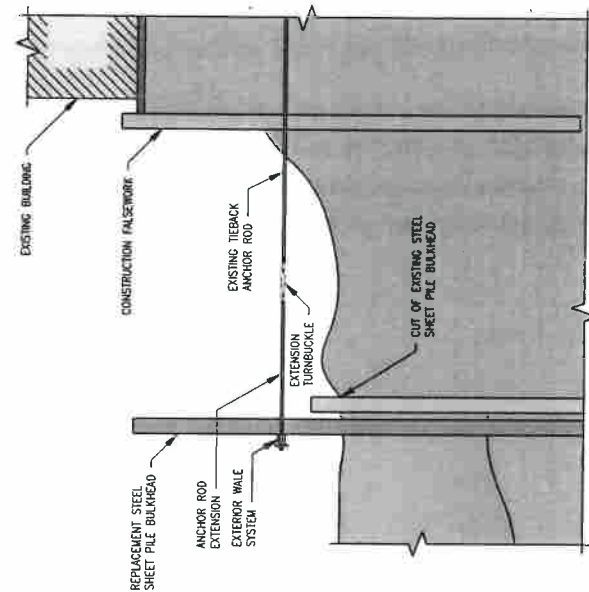
The replacement sheet piles without a concrete pile cap and corrosion protection is anticipated to provide a 30 year service life.

An opinion of probable construction costs were developed for this alternative including the replacement of the 123 foot floating dock along the bulkhead, jib cranes, affected utilities, and paving.

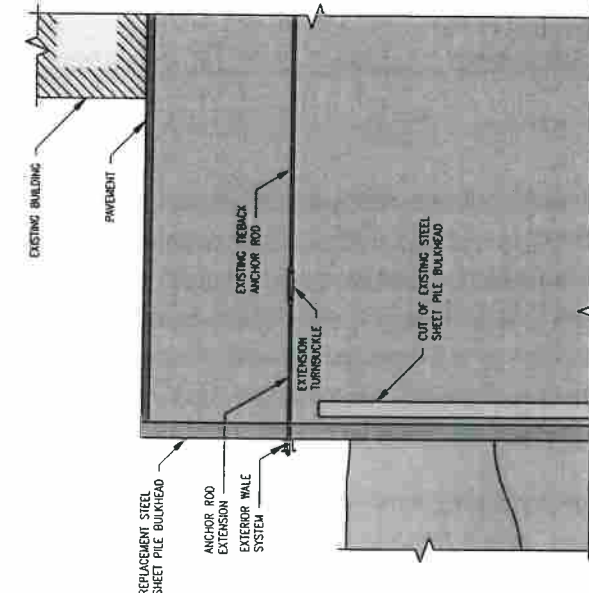




CURRENT BULKHEAD CONDITION



BULKHEAD REPAIR CONSTRUCTION



REPAIRED BULKHEAD CONDITION

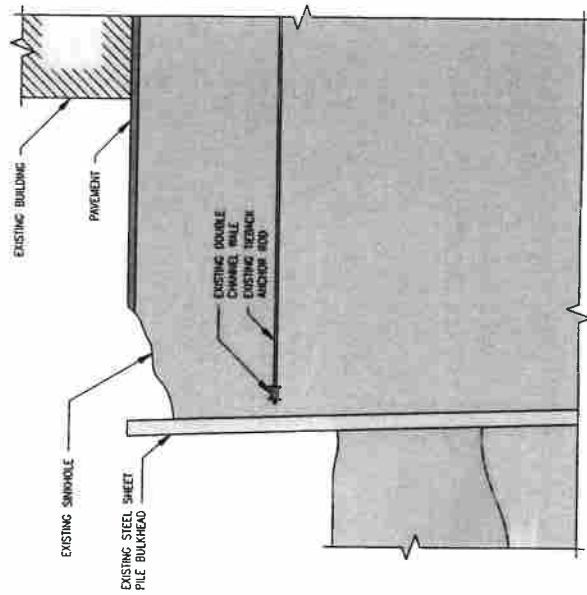
<p><b>Appledora Marine Engineering, LLC</b></p>	<p>DATE JULY 2019</p>	<p>PEASE DEVELOPMENT AUTHORITY DIVISION OF PORTS AND HARBORS PORTSMOUTH, NH</p> <p>PORTSMOUTH HARBOUR CONCEPT REPAIR OPTION 1B</p> <p>FIG. NO. 5.3.2.1</p>
	<p>GRAPHIC SCALE NOT TO SCALE</p>	

The existing bulkhead failure is localized to the through bolts along the exterior of the bulkhead. Test pit investigations revealed the existing tie back system has minor deterioration and is able to be re-used. A repair option is to restore the load transfer between the steel sheet pile and tieback system. This can be completed by excavating behind the wall to expose the tieback system, approximately 10 feet below the top of the sheeting. The existing tie rod can then be extended through the existing sheets connected to a new external wale. Where the existing bulkhead has failed and the sheets have deflected new sheets will be driven.

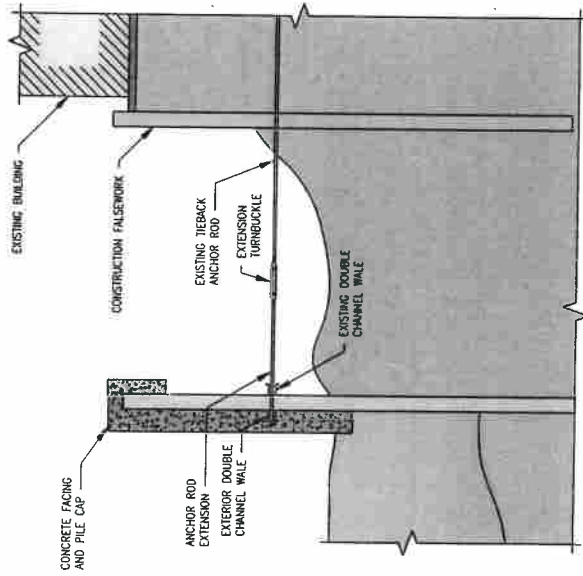
To limit corrosion issues and assure a programmed service life a concrete cap and facing would extend from the top of the sheet piles down the face of the wall to MLW. Below the facing a cathodic protection system would minimize underwater corrosion.

An opinion of probable construction costs were developed for this alternative including the replacement of the 123 foot floating dock along the bulkhead, jib cranes, affected utilities, and paving.

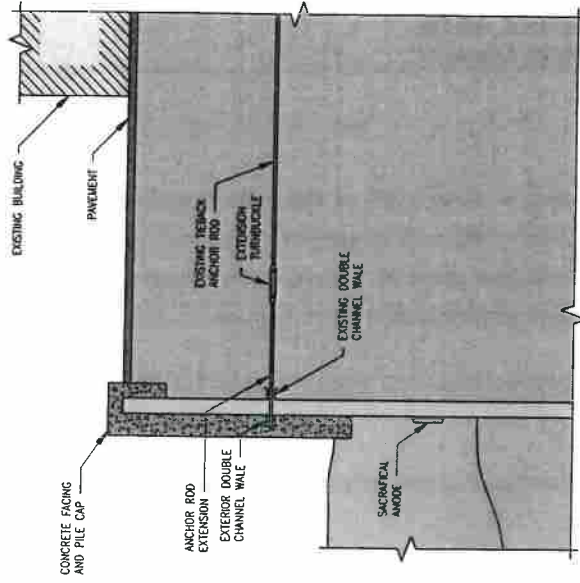
This alternative has a slightly lower initial cost with an associated shorter service life as the majority of the 45 year old steel sheets would be reused. This alternative also has a higher risk of change orders during construction due to the re-use of more existing components including the internal wale. The risk of these added costs are captured in the opinion of cost as a contingency.



CURRENT BULKHEAD CONDITION



BULKHEAD REPAIR CONSTRUCTION



REPAIRED BULKHEAD CONDITION

GRAPHIC SCALE

NOT TO SCALE

DATE

JULY 2019

Appledore Marine Engineering, LLC

PEASE DEVELOPMENT AUTHORITY  
DIVISION OF PORTS AND HARBORS  
PORTSMOUTH, NH

PORTSMOUTH FERRIER  
DESIGN CONCEPT  
REPAIR OPTION 2

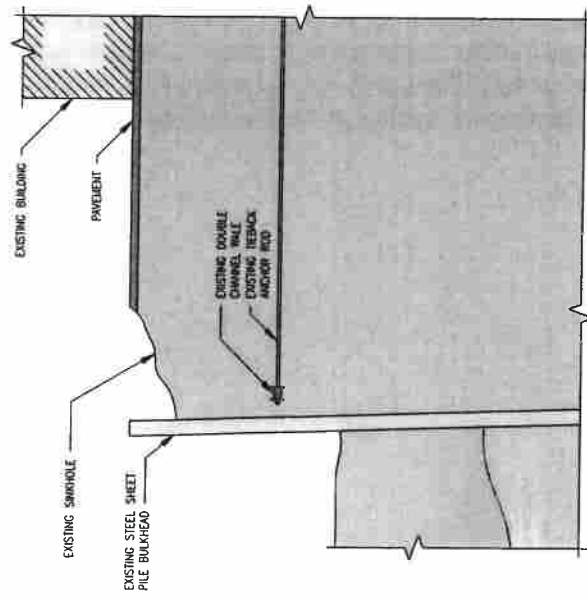
FIG. NO.  
5.3.3.1

An option to concept 2 includes a restoration of the load transfer between the steel sheet pile and tieback system by excavating behind the wall to expose the tieback system extending the existing tie rod through the existing sheets and connected to a new external wale. Where the existing bulkhead has failed and the sheets have deflected new sheets will be driven.

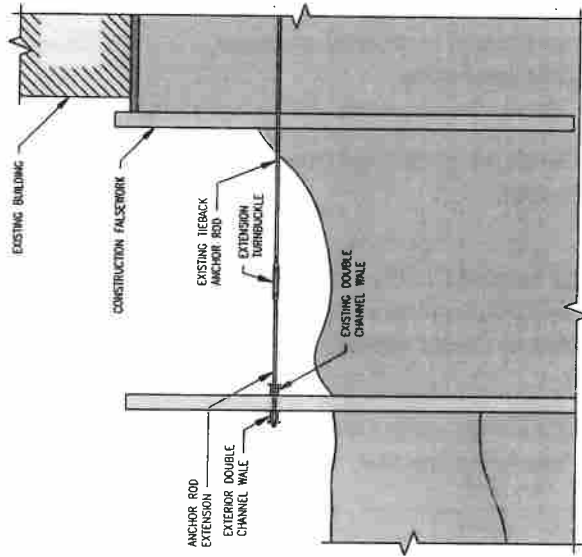
However, to reduce costs the option does not include a concrete cap or and installation of the cathodic protection system.

The replacement sheet piles without a concrete pile cap and corrosion protection is anticipated to provide a 10 year service life.

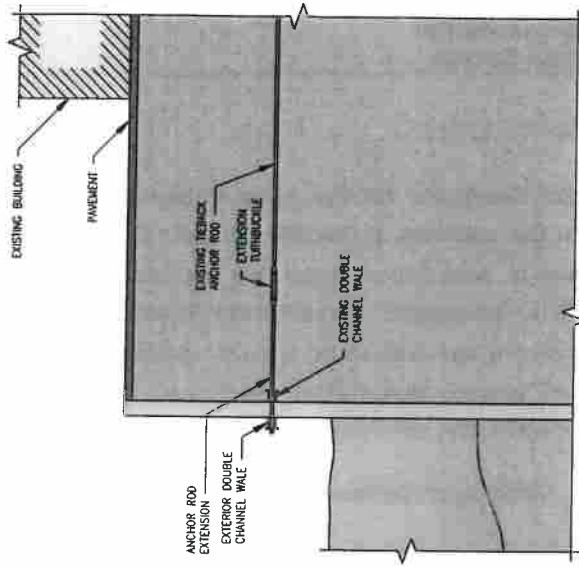
An opinion of probable construction costs were developed for this alternative including the replacement of the 123 foot floating dock along the bulkhead, jib cranes, affected utilities, and paving.



CURRENT BULKHEAD CONDITION



BULKHEAD REPAIR CONSTRUCTION



REPAIRED BULKHEAD CONDITION

GRAPHIC SCALE  
NOT TO SCALE

DATE  
JULY  
2018

**Applied Marine Engineering, LLC**

PRASE DEVELOPMENT AUTHORITY  
DIVISION OF PORTS AND HARBORS  
PORTSMOUTH, NH

PORTSMOUTH MARINE  
DESIGN CONCEPT 2a  
REPAIR CONCEPT 2a  
FIG. NO. 5.3.4.1

The estimate construction cost developed for this report is based on the conceptual development described within this report. The estimate is intended to provide an initial opinion for budgetary purposes. The estimate assumes that the contract will be awarded through a competitive bid environment; the project will be completed without major interruptions, and will be scheduled to optimize contractor mobilization and demobilization. It is anticipated that as the design progresses, the estimated construction cost will become more refined. Table 5.4.1 provides a summary breakdown of the different options discussed within the conceptual report.

**Table 5.4.1: Estimated Construction Cost**

Concept	Description	Estimated Service Life	Estimated Construction Cost
Concept 1	Replacement of bulkhead re-using portions of the buried tie-back system and, additional corrosion protection to extend service life.	50 Years	\$3,250,000
Concept 1a	Replacement of bulkhead re-using portions of the buried tie-back system.	30 Years	\$2,600,000
Concept 2	Re-use of existing sheeting and buried tie-back with replacement of tie-back connection, and corrosion protection provided to extend service life.	20 Years	\$2,650,000
Concept 2a	Re-use of existing sheeting and buried tie-back with replacement of tie-back connection.	10 Years	\$2,000,000

#### 5.4 Conclusion

This study provides the necessary information to allow the PDA-DPH to identify a project budget, and confirm that the concept meets facility requirements. Once a budget is set, the design can be developed and a potential timeline for construction may be determined. Environmental regulations and permitting will also factor into the timeline and the allowable construction window.




JUL 03 2019


Pease Development Authority

505 Market Street, Suite 1 Portsmouth, NH 03801



**PEASE**  
INTERNATIONAL  
PORTS AND HARBORS

To: David Mullen, Executive Director 

From: Geno Marconi, Director, Director 

Date: June 25, 2019

Subject: Jocelyn Marine Services, Inc., Right of Entry renewal request

The Pease Development Authority, Division of Ports and Harbors received a request from Jocelyn Marine Services, Inc. ("Jocelyn") to exercise its second and final option to renew its right of entry to provide boat hauling and launching services at the Hampton Harbor Marine Facility. Jocelyn will continue provide a much needed service to the users of the Hampton Harbor Marine Facility. The term for this renewal period is July 1, 2019 through June 30, 2020. Therefore, the Division requests your approval of the renewal of Jocelyn's Right of Entry as required by a motion of the PDA Board of Directors at their October 19, 2017 meeting and in accordance with the following terms and conditions:

**PREMISES:** Hampton Harbor Marine Facility

**PURPOSE:** To haul and launch boats at customer request

**TERM:** July 1, 2019-June 30, 2020

**FEE:** \$25 per haul  
\$25 per launch  
The launch/haul fee is waived for vessels that have secured and paid for winter storage at the Hampton Harbor Marine Facility, as it is included in the storage fee.

**INSURANCE:** Minimum insurance coverage to include General Liability Insurance in the amount of \$1,000,000 and \$2,000,000 aggregate; Workers Compensation coverage as required by statute, Automobile Liability coverage in a minimum amount of \$750,000; as the same may be required or appropriate in connection with the individual operations of each entity doing business on state property. Said policy shall name the State of NH, PDA-DPH as additional insured. Coverage amounts and types may change from time to time contingent upon the nature and scope of operations.



July 3, 2019

Clayton Crabtree  
Jocelyn Marine Services  
159 Bridge St.  
Salisbury, MA 01952

Re: Jocelyn Marine Services, LLC.-Exercise of Option to renew

Dear Mr. Crabtree,


This letter serves to confirm that in accordance with the terms of the Right of Entry agreement for operations at the Hampton Harbor Marine Facility, Jocelyn has exercised its 2<sup>nd</sup> and final option to renew the agreement. The Agreement is hereby extended to June 30, 2020. This will also serve to confirm that the terms of the original agreement will remain the same. Please advise us by April 1, 2020 if you wish to continue operations beyond June 30, 2019.

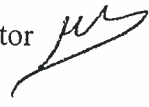
Please let me know if you have any questions.

Sincerely,

David R. Mullen  
Executive Director

Cc: Geno J. Marconi, PDA-DPH Director  
Irv Canner, Finance Director

To: David Mullen, Executive Director, Pease Development Authority ("PDA") 

From: Geno Marconi, Director 

Date: July 29, 2019

Subject: Kokosing Industrial, Durocher Marine Division

The Division of Ports and Harbors (the "Division") has received a request from Kokosing Industrial, Durocher Marine Division ("Kokosing") to enter into a Right of Entry ("ROE") for the Market St. Terminal (the "Premises") for the storage of cable reels and assembling of equipment in association with its Little Bay cable project.

In accordance with the "Delegation to Executive Director: Consent, Approval, and Execution of Rights of Entry," adopted by the PDA Board of Directors on May 10, 1994 and amended on April, 20, 2018, the Division is recommending approval of the ROE subject to the following terms and conditions:

- PREMISES:** Market St. Terminal, 555 Market St., Portsmouth, NH
- PURPOSE:** Use of the Premises for assembling equipment and storage of cable reels in conjunction with the Little Bay cable project
- TERM:** August 6, 2019 through December 31, 2019
- FEE:** Applicable terminal fees per Exhibit C; invoices will be issued at the time of service
- INSURANCE:** Minimum insurance coverage to include commercial general liability in the amount of \$2,000,000, automobile coverage in the amount of \$1,000,000, longshoreman's and harbor workers compensation act coverage and workers compensation coverage to statutory limits 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.

PEASE DEVELOPMENT AUTHORITY  
DIVISION OF PORTS AND HARBORS

RIGHT OF ENTRY

Pease Development Authority Division of Ports and Harbors ("PDA-DPH") with an address of 555 Market Street, Portsmouth, NH 03801 (the "Premises"), under authority set forth in NH RSA 12-G, grants a Right of Entry ("ROE") to Kokosing Industrial, Durocher Marine Division ("Kokosing"), of 958 N. Huron St., Cheboygan, MI 49721, to use property of the State of New Hampshire pursuant to the terms of this ROE and for no other uses unless expressly authorized in writing:

PREMISES: Market Street Terminal  
555 Market Street  
Portsmouth, NH 03801

PURPOSE OF ROE: Use of Premises for storage of cable reels and assembly of equipment in conjunction with the Little Bay cable project

PERIOD OF USE: August 6, 2019 through December 31, 2019

FEE: Applicable terminal fees per **Exhibit C**

This ROE is given to Kokosing subject to the following conditions:

1. The term of the ROE shall begin on August 6, 2019 and expire on December 31, 2019.
2. Kokosing is authorized to utilize the Premises to assemble equipment and store material in conjunction with its Little Bay Cable project. Kokosing agrees to work cooperatively with PDA-DPH and to abide by all restrictions on use which may be imposed to ensure the interests of the terminal are being served and met at the Premises.
3. Use of the Premises by Kokosing may be limited at the sole discretion of PDA-DPH in order to ensure there is no interference with access to, and use of, the Premises. PDA-DPH agrees to work cooperatively with Kokosing to accommodate its needs, if possible, during such periods of time.
4. Kokosing's shall maintain a clear, safe lane for emergency responders, their vehicles and/or equipment to access the floating concrete docks.
5. Kokosing's use of the Premises shall not adversely impact or interfere with the use of the Premises by other entities authorized to use the Premises.
6. Any expenses incurred by any agency of the State of New Hampshire or PDA-DPH to repair damages caused by Kokosing's use of the Premises shall be reimbursed by Kokosing within 30 days.

7. The Premises' natural features will not be altered or disturbed in any way and all areas so altered or disturbed as a result of Kokosing's use of the Premises will be repaired or fully restored by Kokosing prior to the termination of the ROE.

8. Kokosing's shall pay PDA-DPH all applicable fees as set forth in the Terminal charges, **Exhibit C**. Applicable charges will be invoiced at the completion of the project. Payments shall be made to "PDA-DPH" and forwarded to PDA-DPH, 555 Market St., Portsmouth, NH 03801.

9. Kokosing's use of the Premises is at its sole risk and that its signature below constitutes its agreement to assume full responsibility for any and all risks of loss or damage to property and injury or death to persons by reason of or incident to its entry or the entry by any of its employees, agents, servants, invitees, licensees, or contractors upon the Premises and/or the exercise of any of the authorities granted herein. Kokosing shall indemnify, defend and hold the State of New Hampshire and PDA-DPH harmless against and from any and all claims, judgments, damages, penalties, fines, assessments, costs and expenses, liabilities and losses (including without limitation, sums paid in settlement of claims, attorney's fees, consultant's fees and experts' fees) resulting or arising during the term of this ROE:

- A. from any condition of the Premises, including but not limited to any building, structure, or improvement thereon for which Kokosing has use of or has taken possession of hereunder;
- B. from any breach or default on the part of Kokosing to be performed pursuant to the terms of this ROE or from any act or omission of Kokosing or any of its agents, contractors, servants, employees, licensees or invitees; or
- C. from any accident, injury, death, loss, or damage whatsoever caused to any person or property occurring during the term of this ROE on or about the Premises (including but not limited to any dock and pier areas) arising out of or incidental to: 1) the use, management, or control of the Premises by Kokosing or any of its agents, contractors, servants, employees, licensees, or invitees; or 2) activities which are undertaken pursuant to or subject to this ROE.

10. On or before the effective date of this ROE, Kokosing and any agent, contractor, or vendor of Kokosing shall provide PDA-DPH with proof of required insurance coverage as outlined in **Exhibit A**.

11. Kokosing's shall submit a project schedule to the PDA-DPH Operations Manager for prior approval by PDA-DPH.

12. Kokosing' shall submit a list of employees and/or sub-contractors/agents that will be accessing the property and update the list, as necessary, over the term of this ROE. Such person's shall provide proof of identity at the entry point of the Premises.

13. The Division Director or its designee may, at his or her sole discretion and for the purposes of safety or other operational factors, relocate Kokosing or its areas of use of the Premises as may be required or necessary.

14. Kokosing's shall secure all necessary Federal, State and municipal and/or local permits and, if requested, shall provide copies of any and all permits to PDA-DPH as required.

15. Upon the termination of this ROE, Kokosing shall surrender to PDA-DPH the Premises and surrounding areas in good order, condition and repair, normal wear and tear expected. All Kokosing property shall be removed upon termination of the ROE.

16. Kokosing's shall observe and adhere to all United States Coast Guard Maritime Security regulations, the Terminal Security Plan (**Exhibit B**) and orders/requests by the Division Director, Operations Manager, the Premises Security Officer, and/or any of their designees.

17. No provision of this ROE shall be deemed to constitute or effect a waiver of the sovereign immunity of the State of New Hampshire and no provision of this ROE shall be deemed to constitute or effect a waiver of the sovereign immunity of PDA-DPH 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 PDA-DPH is reserved to it to the fullest extent allowed under law subject, however, to contractual claims arising under this ROE to the extent such are permitted by NH RSA Ch.491.8 as the same may be amended. The provisions of this paragraph 17, as well as the provisions of paragraph 9, shall survive the termination of this ROE.

18. Kokosing may terminate this ROE by giving PDA-DPH thirty (30) days advance notice in writing.

19. This ROE may be terminated by PDA-DPH at any time without cause or in the event of the failure of Kokosing to perform, keep, and observe any of the conditions of the ROE and the failure of Kokosing to correct the default or breach within the time specified by PDA-DPH by giving Kokosing thirty (30) days written notice of termination. This ROE may be terminated immediately by PDA-DPH in the event Kokosing fails to provide proof of insurance coverage or engages in any activity which is deemed to compromise public safety or health.

20. In the performance of this ROE, Kokosing is in all respects, an independent contractor and is neither an agent of nor an employee of the State of New Hampshire or PDA-DPH. Neither Kokosing nor any of its officers, employees, agents or members shall have the authority to bind the State of New Hampshire or PDA-DPH nor is any ROE holder entitled to any of the benefits, worker's compensation or emoluments provided by the State of New Hampshire or PDA-DPH to its employees.

21. In connection with the performance of this ROE, Kokosing shall comply with all statutes, laws, regulations and orders of federal, state, county and/or municipal authorities which shall impose any obligations or duties on Kokosing.

22. Kokosing shall provide all necessary and required safety equipment and training for the uses allowed under this ROE.

23. This ROE may not be assigned or transferred without the express written approval of the PDA-DPH.

24. Kokosing shall coordinate its activities hereunder with a representative of PDA-DPH and agrees to comply with all requests of said agency and with all applicable rules and regulations of the Market Street Marine Terminal.

[Remainder of page intentionally left blank, signature page follows]



Kokosing Industrial, Durocher Marine Division  
Right of Entry, Market St. Terminal  
4

PEASE DEVELOPMENT AUTHORITY  
DIVISION OF PORTS AND HARBORS

Date: 8/2/19

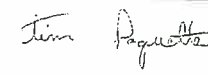
  
Witness

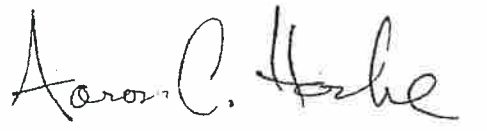
  
David R. Mullen, Executive Director, PDA

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KOKOSING INDUSTRIAL DUROCHER MARINE DIVISION

Date: 8/1/2019

  
Digitally signed by  
tpaquette@durocher.biz  
Date: 2019.08.01 07:58:47 -04'00'

  
Authorized Signature

Aaron C. Harke, VP Marine  
Name/Title

**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:

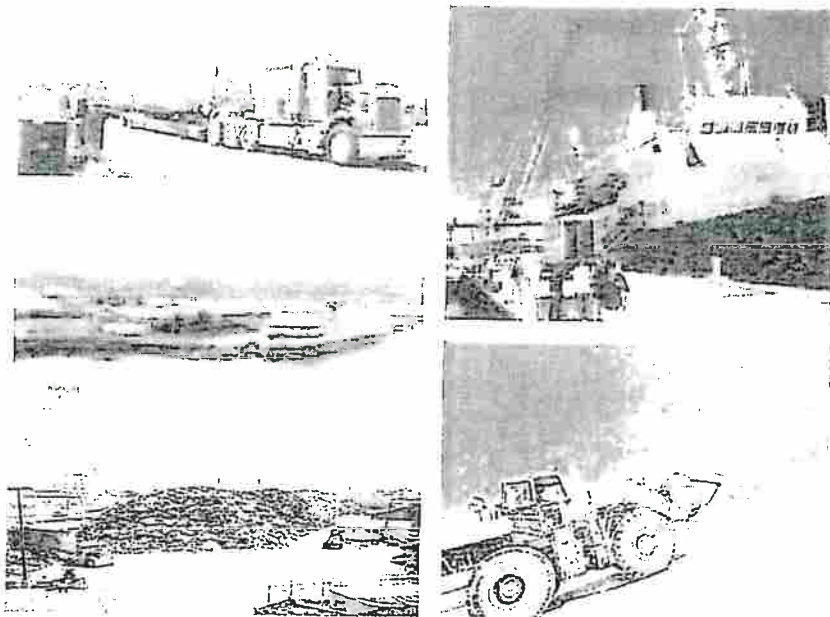
1. **Commercial General Liability:** Two (2) million dollars commercial general liability coverage per occurrence; and Two (2) million dollars per project aggregate.
2. **Automobile Liability:** One (1) million dollars automobile liability coverage.
3. **Workers Compensation:** Coverage equal to minimum 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. **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.
8. **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.
9. **Waiver of Subrogation:** With the exception of workers compensation coverage, a statement that a waiver of subrogation is included with respect to applicable coverage.
10. **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.
11. **Certificate Holder:** Pease Development Authority, Division of Ports of Harbors  
555 Market St.  
Portsmouth, NH 03801

For questions, please contact the Pease Development Authority Legal Department at (603) 433-6348.

EXHIBIT B

Port Authority of the  
State of New Hampshire

Tenant Security and Safety Guide



NH Port Authority  
555 Market Street  
Portsmouth, NH 03801  
Phone: 603.436.8500  
Fax: 603.436-2780  
E-mail: [g.nichols@peasedev.org](mailto:g.nichols@peasedev.org)

JULY 2018

## EMERGENCY CONTACT NUMBERS

Security Kiosk	Guard on Duty	(603) 766-9847
Port Director	Geno Marconi	(603) 365-0503
Chief Harbor Master	Tracy Shattuck	(603) 365-0505
Deputy Chief Harbor Master	Grant Nichols	(603) 817-0433
Operations Manager	Whit Anderson	(603) 812-1426
Security Supervisor	Dan Pollinger	(603) 812-3777
Main Office		(603) 436-8500

### **Other Numbers:**

Portsmouth Police	Dispatch	(603) 431-1500
Rockingham County SO	Dispatch	(603) 772-4716
US Coast Guard-New Castle	Duty Officer	(603) 433-7324
US Coast Guard-Emergency	Duty Officer	(207) 767-0303

## TWIC Escort Guide

### PURPOSE

The purpose of this guide is to provide the reader with the information necessary to meet the Market Street Marine Terminal requirements for Transportation Worker Identification Credential (TWIC) holders who escort non-TWIC holders in secure and restricted areas. Upon review of this guide, the reader should have a basic understanding of the following:

- Background and purpose of the TWIC program;
- Definitions of Secure and Restricted Areas, Escorting, Monitoring and Physical side-by-side accompaniment;
- Knowledge of the Port of New Hampshire Tenant Facility escorting procedures;
- Quick response measures and contingency plans if an escorted individual is engaged in activities other than those for which escorted access was granted.

### BACKGROUND

The Maritime Transportation Security Act (MTSA) of 2002 and Security and Accountability for Every (SAFE) Port Act of 2006 required the Department of Homeland Security to establish rules to prevent an unauthorized person from getting into a secure area of a vessel or facility that has a security plan.

The law requires the use of a standardized identification card. This ID is known as the "Transportation Worker Identification Credential" or "TWIC". The TWIC stores the holders identifying information, to include certain information collected from the holders fingerprint. This "biometric" information allows for the positive identification of the person in possession of the TWIC. To get a TWIC, an applicant must pass a Security Threat Assessment (STA). The assessment helps federal authorities decide if an applicant poses a security risk to the transportation industry.

Once the holder receives their TWIC, they may be granted unescorted access to secure and secure-restricted areas within a facility. *However*, having a TWIC does not give a person seeking entry authority to unescorted access to *all* marine terminals and facilities. Regardless of the TWIC holders desire or need to enter a given facility, a person holding a TWIC must also have permission from the Facility Security Officer (FSO) or his/her designee for unescorted access.

There are some people who do not need to have a TWIC for unescorted access. These include Federal officials, State or local law enforcement officers, or State or local emergency responders, all of whom may access secure and restricted areas unescorted in the course of performing their official duties.

### SECURE AND SECURE-RESTRICTED AREAS

Under MTSA rules, an owner or operator *must* designate certain areas of their facility as secure or secure-restricted. These designations are made based on the business performed at the facility.

A **secure area** is an area that has security measures in place for access control. The entire terminal is considered a secure area during normal day to day operations. A **restricted area** is a part of a secure area that needs more limited access and higher security. When a ship comes alongside the main pier or the barge pier, that pier becomes a secure-restricted area. **Being in a secure or secure-restricted area without authorization is a breach of security and is against the law.**

## TERMINAL TRAFFIC MONITORING PLAN

As noted previously, escorts who hold a valid TWIC may escort or monitor up to 10 non-TWIC holding visitors within the secure area. With this requirement in mind, the following plan has been devised in order to facilitate the movement of traffic while complying with the federal rules.

### GENERAL DAY TO DAY OPERATIONS (Entire Terminal is considered a "Secure" area)

#### Morton and GSM Salt

1. Drivers who are picking up salt are checked in, and then monitored by the Gate Guard as they travel between the Guard Kiosk and the Scale House for weighing.
2. Drivers are then monitored by the clerk as they leave the Scale House enroute to the loading point at the salt pile.
3. Drivers are monitored by the front end loader operator at the loading point.
4. Finally, drivers are monitored by the guard who checks them out as they leave the facility.

**Summary:** Guards, Clerks and personnel off-loading the trucks are all TWIC holders. They physically monitor the drivers as they travel through the process while the guard monitors ALL activities via the security camera system. The Guard, Clerk, and equipment operators will communicate by land line or hand-held portable radio should the need arise.

#### Contractors and Tenants in General

1. Guards collect vehicle, driver and passenger information and record it in the entry control log.
2. Employees are then allowed unescorted access to the facility as they all maintain a TWIC.
3. In the event a Contractor or Tenant employee does not have their TWIC in their possession or they are a new employee, the employee will be escorted by a TWIC holder.

#### Deliveries

1. Pre-announced deliveries – Guards will collect vehicle and driver information and record it in the entry control log. They will then be permitted to make their delivery. The Guard will keep track of how long the driver is on the terminal and will call to check on their status if they have not left in a reasonable amount of time.
2. Unannounced deliveries – Guards will call the appropriate tenant to verify the delivery.

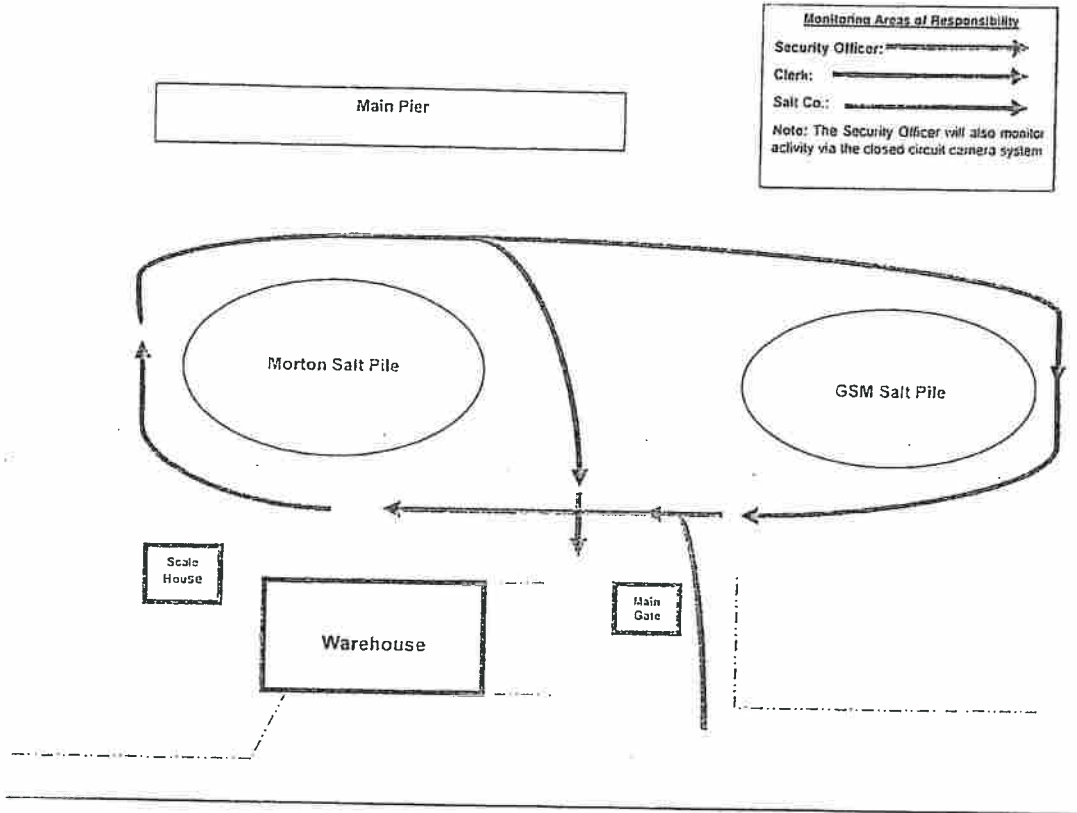
#### Ship in Port

(Pier becomes a "Secure-Restricted" area once the ship is alongside with the rest of the terminal retaining the "Secure" area designation)

1. Employees who are contracted to work either a salt ship or a cargo ship that do not hold a TWIC, are checked in by the Gate Guard and monitored as they travel between the security kiosk and their respective work area where they will be met by their TWIC escort.
2. The Tenant provides as many TWIC holders as necessary to monitor non-TWIC holders in the secure area (1 TWIC holder to every 10 non-TWIC holders).
3. The Tenant provides as many TWIC holders as necessary to escort non-TWIC holders on the main pier which is a secure-restricted area when a ship is in (1 TWIC holder to every 5 non-TWIC holders).
4. Guard monitors all activities within both the secure area and the secure-restricted area via the security camera system.



# Marine Terminal Secure Area Monitoring Plan



## SECURITY HOURS OF OPERATION, REQUIREMENTS FOR REQUESTING EXTENDED HOURS AND BILLING PROCESS

1. **Normal Hours of Operation:** The Port Authority provides a guard to control entry to the facility Monday through Friday, 0600 – 1600 (50-Hours), holidays excluded.

2. **Extended Hours:** Port Authority security personnel are available beyond the normal work schedule and on holidays at a rate which is currently set at \$37.00 per hour.

3. **Use of Port Authority personnel required:** As the "Owner or operator" of the Market Street Marine Terminal as defined in 33 CFR 105.200, and being empowered as the "Port Terminal Operator" responsible for "the security of the premises" under RSA 12-G:42, Para. V, the Division Director is responsible to; (1) Control access to the facility, (2) Deter the unauthorized introduction of dangerous substances and devices which could harm people or damage structures or vessels in port and, (3) Prevent an unescorted individual from entering secure or secure-restricted areas unless the individual holds a valid TWIC or is escorted by an authorized person with a valid TWIC, *CFR 105.255, (a), (1) – (4)*.

3.1 Security personnel working extended hours at the request of a tenant remain under the exclusive control of the Division Director and his staff.

4. **Requesting Extended Hours:** All requests must be made through the Division Director, Chief or Deputy Chief Harbor Master or the Operations Manager. In all cases, the Chief or the Deputy Chief Harbor Master should be notified as soon as practicable as they serve as the primary and alternate Facility Security Officers and are ultimately responsible for the scheduling of security personnel.

4.1 Requesting an early opening: Should a tenant require the gate be opened prior to 0600, a minimum of twelve (12) hours notice is required to make arrangements to have a guard present.

4.2 Requesting a late closing: Should a tenant require the gate be closed at a time later than 1600, a minimum of four (4) hours notice is required to allow for an adjustment of shifts.

4.3 Requesting a special security detail: From time to time, tenants may recognize the need to have a guard posted on high value equipment or in a particular area to dissuade theft, show a security presence, etc. A minimum of eight (8) hours notice is required to make arrangements to have a guard present.

4.3.1 Special security details are charged at the rate currently set at \$37.00 per hour.

4.3.2 Security personnel working special security details at the request of a tenant remain under the exclusive control of the Division Director and his staff.

5. **Cancellation and Minimum Fees:** A twelve (12) hour minimum cancellation notification is required when extended hours, early hours or special security details have been requested.

5.1 Tenants who have scheduled late hours, early hours or special security details will be billed for three (3) hours of security service requested if the twelve (12) hour cancellation notification has not been met.

5.2 Tenants who have scheduled late hours, early hours or special security details who cancel a detail once it has started will be billed for the entire shift originally requested.

5.3 Exceptions: Tenants or Contractors requesting a one (1) hour early opening or late closing will be subject to the \$37.00 per hour rate, but not the three (3) hour minimum called for in 5.1 of this section.

6. **Billing:** Guards will keep a detailed log of the hours each tenant company works outside of normal gate hours which as previously noted are, 0600 – 1600, Monday through Friday, Holidays excluded. The log will be reviewed by Port Authority staff on the last business day of each month then forwarded to the Pease Development Authority finance office for billing.

**Pease Development Authority – Safety Equipment Requirements**

**Safety Equipment**

A. Eye Protection; Shatterproof	K. Safety Observer
B. Hearing Protection; Earplugs or Earphones	L. Long-Sleeved Clothing
C. Gloves; Protective Leather or Canvas	M. Gloves, Specifically Designed for Welding
D. Gloves; Rubber or Latex, Gauntlet Length	N. Kevlar Pants; Blade binding
E. Breathing Protection; Mask or Respirator	O. Hard-hat with Face Screen and Ear Protection
F. Hard-hat	P. Hot Stick
G. Steel or Composite Toed Footwear	Q. Rubber Mat
H. Welder's Face Mask	R. Latex Gloves
I. Safety Harness	S. Tyvek Pesticide Suit
J. Safety-Line Attached	T. Back Brace
<b>Activity</b>	<b>Safety Equipment Required</b>
<b>Air Cleaning (Compressed Air)</b>	A, B
<b>Chain Saw Operation (Two Person Operation)</b>	A,B,C,F,O,N (O may be substituted for B and F)
<b>Cleaning with Solvents</b>	A,L,P (Follow Manufacturer guidelines)
<b>Climbing (Greater than 10')</b>	C,F,I,J,K
<b>Nail Guns</b>	A,B,C,G
<b>Handling Dead Animals</b>	R
<b>High-Voltage Work (Two Person Operation)</b>	A,B,D,F,L,P,Q
<b>Jack Hammering or Heavy Equipment</b>	A,B,C,G
<b>Leaf Blowers</b>	A,B
<b>Mowing (Push Mower)</b>	A,B,G
<b>Mowing (Riding Mower)</b>	B,G
<b>Painting (Airless Sprayer)</b>	A,B,E
<b>Pesticide Application</b>	A,B,D,E,S
<b>Power Tools (Drills, Saws, Grinders, etc)</b>	A,B, E
<b>Sanding</b>	A,E
<b>Torch Cutting</b>	H,L,M
<b>Welding</b>	H,L,M (Contact Lenses Are Forbidden)
<b>Wood Chipping</b>	A,B,C,F,G,N (O may be substituted for B and F)
<b>Work On or Near the Water*</b>	USCG Approved Work or Life Vest

\*29 CFR § 1917.95,(b), Personal flotation devices (PFDs). (1) The employer shall provide, and shall direct the wearing of PFDs for those employees, such as line handlers, who are engaged in work in which they may be pulled into the water: (i) When such employees are working in isolation, or (ii) Where physical limitations of available working space creates a hazard of falling into the water, or (iii) Where the work area is obstructed by cargo or other obstacles so as to prevent employees from obtaining safe footing for their work. (2) PFDs (life preservers, life jackets, or work vests) worn by each affected employee must be United States Coast Guard (USCG) approved pursuant to 46 CFR part 160 (Type I, II, III, or V PFD) and marked for use as a work vest, for commercial use, or for use on vessels. (3) Personal flotation devices shall be maintained in safe condition and shall be considered unserviceable when damaged so as to affect buoyancy or fastening capability.



## EXHIBIT C

PEASE DEVELOPMENT AUTHORITY  
DIVISION OF PORTS AND HARBORS  
555 MARKET STREET  
PORTSMOUTH, NH 03801  
603-436-8500

TERMINAL CHARGES  
January 01, 2007  
Amended March 1, 2009  
Amended January 24, 2017

A. DOCKAGE:

(The term dockage refers to the charges assessed against a vessel for berthing at the facility or for mooring to a vessel so berthed.)

\$0.29 cents per net registered ton per twenty-four hour period or a fraction thereof, with a minimum charge of \$500.00 per twenty-four hour period or a fraction thereof.

\$1.70 per ft. per twenty-four hour period or a fraction thereof for subchapter T and subchapter K (small passenger vessel), tugs without tows or barges without certificate of registry.

B. WHARFAGE:

(Wharfage refers to a charge assessed against the vessel on all cargo and containers, full or empty, passing or conveyed over, onto or between vessels (to or from barge, lighter or water) when berthed at the wharf. Wharfage is solely the charge for use of the wharf and does not include charges for any other service.)

Dry Bulk Cargo	\$0.85 per net ton
Containers 20 and 40 Ft length (loaded)	\$15.00 per container
Containers 20 and 40 Ft length (empty on return cycle)	No Charge
Passengers embarking or disembarking	\$2.50 per passenger
Heavy Lift Cargo	\$300.00 minimum per pick, charges to be determined in advance
Cargo, NOS	\$1.75 per net ton
Minimum Charge per Vessel	\$300.00
Trucks, Buses, Vans	

- N. **STORAGE**  
To be arranged in advance of cargo delivered to terminal.  
Outside paved, uncovered.  
\$63,000.00 per acre per annum
- O. **FREE TIME:**  
5 days beginning at 0800 hrs on the day following discharge for inbound cargo or entry into the terminal for outbound cargo excluding weekends and holidays.
- P. **POINT OF REST:**  
To be determined by the PDA/DPH prior to arrival of cargo/equipment.
- Q. **MINIMUM INSURANCE REQUIREMENTS:\***  
All contractors and subcontractors engaged in activities at the Market Street Terminal shall provide proof of 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. **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.
  8. **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.
  9. **Waiver of Subrogation:** With the exception of workers compensation coverage, a statement that a waiver of subrogation is included with respect to applicable coverage.
  10. **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.
  11. **Certificate Holder:** Pease Development Authority  
55 International Drive  
Portsmouth, NH 03801

\*Coverage amounts may be greater, subject to nature of activities conducted on PDA-DPH property





To: David Mullen, Executive Director, Pease Development Authority ("PDA") *JM*  
From: Geno Marconi, Director *JM*  
Date: August 9, 2019  
Subject: LS Cable America Ltd.

The Division of Ports and Harbors (the "Division") has received a request from LS Cable America Ltd. ("LSCA") to enter into a Right of Entry ("ROE") for the Market St. Terminal (the "Premises") for the storage of underground cable transmission material in association with its F-107 UNH Project.

In accordance with the "Delegation to Executive Director: Consent, Approval, and Execution of Rights of Entry," adopted by the PDA Board of Directors on May 10, 1994 and amended on April, 20, 2018, the Division is recommending approval of the ROE subject to the concurrence of one PDA board member and the following terms and conditions:

- PREMISES:** Market St. Terminal, 555 Market St., Portsmouth, NH
- PURPOSE:** Use of the Premises for storage of underground cable transmission material in conjunction with the F-107 UNH Project.
- TERM:** August 19, 2019 through December 14, 2019
- FEE:** Applicable terminal fees per Exhibit C; invoices will be issued at the end of the project.
- INSURANCE:** Minimum insurance coverage to include commercial general liability in the amount of \$2,000,000, automobile coverage in the amount of \$1,000,000, longshoreman's and harbor workers compensation act coverage and workers compensation coverage to statutory limits 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.





**MEMORANDUM**

To: Pease Development Authority Board of Directors  
From: David R. Mullen, Executive Director *DRM*  
Date: August 8, 2019  
Re: Special Events

I am pleased to report on the following special events:

- A. September 2, 2019 - St. Charles Children's Home will hold its 5k run which will be set up at Martin's Point,
- B. September 7, 2019 - Newington School Supporters will hold its Fox Point Sunset Run 5 mile run, they only use a portion of Arboretum as most of this event takes place in Newington to benefit the Newington schools; and
- C. September 28, 2019 - Bottomline Technologies will hold its 5k run to benefit CASA.

