

AGENDA

- I. Call to Order:**
- II. Acceptance of Meeting Minutes: August 20, 2020 * (Allard)**
- III. Public Comment:**
- IV. Committee:**
 - A. Report:
 - 1. Golf Committee *
- V. Finance:**
 - A. Executive Summary *
 - B. Reports
 - 1. FY 2021 Financial Report for the Period Ending July 31, 2020 *
 - 2. Nine Month Cash Flow Projections to May 31, 2021 *
- VI. Licenses/ROEs/Easements/Rights of Way:**
 - A. Reports:
 - 1. Advanced Excavation & Paving, Inc. – Right-of-Entry *
 - 2. Prescott Park Arts Festival (PPAF) – Right of Entry *
 - 3. CHI Aerospace – Right-of-Entry *
 - B. Approvals:
 - 1. Portsmouth Transportation Center – 185 Grafton Drive – Department of Transportation Subdivision * (Loughlin)
- VII. Leases:**
 - A. Report:
 - 1. Brookhaven Hospice of New Hampshire, LLC *
 - B. Approvals:
 - 1. Port City Air - Fuel Farm Concept Plan & Lease Amendment * (Anderson)
 - 2. T-Aviation, LLC – Skyhaven Airport Hangar 5 * (Fournier)
- VIII. Contracts/Agreements:**
 - A. Reports:
 - 1. Dan Fortnam – Exercise Option - Secure and Develop Scheduled Air Passenger Service through March 31, 2021 *
 - 2. Eckhardt & Johnson – Exercise Option - HVAC services through June 30, 2021 *
- IX. Signs:**
 - A. Approval:
 - 1. 2-Way Communications Service, Inc. – 19 Durham Street * (Anderson)

X. Executive Director:

A. Reports:

1. Golf Course Operations
2. Airport Operations
 - a) Portsmouth International Airport at Pease (PSM)
 - b) Skyhaven Airport (DAW)
 - c) Noise Line Report
 - (i) August 2020*

B. Approvals:

1. Bills for Legal Services * (Fournier)
2. Land Use Controls * (Lamson)

XI. Division of Ports and Harbors:

A. Report:

1. Port Advisory Council – June 10, 2020 Minutes *

B. Approvals:

1. Amendment to Right-of-Entry - Granite State Whale Watch * (Loughlin)
2. Portsmouth Fish Pier Seawall Replacement – Delegation to Division Director * (Allard)
3. Rye Harbor Mooring Removal / Replacement - Pepperrell Cove Marine Services, Inc. * (Levesque)

XII. New Business:

XIII. Upcoming Meetings:

Audit Committee	October 13, 2020 @ 8:30 a.m.
Board of Directors	October 15, 2020 @ 8:30 a.m.


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

XIV. Directors' Comments:

XV. Press Questions:

XVI. Schiller Plant Tour: (recess for transportation)

XVII. Adjournment:

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



MOTION – II.

Director Allard:

I make a motion to approve the minutes of the Pease Development Authority Board of Directors Meeting dated Thursday, August 20, 2020.

ROLL CALL VOTE REQUIRED.

PEASE DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS' MEETING
MINUTES

Thursday, August 20, 2020

Presiding: Kevin H. Smith, Chairman
Present: Peter J. Loughlin, Vice Chairman; Robert A. Allard, Treasurer; Erik Anderson;
Margaret F. Lamson; Neil Levesque and Steve Fournier
Attending: Paul E. Brean, Pease Development Authority ("PDA") Executive Director;
Lynn Marie Hinchee, General Counsel; Anthony I. Blenkinsop, Deputy General
Counsel; PDA staff members; members of the public.

AGENDA

I. Call to Order:

Chairman Smith called the meeting to order at 8:32 a.m. in the large classroom at PDA Offices. Seating was socially distanced and masks were required except when speaking.

II. Non-Public Session:

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

- 1. Sale or Lease of Real or Personal Property; and
- 2. Consideration of Legal Advice provided by Legal Counsel.

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

Director Fournier moved the motion and Director Allard seconded that the Board of Directors come out of non-public, at 9:17 a.m.

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

The Board meeting was open to the public at 9:20 a.m.

III. Vote of Confidentiality:

Director Allard moved the motion and Director Lamson 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 and any decisions reached in the non-public session of its August 20, 2020, meeting related to the sale or lease of property and the consideration of legal advice from legal counsel, would, if disclosed publically, render the proposed actions ineffective and further agrees that the minutes of said meeting

be held confidential until, in the opinion of a majority of the Board of Directors, the aforesaid circumstances no longer apply.

Discussion: Director Anderson asked to voting on the confidentiality component of the motion and a roll call vote. Smith affirmed the vote is to maintain confidentiality and confirmed with Deputy General Counsel Blenkinsop (Blenkinsop) that the vote should be a roll vote.

Disposition: Resolved by roll call vote (5-2) vote for; motion carried.

Member	Yes	No
Smith	x	
Loughlin		x
Allard	x	
Anderson		x
Fournier	x	
Lamson	x	
Levesque	x	

IV. Acceptance of Meeting Minutes:

Director Anderson moved the motion and Director Loughlin seconded a motion to approve the minutes of the Pease Development Authority Board of Directors Meeting dated Thursday, June 18, 2020.

Discussion: None. Disposition: Director Fournier abstained from voting on the minutes; Resolved by unanimous (6-0) vote for; motion carried.

V. Public Comment:

Chairman Smith welcomed Steve Fournier (Fournier) the newest Board member, the Strafford County delegate from Dover; he is the Town Manager of Newmarket. Fournier replaced Franklin Torr. Fournier indicated that he is a native of Strafford County who was born and brought up in Somersworth, served on its City Council and served as its Deputy Mayor when he was at UNH. He has managed a number of communities and is now the Town Manager for Newmarket and he has lived in Dover for the past fifteen (15) years.

The public was recognized for public comments:

1. John Tabor, City Council liaison for the City of Portsmouth (COP) – Tabor was in attendance for the discussion of [PDA] sending the letter to the FAA to begin a privatization process. On behalf of Portsmouth, Tabor indicated that the Municipal Services Agreement (MSA) has a long term value and regardless of what happens as a result of today's actions, only Portsmouth has the economy to scale to provide the services to the whole Pease Tradeport. Portsmouth feels strongly that the MSA has great value and would hate to see the MSA reopened

and would take a strong stance that it does not want it reopened as long as there is a Pease Development Authority (PDA) at Pease Tradeport.

2. Karen Conard, City Manager for the City of Portsmouth – Conard thanked the Board for the opportunity to attend the meeting and echoed Councilor Tabor’s comments.
3. Dan Plummer, Two International Group – Plummer stated they are in support of the letter being sent to the FAA.
4. John Powers, Farley White – Powers indicated that they are in support of the letter to the FAA.

VI. Finance:

A. Executive Summary:

Finance Director Irv Canner (Canner) indicated that the summary outlines the three reports contained in the agenda.

Lamson indicated that the synopsis was very informative.

B. Reports:

1. Operating Results for the Twelve Month Period Ending June 30, 2020

Canner indicated that the virtual audit will be underway as of the 28th and closing exercises will be followed through until a majority of revenue/expenses have been captured related to FY20. Canner indicated that revenue is approximately 1% higher than budgeted and operating costs were down slightly. Canner mention to the Board the Building/Facilities line item being over budget for the FY due to a transfer of payroll / benefits (work orders transferred into Building/Facilities which are not budgeted for) as well as monies for the Rye dredging. The state money received for the Rye dredging is not viewed as revenue, rather it is captured as contributed capital.

Canner indicated that Portsmouth Fish Pier is not operating resulting in fuel sales being down, but otherwise holding steady.

Canner indicated that there are 64 benefited positions with two current open positions. Canner indicated to the Board that under operating expenses the budgeted electricity consumption is in line with usage; however, this operating expenses is over due to increased distribution rates being passed on by Eversource.

Canner indicated that PDA did not have to borrow money this year which is a positive variance. However, it is anticipated that PDA will need draw down from the Revolving Line of Credit (RLOC) this week. Canner indicated a decrease in cash flow from one year to the next driven by expenses of approximately \$14 million in capital expenditures to support the airport (terminal / runway) projects.

Lamson asked about the Main Pier/Barge Dock (replacement of the dysfunctional dock); Brean indicated that Director Marconi (Marconi) could speak to that in his report. Canner

indicated that currently Marconi is focusing on the Build Grant which is approximately a \$12 million dollar project (funding by PDA of apprx. \$5 million and DOT of apprx. \$7 million).

Canner indicated that there were approximately 24,000 enplanements through the end of June. Smith asked Brean if there is a requirement of a certain number of enplanements in order to receive federal monies; Brean indicated that the number is 10,000 annually.

Canner spoke to the anticipation of lost revenues due to COVID-19 and where PDA stands based on lost revenues (golf course being closed, fuel flowage and pay-for-parking) against the offset expenses and a reduction to expenses (i.e.; police coverage due to reduction in flights); the approximate impact is \$50,000. Director Levesque (Levesque) indicated it is amazing that the impact has been kept to roughly \$50,000; Canner indicated this has been accomplished through the efforts of staff to see where cuts could be made or projects could be delayed due to COVID-19.

Canner spoke to an operating loss of approximately \$70,000 and cumulatively approximate \$2 million at Skyhaven since PDA took it over several years ago.

Canner spoke to the Golf Course and that operating revenues were approximately 4% more than budgeted while keeping expenses flat. Canner indicated a difference of Grill 28 sales between fiscal years of approximately 18% (closed for several weeks due to COVID but now up and running).

Canner indicated that the next time the Board meets will have the audited numbers to discuss.

Anderson asked with respect to the Portsmouth Fish Pier grant award of \$3.25 million and the low bid of \$1.7 million where will the difference of \$1.5 million go (i.e.; back to the state or retained by PDA). Canner indicated that these numbers are still preliminary as the project is not yet complete and any excess funds would go back to the state. Hinchee indicated that Marconi is currently working on change orders for that project that will likely increase the project cost. It is anticipated that these change orders will be brought to the Board at the September meeting as they are not yet finalized.

2. Nine Month Cash Flow Projections to April 30, 2021

Canner spoke to the cash flow of \$26 million dollars needed to compete the terminal / runway projects and anticipated drawing down the RLOC in the fall to fund these projects. Canner further indicated the desire to keep approximately \$1 million in working capital. Additionally, Canner indicated that PDA has recently submitted the CARES funding award of approximately \$1.6 million (\$30,000 to Skyhaven and balance to Portsmouth Airport) and anticipate receipt of funds next month which will help to offset the cash flow.

Lamson commended both Brean and Engineering Manager Maria Stowell (Stowell) for the work being done for the terminal / runway projects and asked if PDA is still in line for the FAA funding for the project; Brean affirmed.

Canner spoke to interest rates being low making it favorable for borrowing at this time.

Canner spoke to the Division of Ports & Harbors (DPH) showing no inconsistencies.

3. Revolving Loan Fund – June 30, 2020 Submittal EDA

Canner indicated that every six months an accounting is provided to the EDA to indicate where things stand. Canner indicated that the outstanding loans total just about \$1 million, with 22 loan participants (the top five loan participants comprise over 50% of the money outstanding). Canner further informed the Board that since the inception of the RLF, it has helped to save approximately 353 jobs. Canner also indicated that each of the loan participants took advantage of the reduction in interest rate from 4% to 3% and were able to defer certain monies up to three months out and that no loans are delinquent.

Lamson took a moment to introduce Fournier to the Newington Selectmen Chair, Ted Connors, who was in the audience.

C. Approval:

1. Cambridge Bank and Trust Company – Resolution Approval

Director Lamson **moved** the motion and Director Loughlin **seconded** that **the Pease Development Authority (“PDA”) Board of Directors hereby authorizes the Executive Director to execute any and all necessary documents with respect to the PDA’s Cambridge Bank and Trust (“Cambridge”) account and approves of and incorporates the banking resolutions set forth in the form attached hereto. The following appointed official and employees are authorized to endorse all checks, drafts, depository agreements and/or other related bank documents in accordance with the powers so granted in the attached resolutions form:**

Robert Allard	Treasurer
Paul E. Brean	Executive Director
Lynn Marie Hinchee	General Counsel
Maria Stowell	Manager of Engineering

The authority hereby conferred upon the above named Agents shall be and remain in full force and effect until written notice of the revocation is presented.

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

VII. Licenses/ROEs/Easements/Rights of Way:

In accordance with the “Delegation to Executive Director: Consent, Approval and Execution of License Agreements,” PDA entered into the following licenses:

A. Reports:

1. City of Rochester – Right-of-Entry 290 Rochester Hill Road, Skyhaven Airport

Brean indicated that this Right-of-Entry was for the City of Rochester to conduct survey work regarding a potential development in the Industrial Park behind Skyhaven Airport.

2. Van Wagner Aerial Media, LLC – Right-of-Entry, Skyhaven Airport

Brean indicated that this Right-of-Entry was for a Geico banner to be flown around the Seacoast area out of Skyhaven.

3. United States Coast Guard – Exercising its Option to its Right-of-Entry

Brean indicated that this exercise of Option allows the Cutter’s crew, when it leaves port, to park the crews’ vehicles at the airport.

4. AeroClave, LLC – Right-of-Entry, Midfield Parcel at Pease International Airport at Pease

Brean indicated that this Right-of-Entry was for the use of the midfield for demonstration purposes regarding the decontamination of a USAF C130 on a temporary basis.

5. Aerial Banners North, Inc. – Right-of-Entry, Skyhaven Airport

Brean indicated that this Right-of-Entry was for another banner company flying out of Skyhaven Airport towing a Corona banner.

B. Approvals:

1. Skyhaven Flying Club

Director Fournier **moved** the motion and Director Allard **seconded** that **the Pease Development Authority (“PDA”) Board of Directors hereby authorizes the Executive Director to enter into a one year extension of the Right-of-Entry with the Skyhaven Flying Club, Inc. for the purposes of operating a flight simulator effective from October 1, 2020 through September 30, 2021; all in accordance with and the memorandum of Andrew Pomeroy, Airport Operations Manager, dated July 30, 2020.**

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

VIII. Leases:

In accordance with the “Delegation to Executive Director: Consent, Approval of Sub-Sublease Agreements” PDA approved the following lease:

A. Reports:

1. Sublease between 200 International Limited Partnership and Laborie Medical Technologies Corp.

Brean indicated that this lease is for the former Medtronics building.

B. Approvals:

1. Port City Air - Lot Line Revision & Lease Amendment

Director Allard moved the motion and Director Lamson seconded that the Pease Development Authority (“PDA”) Board of Directors hereby authorizes the Executive Director to:

- a. ratify and approve of the execution and recording of the Lot Line Adjustment Plan for the premises located at 104 Grafton Road to increase the lot size to a total of 6.55 acres in accordance with the amendments to the PDA Land Use Controls approved by the PDA Board effective October 18, 2013;
- b. approve and authorize the Executive Director to enter into Lease Amendment No. 1 (“Amendment”) on substantially similar terms and conditions contained in the draft Amendment attached hereto; and
- c. approve and authorize such other action(s) and the execution of such other document(s) as shall be necessary or advisable to implement the transaction as more fully described in the memoranda of Maria J. Stowell, Engineering Manager, dated August 12, 2020 and Anthony I. Blenkinsop, Deputy General Counsel, dated August 13, 2020.

Prior to the Board taking action, Chairman Smith made an acknowledgment that any abutter who desired to speak to the matter should do so at this time. No abutters spoke.

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

IX. Contracts/Agreements:

In accordance with Article 3.9.1.1 of the PDA Bylaws, Brean reported the following:

A. Reports:

1. Country Club Enterprises, LLC – Rental of Twenty Golf Carts

Brean indicated the purpose of the additional twenty (20) golf carts through October 12, 2020 is to allow for continued social distancing.

B. Approvals:

1. State Block Grant (SBG) Application for Skyhaven Terminal Apron Improvements

Director Fournier moved the motion and Director Allard seconded that the Pease Development Authority (“PDA”) Board of Directors authorizes the Executive Director to accept a State Block Grant (SBG) for Skyhaven Airport (DAW) Terminal Apron Design, as previously approved on May 21, 2020, and further accepts, approves of and authorizes PDA’s acceptance of the design grant condition to accept, within two years after the design is completed, a grant to complete the construction of the project, with a five percent (5%) PDA contribution; all in accordance with a memorandum of Maria J. Stowell, P.E., Engineering Manager dated August 17, 2020.

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

X. Signs:

In accordance with the “Delegation to Building Inspector: Consent and Approval of Minor Revisions to Existing Signs” PDA reports as follows:

A. Report:

1. Pease Development Authority – 55 International Drive

Brean indicated that the sign alternation is associated with the Granite State College signage at 55 International Drive. As the College ceased operations at the location and PDA took over the space as of July 1st, there is a need to alter the exterior signs to reference the Airport Badging Office and Classrooms, at a cost of \$80.00.

XI. Executive Director:

A. Reports:

1. Golf Course Operations

Golf Course General Manager Scott DeVito (DeVito) indicated that over the last three (3) years there have been six (6) days/year that the course has averaged 400+ players, as of 8/19/2020 the course has had forty-seven (47) days with over 400+ players on the course (four of those days the course broke 500 players). DeVito also indicated that the playing surface has taken a toll due to the traffic and the weather; so in the fall the course is looking to outsource for reseeding / turf maintenance. DeVito indicated that course staff has been utilizing its equipment for this, but there is a need for extra help from the damage done by the weather. DeVito also indicated that during the shutdown of the runway the course will be obtaining some drone footage of the course in order to update to the website and obtain marketing materials. DeVito also indicated that 8/20/2020 is the last round of NH Women’s Mid-Amateur Championship that the course hosted.

Anderson asked of the water consumption at the golf course; DeVito indicated that the course has consumed just under 16 million gallons for the year. DeVito indicated that typically after Labor Day and with the occasional storms it takes the pressure off for watering and would expect to see a bill per the agreement with the COP for consumption in July, August and September. Anderson asked if the water came from the Smith well; DeVito stated from what he

understood it was from the City's water system, not just one well.

Brean commended DeVito and the staff at the golf course for bouncing back quickly and creating revenue by implementing a new way of business due to COVID-19 and maintaining fiscal responsibility.

2. Airport Operations:

a) Portsmouth International Airport at Pease (PSM)

Brean indicated he knew 2020 was going to be a challenging year, prior to COVID, with the runway reconstruction. Brean indicated that the 11,000 ft. single runway is being reconstructed in four (4) phases. The south phase is complete, the north phase is almost complete and then there will be a full closure in September of two weeks period to complete the middle section of the runway. Brean indicated that the prime traffic was reduced due to the decrease in length of runway during construction (from 11,000 ft. down to 6,800 ft.). Brean indicated that charter enplanements (heavy aircraft that support the military - civil reserve air fleet) have been reduced to 179 in July when historically it is around 5,000. Brean indicated that due to COVID there has also been a 50% reduction in commercial traffic. However, for the Northeast region, the load factors are some of the highest for commercial flights throughout the region. Overall there were 2,373 enplanements in July which will bring PSM up to 26,000 for the year which is a significant decline from past years. Brean further indicated that Allegiant (low cost carrier) only ran 44 routes during spring/summer with PSM providing three (3) of those routes.

Brean spoke to the number of gallons of Jet-A fuel pumped in July which was roughly 50% of normal consumption; originally anticipated it would have been around 10% so hats off to Port City Air (PCA).

Brean indicated that there were approximately 345 transactions for the pay-for-parking; while there has been less flight activity there has been longer duration between flights meaning more parking revenue per passenger.

Brean indicated that the runway project is on-target for the two (2) week shutdown and it is looking like PSM will have the full runway length back in November / December.

Brean indicated that 12,000 sq. ft. has been added to the terminal and if everything stays on track it is and anticipate that an occupancy permit may be received in December.

b) Skyhaven Airport (DAW)

Brean indicated that Skyhaven had several Rights-of-Entries and with the aviation activity up there it is anticipated that he will report good fuel sales at next month's meeting. Brean also indicated that the Skyhaven website has been updated to help with marketing and there may be potential entities down the road to inform the Board of regarding Skyhaven.

c) Noise Line Report

(i) **June & July 2020**

Brean indicated that there was one noise inquiry in June 2020, which was for a rotor-winged aircraft and after researching it is believed it was not operating from PSM; in July there were no aircraft complaints.

B. Approvals:

1. Bills for Legal Services

Director Loughlin moved the motion and Director Allard seconded that the Pease Development Authority (“PDA”) Board of Directors approves of and authorizes the Executive Director to:

1. Expend funds in the amount of \$24,766.00 for legal services rendered to the Pease Development Authority from May 1, 2020 through July 31, 2020.

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

2. Congestion Mitigation Air Quality (CMAQ) grants – Additional Funding Required

Director Lamson moved the motion and Director Anderson seconded that the Pease Development Authority (“PDA”) Board of Directors at its August 22, 2019 meeting voted to accept, if offered, two Congestion Mitigation and Air Quality (CMAQ) Program grants through the NH Department of Transportation for two eligible air quality improvement and congestion mitigation projects; the applications were selected for funding. PDA authorizes the Executive Director to:

- A. Accept a grant in the amount of \$41,120 in CMAQ funding for the installation of electrical vehicle charging stations at the golf course and airport terminal parking lots, and expend \$10,280 in matching funds; and
- B. Accept a grant in the amount of \$338,170.88 in CMAQ funding for construction of a right turn lane on New Hampshire Ave and expend \$84,542.72 in matching funds.

all in accordance with the memorandum of Maria J. Stowell, P.E., Engineering Manager, dated August 4, 2020.

Discussion: Lamson indicated that Stowell worked with Rockingham Planning Commission regarding this and Newington didn’t pay for anything.

Disposition: Resolved by unanimous vote for; motion carried.

3. Rent Forbearance & Accrual

Director Anderson moved the motion and Director Allard seconded that **WHEREAS, RSA ch. 12-G vests the management of the Pease Development Authority (“Authority”) in its Board of Directors;**

WHEREAS, the Authority has duly enacted By-Laws in accordance with the provisions of NH RSA 12-G:8, XIX; and

WHEREAS, the By-Laws provide that the Executive Director shall have all the authority of the Chairman with respect to the signing of contracts, leases, releases, bond, note and other instruments and documents approved by the Authority; and

WHEREAS, the Authority deems it necessary to the management and regulation of its affairs to delegate to the Executive Director the authority to consent to, approve and execute required documents for to facilitate rent accrual and payment forbearance agreements of up to 12 months, with interest, to provide relief for the business interruption suffered by certain Pease International Tradeport, Portsmouth Airport at Pease and/or PDA Division of Ports and Harbors tenants, concessionaires and real estate users.

NOW, BE IT RESOLVED, that the Authority does hereby delegate to the Executive Director the authority to consent to, approve and execute certain required documentation in accordance with the terms and conditions of the Limited Delegation to Executive Director: Consent, Approval, and Execution of Documents attached hereto and incorporated herein by reference.

Discussion: Anderson indicated that he had a discussion with Legal regarding what this meant. Brean indicated that this will allow PDA to quickly address any COVID related financial issues the tenants/concessionaires are having related to rent/concession payments and sets parameters on what can be offered (i.e.; a 12 month forbearance as long as the term is paid back within 12 months at prime rate plus 4%). If anything is needed beyond that it would be brought back to the full Board.

Disposition: Resolved by unanimous vote for; motion carried.

XII. Division of Ports and Harbors:

In accordance with the “Delegation to Executive Director: Consent, Approval and Execution of Documents and Expenditure of Funds for Emergency Repairs”, the “Delegation to Executive Director: Consent, Approval and Execution of Mooring Permit Transfers”, the “Delegation to Executive Director: Consent and Approval of Commercial Mooring for Hire Permits”, and the “Delegation to Executive Director: Consent, Approval and Execution of License Agreements,” PDA reports as follows:

A. Reports:

1. Eckhardt & Johnson – Installation of one Mitsubishi Ductless Split System in Guard Shack

Marconi indicated that the air conditioning system in the guard shack/kiosk stopped

working in June; it is a metal building with windows on all four sides making it unbearable to work in during the summer months. Marconi indicated that DPH obtained an estimate and permission from Director Loughlin regarding the installation of a new system.

2. **Transfer of Commercial Mooring from Boynton to Connell**
3. **Transfer of Commercial Mooring from Splaine to Riley**
4. **Transfer of Commercial Mooring from Horton to Golter**
5. **Transfer of Commercial Mooring from Heisey to Wickson**

Marconi indicated that all of the Commercial Moorings transfers have been reviewed and met all of the requirements in the Code of Administrative Rules (documents reviewed and recommended by all appropriate parties).

6. **Commercial for Hire Mooring Application – Pull and B.D. Inc.**

Marconi indicated this application was from a group on Goat Island and all requirements and documentation had been reviewed and recommended by all appropriate parties.

7. **Right of Entry – Pilgrim Productions “Wicked Tuna”**

Marconi stated that this Right-of-Entry is for Rye Harbor; there is a high liner of the TV show Wicked Tuna located there and the film production company requests to come in and film the tuna boat “Pinwheel”; the production company follows the rules.

8. **Cianbro Update – PNSY Project**

Marconi indicated that this report is to keep the Board informed on the Right-of-Entry previously provided to Cianbro regarding the work it is performing regarding the PNSY project. Marconi indicated that the super flood basin at PNSY requires about 80,000 cubic yards of concrete; the plan that Cianbro instituted is that they will assemble a concrete batching plant on a barge which will be brought over to PNSY and spud it off during the time of construction in order to manufacture the concrete right there. There will also be two supply barges going back and forth between the port terminal and PNSY (one barge will be carrying crushed stone and sand and the other barge will be transporting the dry cement and fly ash). Anderson asked how long this project will last; Marconi indicated close to a year.

Marconi indicated that DPH has a lot of activity and a lot of cargo on the facility (i.e.; 3 acres leased by Eastern Minerals for salt storage; 1.5 acres for Morton Salt is full; the beginning of the month a ship came in and brought in 30,000 metric tons of crushed stone (aggregate) and there have been trucking daily bringing in sand for the production of concrete). Marconi indicated that DPH is currently at capacity.

Anderson indicated he asked earlier in the meeting concerning the difference between the \$3.25 million which was awarded regarding the Portsmouth Fish Pier to the low bid received of \$1.7 million. Marconi indicated that as the project advanced and the contractor started putting in submittals to the engineer for specifics (i.e.; old tie rods and new tie rods) and it has come to the

attention of DPH that there will be some change orders. Marconi indicated that the current review is regarding the fuel dispenser system which had been working but when the consultant came in from the engineering firm to review the design and the dispensers may be close to the end of its life; this is an opportunity to put a new one in and not have to worry about it a year or two down the road. Marconi indicated that these are things that have been brought to DPH's attention and indicated that it is nothing significant. Anderson asked if the difference between what was awarded and the low bid, less the changes orders, will those funds still be available to DPH to do other improvements. Marconi indicated that money was specifically appropriated for the seawall project so anything left outside of the seawall project would require a whole new process for use of those funds.

Lamson indicated that the photos were helpful.

B. Approvals:

1. Reappointment of Captain Chris Holt a Class I Pilot

Director Anderson moved the motion and Director Allard seconded that **the Pease Development Authority (PDA) Board of Directors hereby authorizes the Executive Director in accordance with NH Code of Administrative Rules Pda 300 Port Captains, Pilots and Pilotage, and the memorandum of Geno Marconi, Division Director, dated August 4, 2020 attached hereto, reappoint Captain Christopher D. Holt as a Class I Pilot for the Portsmouth Harbor and Piscataqua River through August 21, 2025.**

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

2. Initial appointment of Nick Dawes as Class I Pilot

Director Levesque moved the motion and Director Allard seconded that **in accordance with RSA 12-G:47, Pilots, and the Code of Administrative Rules PART Pda 305.01, Appointment, Commissioning, and Removal of Pilots, the Pease Development Authority Board of Directors (PDA) approves the appointment of Nicolas Robert Dawes as a Class I Pilot, to pilot vessels over 10,000 gross tons, for the pilotage area landward of the line of demarcation including, but not limited to, Portsmouth Harbor and the Piscataqua River up to and including Dover Point, New Hampshire through March 9, 2023; all in accordance with the Memorandum of Geno J. Marconi, Division Director, dated August 12, 2020.**

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

C. Ratification:

1. Partners Bank – Approval and Ratification of new deposit account and bank resolutions for DPH

Director Allard moved the motion and Director Loughlin seconded that **the Pease Development Authority (“PDA”) Board of Directors hereby approves and ratifies the opening of a Division of Ports and Harbors’ banking account with Partners Bank (“Partners”), as well as the Partners’ banking resolutions set forth in the form attached**

hereto. The following appointed official and employees are authorized to endorse all checks, drafts, depository agreements and/or other related bank documents in accordance with the powers so granted in the attached resolutions' form:

Robert Allard	Treasurer
Paul E. Brean	Executive Director
Lynn Marie Hinchee	General Counsel
Maria Stowell	Manager of Engineering

The authority hereby conferred upon the above named Agents shall be and remain in full force and effect until written notice of the revocation is presented.

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

D. Board Action on Mooring Permit Appeal (Pda 514.09):
1. Appeal of William Raley

Director Lamson **moved** the motion and Director Fournier **seconded** that **having** considered the record pursuant to Pda 514.09(b), the Pease Development Authority Board (“PDA”) of Directors hereby accepts the report of the PDA Board designee and **grants** the appeal of William Raley pursuant to the provisions of New Hampshire administrative rules Pda 514.10 and Pda 514.11; Further the PDA Board remands this matter to the Director of the Division of Ports and Harbors for the purpose of issuing William Raley his 2020 mooring permit contingent on the provisions of Pda 514.11(c) being satisfied.

Prior to the Board taking action, Chairman Smith asked if either party desired to speak to the matter.

Mr. Raley was present and indicated he had no new evidence to present to the Board and everything has been outlined in the report from the hearing and all is accurate and honest. Marconi also added that the hearing officer’s report is concise and sums it all up.

Loughlin indicated that there were several stages to the appeal and Marconi denied the mooring permit due to timing issue; Mr. Raley did not have representation early in the process. Loughlin indicated that additional information regarding the appeal was received and due to a confluence of circumstances, Loughlin felt that the mooring should be reinstated.

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

XIII. New Business:

A. Approvals:

1. Application for release of certain real property from aeronautical use grant assurances and any other airport obligations

Director Levesque **moved** the motion and Director Fournier **seconded** (*FOR DISCUSSION PURPOSES ONLY*) that the Pease Development Authority (“PDA”)

Board of Directors hereby authorizes its Chairman to execute the request to Gail Lattrell, Director of the Federal Aviation Administration Airport Division New England Region, to seek a release of certain non-aeronautical revenue producing property within the Business and Commercial Zone and Industrial Zone of the Pease International Tradeport from federal grant assurances and other airport obligations. This release is intended to facilitate the potential future sale to third parties of the fee interest in approximately eight hundred thirty-six and five hundredths (836.5)+/- acres of land, or portions thereof; all as substantially set forth in the attached letter request dated August 21, 2020.

Discussion:

Chairman Smith read a brief statement:

"Members of the Board, I am asking for your consideration this morning of agenda item XIII. A. Approval of an Application for release of certain real property from aeronautical use grant assurances and any other airport obligations. As most of you are aware the Governor has requested, through the Chairman, that we vote to petition the Federal Aviation Administration (FAA) to seek approval for the release of certain properties within the Business / Commercial and Industrial Zones within the Pease International Tradeport. To be clear, if the FAA were to grant such a request it merely provides the beginning of a pathway to the Governor and Legislature with approval of PDA Board to decide in the future that it would like to further pursue said path. It does not in any way obligate this Board, the Legislature, the Governor or any future Governor to having to seek this direction, if they so choose not to. Thus, so we are of the same understanding, this is not a vote to decide whether or not the PDA Board should begin to sell off interest in some or all of its Business / Commercial and Industrial parcels on the Tradeport. Such a vote would happen much later in the process; that would involve many governmental entities and a thorough due process examination. Rather, this is a vote simply to seek permission to go in that direction if the PDA Board finds it is in the best interest of the Tradeport to do so in the future. To that end I ask each Board member to consider voting in favor of this motion as it means to provide us with another tool in the tool box should it be needed at some point down the road. I fully understand that many of you have serious and well-grounded reservations about selling off any assets on the Tradeport. And, frankly I also share those concerns. I am not convinced that selling all of the Commercial and Industrial properties at Pease to private entities would be in the best interest of the PDA at this time. However, I also believe we should keep our options open for the future as perhaps market conditions change or it becomes advantageous for the PDA to sell off certain parcels here and there over time. Either way having the FAA's blessing if you will, if we so desire, will at the very least, make the process less cumbersome and time consuming. Again, my appreciation to the Board for its thoughtfulness in giving this matter thorough consideration."

Lamson indicated when this was brought to her as a representative of Newington, she felt that the Board needed to look at this [request] carefully. Lamson indicated that she doesn't feel comfortable with this as it is not advantageous to the communities; it will be an advantage for some [tenants] who want this. Lamson indicated that for these reasons she will not vote in favor of this letter being sent. Lamson further indicated that the Board are professional / smart people, there are staff who direct and explain things to the Board; this needs to be reviewed carefully. Lamson indicated that all avenues need to be reviewed:

1. If this is fee simple it doesn't do anything for zoning, Newington or Portsmouth would have nothing to do with it; due to legislation it is 2050 [when zoning reverts back to Newington or Portsmouth].
2. Taxes – there is a lot that certainly needs to be reviewed.

Lamson further stated that she was taken aback by the calls she received.

Anderson indicated he reviewed the letter in draft form to see how it weighed out and he is not convinced, from any compelling evidence, that this is the time and place to move forward with this letter. It might have the ability to do so in the future, but here and now there are a variety of unresolved questions and answers. Anderson further stated that in light of this coming as fast as it has, further discussion should unfold to see it in a different light. Anderson indicated that today, in the manner it is being presented, he cannot support it.

Fournier stated first and foremost he is always in favor of land being privatized (land should be in private hands). However, he was concerned that the Board does not have enough information or a plan. Fournier indicated he understands that the Board would just be asking for permission, but would feel more comfortable, as an organization, if there was a plan on what was going to be done. Fournier further indicated that if the land were to be sold, PDA would be losing a lot of revenue. And, he understands that the process would be lengthy for each parcel but indicated it seemed as though the cart was being put in front of the horse. PDA still has commitments to the airport and PDA uses the lease revenue to pay for it. Fournier indicated he does not see how the Board can justify it if the revenue resources are chopped away at and would need to see how it can be supported before saying yes. Fournier indicated that he could table this until the Board had all of the information, but if this is the only Motion before him he would vote no.

Loughlin indicated he received a call from Dan Plummer on Wednesday (8/19). Loughlin indicated that his focus on Pease has been landscaping/aesthetics/environment (seeing those as one). Loughlin spoke to the belief and gratitude of the tone that Dan and Renee have put into their developments which is has been critical, it set the tone for development at Pease. Plummer asked Loughlin his thoughts on the letter; Loughlin reflected on a previous conversation the two had several years ago. Loughlin indicated at that time he supported privatization, he was against the public benefit transfer and favored the acquisition of the economic development transfer (which meant the land would have been taxable and private). A few years later, at the request of Plummer and others, PDA had a study performed in December of 2017 on the financial impacts of selling versus leasing. Loughlin indicated that prior to the study he thought the land could be sold, placing the proceeds from the sales in a pot and maintain the airport that way. Loughlin indicated his naivety after review of the Donohoe report which was prepared indicating the impact by reviewing five (5) parcels (Redhook; 249 Corporate; 325 Corporate; One New Hampshire Avenue and Arboretum). The report determined the income generated by the sale of the five (5) properties and the funds realized by sale of those properties would be approximately \$20 million; that by retaining the leases, the funds would be \$154 million. Loughlin stated when the property was taken over there was a deal with the FAA on how the property would be taken and used. Loughlin indicated PDA cannot support the airside without the landside revenues. Loughlin indicated that there is a

roughly 85% difference from funds taken away from the airport by the sale versus lease of property. Loughlin further stated that by defunding you would be reallocating funds for a different purpose, but here PDA would not be reallocating funds for a different purpose it would change funds that wouldn't become public and stay private. Loughlin indicated that the ultimate impact of the proposal would be to defund the airport. Loughlin indicated it is good business if tenants can reduce what they pay and would like the Plummers, Kanes, Kageleiry (all of the landside tenants) to continue to thrive, but also wants those who have invested on the airside (Port City Air, Plansense, Air Guard) to thrive but does not see that happening with the Board pursuing this through. Loughlin indicated that this [request] did not come from the staff, and he believes he would violate his fiduciary duty to both the PDA and the State if he were to support the Motion.

Lamson stated that Loughlin is the shared representative for the City of Portsmouth (COP) and Town of Newington (TON) and reiterated his comments. Further Lamson indicated that in the early stages of development at the Tradeport it was decided to focus on economic development / public benefit - a lot of money spent towards this end. It was thought that twenty (20) years down the road both COP and TON would regulate its portion of Pease and support the airport. Lamson again indicated that this [request] needs to be reviewed more carefully and at this time she cannot support the request.

Allard agreed with everything that Loughlin stated; further Allard indicated he has been on the Board for twenty (20) years. Allard indicated PDA has received calls asking how it redeveloped Pease into what it has become today and it is explained how efforts were expended on the development and layout of the Tradeport. Allard stated that to start selling off piece goes against everything he believes. Allard indicated he is a private sector individual, but Pease is something very unique. Allard indicated the respect he has for the developers at Pease, but does not feel that it is the right time to do this now; maybe in the future things will change and an idea may be provided showing something better than what PDA has now. Allard indicated that the request came to quick and it is complicated. Allard indicated that he is not comfortable with it and at this time he cannot possibly vote for it.

Lamson stated she agreed with Loughlin's comment regarding the curb appeal by the International Group and the Board has been pushing for all buildings developed to have good greenery/vegetation.

Smith asked Fournier if he would like to make a tabling motion; Fournier declined.

Chairman Smith **moved** the motion and Director Anderson **seconded** that **the Motion be tabled**. Director Anderson requested a roll call vote to table the motion.

Disposition: Resolved by roll call vote (3-4) vote for; motion **FAILED**.

Member	Yes	No
Smith	x	
Loughlin		x
Allard		x
Anderson		x
Fournier	x	
Lamson		x
Levesque	x	

Smith stated where the motion to table FAILED, the Board would now vote on the original motion presented to the Board.

Disposition: Resolved by roll call vote (2-5) vote for; motion FAILED.

Member	Yes	No
Smith	x	
Loughlin		x
Allard		x
Anderson		x
Fournier		x
Lamson		x
Levesque	x	

XIV. Upcoming Meetings:

Golf Committee	September 14, 2020 @ 8:30 a.m.
Finance Committee	September 14, 2020 @ 9:00 a.m.
Board of Directors	September 17, 2020 @ 8:30 a.m.

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

Smith indicated that after the next Board of Directors' meeting there may be a field trip to the Schiller Station as representatives from Schiller have reached out and would like to take the Board on a tour of the facility.

XV. Directors' Comments:

Fournier thanked everyone for welcoming him and stated he looked forward to future meetings with the Chair and staff and his three years working on the Board.

Lamson spoke to the passing of Paul McEachern and what he has done for the City of Portsmouth and the area.

XVI. Adjournment:

Director Allard moved the motion and Director Lamson seconded to adjourn the Board meeting. Meeting adjourned at 10:54 a.m.

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

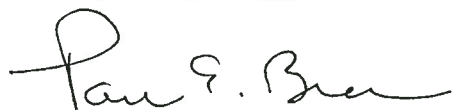
XVII. Press Questions:

Paul Briand from the Portsmouth Herald asked Smith that if it were correct that the Governor's request for privatization came from the Governor through Smith; Smith affirmed.

Briand asked why now, what precipitates a desire by this administration, or by you personally, to go the privatization route right now; Smith indicated that the Governor has felt this way for many years. Lamson asked if the many years was prior to his being Governor he didn't like the Authority; Smith indicated it wasn't not liking the Authority, but his philosophy is privatization. Smith further stated that where most of the Tradeport has been developed, the next step would be to privatize and put it out on the market (for the tenants to purchase the properties). Smith indicated that this has been on the Governor's radar for a number of years and felt at this time it was something he wanted to move forward with.

Briand asked if a piece of property were to be sold for \$5 million where do the proceeds go to; who is the ultimate beneficiary of the sale of a piece of property; where does the money/revenue go to; Smith indicated he would defer to legal for a response. Hinchee indicated that Brean could answer the question. Brean indicated that any sale of property under the current FAA policy is to return funds to an Enterprise Fund to support the airport operations. Briand asked if under the privatization plan that was put forward today; Brean indicated under the existing policy. Briand indicated that was not what was under discussion; Brean indicated that in the proposed letter the funds would come back to the airport in an Enterprise Fund. Briand asked if a developer of a property were to buy that property the money still comes back for support of the airport; Brean indicated the way the letter is written, that is the request. Briand indicated that it would be able to continue to fund the airport, it doesn't go to the State in some sort of revenue; Brean affirmed and again stated it stays in an Enterprise Fund to support the airport. Loughlin indicated that the report, which he previously cited in the meeting, shows that even if the funds come back and go into a fund, it is not enough to support the airport versus leases.

Respectfully submitted,



Paul E. Brean
Executive Director

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

P:\BOARD MINUTES\2020\Bd Minutes of August 20, 2020.docx

PEASE DEVELOPMENT AUTHORITY
Monday, September 14, 2020

GOLF COMMITTEE
AGENDA

Time: 8:30 a.m.
Place: 55 International Drive, Pease International Tradeport
Portsmouth, New Hampshire

AGENDA

- I. Call to Order:
- II. Acceptance of Meeting Minutes: November 18, 2019 *
- III. Public Comment:
- IV. New Business:
 - A. Reports:
 - 1. Golf Course Overview
 - 2. Proposed CIP 2021
 - Rough Mower *
 - Utility carts *
 - Bathrooms *
 - 3. Golf Course/Grill 28 Equipment *
 - 4. Golf Outing Bookings *
 - 5. Blue Course Tees *
- V. Public Comment:
- VI. Upcoming Meetings:

Board of Directors	September 17, 2020 at 8:30 a.m.
Audit Committee	October 13, 2020 at 8:30 a.m.
Board of Directors	October 15, 2020 at 8:30 a.m.

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

- VII. Adjournment:
- VIII. Press Questions:

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



Date: September 9, 2020

To: Paul Brean, Executive Director

From: Irv Canner, Director of Finance

Subject: Executive Summary- Financial Reports

In anticipation of the upcoming September 17th Pease Development Authority Board meeting, the following is an Executive Summary of the two financial reports for your review and comment:

Report #1- Financial Report for the One-Month Period Ending July 31, 2020 (Page #2)

As is the case in July and August, budget variances typically underrun primarily due to the extensive cut-off procedures associated with the prior year audit engagement. At this time, there are no meaningful trends that have been identified that would challenge the FY 2021 operating budget.

Actual operating revenues of \$1,867,000 which are above budget primarily due to the increase in fee revenues associated with wharfage and dockage, golf course related public play revenues and Grill 28 concession fees. Slightly offsetting these revenue gains were the decreased fuel revenues associated with the reconstruction of the Portsmouth Fish Pier wall.

Actual operating expenses of \$1,059,000 are below budget primarily due to expense under runs in marketing, utilities and the cost of fuel at the Portsmouth Fish Pier. Offsetting these underruns, budget overruns have been in employee benefits associated with the New Hampshire Retirement System.

The resulting Operating Income of \$808,000 is \$550,000 greater than expected which directly contributed to our ability to address internal working capital requirements and somewhat minimize the the need to draw-down from the \$15,000,000 Revolving Line of Credit (RLOC) with the Provident Bank.

Balance Sheet (Page #8)

The overall financial health of the PDA remains strong providing \$9,324,000 in current assets and \$5,817,000 in current liabilities. The majority of the accounts receivable balances can be attributable to federal or state construction activities while the accounts payable balances are directly related to the significant construction activities at both DAW and PSM. The PDA has no debt outstanding at this time. During the one-month period ending in July unrestricted cash balances decreased by \$2,891,000 to \$2,347,000 due to the following activities:

Operating Income	\$ 808,000
Grant Funding	1,152,000
Accounts Payable	(1,684,000)
Capital Expenditures	(104,000)
Accounts Receivables	(3,188,000)
All Other- Net	125,000

Report #1- Financial Report for the One-Month Period Ending July 31, 2020 (continued):

As noted on page #5, the current PDA Organization Chart reflects 64 filled benefited positions and 2 open benefited positions.

The more significant capital expenditures during July included:

• PSM Eldorado Bus	\$ 72,000
• PSM Runway Reconstruction Project	15,000
• DPH Security Shack- HVAC	8,000
• All Other	<u>9,000</u>
Total	\$ <u>104,000</u>

The net pension and OPEB liability for the PDA at July 31, 2020 remains subject to the final consultant report which was received on September 4th.

Business Unit Performance

Portsmouth Airport

Operating revenues total \$85,000 which is below budget. The primary reason is the budget under-run in pay for parking revenues. Current enplanements are less than the prior year due, in part, to the Covid 19 pandemic.

Skyhaven Airport

Operating revenues total \$ 25,000 which is above budget. The primary reason for the favorable variance was primarily due to higher fuel sales of 2,411 gallons versus 1,907 gallons last July. Cumulative net cash flow losses, since accepting the operational responsibilities for Skyhaven Airport during FY 2009., now total \$(1,764,000).

Tradeport

Operating revenues total \$961,000 which is above budget. The primary reason for the favorable variance is associated with rental of facilities.

Golf Course

Operating revenues total \$537,000 which is above budget. The primary reasons are associated with public play at the golf course. A total of 12,767 rounds were played this July versus 10,767 rounds the prior July. Gross revenues at the Grill 28 are somewhat less (4.0%) than the prior July.

Division of Ports and Harbors

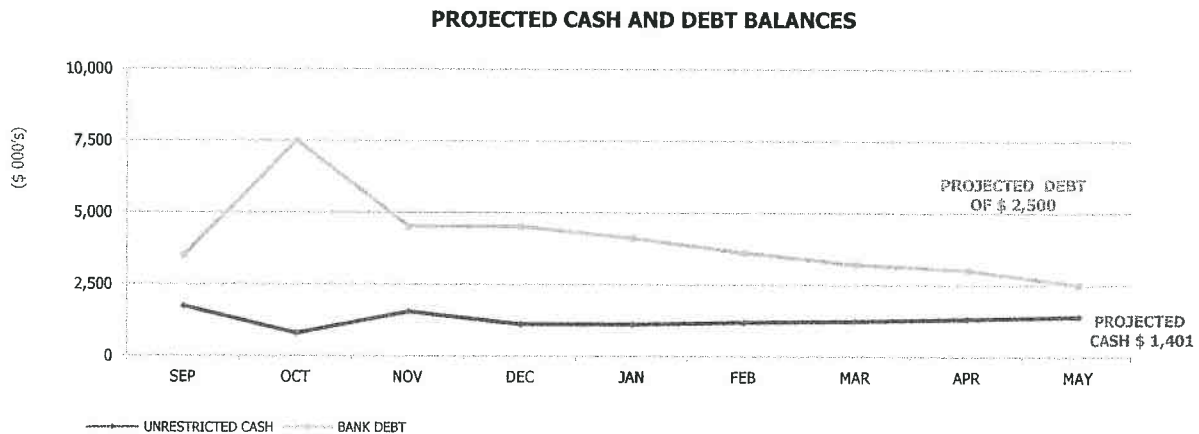
Unrestricted operating revenues total \$252,000 which is slightly less than budget. The lost fuel sales at the Portsmouth Fish Pier have been offset by wharfage and dockage fee revenue.

Report #2- Cash Flow Projections for the Nine Month Period Ending May 31, 2021

During the next nine-month period internal cash flow projections are dominated by approximately \$24,201,000 in capital expenditures primarily in support of the PSM Runway Reconstruction Project and the PSM Terminal Expansion. Of these monies, \$19,178,000 will be grant funded requiring the PDA to draw upwards of \$7,500,000 through our \$15 million RLOC with the Provident Bank. Based on current expectations of actual grant reimbursements during this period, the net debt outstanding is projected at \$2,500,000 at May 31, 2021.

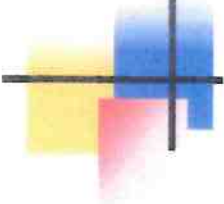
Revenue projections have been modified due to the coronavirus environment as associated with the reopening of the golf course and Grill 28 operations. To a lesser extent PSM Pay for Parking revenues are also anticipated to be less than budgeted.

Page # 3 provides the detailed monthly cash flow projections noting the minimum cash balances remain at approximately \$1,000,000 to allow the PDA to address its ongoing working capital requirements. Again, a critical component in developing these cash flow projections is the timely reimbursement process associated with grant funded capital projects. Included in these projections are \$1,607,474 in monies allocated to PSM under the CARES Act Grant.



On August 21st, the PDA accessed \$2,500,000 from the \$15.0 million RLOC with the Provident Bank at a rate of 2.85%. Current available funds under the RLOC are \$12.5 million.

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



FY 2021 FINANCIAL REPORT FOR THE ONE MONTH PERIOD ENDING JULY 31, 2020



**BOARD OF DIRECTORS MEETING
SEPTEMBER 17, 2020**



CONSOLIDATED STATEMENT OF REVENUES AND EXPENSES ²

FOR THE ONE MONTH PERIOD ENDING

JULY 31, 2020

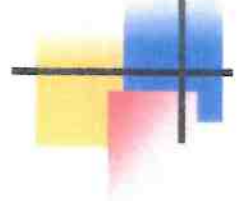
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BUDGET VARIANCE ANALYSIS

- * OPERATING REVENUES-
HIGHER BY 30.0% **
- * TIMING DIFFERENCES ASSOCIATED WITH RENTAL OF FACILITIES, OFFSET BY INCREASES / DECREASES IN:
 - * GOLF FEES- ESCALATION IN NONMEMBER ROUNDS PLAYED, APRIL COVID 19 IMPACT
 - * CONCESSION REVENUES FROM GRILL 28 SALES- APRIL COVID 19 IMPACT
 - * CONSUMER PRICE INDEX LESS THAN BUDGETED
 - * RYE AND HAMPTON FUEL SALES OFFSET BY PPP FUEL DELIVERY LOSS
- * OPERATING COSTS
LOWER BY 10.1%...
- * DPH AND DAW FUEL EXPENSE HIGHER TO OFFSET FUEL SALES AT PORTSMOUTH FISH PIER
- * HEALTH INSURANCE PRELIMINARY RATE STRUCTURE MODIFIED- OPEB IMPACT
- * IMPACT OF LIGHTER WINTER SEASON
- * COMPREHENSIVE FY 2020 YEAR END CUT-OFF PROCEDURES (JULY-AUGUST)

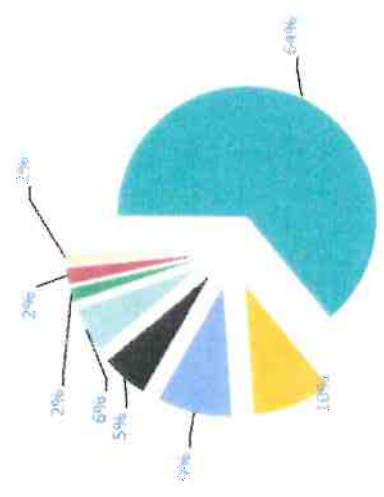
	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	CURRENT YEAR BUDGET
OPERATING REVENUES <i>(PAGE #3)</i>	<u>1,867</u>	<u>1,436</u>	<u>431</u>	<u>16,301</u>
OPERATING EXPENSES				
PERSONNEL SERVICES AND BENEFITS <i>(PAGE #4 AND #5)</i>	666	641	25	7,180
BUILDINGS AND FACILITIES MAINTENANCE	100	186	(86)	2,411
GENERAL AND ADMINISTRATIVE <i>(PAGE #6)</i>	126	108	20	1,321
UTILITIES <i>(PAGE #6)</i>	13	70	(57)	839
PROFESSIONAL SERVICES <i>(PAGE #6)</i>	35	44	(9)	524
MARKETING AND PROMOTION	3	33	(30)	400
ALL OTHER <i>(PAGE #6)</i>	<u>114</u>	<u>94</u>	<u>20</u>	<u>1,124</u>
OPERATING INCOME	<u>808</u>	<u>258</u>	<u>550</u>	<u>2,502</u>
NONOPERATING (INCOME) AND EXPENSE <i>(PAGE #7)</i>	(1)	29	(30)	351
DEPRECIATION	<u>445</u>	<u>529</u>	<u>(84)</u>	<u>6,344</u>
NET OPERATING INCOME	<u>364</u>	<u>(300)</u>	<u>664</u>	<u>(4,193)</u>

CONSOLIDATED OPERATING REVENUES FOR THE ONE MONTH PERIOD ENDING JULY 31, 2020



(\$ 000's)

FEE REVENUES YEAR TO DATE



- 1 GOLF FEES
- 2 WHARFAGE AND DOCKAGE
- 3 GOLF MEMBERSHIPS
- 4 HOODING FEES
- 5 PARKING FEES
- 6 FUEL FLOWAGE
- 7 FUEL SALES
- 8 FUEL USAGE AND REG.
- 9 ALL OTHER

FUEL SALES-	ACTUAL	BUDGET	BUDGET VARIANCE
PORTSMOUTH FISH PIER	-	29	(29)
RYE HARBOR	30	34	(4)
HAMPTON HARBOR	37	78	(41)
SKYHAVEN AIRPORT	12	9	3
	79	150	(71)

	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VAR	CURRENT YEAR BUDGET
RENTAL OF FACILITIES	1,027	871	156	10,543
FEE REVENUES (SEE FEE CHART)	598	314	284	4,040
FUEL SALES (SEE TABLE BELOW)	79	150	(71)	764
CONCESSION REVENUE	46	45	1	386
GOLF MERCHANDISE	41	20	21	235
ALL OTHER - NET	76	36	40	333
	1,867	1,436	431	16,301

PSM YEAR TO DATE	ACTUAL	BUDGET
PARKING	18	45
FUEL FLOWAGE	12	28



100% FISH PIER REVENUE
50% FISH PIER REVENUE
50% FISH PIER ADVANCE REVENUE

CONSOLIDATED PERSONNEL SERVICES AND BENEFITS FOR THE ONE MONTH PERIOD ENDING JULY 31, 2020

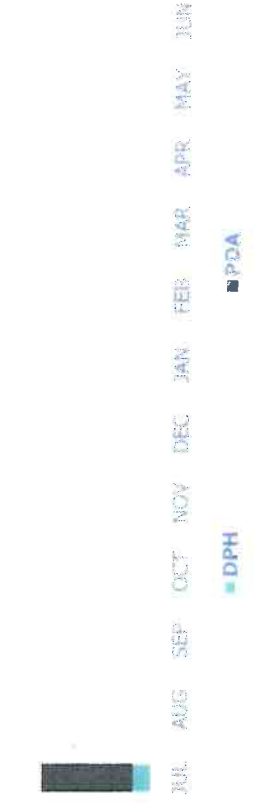
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	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	CURRENT YEAR BUDGET
PERSONNEL SERVICES				
BENEFITED	383	345	36	4,137
NONBENEFITED	80	113	(33)	804
OVERTIME	19	17	2	235
ACCRUED VACATION/ SICK	(8)	-	(8)	-
	472	475	(3)	5,176
CHARGE OUT	(15)	-	(15)	-
	457	475	(18)	5,176
FRINGE BENEFITS				
HEALTH INSUR	108	100	8	1,198
RETIREMENT	69	58	31	708
DENTAL INSURANCE	6	6	-	70
LIFE INSURANCE	6	2	4	28
	209	166	43	2,004
CHARGE OUT	-	-	-	-
	209	165	43	2,004
	666	641	25	7,180

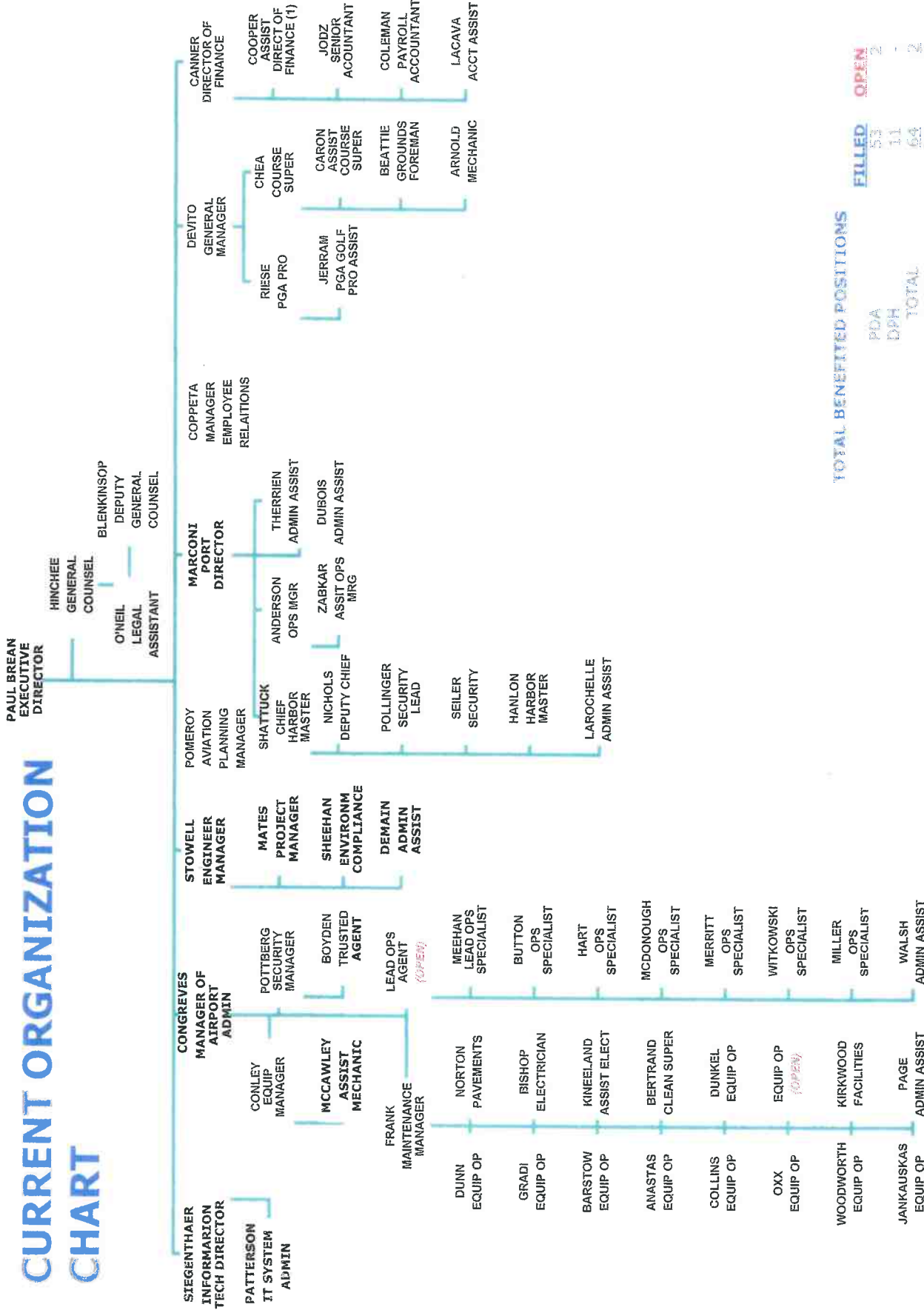
STAFF ANALYSIS (FILLED POSITIONS) AS OF JULY 31, 2020

	SAL/ BEN	HR/ BEN	HR/ NON	SE	TOTAL
MAINTENANCE	-	18	1	2	21
PSM AIRPORT	3	9	9	-	21
PORT AUTHORITY	1	19	4	18	33
GOLF COURSE	3	4	-	44	51
FINANCE	3	2	-	-	5
ENGINEERING	3	1	-	-	4
LEGAL	2	1	-	-	3
DAW AIRPORT	-	-	2	-	2
TECHNOLOGY	1	1	-	-	2
HUMAN RESOURCES	1	-	-	-	1
EXECUTIVE	1	-	-	-	1
	18	46	16	64	144

FILLED BENEFITED POSITIONS



CURRENT ORGANIZATION CHART



TOTAL BENEFITED POSITIONS

FILLED	53
OPEN	2
PDA	11
DPH	1
TOTAL	64

NOTE: (OPEN) REPRESENTS TRANSITIONAL POSITION.

CONSOLIDATED OTHER OPERATING EXPENSES FOR THE ONE MONTH PERIOD ENDING JULY 31, 2020

(\$ 000's)

GENERAL AND ADMINISTRATIVE	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	CURRENT YEAR BUDGET	PROFESSIONAL SERVICES	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	CURRENT YEAR BUDGET
FICA	36	33	3	397					
INSURANCE	19	18	1	283	LEGAL	15	27	(12)	327
TELEPHONE / COMMUNICATIONS	10	10	-	68	INFORMATION TECHNOLOGY	16	7	9	82
COMPUTER EXPENSES	11	4	7	55	EXTERNAL AUDIT	-	6	(6)	69
BANK FEES	14	5	9	64	ALL OTHER- NET	4	4	-	46
ALL OTHER-NET	38	38	-	454					
	128	108	20	1,321		35	44	(9)	524

UTILITIES	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	CURRENT YEAR BUDGET	ALL OTHER	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	CURRENT YEAR BUDGET
ELECTRICITY	4	41	(37)	530	FUEL	53	59	(6)	709
WATER	1	10	(9)	126	GOLF MERCHANDISE	30	15	15	180
WASTE DISPOSAL	6	12	(6)	145	COAST TROLLEY	-	10	(10)	120
NATURAL GAS	-	4	(4)	28	GOLF CART LEASE	31	10	21	115
PROPANE AND OIL	2	3	(1)	10		114	94	20	1,124
	13	70	(57)	839					

CONSOLIDATED NONOPERATING (INCOME) EXPENSE FOR THE ONE MONTH PERIOD ENDING JULY 31, 2020

(\$ 000's)

	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	CURRENT YEAR BUDGET	INTEREST EXPENSE YEAR TO DATE	FISCAL BUDGET
INTEREST EXPENSE	-	32	(32)	380	PROVIDENT BANK-RLOC	380
INTEREST INCOME AND OTHER	(1)	(3)	2	(29)		
	<u>(1)</u>	<u>29</u>	<u>30</u>	<u>351</u>		

SUMMARY OF INTERGOVERNMENTAL RECEIVABLES AS OF JULY 31, 2020

(\$, 000's)

PROJECT NAME	APPROVAL DATE	TOTAL PROJECT	GRANT AWARD	EXPENDED TO DATE	PDA SHARE	RECEIVED TO DATE	BALANCE DUE PDA	AMOUNT SUBMITTED
PSM RUNWAY 16-34 DESIGN (AIP 58)	05-18-17	1,265	885	1,140	(46)	1,075	19	19
PSM RUNWAY 16-34 RECONSTRUCTION (AIP 64)	07-06-19	24,035	17,369	6,394	(320)	1,8431	4,231	1,253
PSM OBSTRUCTION REMOVAL / CONSTRUCTION (AIP 60)	05-18-17	1,130	1,074	1,008	(50)	938	20	-
PSM ALPHA SOUTH HOLD BAY (AIP 67)	-	-	459	-	(23)	-	436	-
PSM AIR NATIONAL GUARD TAXIWAY PROJECT	-	2,500	2,500	2,386	-	2,386	-	-
PSM TERMINAL BUILDING EXPANSION (AIP 62)	11-01-18	1,730	1,644	86	(4)	20	61	58
PSM RECONSTRUCT RUNWAY 16-34 (AIP 66)	06-27-19	2,263	2,111	1,692	(85)	367	1,240	1,240
PSM RUNWAY 16-34 REIMBURSABLE SUPPORT (AIP 65)	05-01-19	144	137	144	(7)	123	14	-
DAW TAXILANE PAVEMENT AND DRAINAGE CONSTRUCTION (SIG 07-2016)	09-22-16	1,830	1,738	1,783	(89)	1,694	-	-
DPH UPGRADE PORT SECURITY AND SOFTWARE	-	58	58	58	-	58	-	-
DPH RYE HARBOR DREDGING	-	-	-	585	-	585	-	-
DPH FUNCTIONAL REPLACEMENT- BARGE DOCK	-	5,000	-	1,267	-	1,257	10	-
DPH MAIN PIER REHABILITATION	-	5,003	-	74	-	74	-	-
DPH HAMPTON HARBOR DREDGING	-	118	-	95	-	95	-	-
DPH PFP REPAIR AND CONSTRUCTION	-	3,250	-	262	-	260	2	2
							6,033	2,572

SUMMARY OF CONSTRUCTION WORK IN PROGRESS

(\$ 000's)

PROJECT NAME	BALANCE AT 06-30-20	CURRENT YEAR EXPENDITURES	TRANSFER TO PLANT IN SERVICE	NET CURRENT YEAR CHANGE	BALANCE AT 07-31-20
PORTSMOUTH AIRPORT					
TERMINAL EXPANSION (NON-GRANT)	4,910	-	-	-	4,910
RUNWAY 16-34 DESIGN (AIP 58)	4	-	-	-	4
ELDORADO BUS	-	72	(72)	-	-
RUNWAY 16-34 RECONSTRUCTION (AIP 64)	7,048	15	-	15	7,063
TERMINAL EXPANSION (AIP 66)	1,880	-	-	-	1,880
TERMINAL EXPANSION (AIP 62)	96	-	-	-	96
CONSTRUCTION REMOVAL CONSTRUCTION (AIP 60)	-	9	-	9	9
	13,938	96	(72)	24	13,962

SUMMARY OF CONSTRUCTION WORK IN PROGRESS

(CONTINUED)

(\$ 000's)

PROJECT NAME	BALANCE AT 06-30-20	CURRENT YEAR EXPENDITURES	TRANSFER TO PLANT IN SERVICE	NET CURRENT YEAR CHANGE	BALANCE AT 07-31-20
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SKYHAVEN AIRPORT

GOLF COURSE

ADMINISTRATION

MAINTENANCE

SUMMARY OF CONSTRUCTION WORK IN PROGRESS

(CONTINUED):

(\$ 000's)

PROJECT NAME	BALANCE AT 06-30-20	CURRENT YEAR EXPENDITURES	TRANSFER TO PLANT IN SERVICE	NET CURRENT YEAR CHANGE	BALANCE AT 07-31-20
DIVISION OF PORTS AND HARBORS (DPH)					
FUNCTIONAL REPLACEMENT- BARGE DOCK	1,267	-	-	-	1,267
MAIN PIER REHAB (BUILD GRANT)	-	-	-	-	-
PFP BULKHEAD REPAIR AND CONSTRUCTION	262	-	-	-	262
HVAC SECURITY SHACK	-	8	(8)	-	-
	<u>1,529</u>	<u>8</u>	<u>(8)</u>	<u>-</u>	<u>1,529</u>
TOTAL	<u>15,467</u>	<u>104</u>	<u>(80)</u>	<u>24</u>	<u>15,491</u>

LONG TERM LIABILITIES AS OF JULY 31, 2020

(\$ 000's)

SCHEDULE OF LONG TERM LIABILITY REPAYMENT

	CURRENT PORTION	LONG TERM PORTION	TOTAL AMOUNT DUE	FISCAL YEAR	STATE OF NEW HAMPSHIRE (1)
STATE OF NEW HAMPSHIRE POST RETIREE HEALTH CARE PROGRAM (1)	-	182	182	2021	-
STATE OF NEW HAMPSHIRE ACCRUED SICK LIABILITY	-	252	252	2022	91
				2023	91
					182
				PAID IN FY 2021	-
					182

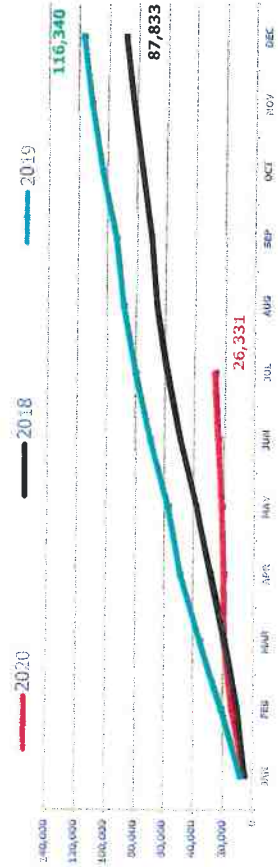
NOTE:
1. ALLOCATION OF ANNUAL PAYMENT IS \$63 CHARGED TO THE PDA AND \$28 TO THE DPH.

STATEMENT OF OPERATIONS FOR THE ONE MONTH PERIOD ENDING JULY 31, 2020 PORTSMOUTH AIRPORT

(\$,000's)

	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	FISCAL YEAR BUDGET	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	FISCAL YEAR BUDGET
OPERATING REVENUES	85	138	(53)	1,739				
FACILITIES RENTAL	54	63	(9)	844				
PAY FOR PARKING	18	45	(27)	442				
FUEL FLOWAGE	12	28	(16)	270				
AVIATION FEES	-	-	-	90				
CONCESSION REVENUES	1	2	(1)	71				
ALL OTHER	-	-	-	22				
	85	138	(53)	1,739				
OPERATING EXPENSES								
PERSONNEL SERVICES AND BENEFITS	61	70	(9)	810				
BUILDINGS AND FACILITIES MAINTENANCE	28	62	(34)	723				
GENERAL AND ADMINISTRATIVE	26	27	(1)	325				
UTILITIES	2	35	(33)	416				
PROFESSIONAL SERVICES	-	2	(2)	24				
MARKETING AND PROMOTION	2	12	(10)	139				
ALL OTHER	-	-	-	-				
	119	208	(89)	2,437				
OPERATING INCOME (LOSS)	(34)	(70)	(36)	(698)				
NONOPERATING (INCOME) AND EXPENSE	-	-	-	-				
DEPRECIATION	238	324	(86)	3,800				
NET OPERATING INCOME	(272)	(394)	122	(4,498)				

ENPLANEMENT DATA



STATEMENT OF OPERATIONS FOR THE ONE MONTH PERIOD ENDING JULY 31, 2020 SKYHAVEN AIRPORT

(\$ 000's)

	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	FISCAL YEAR BUDGET	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	FISCAL YEAR BUDGET
OPERATING REVENUES	25	20	5	194				
FACILITIES RENTAL	13	10	3	125				
FUEL SALES	12	9	3	64				
ALL OTHER	-	1	(1)	5				
	25	20	5	194				
OPERATING EXPENSES								
PERSONNEL SERVICES AND BENEFITS	3	5	(2)	48				
BUILDINGS AND FACILITIES MAINTENANCE	4	5	(1)	66				
GENERAL AND ADMINISTRATIVE	3	3	-	37				
UTILITIES	-	3	(3)	31				
PROFESSIONAL SERVICES	2	-	2	5				
MARKETING AND PROMOTION	-	-	-	-				
ALL OTHER- FUEL	8	4	4	50				
	20	20	-	237				
OPERATING INCOME	5	-	5	(43)				
NONOPERATING (INCOME) AND EXPENSE								
DEPRECIATION	46	45	1	535				
NET OPERATING INCOME	(41)	(45)	4	(578)				

	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	FISCAL YEAR BUDGET
OPERATING REVENUES	25	20	5	194
FACILITIES RENTAL	13	10	3	125
FUEL SALES	12	9	3	64
ALL OTHER	-	1	(1)	5
	25	20	5	194

	YTD	YTD	YTD
GALLONS OF FUEL SOLD	CURRENT MONTH	YEAR TO DATE	AVE PRICE
FY 2021	2,411	2,411	\$ 4.57
FY 2020	1,907	13,344	4.76

	OPERA	CAPITAL EXPEND	DEBT REPAY	GRANT FUNDS	TOTAL
FY 2021	5	-	-	224	229
FY 2020	(70)	(307)	-	58	(319)
FY 2019	(83)	(27)	-	512	402
FY 2009-2018	(909)	(6,792)	(100)	5,725	(2,076)
	(1,057)	(7,126)	(100)	6,519	(1,764)

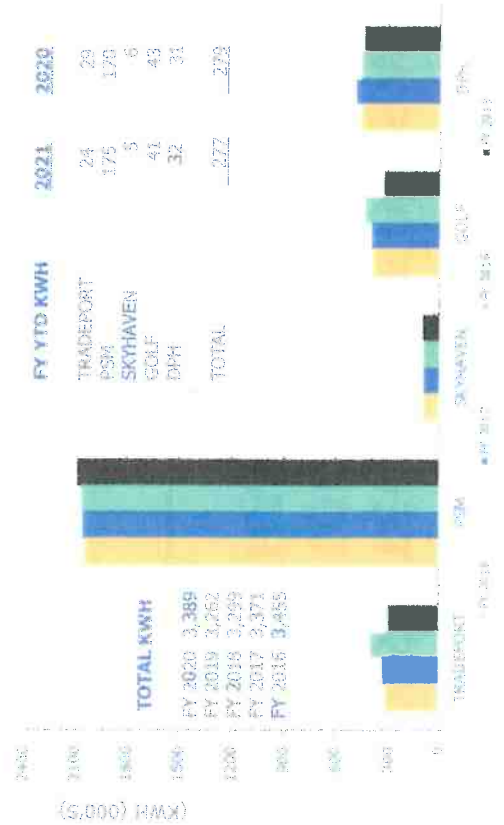
STATEMENT OF OPERATIONS FOR THE ONE MONTH PERIOD ENDING JULY 31, 2020 TRADEPORT

(\$ 000's)

	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	FISCAL YEAR BUDGET
OPERATING REVENUES	961	772	189	9,264
OPERATING EXPENSES				
PERSONNEL SERVICES AND BENEFITS	-	-	-	-
BUILDINGS AND FACILITIES MAINTENANCE	5	35	(30)	417
GENERAL AND ADMINISTRATIVE	6	5	1	56
UTILITIES	1	6	(7)	102
PROFESSIONAL SERVICES	-	-	-	-
MARKETING AND PROMOTION	1	-	1	-
ALL OTHER	13	58	(45)	695
OPERATING INCOME	948	714	234	8,569
NONOPERATING (INCOME) AND EXPENSE				
DEPRECIATION	64	62	2	750
NET OPERATING INCOME	884	652	232	7,819

	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	FISCAL YEAR BUDGET
OPERATING REVENUES				
RENTAL OF FACILITIES	921	762	159	9,144
ALL OTHER	40	10	30	120
	961	772	189	9,264

KWH CONSUMPTION ANALYSIS BY BUSINESS UNIT



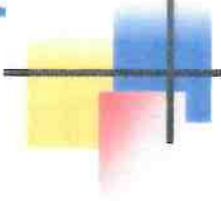
STATEMENT OF OPERATIONS FOR THE ONE MONTH PERIOD ENDING JULY 31, 2020 GOLF COURSE

(\$ 000's)

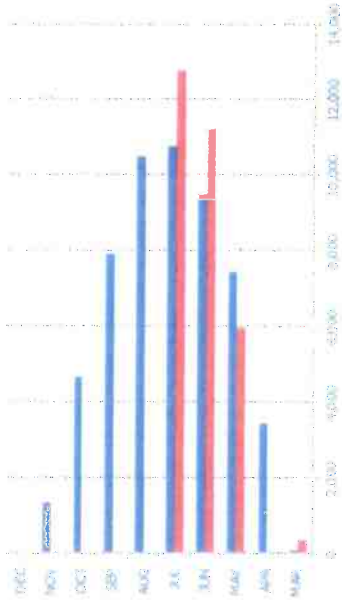
	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	FISCAL YEAR BUDGET
OPERATING REVENUES	537	212	325	2,463
CONCESSION REVENUES	42	43	(1)	315
FEE REVENUES				
GOLF FEES	386	119	267	1,425
MEMBERSHIPS	57	28	29	340
SIMULATOR	-	-	-	120
LESSONS	8	1	7	18
MERCHANDISE AND OTHER	44	21	23	245
	537	212	325	2,463
OPERATING EXPENSES				
PERSONNEL SERVICES AND BENEFITS	120	111	9	984
BUILDINGS AND FACILITIES MAINTENANCE	41	30	11	355
GENERAL AND ADMINISTRATIVE	32	19	13	225
UTILITIES	5	16	(11)	190
PROFESSIONAL SERVICES	-	1	(1)	17
MARKETING AND PROMOTION	(1)	4	(5)	42
ALL OTHER	62	25	37	295
	259	206	53	2,102
OPERATING INCOME	278	6	272	355
NONOPERATING (INCOME) AND EXPENSE	-	-	-	-
DEPRECIATION	31	31	-	387
NET OPERATING INCOME	247	(25)	272	(32)

	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	FISCAL YEAR BUDGET
OPERATING REVENUES	537	212	325	2,463
CONCESSION REVENUES	42	43	(1)	315
FEE REVENUES				
GOLF FEES	386	119	267	1,425
MEMBERSHIPS	57	28	29	340
SIMULATOR	-	-	-	120
LESSONS	8	1	7	18
MERCHANDISE AND OTHER	44	21	23	245
	537	212	325	2,463
BUSINESS UNIT ANALYSIS				
OPERATING REVENUES	41	454	42	537
OPERATING EXPENSES (EXCLUDING DEPRECIATION)	(32)	(214)	(9)	(259)
OPERATING INCOME	9	240	33	278

KEY GOLF COURSE BENCHMARKING DATA

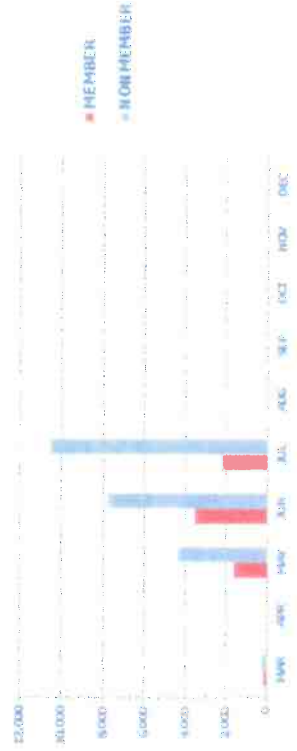


ROUNDS OF GOLF PLAYED (SEASON)



	2020 YTD	2019 YTD	2020 SEASON	2019 SEASON
ROUNDS PLAYED	30,305	30,849	55,321	55,321
RAIN DAYS	22	33	55	55

2020 MEMBER / NONMEMBER ROUNDS (SEASON)



GOLF STIMULATOR REVENUES	FY 2021	FY 2020	GRILL 28 GROSS SALES	FY 2021	FY 2020
JULY	\$ -	\$ 39	JULY	\$ 204,042	\$ 212,562
AUGUST	-	-	AUGUST	-	259,154
SEPTEMBER	-	78	SEPTEMBER	-	199,822
OCTOBER	-	1,026	OCTOBER	-	149,127
NOVEMBER	-	17,727	NOVEMBER	-	107,818
DECEMBER	-	24,723	DECEMBER	-	117,993
JANUARY	-	27,767	JANUARY	-	126,165
FEBRUARY	-	29,976	FEBRUARY	-	107,490
MARCH	-	13,674	MARCH	-	59,058
APRIL	-	-	APRIL	-	1,083
MAY	-	-	MAY	-	55,292
JUNE	-	-	JUNE	-	153,970
	\$ -	\$ 114,960		\$ 204,042	\$ 1,549,574

2020 ROUNDS- SEASON	2019 ROUNDS- SEASON
MEMBER	7,347
NONMEMBER	22,958
TOTAL	30,305

CLUB/ COURSE FUNCTIONS	FY 2021 YTD	FY 2020 YTD
GROUPS 12-40	-	6,608
TOURNAMENT PLAY	15,688	12,853
LEAGUES	12,600	19,350
FOOD AND ROOM FEES	-	20,418



STATEMENT OF OPERATIONS FOR THE ONE MONTH PERIOD ENDING JULY 31, 2020 PORT AUTHORITY OF NEW HAMPSHIRE (UNRESTRICTED)

(\$ 000's)

	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	FISCAL YEAR BUDGET	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	FISCAL YEAR BUDGET
OPERATING REVENUES	252	277	(25)	2,429	37	35	2	419
FACILITY RENTALS								
CONCESSION REVENUE					3	-	3	-
FEE REVENUE								
MOORING FEES					34	30	4	365
PARKING					18	35	(17)	115
REGISTRATIONS					-	13	(13)	165
WHARF / DOCK					60	4	59	550
					112	79	33	1,195
FUEL SALES					67	141	(74)	700
ALL OTHER					33	22	11	115
TOTAL	252	277	(25)	2,429	252	277	(25)	2,429
OPERATING EXPENSES								
PERSONNEL SERVICES AND BENEFITS	121	86	35	1,142				
BUILDINGS AND FAC AND MAINTENANCE	11	29	(18)	321				
GENERAL AND ADMINISTRATIVE	27	16	11	217				
UTILITIES	4	8	(4)	99				
PROFESSIONAL SERVICES	-	2	(2)	26				
MARKETING AND PROMOTION	-	-	-	3				
ALL OTHER - FUEL	44	55	(11)	658				
	207	196	11	2,466				
OPERATING INCOME	45	81	(36)	(37)	52	67	(2)	35
NONOPERATING (INCOME) AND EXPENSE								
DEPRECIATION	52	51	1	606				
NET OP INCOME	(7)	30	(37)	(641)	14	27	(13)	(44)

	RYE HARBOR	HAMPTON HARBOR	PORTSMOUTH FISH PIER	MARKET STREET	HARBOR MANAG	ADMIN
BUSINESS UNIT ANALYSIS						
OPERATING REVENUES	52	67	2	96	35	-
OPERATING EXPENSES (EXCLUDING DEPRECIATION)	(38)	(40)	(8)	(33)	(44)	(44)
OPERATING INCOME	14	27	(6)	63	(9)	(44)

**STATEMENT OF OPERATIONS FOR THE ONE MONTH
PERIOD ENDING JULY 31, 2020
PORT AUTHORITY OF NEW HAMPSHIRE (RESTRICTED)**

(\$,000%)

TRADE ZONE	YEAR TO DATE ACTUAL		YEAR TO DATE BUDGET		CURRENT YEAR VARIANCE		FISCAL YEAR BUDGET	
	2020	2020	2020	2020	2020	2020	2020	2020
FOREIGN TRADE ZONE								
OPERATING REVENUES	2	1	1	12				
OPERATING EXPENSES								
PERSONNEL SERVICES AND BENEFITS	-	-	-	-	-	-	-	-
BUILDINGS AND FACILITIES MAINTENANCE	-	-	-	-	-	(1)	15	
GENERAL AND ADMINISTRATIVE	-	-	-	3	-	(3)	7	
UTILITIES	-	-	-	-	-	-	1	
PROFESSIONAL SERVICES	-	-	-	-	-	-	-	
MARKETING AND PROMOTION	-	1	(1)	9			-	
ALL OTHER	-	-	-	-	-	-	-	
	2	1	(1)	12			23	
OPERATING INCOME	2	-	2	-		5	92	
NONOPERATING (INCOME) AND EXPENSE	-	-	-	-		-	-	
DEPRECIATION	-	-	-	-		-	100	
NET OPERATING INCOME	2	-	2	-		5	(8)	

STATEMENT OF OPERATIONS FOR THE ONE MONTH PERIOD ENDING JULY 31, 2020 PORT AUTHORITY OF NEW HAMPSHIRE (RESTRICTED)

(CONTINUED)

(\$ 000's)

	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	CURRENT YEAR VARIANCE	FISCAL YEAR BUDGET	
REVOLVING LOAN FUND RECONCILIATION					
OPERATING REVENUES	-	3	(3)	41	BALANCE AT 07-31-2020
OPERATING EXPENSES	-	-	-	-	BALANCE AT 06-30-2020
PERSONNEL SERVICES AND BENEFITS	-	-	-	-	209
BUILDINGS AND FACILITIES MAINTENANCE	-	-	-	-	210
GENERAL AND ADMINISTRATIVE	-	-	-	1	209
UTILITIES	-	-	-	-	82
PROFESSIONAL SERVICES	-	2	(2)	27	978
MARKETING AND PROMOTION	-	-	-	-	1,010
ALL OTHER	-	-	-	-	1,219
OPERATING INCOME	-	2	(2)	28	92.9
NONOPERATING (INCOME) AND EXPENSE	-	1	(1)	13	92.8
DEPRECIATION	-	-	-	-	
NET OPERATING INCOME	-	1	(1)	13	
					CAPITAL UTILIZATION RATE- % (*)

(*) EXCLUDES SEQUESTERED FUNDS.

CASH FLOW PROJECTIONS FOR THE NINE MONTH PERIOD ENDING MAY 31, 2021



**BOARD OF DIRECTORS MEETING
SEPTEMBER 17, 2020**

PEASE DEVELOPMENT AUTHORITY CASH FLOW SUMMARY OVERVIEW SEPTEMBER 1, 2020 TO MAY 31, 2021

(EXCLUDING DIVISION OF PORTS AND HARBORS)

(\$ 000'S)

	<u>AMOUNT</u>
(\$ 000'S)	
OPENING FUND BALANCE	<u>2,455</u>
SOURCES OF FUNDS	
GRANT AWARDS (SEE PAGE #8)	19,178
TRADEPORT TENANTS	6,720
CARES ACT GRANT FUNDS	1,607
GOLF COURSE FEE AND CONCESSION REVENUES	895
PSM AIRPORT- LEASES, FUEL FLOWAGE FEES AND PARKING	825
SKYHAVEN AIRPORT HANGAR AND FUEL REVENUES	122
	<u>29,347</u>

USES OF FUNDS

CAPITAL EXPENDITURES- GRANT (SEE PAGE #4)	17,309
OPERATING EXPENSES	7,475
CAPITAL EXPENDITURES- NON-GRANT (SEE PAGES #5-#7)	6,892
STATE OF NH- POST RETIREMENT	-
MUNICIPAL SERVICE FEE (COP)- NET	(1,275)
	<u>30,401</u>

NET CASH FLOW

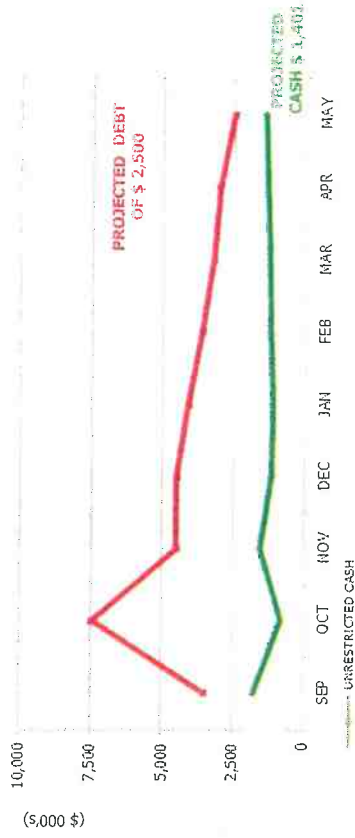
CLOSING FUND BALANCE	<u>1,401</u>
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DISCUSSION

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

PROJECTED CASH AND DEBT BALANCES



TOTAL FUND BALANCES	BALANCE AT 08-31-20	BALANCE AT 06-30-2020
UNRESTRICTED	2,455	3,451
DESIGNATED	14	14
TOTAL	<u>2,469</u>	<u>3,465</u>

PEASE DEVELOPMENT AUTHORITY

STATEMENT OF CASH FLOW (EXCLUDING THE DIVISION OF PORTS AND HARBORS)

(UNRESTRICTED FUNDS)

(\$ 000's)

	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	TOTAL
OPENING FUND BALANCE	2,455	1,732	1,019	1,762	1,335	1,332	1,413	1,453	1,536	2,455
SOURCES OF FUNDS										
GRANT AWARDS <small>(SEE PAGE #8)</small>	2,280	3,593	7,505	3,615	1,643	405	137	-	-	19,178
TRADEPORT TENANTS	735	740	740	740	750	755	750	755	755	6,720
MUNICIPAL SERVICE FEE	250	250	375	250	250	375	250	250	375	2,625
GOLF COURSE	175	175	125	75	40	40	40	75	150	895
PORTSMOUTH AIRPORT- (PSM)	45	45	50	45	45	50	45	45	50	420
PSM PAY FOR PARKING	15	15	20	20	25	25	30	30	35	215
PSM FLOWAGE FEES	10	20	20	25	25	25	20	20	25	190
SKYHAVEN AIRPORT	15	15	13	13	13	13	13	13	14	122
CARES ACT GRANT FUNDS	1,607	-	-	-	-	-	-	-	-	1,607
EXTERNAL FINANCING- NET	1,000	4,000	(3,000)	-	(400)	(500)	(400)	(200)	(500)	-
	<u>6,132</u>	<u>8,853</u>	<u>5,848</u>	<u>4,783</u>	<u>2,391</u>	<u>1,188</u>	<u>885</u>	<u>988</u>	<u>904</u>	<u>31,972</u>
USE OF FUNDS										
CAPITAL- GRANT RELATED <small>(SEE PAGE #4)</small>	4,710	7,645	2,950	1,720	284	-	-	-	-	17,309
CAPITAL- NONGRANT <small>(SEE PAGES #5-#7)</small>	1,320	1,310	1,330	1,240	1,260	307	20	105	-	6,892
OPERATING EXPENSES	825	835	825	900	850	800	825	800	815	7,475
MUNICIPAL SERVICE FEE	-	-	-	1,350	-	-	-	-	-	1,350
STATE OF NH- POST RETIREMENT	-	-	-	-	-	-	-	-	-	-
	<u>6,855</u>	<u>9,790</u>	<u>5,105</u>	<u>5,210</u>	<u>2,394</u>	<u>1,107</u>	<u>845</u>	<u>905</u>	<u>815</u>	<u>33,026</u>
NET CASH FLOW	(723)	(937)	743	(427)	(3)	81	40	83	89	(1,054)
CLOSING FUND BALANCE	1,732	795	1,538	1,111	1,108	1,189	1,229	1,312	1,401	1,401

PEASE DEVELOPMENT AUTHORITY CAPITAL EXPENDITURES

(EXCLUDING THE DIVISION OF PORTS AND HARBORS)

(\$ 000's)

	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	TOTAL
GRANT REIMBURSEMENT PROJECTS										
PORTSMOUTH AIRPORT										
TERMINAL EXPANSION DESIGN AND CONSTRUCTION (AIP 62- \$1.6M)	200	900	200	200	84	-	-	-	-	1,584
TERMINAL EXPANSION DESIGN AND CONSTRUCTION (AIP 66- \$2.0M)	200	200	30	-	-	-	-	-	-	430
RUNWAY 16-34 DESIGN (AIP 58)	50	25	-	-	-	-	-	-	-	75
RUNWAY 16-34 RECONSTRUCTION (AIP 64)	3,500	6,500	2,200	1,500	200	-	-	-	-	13,900
TW A SOUTH HOLD BAY	760	-	-	-	-	-	-	-	-	760
PEASE BOULEVARD-ARBORETUM AVE	-	20	20	20	-	-	-	-	-	60
SNOW REMOVAL EQUIPMENT	-	-	500	-	-	-	-	-	-	500
	<u>4,710</u>	<u>7,645</u>	<u>2,950</u>	<u>1,720</u>	<u>284</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,309</u>
SKYHAVEN AIRPORT										
TAXILANE PAVEMENT AND DRAINAGE (SBG 7)	-	-	-	-	-	-	-	-	-	-
TOTAL	4,710	7,645	2,950	1,720	284	-	-	-	-	17,309

NOTE:
** PENDING BOARD APPROVAL

PEASE DEVELOPMENT AUTHORITY CAPITAL EXPENDITURES

(EXCLUDING THE DIVISION OF PORTS AND HARBORS)

(CONTINUED):

(\$ 000's)

	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	TOTAL
<u>NONGRANT REIMBURSEMENT PROJECTS</u>										
<u>SKYHAVEN AIRPORT</u>										
SRE DOORS **	-	-	15	-	-	-	-	-	-	15
REROOFING TERMINAL BUILDING **	-	25	-	-	-	-	-	-	-	25
	<u>5</u>	<u>25</u>	<u>15</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>40</u>
<u>ADMINISTRATION</u>										
COMPUTERS / PRINTERS / SOFTWARE / TELECOMMUNICATIONS **	-	10	-	-	10	-	-	10	-	30
TECHNOLOGY ENHANCEMENTS **	-	-	-	25	-	-	-	25	-	50
MAIN SERVER REPLACEMENT **	-	-	45	-	-	-	-	-	-	45
	<u>5</u>	<u>10</u>	<u>45</u>	<u>25</u>	<u>10</u>	<u>5</u>	<u>5</u>	<u>35</u>	<u>5</u>	<u>125</u>
<u>GOLF COURSE</u>										
FAIRWAY ROUGH MOWER **	-	-	-	-	-	-	-	70	-	70
UTILITY COSTS **	-	-	-	-	-	-	20	-	-	20
BATHROOM UPGRADES	5	-	-	-	35	35	-	-	-	75
	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>35</u>	<u>35</u>	<u>20</u>	<u>70</u>	<u>5</u>	<u>165</u>

NOTE:
** PENDING BOARD APPROVAL

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

(\$,000's)

	<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>MAY</u>	<u>TOTAL</u>
<u>NONGRANT REIMBURSEMENT</u>										
<u>PROJECTS</u> (CONTINUED):										
<u>PORTSMOUTH AIRPORT</u>										
TERMINAL EXPANSION	1,300	1,200	1,200	1,200	1,200	257	-	-	-	6,357
TERMINAL EXPANSION DESIGN	-	-	-	-	-	-	-	-	-	-
GROUND TRANSPORTATION BUS	-	-	-	-	-	-	-	-	-	-
TERMINAL FLOORING- BAGGAGE CLAIM AREA **	-	25	-	-	-	-	-	-	-	25
DAC CONNECTION UPGRADE **	-	25	-	-	-	-	-	-	-	25
	<u>1,300</u>	<u>1,250</u>	<u>1,200</u>	<u>1,200</u>	<u>1,200</u>	<u>257</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,407</u>

NOTE:
 ** PENDING BOARD APPROVAL

PEASE DEVELOPMENT AUTHORITY
CAPITAL EXPENDITURES (EXCLUDING THE DIVISION OF PORTS AND HARBORS)
 (CONTINUED) (\$ 000's)

	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	TOTAL
<u>NONGRANT REIMBURSEMENT PROJECTS</u> (CONTINUED)										
<u>TRADEPORT</u>										
TRAFFIC MONITORING **	-	10	10	-	-	-	-	-	-	20
STORMWATER TREATMENT	15	15	15	15	15	15	-	-	-	90
	<u>15</u>	<u>25</u>	<u>25</u>	<u>15</u>	<u>15</u>	<u>15</u>	-	-	-	<u>110</u>
<u>MAINTENANCE</u>										
VEHICLE FLEET REPLACEMENT **	-	-	45	-	-	-	-	-	-	45
	-	-	<u>45</u>	-	-	-	-	-	-	<u>45</u>
TOTAL	<u>1,320</u>	<u>1,310</u>	<u>1,330</u>	<u>1,240</u>	<u>1,260</u>	<u>307</u>	<u>20</u>	<u>105</u>	-	<u>6,892</u>

NOTE:
 ** PENDING BOARD APPROVAL

PEASE DEVELOPMENT AUTHORITY RECEIPT GRANT AWARDS (EXCLUDING THE DIVISION OF PORTS AND HARBORS)

(\$ 000's)

	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	TOTAL
<u>PORTSMOUTH AIRPORT</u>										
TERMINAL EXPANSION DESIGN AND CONSTRUCTION (AIP 62- \$1.6M)	-	123	190	810	190	190	80	-	-	1,583
TERMINAL EXPANSION DESIGN AND CONSTRUCTION (AIP 66- \$2.0M)	-	95	190	190	28	-	-	-	-	503
RUNWAY 16-34 DESIGN (AIP 58)	-	50	-	50	-	25	-	-	-	125
RUNWAY 16-34 RECONSTRUCTION (AIP 64)	2,280	3,325	6,175	2,090	1,425	190	-	-	-	15,485
RUNWAY 16-34 REIMBURSABLE AGREEMENT (AIP 65)	-	-	-	-	-	-	-	-	-	-
TW A SOUTH HOLD BAY	-	-	950	-	-	-	-	-	-	950
PEASE BOULEVARD- ARBORETUM AVE	-	-	-	-	-	-	57	-	-	57
SNOW REMOVAL EQUIPMENT	-	-	-	475	-	-	-	-	-	475
<u>SKYHAVEN AIRPORT</u>										
TAXIWAY PAVEMENT AND DRAINAGE (SBG-7)	-	-	-	-	-	-	-	-	-	-
TOTAL	2,280	3,593	7,505	3,615	1,643	405	137	-	-	19,178

DIVISION OF PORTS AND HARBORS CASH FLOW SUMMARY OVERVIEW (EXCLUDING RESTRICTED FUNDS) SEPTEMBER 1, 2020 TO MAY 31, 2021

(\$ 000's)

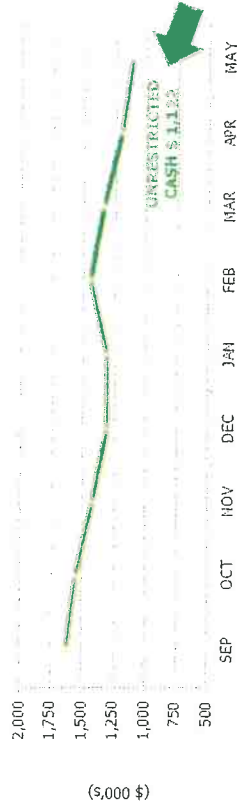
	<u>AMOUNT</u>
OPENING FUND BALANCE	<u>1,745</u>
<u>SOURCES OF FUNDS</u>	
FACILITY RENTALS AND CONCESSIONS	551
FUEL SALES	455
REGISTRATIONS / WHARFAGE	375
MOORING FEES	365
PARKING FEES	90
	<u>1,836</u>
<u>USES OF FUNDS</u>	
PERSONNEL SERVICES AND BENEFITS	1,485
FUEL PROCUREMENT	426
OPERATING EXPENSES	388
CAPITAL EXPENDITURES AND OTHER	160
STATE OF NH- POST RETIREMENT	-
	<u>2,459</u>
NET CASH FLOW	<u>(623)</u>
CLOSING FUND BALANCE	<u>1,122</u>

DISCUSSION

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

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

PROJECTED UNRESTRICTED CASH BALANCES



TOTAL FUND BALANCES	BALANCE AT 08-31-2020	BALANCE AT 06-30-2020
UNRESTRICTED FUNDS	1,745	1,621
DESINGATED FUNDS	152	152
RESTRICTED FUNDS:		
HARBOR DREDGING	245	233
REVOLVING LOAN FUND	211	207
FOREIGN TRADE ZONE	7	7
	<u>463</u>	<u>447</u>

DIVISION OF PORTS AND HARBORS

STATEMENT OF CASH FLOW

(UNRESTRICTED FUNDS)

(\$ 000's)

1,758	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	TOTAL
OPENING FUND BALANCE	1,745	1,633	1,556	1,424	1,311	1,318	1,448	1,341	1,201	1,745
SOURCES OF FUNDS										
FACILITY RENTALS AND CONCESSIONS	60	60	60	60	62	62	62	62	63	551
FUEL SALES	40	40	60	50	50	50	55	55	55	455
MOORING FEES	-	-	-	-	100	265	-	-	-	365
PARKING FEES	30	20	10	-	-	-	-	10	20	90
REGISTRATIONS / WHARFAGE	125	-	-	125	-	-	125	-	-	375
	<u>255</u>	<u>120</u>	<u>130</u>	<u>235</u>	<u>212</u>	<u>377</u>	<u>242</u>	<u>127</u>	<u>138</u>	<u>1,836</u>
USE OF FUNDS										
PERSONNEL SERVICES AND BENEFITS	250	120	120	250	120	120	255	125	125	1,485
FUEL PROCUREMENT	38	38	57	47	45	45	52	52	52	426
UTILITIES	15	15	16	17	17	18	18	17	17	150
GENERAL AND ADMINISTRATIVE	14	14	14	14	13	14	14	13	13	12
BUILDINGS AND FACILITIES	10	10	15	10	10	10	10	10	10	95
PROFESSIONAL SERVICES	-	-	-	10	-	-	-	10	-	20
CAPITAL EXPENDITURES AND OTHER	40	-	40	-	-	40	-	40	-	160
STATE OF NH- POST RETIREMENT	-	-	-	-	-	-	-	-	-	-
	<u>367</u>	<u>197</u>	<u>262</u>	<u>348</u>	<u>205</u>	<u>247</u>	<u>349</u>	<u>267</u>	<u>217</u>	<u>2,459</u>
NET CASH FLOW	(112)	(77)	(132)	(113)	7	130	(107)	(140)	(79)	(623)
CLOSING FUND BALANCE	1,633	1,556	1,424	1,311	1,318	1,448	1,341	1,201	1,122	1,122

DIVISION OF PORTS AND HARBORS

STATEMENT OF CASH FLOW- HARBOR DREDGING FUND

(RESTRICTED FUNDS)

(\$ 000's)

	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	TOTAL
OPENING FUND BALANCE	<u>245</u>	<u>245</u>	<u>248</u>	<u>208</u>	<u>211</u>	<u>211</u>	<u>173</u>	<u>174</u>	<u>176</u>	<u>245</u>
<u>SOURCES OF FUNDS</u>										
PIER USAGE FEES	-	-	10	-	-	10	-	-	10	30
REGISTRATIONS	-	-	2	-	-	2	-	-	2	6
FUEL FLOWAGE FEES	2	3	2	3	2	2	3	2	3	22
GRANT FUNDING	-	-	-	-	-	-	-	-	-	-
	2	3	14	3	2	14	3	2	15	58
<u>USE OF FUNDS</u>										
PERSONNEL SERVICES AND BENEFITS	-	-	-	-	-	-	-	-	-	-
BUILDINGS AND FACILITIES	2	-	2	-	2	-	2	-	2	10
GENERAL AND ADMINISTRATIVE	-	-	2	-	-	2	-	-	2	6
UTILITIES	-	-	-	-	-	-	-	-	-	-
PROFESSIONAL SERVICES	-	-	-	-	-	-	-	-	-	-
ALL OTHER- (CBOC)	-	-	50	-	-	50	-	-	50	150
	2	-	54	-	2	52	2	-	54	166
NET CASH FLOW	-	3	(40)	3	-	(38)	1	2	(39)	(108)
CLOSING FUND BALANCE	<u>245</u>	<u>248</u>	<u>208</u>	<u>211</u>	<u>211</u>	<u>173</u>	<u>174</u>	<u>176</u>	<u>137</u>	<u>137</u>

DIVISION OF PORTS AND HARBORS
STATEMENT OF CASH FLOW- REVOLVING LOAN FUND
(RESTRICTED FUNDS)

(\$ 000's)

	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	TOTAL
OPENING FUND BALANCE	211	209	206	217	230	164	177	188	199	211
SOURCES OF FUNDS										
LOAN REPAYMENTS	-	-	12	12	12	12	12	12	12	84
INTEREST INCOME-LOANS	-	-	1	2	1	2	1	2	1	10
INTEREST INCOME- FUND BALANCE	-	1	-	1	-	1	-	1	-	4
	-	1	13	15	13	15	13	15	13	98
USE OF FUNDS										
NEW LOANS PROJECTED	-	-	-	-	75	-	-	-	-	75
PERSONNEL SERVICES AND BENEFITS	-	-	-	-	-	-	-	-	-	-
BUILDINGS AND FACILITIES	-	-	-	-	-	-	-	-	-	-
GENERAL AND ADMINISTRATIVE	-	2	-	-	2	-	-	2	-	6
UTILITIES	-	-	-	-	-	-	-	-	-	-
PROFESSIONAL SERVICES	2	2	2	2	2	2	2	2	2	18
ALL OTHER	-	-	-	-	-	-	-	-	-	-
NET CASH FLOW	2	4	2	2	79	2	-	4	2	99
	(2)	(3)	11	13	(66)	13	11	11	11	(1)
CLOSING FUND BALANCE	209	206	217	230	164	177	188	199	210	210

DIVISION OF PORTS AND HARBORS

STATEMENT OF CASH FLOW- FOREIGN TRADE ZONE FUND

(RESTRICTED FUNDS)

14

(\$ 000's)

	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	TOTAL
	7	9	12	17	17	15	15	15	13	7
OPENING FUND BALANCE										
<u>SOURCES OF FUNDS</u>										
FACILITY RENTALS	2	5	5	-	-	-	-	-	-	12
ALL OTHER	-	-	-	-	-	-	-	-	-	-
	2	5	5	-	-	-	-	-	-	12
<u>USE OF FUNDS</u>										
PERSONNEL SERVICES AND BENEFITS	-	-	-	-	-	-	-	-	-	-
BUILDINGS AND FACILITIES	-	-	-	-	-	-	-	-	-	-
GENERAL AND ADMINISTRATIVE	-	2	-	-	2	-	-	2	-	6
UTILITIES	-	-	-	-	-	-	-	-	-	-
PROFESSIONAL SERVICES	-	-	-	-	-	-	-	-	-	-
ALL OTHER	-	-	-	-	-	-	-	-	-	-
	-	2	-	-	2	-	-	2	-	6
NET CASH FLOW	2	3	5	-	(2)	-	-	(2)	-	6
CLOSING FUND BALANCE	9	12	17	17	15	15	15	13	13	13



MEMORANDUM

TO: Pease Development Authority Board of Directors
FROM: Paul E. Brean, Executive Director *PEB*
RE: License Reports
DATE: September 8, 2020

In accordance with the "Delegation to Executive Director: Consent, Approval and Execution of License Agreements," PDA entered into the following licenses:

1. Name: Advanced Excavation & Paving, Inc.
License: Right-of-Entry
Location: Paving at the Pease International Tradeport
Purpose: Temporary Stockpiling Millings from Repaving Work on Corporate Drive and International Drive
Term: Through September 30, 2020

2. Name: Prescott Park Arts Festival
License: Right-of-Entry
Location: 100 New Hampshire Avenue
Purpose: Staging Drive-In Concert Music Series Only
Term: Through October 23, 2020

3. Name: CHI Aerospace
License: Right-of-Entry
Location: Portion of the Skyhaven Terminal Building
Purpose: Flight-Briefing Room
Term: Through September 22, 2020

August 21, 2020

Via email: advexjohn@gmail.com

John Barnes
Advanced Excavation & Paving, Inc.
166 Granite St.
Allenstown, NH 03275

RE: Paving at the Pease International Tradeport

Dear Mr. Barnes:

Pease be advised that Advanced Excavation & Paving, Inc. is permitted to utilize the PDA property at the intersection of Hampton Street and Aviation Avenue for the purpose of the temporary stockpiling millings from your repaving work on Corporate and International Drive. I would ask that you coordinate your stockpiling with PDA Maintenance Manager Franny Frank, at (603) 319-7538.

This permission is granted through September 30, 2020, although may be extended based on the needs of the project. This permission may be revoked prior to that date at the discretion of the PDA. Additionally, this permission is conditioned on the complete removal of all materials deposited and the return of the area in question to the condition it existed before your work, prior to September 30th.

Thank you for your work improving the Tradeport's roadways. Should you have any questions, please do not hesitate to contact me.

Sincerely,



Paul E. Brean
Executive Director

cc: Anthony I. Blenkinsop, Deputy General Counsel
Maria Stowell, Engineering Manager
Franny Frank, Maintenance Manager

plroeltr to advanced excavation & paving re-stockpiling of road millings

August 26, 2020

Courtney Perkins, Executive Director
Prescott Park Arts Festival
PO Box 4370
Portsmouth, NH 03802

**Re: Right-of-Entry for Use of Parking Lot
100 New Hampshire Avenue, Portsmouth, NH**

Dear Ms. Perkins:

This letter will authorize the Prescott Park Arts Festival, Inc. (PPAF) to enter upon and utilize the parking lot area located at 100 New Hampshire Avenue, Portsmouth, New Hampshire as shown on the attached Exhibit A (the "Premises") commencing on Friday, September 4, 2020, through Friday, October 23, 2020, for the purposes of staging a drive-in concert music series only. The privileges granted under this Right-of-Entry will expire at 11:30 p.m. on October 23, 2020, unless terminated earlier or extended by mutual agreement of PDA and PPAF.

Drive-in concert events shall be scheduled no more than two evenings per week in consultation with the PDA. On the date of any such scheduled event, PPAF shall be entitled to use the Premises commencing at 10:00 a.m. for event set-up. No sound checks shall be permitted prior to 3:00 p.m. The concert itself shall not commence prior to 6:00 p.m. on the scheduled date and shall conclude by no later than 10:00 p.m. PPAF shall ensure all event clean-up is completed and everyone has left the Premises by no later than 11:30 p.m. on the date of the event. PPAF is authorized to utilize a portable stage for the concerts no greater than 24' by 20' in size, in a location within the Premises agreed to by the PDA, and conditioned upon any necessary permitting by the City of Portsmouth. The stage may be left on the Premises during the term of this Right-of-Entry. PPAF shall provide portable toilet facilities for any scheduled event on the Premises. Said toilet facilities shall be removed from the Premises within 24 hours of any event's conclusion. All event lighting and sound equipment, and any necessary electricity for an event, shall be provided by PPAF. There shall be no fireworks or pyrotechnics permitted on the Premises. Food and beverage sales shall be permitted by PPAF on the Premises during a scheduled event, subject to any applicable State or local laws, regulations, or permit requirements. Alcohol sales shall be limited to beer or wine; in addition, any alcohol sales shall require the provision of proof of liquor liability insurance consistent with the requirements set forth herein. PPAF is permitted to erect

August 26, 2020

RE: License Agreement for Use of Parking Lot at 100 New Hampshire Avenue

temporary signage on the Premises during any scheduled event to recognize any event sponsors, or to advertise future scheduled events, but said signage shall be removed from the Premises at the conclusion of any scheduled event.

In addition to the foregoing, this authorization is conditioned upon the following:

I. A. PPAF's agreement herein that any use of the Premises is at its sole risk and that its signature below constitutes its agreement that it will not bring claims against PDA in the event of loss or damage to property, and injury or death to persons, by reason of or incident to their entry or the entry by any of their agents, patrons, contractors, or invitees upon the Premises, and/or the exercise of any of the authorities granted herein. PPAF 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 PPAF and its employees, agents, patrons, contractors, volunteers, or invitees use of the Premises, or the conduct of activities or the performance of responsibilities under this Right-of-Entry.

B. PPAF understands and agrees that the novel coronavirus, COVID-19, has been declared a worldwide pandemic by the World Health Organization; COVID-19 is extremely contagious and is believed to spread mainly from person-to-person contact. It is believed that an individual can be infected with COVID-19 without their knowledge and be asymptomatic. COVID-19 may cause damages, personal injury, illness, permanent disability, and death. PPAF ACKNOWLEDGES the contagious nature of COVID-19 and ACCEPTS the risk that they, their employees, agents, patrons, contractors, volunteers, or invitees, may be exposed to or infected by COVID-19 by participating in the events permitted by this Right-of-Entry. PPAF, therefore, agrees to utilize safety precautions consistent with applicable public health recommendations, and that the Pease Development Authority has no such obligation with respect to the events because it is not the event sponsor, organizer, or administrator.

C. PPAF further agrees to indemnify, save, hold harmless, and defend (with counsel reasonably acceptable to the Pease Development Authority) the Pease Development Authority, its officers, board members, agents and employees, from and against all suits, claims, demands or actions, liabilities, judgements, costs and attorney's fees (collectively "Claims") arising out of or related to PPAF, and their employees, agents, patrons, contractors, volunteers, or invitees use of the Premises or any activities conducted or undertaken in connection with or pursuant to this Right-of-Entry. PPAF indemnification obligation hereunder shall not extend to Claims caused by the negligence or willful misconduct of the Pease Development Authority or its agents, employees, or contractors.

2. PPAF understands and acknowledges that this Right-of-Entry: (a) allows only temporary use of the Premises; (b) is granted on a non-exclusive basis; (c) may be revoked at will by PDA or terminated at will, upon not less than three (3) days' prior notice, and that PDA need not state a for any such revocation or termination; and (d) permits PDA to relocate PPAF's activities within the Premises or alter the boundaries of the Premises upon not less than three (3)

August 26, 2020

RE: License Agreement for Use of Parking Lot at 100 New Hampshire Avenue

days' prior notice. 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. PPAF and/or any agent of PPAF providing to the Pease Development Authority satisfactory evidence of comprehensive general liability insurance to a limit of not less than One Million Dollars (\$1,000,000.00) per occurrence and in the aggregate, naming the Pease Development Authority as an additional insured; automobile liability insurance in the amount of One Million Dollars (\$1,000,000.00) per occurrence naming the Pease Development Authority as an additional insured; liquor 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 foregoing minimum policy limits may be attained through an umbrella or excess liability policy.

Each such policy or certificate therefor issued by the insurer shall contain: (i) a provision that no act or omission of any employee, officer or agent of PPAF 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) with respect to the liability coverage only provide that the insurer shall have no right of subrogation against Pease Development Authority; and (iii) a provision that any liability insurance coverage required to be carried shall be primary and non-contributing with respect to any insurance carried by PDA. It is the intent of PPAF that such policies will not be cancelled. Should a policy cancellation occur, PDA will be advised in advance of such cancellation being effective.

4. PPAF agrees that due to the potential number of attendees at the Premises it will coordinate the queuing of motor vehicles waiting to access and exit the Premises from/to New Hampshire Avenue and shall not permit vehicles to queue along or within any public roadways and intersections. PPAF agrees they shall work with the Portsmouth Police, Fire and/or Public Works Departments for appropriate traffic and crowd control measures as necessary and appropriate. *PPAF further agrees to take such steps as may be required to ensure that vehicles and equipment (excluding the portable stage which may be left on the Premises during the term of the this Right of Entry) are not left on the Premises in excess of the hours of any scheduled event, and to assume full responsibility for the immediate removal of vehicle(s) (which includes the cost of any necessary vehicle towing), trash, and equipment left on the Premises.* PPAF further agrees that they will work with PDA staff regarding the placement and location of a stage, appropriate temporary signage, and any other equipment necessary for any event in question. A limited closure of Rochester Avenue may be permitted by the PDA, in consultation with the City of Portsmouth, on event days to accommodate/facilitate PPAF's use of electricity from the building at 75 Rochester Avenue.

5. PPAF agrees that the PDA has the right, in its sole discretion, to terminate all of or any portion of the Premises used as a priority for Pease operations; provided, however, that PDA shall use reasonable efforts to relocate PPAF's operations on the Premises before effectuating any such termination.

RE: License Agreement for Use of Parking Lot at 100 New Hampshire Avenue

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 persons of PPAF patrons, officers, agents, servants, volunteers, or employees, or others who may be on the Premises at its invitation.

7. PPAF agrees that it shall take any necessary steps to implement and encourage appropriate social distancing during the event on the Premises consistent with current Federal and State requirements and guidance regarding COVID-19. Any participant in violation of these requirements may be removed from the Premises/event.

PPAF further agrees that the Premises shall be maintained in a neat and orderly condition and PPAF shall be responsible for trash removal, and that maintenance and management of the Premises shall be done at PPAF's own costs and expense.

8. PPAF shall be required to comply with any and all federal, state, and/or city permitting that may become necessary with the installation the equipment necessary for its operations on the Premises, including, but not limited to toilet facilities, trash receptacles, and/or generators necessary for the purposes of establishing a staging area. Any generator(s) used on the Premises shall be double-walled and have spill protection.

9. PPAF agrees to restore the Premises to the same or better condition existing prior to the commencement of this Right-of-Entry, at the termination of the Right-of-Entry.

10. PPAF agrees herein that this Right-of-Entry 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.

11. PPAF understands and agrees that there will be no charge for use of the Rights-of-Entry or extensions of this Right-of-Entry beyond the time period granted herein.

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

Very truly yours,



Paul E. Brean
Executive Director

Page 5

August 26, 2020

RE: License Agreement for Use of Parking Lot at 100 New Hampshire Avenue

Agreed and accepted this 9th day of September, 2020

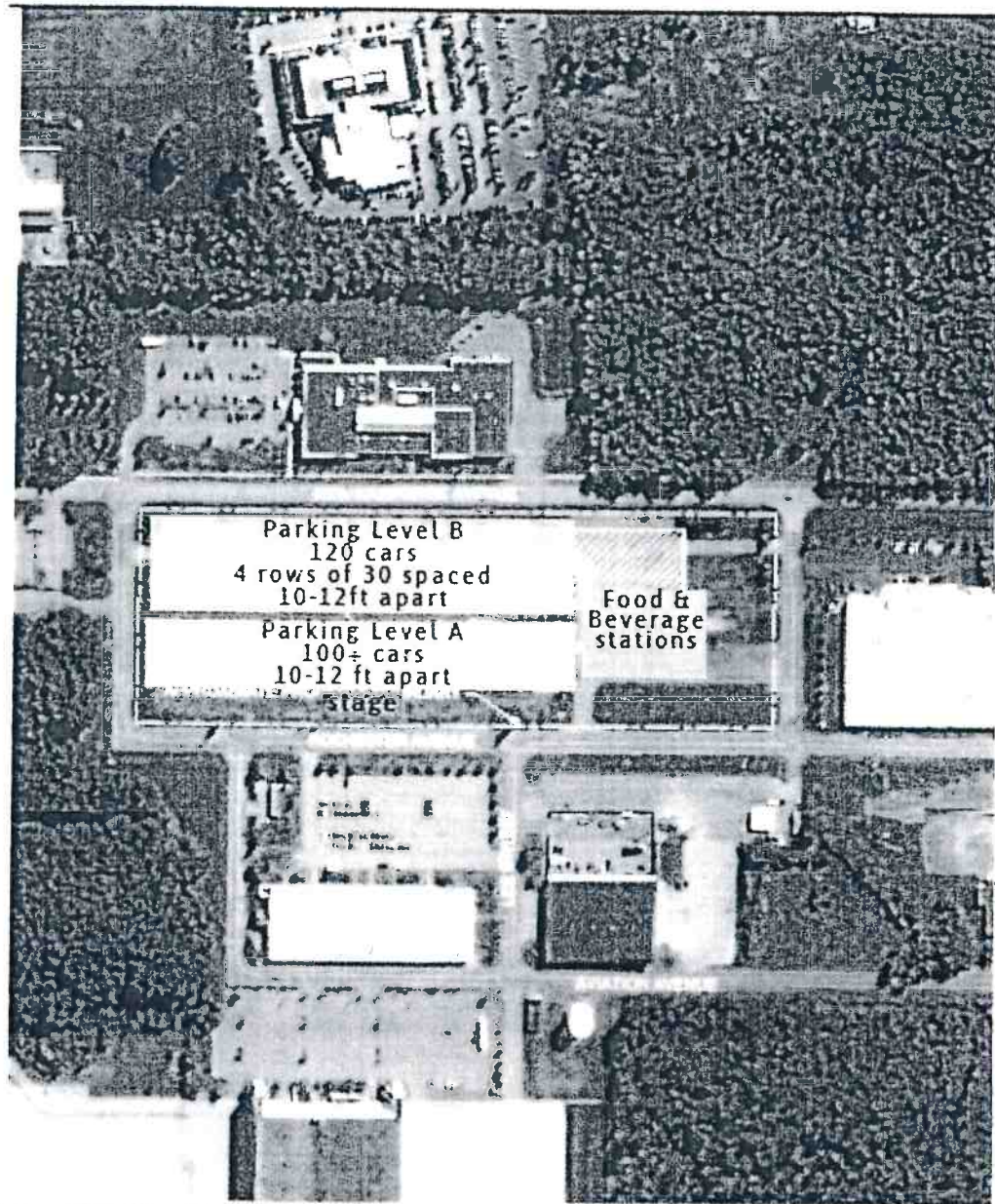
Prescott Park Arts Festival, Inc.

By: 

Print Name: Courtney Perkins

Its Duly Authorized: Executive Director

EXHIBIT A



100 New Hampshire Ave Right of Entry

DESIGNED BY: MRM DATE: 07/20/2020 SCALE: N15

 PEASE DEVELOPMENT AUTHORITY

55 INTERNATIONAL DRIVE, PORTSMOUTH, NH 03801

September 3, 2020

Tad Vaughn, General Manager
CHI Aerospace
58 Durham Street
Hangar 212
Portsmouth, NH 03801

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

Dear Mr. Vaughn:

1. This Right of Entry will authorize CHI Aerospace ("CHI") at its sole risk, to enter upon a portion of the Terminal Building at Skyhaven Airport ("the Premises") as shown on **Exhibit B** for the purpose of utilizing an approximate 90 +/- foot area as a flight-briefing room, the right to brand and supply the Premises with promotional materials, and the right to place an exterior sign outside the Terminal Building in a location agreed upon with the Pease Development Authority ("PDA"), and for no other use without the express written consent of the PDA.
2. The use, occupation, and maintenance of the Premises shall be; (a) except as otherwise set forth herein, without cost or expense to the PDA; (b) subject to the general supervision and approval of the PDA; and (c) subject to such rules and regulations as the PDA may prescribe from time to time.
3. This Right of Entry will commence on September 8, 2020 and shall continue through September 22, 2020.
4. The use of the Premises shall be orderly and efficient, shall not constitute a nuisance and shall not cause disruption to other Skyhaven Airport activities.
5. **Insurance & Indemnification.** CHI agrees to provide PDA with proof of insurance which meet the coverage requirements set forth in **Exhibit A** of this Right of Entry.

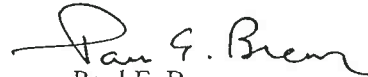
CHI's agreement herein that any use of the Premises is at its sole risk and that its signature below constitutes its agreement to assume full responsibility for any and all risks of loss or damage to property and injury or death to persons by reason of or incident to its entry or the entry by any of its employees, agents or contractors upon the Premises and/or the exercise of any of the authorities granted herein. CHI

expressly waives all claims against the PDA for any such loss, damage, bodily injury or death caused by or occurring as a consequence of CHI's use of the Premises or the conduct of activities or the performance of responsibilities under this authorization. CHI further agrees to indemnify, save, hold harmless, and defend the PDA, its officers, board members, agents and employees, from and against all suits, claims, demands or actions, liabilities, judgments, costs and attorney's fees arising out of CHI's use of the Premises or any activities conducted or undertaken in connection with or pursuant to this authorization.

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

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


Sincerely,



Paul E. Brean
Executive Director

Agreed and accepted this 4 day of Sept., 2020

CHI AEROSPACE

By: 
Tad Vaughn, General Manager

cc: Andrew Pomeroy, Manager, Aviation Planning & Regulatory Compliance
Anthony I. Blenkinsop, Deputy General Counsel

EXHIBIT A
INSURANCE

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

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

- (1) Personal property insurance coverage against loss or damage by fire and lightning and against loss or damage or other risks embraced by coverage of the type now known as the broad form of extended coverage (including but not limited to riot and civil commotion, vandalism, and malicious mischief and earthquake) in an amount not less than 100% of the full replacement value of the improvements and personal property on the Premises. The policies of insurance carried in accordance with this Section shall contain a "Replacement Cost Endorsement." Such full replacement cost shall be determined from time to time, upon the written request of PDA, but not more frequently than once in any twenty-four (24) consecutive calendar month period (except in the event of substantial changes or alterations to the Premises undertaken by CHI as permitted under the provisions hereof) by written agreement of PDA and CHI, or if they cannot agree within thirty (30) days of such request, by an insurance consultant, appraiser, architect or contractor who shall be mutually and reasonably acceptable to PDA and CHI. Any such determination by a third party shall be subject to approval by PDA and CHI, which approval shall not be unreasonably withheld. The insurance maintained in this Section shall be adjusted to one hundred percent (100%) of the new full replacement cost consistent with the approved determination.
- (2) Commercial General Liability insurance, including, but not limited to, on an "occurrence basis" against claims for "personal injury," including without limitation, bodily injury, death or property damage, occurring upon, in or about the Premises, passageways, adjoining sidewalks, streets and parking areas, such insurance to afford immediate minimum protection at the time of the Term Commencement Date, and at all times during the term of this Right of Entry, to a limit of not less than One Million (\$1,000,000.00) Dollars with respect to damage to property, personal/bodily injury or death to any one or more persons and with no deductible or such deductible amount as may be approved by PDA. Such insurance shall also include coverage against liability for bodily injury or property damage arising out of the acts or omissions by or on behalf of CHI, or any other person or organization, or involving any owned, non-owned, leased or hired automotive equipment in connection with Lessee's activities.

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

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

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

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

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

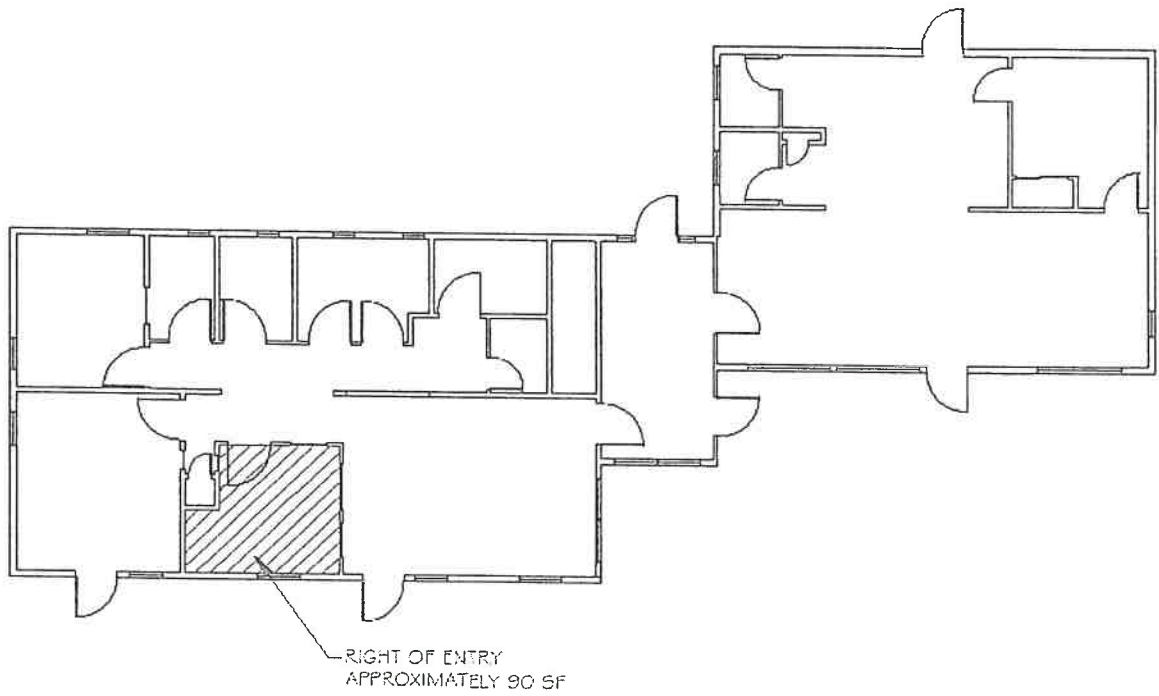
Any insurance provided for in this Right of Entry may be effected by a policy or policies of blanket insurance or may be continued in such form until otherwise required by PDA; provided, however, that the amount of the total insurance allocated to the Premises shall be such as to furnish in protection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

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

CHI Aerospace RoE
September 3, 2020
Page 6


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

EXHIBIT B
PREMISES



Skyhaven Terminal Right of Entry

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

 **PEASE DEVELOPMENT AUTHORITY**

55 INTERNATIONAL DRIVE, PORTSMOUTH, NH 03801

MOTION – VI.B.

Director Loughlin:

In accordance with Pease Development Authority (“PDA”) Land Use Controls Section 503.01(c) the PDA Board of Directors approves the subdivision of 14.04 acres (the Pease Park and Ride) for the New Hampshire Department of Transportation (“NH DOT”), as set forth in the Memorandum of Maria J. Stowell, PE, Engineering Manager, dated September 3, 2020 and attached hereto.

ROLL CALL VOTE REQUIRED.



MEMORANDUM

To: Paul E. Brean, Executive Director *PEB*
From: Maria J. Stowell, PE, Engineering Manager *Maria*
Date: September 3, 2020
Subject: Portsmouth Transportation Center, 185 Grafton Drive

At its June meeting, the PDA Board authorized the Executive Director and General Counsel to complete negotiations to effect up to a 74 year lease of the Park and Ride premises to the NH Department of Transportation ("NHDOT"). The lease will ultimately be recorded at the registry and the parties wish to supplement the lease with an approved subdivision plan.

The PDA Subdivision Regulations typically require a public hearing on an application. However, Part 503.01(c) exempts any department or agency of the State of New Hampshire from the public hearing provision. As such, the administering body may consider the application, and vote without holding a public hearing.

Applications for property in the Airport and Airport Industrial Zones are administered by the PDA Board, while applications for property in other locations are referred to the municipal Planning Board. The 185 Grafton parcel is situated in both the Natural Resource Protection and Airport Zones and, therefore, needs to go before both Boards for approval. The Portsmouth Planning Board considered the application at its meeting on August 20, 2020 and voted to recommend approval. The PDA Board should now see the application.

NHDOT's application and the City Planning Board's recommendation are attached. The subdivision plan depicts five parcels wherein property interests associated with a lease would be conveyed. Only the 14.04 acre parcel used to park cars will be subdivided. Three of the parcels would convey drainage or access easements. The fifth parcel, 0.82 acres adjacent to Route 33, would be transferred in fee. This fee transfer was expected to occur at the time that NHDOT constructed the Grafton Road entrance to the Tradeport, but was never effected.

Please place the approval of the subdivision of 14.04 acres at 185 Grafton Drive, as requested in the application of NHDOT, on the agenda for the September Board meeting.

N:\ENGINEER\Board Memos\2020\DOT subdivision.docx



CITY OF PORTSMOUTH

Planning Department
1 Junkins Avenue
Portsmouth, New Hampshire
03801
(603) 610-7216

PLANNING BOARD

August 25, 2020

Jason Pohopek
NH Department of Transportation
PO Box 483
Concord, NH 03302-0483

RE: Subdivision approval recommendation

Dear Mr. Pohopek:

The Planning Board, at its regularly scheduled meeting of Thursday, August 21, 2020, considered your application for a recommendation for Subdivision approval under Chapter 500 of the Pease Development Authority Subdivision Regulations, per part 503.01(c), for a lease acquisition area of 14.04 acres at the Portsmouth Transportation Center. Said property is shown on Assessor Map 300 Lot 1 and lies within the Natural Resource Protection (NRP) District. As a result of said consideration, the Board voted to recommend Subdivision approval.

Unless otherwise indicated above, applicant is responsible for applying for and securing a building permit from the Inspection Department prior to starting any project work.

The minutes and audio recording of this meeting are available by contacting the Planning Department.

Very truly yours,

Dexter R. Legg, Chairman of the Planning Board

cc: Robert Marsilia, Chief Building Inspector
Rosann Maurice-Lentz, City Assessor

Peter H. Rice, Director of Public Works

Pease Development Authority

Pease Development Authority
 55 International Drive, Portsmouth, NH 03801, (603) 433-6088



Subdivision Application

For PDA Use Only			
Date Submitted: _____	Municipal Review: _____	Fee: _____	
Application Complete: _____	Date Forwarded: _____	Paid: _____	Check #: _____

Applicant Information


Applicant: State of New Hampshire	Agent: Jason Pohopek, NHDOT Chief of Surveys
Address: Department of Transportation #7 Hazen Drive Concord, NH 03302-0483	Address: Department of Transportation Bureau of Right of Way #7 Hazen Drive, Room 100 Concord, NH 03302-0483
Business Phone: (603) 271-3222	Business Phone: 603-271-3222
Mobile Phone:	Mobile Phone:
Fax:	Fax:

Site Information

Address / Location of Original Lot:	#185 Grafton Drive, Portsmouth, NH		
Portsmouth Tax Map: <u>300</u>	Lot #: <u>1</u>	Zone: <u>Airport, Business, Commercial (ABC)</u>	
Proposed Activity (check one)	Subdivision <input checked="" type="checkbox"/>	Lot Line Adjustment _____	
Existing Lot	Total # of Existing Lot(s)	<u>1</u>	
	Existing Lot Area	<u>2,000 acres +/-</u>	
Created Lot	Total # of Proposed Lot(s)	<u>1</u>	
	Area of Proposed Lot(s)	<u>14.04 acres</u>	
<i>All above information shall be shown on a site plan submitted with this application. Provide 3 Full size hard copies and 1 PDF copy of all application materials as well as 1 half size set of drawings to PDA. Applicant shall supply additional copies as may be required by applicable municipality. Refer to Chapter 500 of PDA Land Use Controls for additional information</i>			
Checklist:	Application fee (as required)	()	Abbutters List () Drawings ()
	Copies of approvals for any Required State/Federal permits (See Ch 500 of PDA LUC)	()	()

Certification

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. I hereby apply for Subdivision and acknowledge I will comply with all regulations and any conditions established by the Review Committee(s) and the PDA Board of Directors in the development and construction of this



 Signature of Applicant

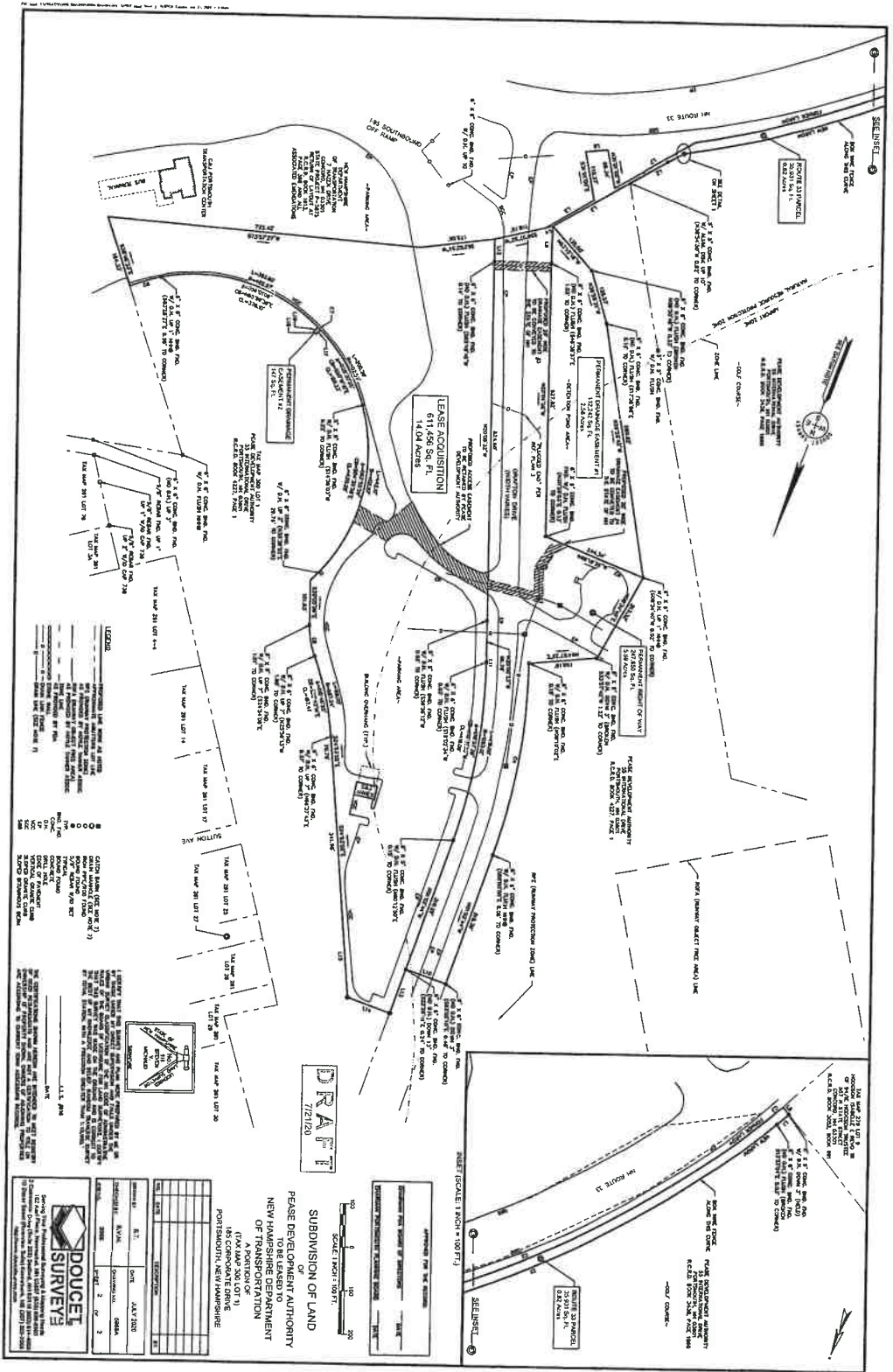
06/26/2020

 Date

Jason Pohopek

 Printed Name

N:\Engineer\Subdivision Application.xlsx



DRAFT
7/21/20

SUBDIVISION OF LAND
PEASE DEVELOPMENT AUTHORITY
TO BE LEASED TO
NEW HAMPSHIRE DEPARTMENT
OF REVENUE
A PORTION OF
PORTSMOUTH, NEW HAMPSHIRE

(TAX MAP 300 LOT 1)
PORTSMOUTH, NEW HAMPSHIRE

NO.	DESCRIPTION	DATE
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

DOUCET SURVEYS
1000 North Main Street
Portsmouth, New Hampshire 03801
Tel: 603-431-1111
Fax: 603-431-1112
www.doucetsurveys.com

SCALE: HORIZONTAL = 1" = 100 FT.
SCALE: VERTICAL = 1" = 10 FT.

APPROVED FOR THE SURVEY:
REGISTERED PROFESSIONAL SURVEYOR

DATE: 7/21/20

PROJECT: 2 OF 2

DATE: 7/21/20

PROJECT: 2 OF 2

DATE: 7/21/20

PROJECT: 2 OF 2

DATE: 7/21/20

PROJECT: 2 OF 2

DATE: 7/21/20



MEMORANDUM


TO: Pease Development Authority Board of Directors
FROM: Paul E. Brean, Executive Director *P.E.B.*
RE: Lease Reports
DATE: September 10, 2020

In accordance with the "Delegation to Executive Director: Consent, Approval of Sub-Sublease Agreements" PDA approved the following lease with:

- A. Tenant: Brookhaven Hospice of New Hampshire, LLC
- Space: 1,859 square feet
- Use: Office and Related Use
- Term: Five Years Commencing October 1, 2020

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

MEMORANDUM

To: Pease Development Authority Board of Directors
From: Paul E. Brean, Executive Director 
Date: September 1, 2020
Re: Sublease between One New Hampshire Avenue, LLC and Brookhaven Hospice of New Hampshire, 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 between One New Hampshire Avenue, LLC ("ONH") and **Brookhaven Hospice of New Hampshire, LLC** ("Brookhaven") consisting of approximately **1,859 square feet at 1 New Hampshire Avenue**. The **Brookhaven** Sublease is for a period of five (5) years commencing October 1, 2020 and expiring on September 30, 2025. **Brookhaven** will use the subleased premises for office and related use.

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

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

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

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

PATWOINTLMI New Hampshire\Board\Brookhaven Hospice of NH, LLC 9-17-20 docx

NOTICE OF CONSENT

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

RECITALS

A. The Parties entered into a Lease for 1 New Hampshire Avenue at Pease International Tradeport on June 22, 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 Subleased Premises associated with the sublease is permitted under the original Lease;
2. the sublease is consistent with the terms and conditions of the original Lease;
3. 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 **1,859** square feet within the Leased Premises at One New Hampshire Avenue to **Brookhaven Hospice of New Hampshire, LLC ("Brookhaven")**, duly organized and existing under the laws of the State of Washington, a Washington corporation.

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

TERMS AND CONDITIONS

1. Lessor hereby authorizes Lessee to execute the sublease, attached hereto as Exhibit A, with **Brookhaven** for approximately **1,859** square feet within the Leased Premises.

2. Upon execution of the sublease with **Brookhaven**, 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 **Brookhaven**.

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 21st day of August, 2020 by the Pease Development Authority.

PEASE DEVELOPMENT AUTHORITY

By: Paul G. Breen
Its: Executive Director

AGREED AND ACCEPTED

**ONE NEW HAMPSHIRE AVENUE,
LLC**

Aug 25, 2020
Date

By: Wanil L. Hamm
Its: Co-Manager

MOTION – VII.B.1.

Director Anderson:

The Pease Development Authority Board of Directors hereby authorizes the Executive Director to approve the concept plan for the North Fuel Farm at 14 Aviation Avenue, as submitted by Port City Air (“PCA”), and as shown on plans attached hereto and incorporated herein, and to proceed with and complete negotiations with PCA on any lease agreement amendments necessitated by the improvements to the North Fuel Farm as shown on the concept plan; all in accordance with the memoranda of Maria Stowell, P.E., Engineering Manager, dated September 9, 2020, and Paul E. Brean, Executive Director, dated September 10, 2020, attached hereto.

ROLL CALL VOTE REQUIRED.



MEMORANDUM

To: Paul E. Brean, Executive Director *Paul E. Brean*
From: Maria J. Stowell, PE, Engineering Manager *Maria J. Stowell*
Date: September 9, 2020
Subject: 14 Aviation Avenue Fuel Farm

Port City Air ("PCA") leases PDA's fuel farm at 14 Aviation Avenue. This facility, also known as the North Fuel Farm ("NFF") stores Jet A fuel and Avgas. The fuels are pumped into PCA's re-fueling tankers and then transported to waiting aircraft.

PCA is proposing to make improvements at the NFF. The improvements include:

1. Preparing an existing fuel tank to store diesel fuel that will be used for ground vehicles;
2. Concrete pads to park up to seven fuel trucks with paved access into and out of the parking areas;
3. A new diesel fuel dispensing area including a new concrete pad, two new fuel dispensers, and new piping from the tank to the dispensers;
4. An underground collection and containment system to collect and channel stormwater and also contain inadvertent fuel releases;
5. A concrete pad on which to locate two future fuel tanks;
6. Four pad-mounted, 5000 gallon, double-walled tanks to hold deicing fluid;
7. Associated site lighting, electrical service upgrades, fencing, guardrails and other necessary appurtenances;
8. Expansion of the current lease area from 0.57 acres to approximately 1.44 acres.

The NFF was constructed circa 1999. While the fuel handling system has been inspected, tested and maintained since that time, pavements within the facility have degraded. These improvements will replace pavements and also improve operational safety.

PCA has provided the attached information and is requesting concept approval from the Board. Board approval will allow PCA to proceed with detailed plans and, with staff concurrence, submit plans for site review approval.

At next week's meeting, please ask the Board to approve PCA's concept plan.

N:\ENGINEER\Board Memos\2020\14 Avia NFF PCA.docx

AMBIT ENGINEERING, INC. CIVIL ENGINEERS AND LAND SURVEYORS

200 Griffin Road, Unit 3, Portsmouth, NH 03801
Phone (603) 430-9282 Fax 436-2315

8 September 2020

Ms. Maria Stowell, PE
Pease Development Authority
Pease International Tradeport
55 International Drive, Portsmouth, NH 03801

RE: Submittal for Concept Site Plan, Port City Air, North Fuel Farm, 14 Aviation Avenue

Dear Maria,

We hereby submit, on behalf of Port City Air, the attached **Concept Site Plan Exhibit and Supplemental Material** for Approval. The Concept Site Plan is a re-configuration of the North Fuel Farm, in front of Hanger 227. The site was originally constructed for Pan Am Portsmouth around twenty years ago. Port City Air seeks to invest in site improvements to update and improve the safety and operations of the fuel farm site. These improvements require an expansion of the Lease Area, which is also included in the request for approval. This site improvement plan will provide for the following operational and safety improvements, specifically:

- Providing safe parking for re-fueling tankers in an area with spill containment. Currently the parking at the North Fuel Farm is not connected to spill containment.
- Providing a more accessible diesel fuel dispensing location for PCA ground handling equipment and some tankers. The proposed location will be safer as it provides easy access to all equipment without the need to back up to get to the point of fueling.
- Providing better lighting at fueling operations locations.
- Providing conforming setbacks from tanks to parking and structures.
- Providing drive forward access with clear visibilities for the tanker trucks.
- Providing double wall tanks for the de-icing storage.
- Providing power for block heaters at all truck parking locations.

These improvements will upgrade the site safety and compliance of the fuel farm. The plans show the following:

1. Expansion of the current Lease Area;
2. Installation of concrete pads to park up to seven fuel trucks with paved access into and out of the parking areas;
3. Construction of a diesel fuel dispensing area including a new concrete pad, two new fuel dispensers, and new piping from the tank to the dispensers;
4. Installation of a spill containment system to include an underground collection system to collect and channel stormwater from parking and fueling areas to a diversion manhole that will contain an oil water separation switch to direct spills and inadvertent fuel releases to a 10,000 gallon holding tank for safe removal;
5. Installation of a concrete pad on which to locate two (estimated) future fuel tanks;

6. Installation of four 5,000 gallon double wall tanks on the concrete pad to hold deicing fluid;
7. Installation (future) of a second loading port to provide off-loading and on-loading simultaneously;
8. Installation of site lighting improvements to focus lighting at task areas;
9. Additional site improvements such as electrical service upgrades, fencing, guardrails and other necessary appurtenances.

Also included in the plan is a future tank area (subject to additional permits) to handle potential growth.

Please feel free to call to discuss any question that you might have about this proposal; and let us know if there are any other submissions we need to make for the Board meeting. We look forward to working with the PDA Staff on this project.

Sincerely,

John Chagnon

Digitally signed by John Chagnon
DN: cn=John Chagnon, o=Ambit Engineering,
email=jrc@ambitengineering.com, c=US
Date: 2020.09.08 17:02:25 -0400

John Chagnon, PE; Ambit Engineering, Inc.

Enclosures: Plan Sets, Supplemental material

CC: Team -- via email

J:\JOBS\SUN 3100\s3130\SUN 3134\2019 Site Plan\Applications\Pease Development Authority\PDA Submittal Letter 14 Aviation 9-8-20.doc



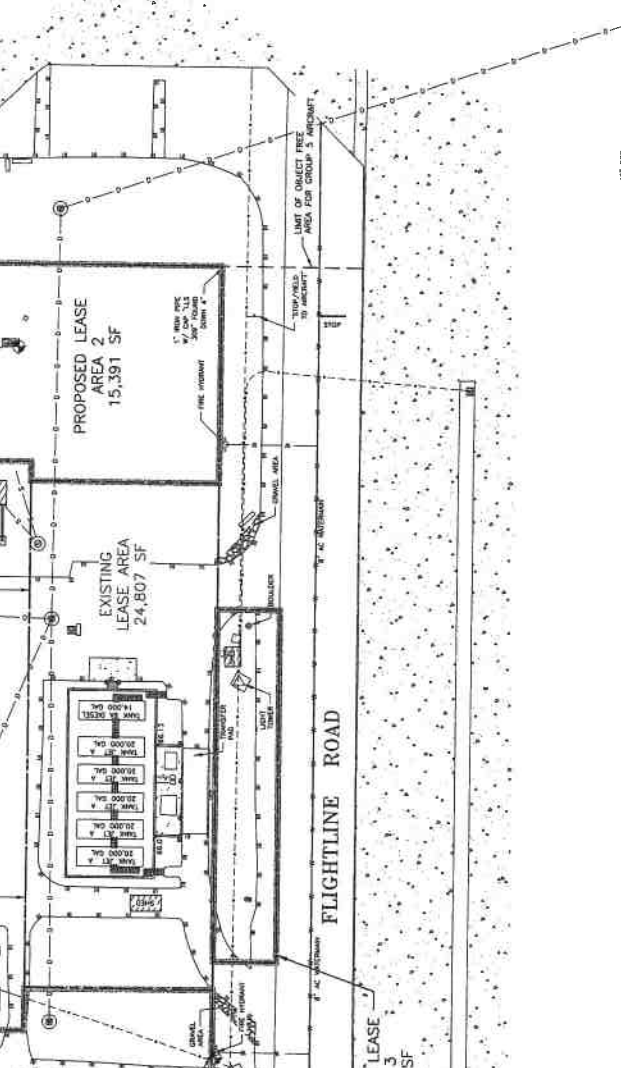
AMBIT ENGINEERING, INC.
Civil Engineers & Land Surveyors
1000 Airport Blvd., Suite 100
Portsmouth, NH 03801-3114
Tel: (603) 424-2522
Fax: (603) 424-2522

NOTES:

- 1) IS SHOWN ON THE CITY OF PORTSMOUTH ASSESSORS MAP 307 LOT 2-1.
- 2) SITE IS KNOWN AS: NORTH SIDE FUEL FARM 14 AVIATION AVENUE, PORTSMOUTH, NH 03801 SITE IS SHOWN ON MAP 307 LOT 2-1.
- 3) NAME OF RECORD: PEASE DEVELOPMENT AUTHORITY 55 INTERNATIONAL DRIVE PORTSMOUTH, NH 03801 4364 / 985
- 4) SUB-LESSEE: PORT CITY AIR INC. 10 AVIATION AVENUE PORTSMOUTH, NH 03801 PLAN REFERENCE 2
- 5) PARCEL IS NOT IN A SPECIAL FLOOR HAZARD AREA AS SHOWN ON FRM PANEL 3301520266E EFFECTIVE DATE MAY 1st, 2008.
- 6) LOT AREA 42-37 17,609.2 ACRES
- 7) EXISTING SUB-LEASE AREA: 24,807 SF 0.5692 ACRES
- 8) PROPOSED SUB-LEASE AREA: 62,011 SF 1.4274 ACRES
- 9) PARCEL IS LOCATED IN THE AIRPORT INDUSTRIAL (AI) ZONING DISTRICT.
- 10) THE PURPOSE OF THIS PLAN IS TO SHOW THE EXPANSION OF SUB-LEASE AREA AT 12 AVIATION AVENUE.
- 11) HORIZONTAL DATUM AND BASIS OF BEARINGS IS THE NAD 83 DATUM AND BASIS OF BEARINGS IS THE NAD 83 DATUM. BASIS OF HORIZONTAL DATUM IS NAD 83-0980 RESET 2008.
- 12) VERTICAL DATUM IS MEAN SEA LEVEL NAVD83. BASIS OF VERTICAL DATUM IS REINTEGRATED RTN GPS OBSERVATIONS (EQU27)
- 13) UNDERGROUND UTILITY LOCATIONS ARE BASED UPON RECORD DRAWINGS AND FIELD SURVEY. THE DESIGNER HAS LOCATED AND PROTECTING ANY ABOVEGROUND OR UNDERGROUND UTILITIES IS THE SOLE RESPONSIBILITY OF THE SUB-LESSEE. ANY UTILITIES NOT SHOWN ON THIS PLAN SHOULD BE REPORTED AT ONCE TO THE DESIGN ENGINEER.

PLAN REFERENCE:

- 1) SUBDIVISION PLAN FOR LAND TO BE LEASED TO PORTSMOUTH AIRPORT AUTHORITY, PORTSMOUTH, NH, PREPARED BY EMANUEL ENGINEERING, INC. 118 PORTSMOUTH AVE. STRATHAM NH 03085, DATED 08/11/2010.
- 2) EXHIBIT DEPENDENT LEASE AREA FOR PORT CITY AIR, SCALE: 1"=200' / 7/19/15.



LEGEND:
 N/A NOT FORMERLY
 RCRD RECORD
 RR SPK RAILROAD SPK
 O IRON ROD FOUND
 O IRON ROD TO BE SET
 O DRILL HOLE FOUND
 O DRILL HOLE TO BE SET
 O PALMADO SNAKE TO BE SET
 O PALMADO SNAKE TO BE SET
 O TOWN BOUND FOUND
 O TOWN BOUND TO BE SET
 O STONE BOUND WITH DRILL HOLE
 O STONE BOUND WITH DRILL HOLE



NO.	DESCRIPTION	DATE
4	ISSUED FOR CONCEPT	9/8/20
3	ADDED AREA 3 / REV AREAS 1 & 2	8/11/20
2	ISSUED FOR PIA COMMENT	7/30/20
1	ISSUED FOR PIA COMMENT	7/30/20
0	ISSUED FOR CONCEPT	12/28/19

LEASE AREA PLAN
TAX MAP 307 - LOT 2-1
 PORTSMOUTH, NH
 LAND OF:
THE PEASE DEVELOPMENT AUTHORITY
 LEASED TO:
 PORT CITY AIR
 14 AVIATION AVENUE
 CITY OF PORTSMOUTH
 COUNTY OF ROCKINGHAM
 STATE OF NEW HAMPSHIRE

SCALE: 1" = 30'
 FB 359 PE 10
 3/15/21

I CERTIFY THAT THIS PLAN WAS PREPARED UNDER MY DIRECT SUPERVISION AND TO THE BEST OF MY KNOWLEDGE AND BELIEF IT ACCURATELY REPRESENTS THE TRUE AND CORRECT LOCATION AND ACCURACY OF THE CLOSED TRAVERSE THAT EXCEEDS THE PRECEDENT OF 1:15,000.

Paul A. Dombrowski, L.L.S. 7000
 DATE: 11/10/2020
 APPROVED BY THE PEASE DEVELOPMENT AUTHORITY
 CHAIRMAN

NOTES:

- 1) THE CONTRACTOR SHALL NOTIFY THE STATE OF NEW HAMPSHIRE AT LEAST 72 HOURS PRIOR TO COMMENCING ANY CONSTRUCTION. THE CONTRACTOR SHALL MAINTAIN ACCESS TO ALL EXISTING UTILITIES, UNDERGROUND UTILITIES, AND ADJACENT PROPERTIES AT ALL TIMES. THE CONTRACTOR SHALL MAINTAIN ALL EXISTING UTILITIES AND ADJACENT PROPERTIES AT ALL TIMES. THE CONTRACTOR SHALL MAINTAIN ALL EXISTING UTILITIES AND ADJACENT PROPERTIES AT ALL TIMES.
- 2) UNDERGROUND UTILITIES LOCATIONS ARE BASED ON THE BEST AVAILABLE DATA AND ARE NOT FIELD VERIFIED. LOCATIONS AND PROTECTING ANY UNDERGROUND UTILITIES SHALL BE THE RESPONSIBILITY OF THE CONTRACTOR. THE CONTRACTOR SHALL MAINTAIN ALL EXISTING UTILITIES AND ADJACENT PROPERTIES AT ALL TIMES. THE CONTRACTOR SHALL MAINTAIN ALL EXISTING UTILITIES AND ADJACENT PROPERTIES AT ALL TIMES.
- 3) CONTRACTOR SHALL INSTALL AND MAINTAIN EROSION CONTROL MEASURES TO PREVENT SOIL EROSION AND SILTATION DURING CONSTRUCTION. (REVISED DECEMBER 2000).
- 4) EXISTING SUB-LEASE AREAS:
 2.5, 2.6, 2.7, 2.8, 2.9, 3.0, 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.7, 3.8, 3.9, 4.0, 4.1, 4.2, 4.3, 4.4, 4.5, 4.6, 4.7, 4.8, 4.9, 5.0, 5.1, 5.2, 5.3, 5.4, 5.5, 5.6, 5.7, 5.8, 5.9, 6.0, 6.1, 6.2, 6.3, 6.4, 6.5, 6.6, 6.7, 6.8, 6.9, 7.0, 7.1, 7.2, 7.3, 7.4, 7.5, 7.6, 7.7, 7.8, 7.9, 8.0, 8.1, 8.2, 8.3, 8.4, 8.5, 8.6, 8.7, 8.8, 8.9, 9.0, 9.1, 9.2, 9.3, 9.4, 9.5, 9.6, 9.7, 9.8, 9.9, 10.0, 10.1, 10.2, 10.3, 10.4, 10.5, 10.6, 10.7, 10.8, 10.9, 11.0, 11.1, 11.2, 11.3, 11.4, 11.5, 11.6, 11.7, 11.8, 11.9, 12.0, 12.1, 12.2, 12.3, 12.4, 12.5, 12.6, 12.7, 12.8, 12.9, 13.0, 13.1, 13.2, 13.3, 13.4, 13.5, 13.6, 13.7, 13.8, 13.9, 14.0, 14.1, 14.2, 14.3, 14.4, 14.5, 14.6, 14.7, 14.8, 14.9, 15.0, 15.1, 15.2, 15.3, 15.4, 15.5, 15.6, 15.7, 15.8, 15.9, 16.0, 16.1, 16.2, 16.3, 16.4, 16.5, 16.6, 16.7, 16.8, 16.9, 17.0, 17.1, 17.2, 17.3, 17.4, 17.5, 17.6, 17.7, 17.8, 17.9, 18.0, 18.1, 18.2, 18.3, 18.4, 18.5, 18.6, 18.7, 18.8, 18.9, 19.0, 19.1, 19.2, 19.3, 19.4, 19.5, 19.6, 19.7, 19.8, 19.9, 20.0, 20.1, 20.2, 20.3, 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37.0, 37.1, 37.2, 37.3, 37.4, 37.5, 37.6, 37.7, 37.8, 37.9, 38.0, 38.1, 38.2, 38.3, 38.4, 38.5, 38.6, 38.7, 38.8, 38.9, 39.0, 39.1, 39.2, 39.3, 39.4, 39.5, 39.6, 39.7, 39.8, 39.9, 40.0, 40.1, 40.2, 40.3, 40.4, 40.5, 40.6, 40.7, 40.8, 40.9, 41.0, 41.1, 41.2, 41.3, 41.4, 41.5, 41.6, 41.7, 41.8, 41.9, 42.0, 42.1, 42.2, 42.3, 42.4, 42.5, 42.6, 42.7, 42.8, 42.9, 43.0, 43.1, 43.2, 43.3, 43.4, 43.5, 43.6, 43.7, 43.8, 43.9, 44.0, 44.1, 44.2, 44.3, 44.4, 44.5, 44.6, 44.7, 44.8, 44.9, 45.0, 45.1, 45.2, 45.3, 45.4, 45.5, 45.6, 45.7, 45.8, 45.9, 46.0, 46.1, 46.2, 46.3, 46.4, 46.5, 46.6, 46.7, 46.8, 46.9, 47.0, 47.1, 47.2, 47.3, 47.4, 47.5, 47.6, 47.7, 47.8, 47.9, 48.0, 48.1, 48.2, 48.3, 48.4, 48.5, 48.6, 48.7, 48.8, 48.9, 49.0, 49.1, 49.2, 49.3, 49.4, 49.5, 49.6, 49.7, 49.8, 49.9, 50.0, 50.1, 50.2, 50.3, 50.4, 50.5, 50.6, 50.7, 50.8, 50.9, 51.0, 51.1, 51.2, 51.3, 51.4, 51.5, 51.6, 51.7, 51.8, 51.9, 52.0, 52.1, 52.2, 52.3, 52.4, 52.5, 52.6, 52.7, 52.8, 52.9, 53.0, 53.1, 53.2, 53.3, 53.4, 53.5, 53.6, 53.7, 53.8, 53.9, 54.0, 54.1, 54.2, 54.3, 54.4, 54.5, 54.6, 54.7, 54.8, 54.9, 55.0, 55.1, 55.2, 55.3, 55.4, 55.5, 55.6, 55.7, 55.8, 55.9, 56.0, 56.1, 56.2, 56.3, 56.4, 56.5, 56.6, 56.7, 56.8, 56.9, 57.0, 57.1, 57.2, 57.3, 57.4, 57.5, 57.6, 57.7, 57.8, 57.9, 58.0, 58.1, 58.2, 58.3, 58.4, 58.5, 58.6, 58.7, 58.8, 58.9, 59.0, 59.1, 59.2, 59.3, 59.4, 59.5, 59.6, 59.7, 59.8, 59.9, 60.0, 60.1, 60.2, 60.3, 60.4, 60.5, 60.6, 60.7, 60.8, 60.9, 61.0, 61.1, 61.2, 61.3, 61.4, 61.5, 61.6, 61.7, 61.8, 61.9, 62.0, 62.1, 62.2, 62.3, 62.4, 62.5, 62.6, 62.7, 62.8, 62.9, 63.0, 63.1, 63.2, 63.3, 63.4, 63.5, 63.6, 63.7, 63.8, 63.9, 64.0, 64.1, 64.2, 64.3, 64.4, 64.5, 64.6, 64.7, 64.8, 64.9, 65.0, 65.1, 65.2, 65.3, 65.4, 65.5, 65.6, 65.7, 65.8, 65.9, 66.0, 66.1, 66.2, 66.3, 66.4, 66.5, 66.6, 66.7, 66.8, 66.9, 67.0, 67.1, 67.2, 67.3, 67.4, 67.5, 67.6, 67.7, 67.8, 67.9, 68.0, 68.1, 68.2, 68.3, 68.4, 68.5, 68.6, 68.7, 68.8, 68.9, 69.0, 69.1, 69.2, 69.3, 69.4, 69.5, 69.6, 69.7, 69.8, 69.9, 70.0, 70.1, 70.2, 70.3, 70.4, 70.5, 70.6, 70.7, 70.8, 70.9, 71.0, 71.1, 71.2, 71.3, 71.4, 71.5, 71.6, 71.7, 71.8, 71.9, 72.0, 72.1, 72.2, 72.3, 72.4, 72.5, 72.6, 72.7, 72.8, 72.9, 73.0, 73.1, 73.2, 73.3, 73.4, 73.5, 73.6, 73.7, 73.8, 73.9, 74.0, 74.1, 74.2, 74.3, 74.4, 74.5, 74.6, 74.7, 74.8, 74.9, 75.0, 75.1, 75.2, 75.3, 75.4, 75.5, 75.6, 75.7, 75.8, 75.9, 76.0, 76.1, 76.2, 76.3, 76.4, 76.5, 76.6, 76.7, 76.8, 76.9, 77.0, 77.1, 77.2, 77.3, 77.4, 77.5, 77.6, 77.7, 77.8, 77.9, 78.0, 78.1, 78.2, 78.3, 78.4, 78.5, 78.6, 78.7, 78.8, 78.9, 79.0, 79.1, 79.2, 79.3, 79.4, 79.5, 79.6, 79.7, 79.8, 79.9, 80.0, 80.1, 80.2, 80.3, 80.4, 80.5, 80.6, 80.7, 80.8, 80.9, 81.0, 81.1, 81.2, 81.3, 81.4, 81.5, 81.6, 81.7, 81.8, 81.9, 82.0, 82.1, 82.2, 82.3, 82.4, 82.5, 82.6, 82.7, 82.8, 82.9, 83.0, 83.1, 83.2, 83.3, 83.4, 83.5, 83.6, 83.7, 83.8, 83.9, 84.0, 84.1, 84.2, 84.3, 84.4, 84.5, 84.6, 84.7, 84.8, 84.9, 85.0, 85.1, 85.2, 85.3, 85.4, 85.5, 85.6, 85.7, 85.8, 85.9, 86.0, 86.1, 86.2, 86.3, 86.4, 86.5, 86.6, 86.7, 86.8, 86.9, 87.0, 87.1, 87.2, 87.3, 87.4, 87.5, 87.6, 87.7, 87.8, 87.9, 88.0, 88.1, 88.2, 88.3, 88.4, 88.5, 88.6, 88.7, 88.8, 88.9, 89.0, 89.1, 89.2, 89.3, 89.4, 89.5, 89.6, 89.7, 89.8, 89.9, 90.0, 90.1, 90.2, 90.3, 90.4, 90.5, 90.6, 90.7, 90.8, 90.9, 91.0, 91.1, 91.2, 91.3, 91.4, 91.5, 91.6, 91.7, 91.8, 91.9, 92.0, 92.1, 92.2, 92.3, 92.4, 92.5, 92.6, 92.7, 92.8, 92.9, 93.0, 93.1, 93.2, 93.3, 93.4, 93.5, 93.6, 93.7, 93.8, 93.9, 94.0, 94.1, 94.2, 94.3, 94.4, 94.5, 94.6, 94.7, 94.8, 94.9, 95.0, 95.1, 95.2, 95.3, 95.4, 95.5, 95.6, 95.7, 95.8, 95.9, 96.0, 96.1, 96.2, 96.3, 96.4, 96.5, 96.6, 96.7, 96.8, 96.9, 97.0, 97.1, 97.2, 97.3, 97.4, 97.5, 97.6, 97.7, 97.8, 97.9, 98.0, 98.1, 98.2, 98.3, 98.4, 98.5, 98.6, 98.7, 98.8, 98.9, 99.0, 99.1, 99.2, 99.3, 99.4, 99.5, 99.6, 99.7, 99.8, 99.9, 100.0, 100.1, 100.2, 100.3, 100.4, 100.5, 100.6, 100.7, 100.8, 100.9, 101.0, 101.1, 101.2, 101.3, 101.4, 101.5, 101.6, 101.7, 101.8, 101.9, 102.0, 102.1, 102.2, 102.3, 102.4, 102.5, 102.6, 102.7, 102.8, 102.9, 103.0, 103.1, 103.2, 103.3, 103.4, 103.5, 103.6, 103.7, 103.8, 103.9, 104.0, 104.1, 104.2, 104.3, 104.4, 104.5, 104.6, 104.7, 104.8, 104.9, 105.0, 105.1, 105.2, 105.3, 105.4, 105.5, 105.6, 105.7, 105.8, 105.9, 106.0, 106.1, 106.2, 106.3, 106.4, 106.5, 106.6, 106.7, 106.8, 106.9, 107.0, 107.1, 107.2, 107.3, 107.4, 107.5, 107.6, 107.7, 107.8, 107.9, 108.0, 108.1, 108.2, 108.3, 108.4, 108.5, 108.6, 108.7, 108.8, 108.9, 109.0, 109.1, 109.2, 109.3, 109.4, 109.5, 109.6, 109.7, 109.8, 109.9, 110.0, 110.1, 110.2, 110.3, 110.4, 110.5, 110.6, 110.7, 110.8, 110.9, 111.0, 111.1, 111.2, 111.3, 111.4, 111.5, 111.6, 111.7, 111.8, 111.9, 112.0, 112.1, 112.2, 112.3, 112.4, 112.5, 112.6, 112.7, 112.8, 112.9, 113.0, 113.1, 113.2, 113.3, 113.4, 113.5, 113.6, 113.7, 113.8, 113.9, 114.0, 114.1, 114.2, 114.3, 114.4, 114.5, 114.6, 114.7, 114.8, 114.9, 115.0, 115.1, 115.2, 115.3, 115.4, 115.5, 115.6, 115.7, 115.8, 115.9, 116.0, 116.1, 116.2, 116.3, 116.4, 116.5, 116.6, 116.7, 116.8, 116.9, 117.0, 117.1, 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MOTION – VII.B.2.

Director Fournier:

The Pease Development Authority Board of Directors hereby approves of and authorizes the Executive Director to complete negotiations and to execute a lease with T-Aviation, L.L.C. for the premises known as Hangar 5, including certain surrounding apron area, located at Skyhaven Airport (DAW); substantially in accordance with the memorandum from Andrew Pomeroy, Manager, Aviation Planning and Regulatory Compliance, dated September 10, 2020, attached hereto.

ROLL CALL VOTE REQUIRED.

Memorandum

To: Paul Bean, Executive Director *P.B.*
From: Andrew Pomeroy, Manager, Aviation Planning and Regulatory Compliance *AP*
Date: 9/10/2020
Subj: T-Aviation, LLC

T-Aviation, LLC of Kensington, NH has presented the Pease Development Authority with a proposal to operate an aircraft maintenance and repair facility in Hangar 5 at Skyhaven Airport. Such a facility would provide a needed service at Skyhaven and have the potential of increasing use of the airport.

Hangar 5 is ideally suited for aircraft maintenance. It is a 4,875 square feet structure with an associated paved ramp that is approximately 7,600 square feet in size, with two aircraft tie-downs for parking. T-Aviation's lease area will also include 25-feet x 180-feet (4,500 square feet) of the grass area abutting the south edge of the hangar and associated ramp.

The proposed term is for one year commencing on or about October 1, 2020, with two one-year options, subject to PDA Board approval. The agreement has incremental rent increases as follows:

Lessee shall pay to Lessor building area rent ("Building Area Rent") at the following annual rates on a triple net basis for the areas of the Leased Premises:

Year 1 -	\$500.00 per month (months 1-3)
	\$1,000.00 per month (months 4-6)
	\$1,200.00 per month (months 7-12)
Total:	\$11,700.00 per year (Base Rate)
Option Year 1 -	[To be negotiated]
Option Year 2 -	[To be negotiated]

In addition to the Building Area Rent, the Lessee shall pay to the Lessor a percentage of its gross earnings from its operations on the Leased Premises ("Profit Share") at the following rates:

Year 1 -	3.0% per month
----------	----------------

September 10, 2020

Option Year 1 - [To be negotiated]
Option Year 2 - [To be negotiated]

The Hangar is currently leased on a month by month basis by B&H Airpower, LLC who stores its Citation Jet in the building. B&H anticipates construction of a new hangar at Portsmouth International Airport in the near future. T-Aviation and B&H Airpower have reached an agreement where T-Aviation will become the primary lease holder and B&H will rent space from them until such time as the B&H hangar has been built or other arrangements are made.

I request that you seek approval from the PDA Board of Director's at its September 17, 2020, meeting to enter into an agreement with T-Aviation, LLC of Kensington, NH, to lease Hangar 5 at Skyhaven Airport generally consistent with the aforementioned terms and rate structure. Further details of the proposed draft agreement are attached.

LEASE
BETWEEN
PEASE DEVELOPMENT AUTHORITY
AS
"LESSOR"
AND
T-AVIATION, LLC
AS
"LESSEE"

DRAFT

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EXHIBITS TO LEASE

EXHIBIT

- 1 - QUITCLAIM DEED AND EXHIBITS
- "A" PLANS DESIGNATING THE LEASED PREMISES
- "B" [RESERVED]
- "C" [RESERVED]
- "D" SUMMARY OF LEASE PROVISIONS REQUIRED BY THE FEDERAL AVIATION ADMINISTRATION
- "E" LIST OF ENVIRONMENTAL LAWS AND REGULATIONS
- "F" CERTIFICATE OF FORMATION / GOOD STANDING / EXISTENCE

LEASE

THIS LEASE ("Lease") is made by and between the PEASE DEVELOPMENT AUTHORITY ("Lessor" or "PDA") and T-AVIATION, LLC. ("Lessee"). (Lessor and Lessee may be referred to jointly as the "Parties.")

RECITALS

A. By Quitclaim Deed (the "Quitclaim Deed") dated June 26, 2009, Lessor acquired title to Skyhaven Airport from the State of New Hampshire through the New Hampshire Department of Transportation and its Bureau of Aeronautics.

B. Lessor is an agency of the State of New Hampshire established pursuant to RSA ch. 12-G, "Pease Development Authority," with a principal place of business at 55 International Drive, Portsmouth, NH 03801 and is authorized to enter into this Lease pursuant to the provisions contained therein.

C. Lessee is a New Hampshire Limited Liability Company doing business in New Hampshire with a principal place of business at 120 South Road, Kensington, NH 03833.

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

ARTICLE 1.

PREMISES

1.1. Description of Leased Premises

Lessor, for and in consideration of the rents and covenants herein specified to be paid and performed by Lessee, hereby leases to Lessee, and Lessee hereby hires from Lessor a 4,875 square foot Maintenance Hangar (a/k/a Hangar 5) and related improvements located at Skyhaven Airport, 238 Rochester Hill Road, Rochester, New Hampshire 03867 as more specifically depicted in **Exhibit A** of this Lease (the "Leased Premises" or the "Premises").

In connection with the use of the Leased Premises, Lessee is also granted the exclusive use of approximately 14,300 square feet of supporting apron area and two (2) tie down spaces, all as more specifically depicted in **Exhibit A** ("Additional Use Areas").

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

1.2. Easements - Rights-of-Way

This Lease is subject to existing easements and rights-of-way of record, including, but not limited to, the aviation easements set forth in the Quitclaim Deed.

1.3. General Rights of Access.

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

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

The rights of Lessee or any of its employees, contractors, subcontractors, agents, servants or invitees to access, by ground vehicle or otherwise, restricted or controlled areas or the flightline area shall be subject to the training and security requirements as may be promulgated and as the same may be amended from time to time.

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

END OF ARTICLE 1

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ARTICLE 2.

CONDITION OF LEASED PREMISES

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

END OF ARTICLE 2

ARTICLE 3.

TERM

3.1. This Lease shall be effective October 1, 2020 ("Term Commencement Date") and shall continue for a base term of one (1) year ("Base Term") and terminate on September 30, 2021, unless extended or terminated in accordance with the terms of this Lease.

3.2. Lessee is granted two (2) one (1) year options to extend the Lease, subject to: (i) Lessor and Lessee mutually agreeing to new or amended business terms as may be necessary or appropriate; and (ii) the approval of the Board of Directors of the Pease Development Authority. Lessee shall provide Lessor with a minimum of four (4) months advance written notice of its intent to exercise each respective option so that the parties can negotiate new or amended business terms in good faith. Should the Lessor and Lessee fail to agree on new or amended business terms for the option period by at least forty-five (45) days before the termination date of the current term, then this Lease shall terminate on said termination date.

As part of future negotiations of new or amended business terms, Lessee agrees to provide Lessor reasonable business and sales data as a condition precedent to such negotiations. The Lessor shall be provided such data in a consolidated form and shall have no independent right to review the books, profit statements, tax returns, or other raw data of the Lessee. Notwithstanding the foregoing, Lessor may require additional proof of Lessee's business and sales data if Lessor is not satisfied with the content or detail of the data initially submitted for Lessor's review.

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

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

END OF ARTICLE 3

ARTICLE 4.

BUILDING AREA RENT AND PROFIT SHARE

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

Year 1 -	\$500.00 per month (months 1-3)
	\$1,000.00 per month (months 4-6)
	\$1,200.00 per month (months 7-12)
Total:	\$11,700.00 per year (Base Rate)
Option Year 1 -	[To be negotiated]
Option Year 2 -	[To be negotiated]

In addition to the Building Area Rent, the Lessee shall pay to the Lessor a percentage of its gross earnings from its operations on the Leased Premises ("Profit Share") at the following rates:

Year 1 -	3.0% per month
Option Year 1 -	[To be negotiated]
Option Year 2 -	[To be negotiated]

4.2. The Building Area Rent due under Section 4.1 shall commence on October 1, 2020 (the "Rent Commencement Date"). The Building Area Rent shall be payable in each case in advance on the first day of each month without offset in lawful money of the United States at the office of Lessor's address as set forth in Article 23 of this Lease or at such other address as Lessor may hereafter designate. In addition, Lessee agrees to pay when due, such other amounts that may be required to be paid as additional rent. Lessee's rent obligation for any fractional portion of a calendar month at the beginning or end of the term of this Lease shall be a similar fraction of the rental due for an entire month. The Profit Sharing due under Section 4.1 shall commence on October 1, 2020 (the "Profit Sharing Commencement Date"). The Profit Sharing shall be payable in each case in arrears on the fifteenth day of each month without offset in lawful money of the United States at the office of Lessor's address as set forth in Article 23 of this Lease or at such other address as Lessor may hereafter designate. Along with the Profit Sharing payment the Lessee shall provide to the Lessor a consolidated financial report for the month in question as validation of the payment. The Lessor may request reasonable additional supporting information concerning the Profit Sharing payment, which the Lessee shall provide within ten (10) days of said request, or provide a written objection setting forth the reasons for not providing.

4.3. The Building Area Rent payable hereunder shall be net to Lessor, free and clear of any and all Impositions (as defined in Section 5.1), or expenses of any nature whatsoever in connection with the Premises. The Parties agree that, except as expressly provided herein, all costs, expenses and charges of every kind and nature relating to the Leased Premises which may be attributed to, or become due during the initial or any renewal term of this Lease, shall constitute additional rent to be paid by Lessee and, upon failure of Lessee to pay any such costs, expenses or charges, Lessor shall have the same rights and remedies as otherwise provided in this Lease for the failure of Lessee to pay

rent. It is the intention of the Parties that Lessee shall in no event be entitled to any abatement or reduction in rent payable hereunder, except as expressly provided herein. Any present or future law to the contrary shall not alter the agreement of the Parties.

END OF ARTICLE 4

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ARTICLE 5.

IMPOSITIONS

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

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

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

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

END OF ARTICLE 5

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ARTICLE 6.

SURRENDER OF LEASED PREMISES

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

END OF ARTICLE 6

ARTICLE 7.

INSURANCE

7.1.

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

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

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

(2) Comprehensive general liability insurance, including but not limited to general operation and airport liability insurance endorsed for hangar-keeping liability insurance, on an "occurrence basis" against claims for "personal injury", including without limitation, bodily injury, death or property damage, occurring upon, in or about the Leased Premises including any buildings thereon and the ramp area and adjoining sidewalks, streets, and passageways, such insurance to afford immediate minimum protection at the time of the Term Commencement Date, and at all times during the term of this Lease, to a limit of not less than One million (\$1,000,000) dollars per occurrence with respect to damage to property and One million (\$ 1,000,000) dollars, per occurrence with respect to bodily injury or death to any one or more persons and with no deductible or such deductible amount as may be approved by Lessor. Such insurance shall also include coverage against liability for bodily injury or property damage arising out of the acts or omissions by or on behalf of Lessee, or any other person or organization, or involving any owned, non-owned, Leased or hired automotive equipment (if such coverage is not provided by a separate policy under 7.B.(4)) in connection with Lessee's activities.

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

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

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

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

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

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

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

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

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

END OF ARTICLE 7

ARTICLE 8.

LESSOR'S RIGHT TO PERFORM LESSEE'S COVENANTS

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

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

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

END OF ARTICLE 8

ARTICLE 9.

USE OF LEASED PREMISES

9.1. The sole purposes for which Lessee may use the Leased Premises are for (i) operating an aircraft maintenance facility and, (ii) the temporary storage and hangaring of aircraft which are being worked on, and for no other uses without Lessor's prior written consent. Lessee shall not use, or permit to be used, the Leased Premises for any other purpose without the prior express written consent of Lessor. Lessor's consent shall be subject to the execution of an appropriate agreement which shall include a provision requiring the payment of established fees and charges that may be applicable to any such additional uses consented to by Lessor. Lessee is prohibited from any use of the Leased Premises not specifically granted in this Section 9.1.

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

9.3. Lessee agrees that it will keep the Premises in a neat, clean and orderly condition and shall be responsible for trash removal in accordance with such rules and regulations as may be promulgated from time to time, provided that Lessee shall not be bound by any such rules and regulations until such time as it receives a copy thereof. Lessee agrees to cause trash receptacles to be emptied and trash removed at Lessee's sole cost and expense.

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

9.5. Lessee shall have the right to contest by appropriate proceedings diligently conducted in good faith, without cost or expense to Lessor, the validity or application of any law, ordinance, order, rule, regulation or requirement of the nature referred to in this Article. If compliance with any such law, ordinance, order, rule, regulation or requirement may be delayed on the basis of an order from a court of competent jurisdiction pending the prosecution of any such proceeding without the incurrence of any lien, charge or liability of any kind against the Leased Premises or Lessee's interest therein and without subjecting Lessor to any liability, civil or criminal, for failure

so to comply therewith, Lessee may delay compliance therewith consistent with such court order. Even if such lien, charge or civil liability would be incurred by reason of any such delay, Lessee may, with the prior written consent of Lessor, contest as aforesaid and delay as aforesaid, provided that such contest or delay does not subject Lessor to criminal liability, damages or expense and provided that Lessee: (i) furnishes to Lessor security, reasonably satisfactory to Lessor, against any loss or injury by reason of such contest or delay; and (ii) prosecutes the contest with due diligence.

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

9.6. De-icing of aircraft may only be performed in designated areas of the Airport as specified, from time to time, by Lessor. Washing of aircraft is prohibited anywhere other than inside Hangar 5, and no water from aircraft washing may escape into the Airport's storm drain system. Other areas of the Airport may be designated for aircraft washing in the sole discretion of the Airport manager or his designee, on a case by case basis.

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

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

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

9.10. [Reserved]

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

END OF ARTICLE 9

ARTICLE 10.

LIENS

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

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

END OF ARTICLE 10

ARTICLE 11.

REPAIRS AND MAINTENANCE

11.1. Lessee's Responsibilities. Lessee covenants and agrees, throughout the term of this Lease, without cost to Lessor, to take good care of the Leased Premises and related improvements, including sidewalks, fences, curbs, parking or apron areas designated for Lessee's exclusive use, and to keep the same in good order and condition. Lessee's obligation hereunder shall include grounds maintenance and restoration and snow removal from the Leased Premises including any parking areas designated for Lessee's exclusive use. Snow storage shall be in areas designated by the Lessor. All such repairs made by Lessee shall be at least equal in quality and class to the original work and shall comply with the provisions of Article 15 of this Lease. Lessee shall keep and maintain all portions of the Leased Premises and the parking areas and fences adjoining the same in a clean and orderly condition, free of accumulation of dirt and rubbish. When used in this Article, the terms "repairs" shall include replacements or renewals when necessary.

Lessor's Responsibilities. Unless such damage is caused by the negligence of Lessee, Lessor, at its own cost and expense, shall make all necessary major repairs, internal and external, structural and nonstructural to keep the Leased Premises and related improvements in safe, clean and sanitary condition.

END OF ARTICLE 11

ARTICLE 12.

RIGHT OF LESSOR TO INSPECT AND REPAIR

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

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

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

END OF ARTICLE 12

ARTICLE 13.

GENERAL INDEMNIFICATION BY LESSEE

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

(1) from any condition of the Premises, including any building structure or improvement thereon;

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

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

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

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

END OF ARTICLE 13

ARTICLE 14.

UTILITIES

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

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

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

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

method of furnishing of such utilities.

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

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

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

END OF ARTICLE 14

ARTICLE 15.

ALTERATIONS - SIGNS

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

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

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

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

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

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

(iii) Workers' compensation insurance covering all persons employed in

connection with the work and with respect to whom death or bodily injury claims could be asserted against Lessor, Lessee or the Leased Premises, with statutory limits as then required under the laws of the State of New Hampshire.

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

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

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

15.3. The Lessee, its Lessees and assignees shall not conduct any excavation, digging, drilling or other disturbance without securing Lessor's prior consent and securing all requisite permits.

15.4. Notwithstanding any other provision of this Lease, the right of Lessee to place or construct Alterations in, to or upon the Leased Premises shall be subject to Lessor's prior written consent.

END OF ARTICLE 15

ARTICLE 16.

DESTRUCTION AND RESTORATION

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

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

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

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

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

Third, to Lessor any remaining balance.

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

time to time as the repair/restoration work progresses as follows:

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

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

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

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

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

16.7. Except as otherwise expressly provided in this Article, no destruction of, or damage to the

Leased Premises or any part thereof by fire or any other cause shall permit Lessee to surrender this Lease or shall relieve Lessee from its obligations to pay the full ground rent, and additional rent payable under this Lease or from any of its other obligations under this Lease, and Lessee waives any rights now or hereafter conferred upon it by statute or otherwise to quit or surrender this Lease or the Leased Premises or any suspension, diminution, abatement or reduction of rent on account of any such destruction or damage other than as allowed under this Article.

16.8. Notwithstanding the foregoing provisions in this Article 16, so long as Lessor maintains the property insurance coverage on the Leased Premises pursuant to Section 7.8 of the Lease or self insures for such loss, Lessor may elect, in its sole discretion to perform repair or replacement work in the event of a partial or total loss or to terminate the Lease without an obligation to undertake any repair or replacement work.

END OF ARTICLE 16

ARTICLE 16(A)

EMINENT DOMAIN

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

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

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

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

END OF ARTICLE 16(A)

ARTICLE 17.

DEFAULT BY LESSOR

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

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

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

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

END OF ARTICLE 17

ARTICLE 18.

DEFAULT BY LESSEE

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

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

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

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

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

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

- (1) subject to available legal and factual defenses,
 - a decree or order of a court of competent jurisdiction compelling specific performance by Lessee of its obligations under the Lease;
 - a decree or order by a court of competent jurisdiction restraining or enjoining the breach by Lessee of any of its obligations under the Lease; and
- (2) to the extent allowed by law, the right to undertake to cure Lessee's default, in which

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

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

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

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

18.4. In the event of the vacation or abandonment of the Leased Premises by Lessee for seven (7) days or in the event that Lessor shall elect to reenter as provided in Section 18.3 or shall take possession of the Leased Premises pursuant to any provision of New Hampshire law or pursuant to any notice provided by law, then if Lessor does not elect to terminate this Lease as provided in Section 18.2, Lessor may from time to time, without terminating this Lease, either recover all rental as it becomes due or relet the Leased Premises or any part thereof for such terms and conditions as Lessor in its sole discretion may deem advisable, including the right to make alterations and repairs to the Leased Premises. In the event that Lessor shall elect to relet, then rentals received by Lessor from

such reletting shall be applied: first, to the payment of any indebtedness other than rent due hereunder from Lessee to Lessor; second, to the payment of any cost of such reletting; third, to the payment of the cost of any alterations and repairs to the Leased Premises; fourth, to the payment of rent due and unpaid hereunder; and the residue, if any, shall be held by Lessor and applied in payment of future rent as the same may become due and payable hereunder. Should the amount of rental received from such reletting during any month which is applied to the payment of rent be less than that required to be paid during that month by Lessee under this Lease, then Lessee shall pay such deficiency to Lessor immediately upon demand by Lessor. Such deficiency shall be calculated and paid monthly. Lessee shall also pay to Lessor, as soon as ascertained, any costs and expenses incurred by Lessor in such reletting or in making such alterations and repairs not covered by the rentals received from such reletting.

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

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

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

END OF ARTICLE 18

ARTICLE 19.

DELEGATION - ASSIGNMENT - SUBLEASES - MORTGAGES

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

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

19.3. Subleases. Lessee may not enter into any sublease of the Leased Premises without Lessor's prior written approval. Any request for Lessor's approval shall be made at least thirty (30) days prior to the commencement of such tenancy and shall provide detailed information concerning the identity and financial condition of the proposed Lessee and the terms and conditions of the proposed sublease. Lessor shall not unreasonably withhold its consent to such sublease if: (1) the use of the Leased Premises associated with any sublease(s) is permitted under Article 9, (2) the sublease(s) are consistent with the terms and conditions of this Lease; provided, however, that Lessee may rent the subleased area at rentals deemed appropriate by Lessee, (3) Lessee remains primarily liable to Lessor to pay rent and to perform all other obligations to be performed by Lessee under this Lease, and (4) the proposed sublessee is financially and operationally responsible. In the event the rent for the Subleased Premises exceeds the rental charged to Lessee under Article 4, Lessee shall remit fifty percent (50%) of such excess to Lessor upon receipt by Lessee; provided, however, that any rental received by Lessee during a period in which no rental is due to Lessor shall be paid in its entirety to Lessor.

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

19.5. Bankruptcy. If a petition is filed by or against Lessee for relief under Title 11 of the United

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

19.6. Mortgages. Lessee shall not have the right to engage in any financing or other transaction creating any mortgage upon the Leased Premises.

END OF ARTICLE 19

ARTICLE 20.

[RESERVED]

END OF ARTICLE 20

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ARTICLE 21.

ESTOPPEL CERTIFICATES AND FINANCIAL STATEMENTS

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

21.2. Lessee, on or before twenty (20) days following receipt of a written request from Lessor, shall deliver to Lessor its annual financial statements of Lessee and any parent, subsidiary, or affiliated entities as requested by Lessor.

END OF ARTICLE 21

ARTICLE 22.

INVALIDITY OF PARTICULAR PROVISIONS

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

END OF ARTICLE 22

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ARTICLE 23.

NOTICES

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

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

Attention: Executive Director

If to Lessee: T-Aviation, LLC
Skyhaven Airport
238 Rochester Hill Road
Rochester, NH 03867

Attention: Thomas & Virginia Morgera

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

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

END OF ARTICLE 23

ARTICLE 24.

QUIET ENJOYMENT

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

END OF ARTICLE 24

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ARTICLE 25.

ENVIRONMENTAL PROTECTION

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

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

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

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

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

25.4. [Reserved]

25.5. As used in this Lease, the term "Hazardous Substances" means any hazardous or toxic substance, material or waste, oil or petroleum product, which is or becomes regulated by any local governmental authority, the State of New Hampshire or the United States Government. The term "Hazardous Substances" includes, without limitation, any material or substance which is (i) defined as a "hazardous waste," under New Hampshire RSA ch.147-A, (ii) defined as a "hazardous substance"

under New Hampshire RSA ch.147-B, (iii) oil, gasoline or other petroleum product, (iv) asbestos, (v) listed under or defined as hazardous substance pursuant to Parts Env-Wm 110, 211-216, 351-353, 400-100 ("Hazardous Waste Rules") of the New Hampshire Code of Administrative Rules, (vi) designated as a "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. ' 1317, (vii) defined as a "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. ' 6901 et seq. (42 U.S.C. ' 6903), or (viii) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. ' 9601 et seq. (42 U.S.C. ' 9601) and (ix) so defined in the regulations adopted and publications promulgated pursuant to any of such laws, or as such laws or regulations may be further amended, modified or supplemented (collectively "Hazardous Substance Laws").

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

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

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

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

25.15. Lessee, and any sublessee or assignee of Lessee, must maintain and make available to Lessor, EPA and NHDES all records, inspection logs, and manifests that track the generation, handling,

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

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

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

END OF ARTICLE 25

ARTICLE 26.

MISCELLANEOUS

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

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

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

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

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

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

26.7. This Lease covers in full each and every agreement of every kind or nature whatsoever between the Parties hereto concerning the Leased Premises and all preliminary negotiations and agreements of every kind or nature whatsoever with respect to the Leased Premises; and no other person, firm or corporation has at any time had any authority from Lessor to make any representations or promises on behalf of Lessor, and Lessee expressly agrees that if any such representations or promises have

been made by Lessor or others, Lessee hereby waives all right to rely thereon. No verbal agreement or implied covenant shall be held to vary the provisions hereof, any statute, law, or custom to the contrary notwithstanding. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest. Lessee acknowledges that it has read this Section and understands it to be a waiver of any right to rely on any representations or agreements not expressly set forth in this Lease.

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

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

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

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

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

26.13. Any actions or proceedings with respect to any matters arising under or growing out of this Lease shall be instituted and prosecuted only in courts located in the State of New Hampshire. Notwithstanding any other provision of this Lease, no provision of this Lease shall be deemed to constitute or effect a waiver of the sovereign immunity of the State of New Hampshire and no provision of this Lease shall be deemed to constitute or effect a waiver of the sovereign immunity of

Lessor as a body politic and corporate of the State of New Hampshire. The sovereign immunity of the State of New Hampshire is reserved to the State of New Hampshire to the fullest extent allowed under law and the sovereign immunity of Lessor is reserved to Lessor to the fullest extent allowed under law, provided, however, that Lessor agrees to waive immunity for contractual claims under this Lease to the extent permitted by New Hampshire RSA Ch. 491:8, as the same may be amended.

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

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

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

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

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

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

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

Leased Premises herein Leased.

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

END OF ARTICLE 26

EXECUTION

IN WITNESS WHEREOF, LESSOR and LESSEE have executed this Lease as of the _____ day of September, 2020.

PEASE DEVELOPMENT AUTHORITY

By: _____
Its: Executive Director
"Lessor"

T-AVIATION, LLC

By: _____
Its: _____
"Lessee"

STATE OF NEW HAMPSHIRE

: ss.

COUNTY OF _____

On this ___ day of _____, 2020, before me, _____, the undersigned officer in and for said County and State, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be an authorized signatory for and member of T-AVIATION, LLC, and on oath stated that he was authorized to execute this instrument and acknowledged it to be his free and voluntary act for the uses and purposes set forth herein.

Notary Public/Justice of the Peace in and for said County and State

Printed Name: _____

My commission expires: _____

STATE OF NEW HAMPSHIRE

: ss.

COUNTY OF ROCKINGHAM

On this ___ day of _____, 2013, before me, _____, the undersigned officer in and for said County and State, personally appeared **Paul Brean**, personally known to me (or proved to me on the basis of satisfactory evidence) to be the Executive Director of the Pease Development Authority and on oath stated that he was authorized to execute this instrument and acknowledged it to be his free and voluntary act for the uses and purposes set forth herein.

Notary Public/Justice of the Peace in and for said County and State

Printed Name: _____

My commission expires: _____

EXHIBIT 1

QUITCLAIM DEED AND EXHIBITS

DRAFT

EXHIBIT "A"

PLANS DESIGNATING THE LEASED PREMISES



Exhibit A: Additional Use Areas

DESIGNED BY: MRM DATE: 9/10/2020 SCALE: 1"=400'

 **PEASE DEVELOPMENT AUTHORITY**

55 INTERNATIONAL DRIVE, PORTSMOUTH, NH 03801

EXHIBIT "B"

[RESERVED]

DRAFT

EXHIBIT "C"

[RESERVED]

DRAFT

EXHIBIT "D"

SUMMARY OF LEASE PROVISIONS REQUIRED BY THE FEDERAL AVIATION ADMINISTRATION

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

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

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

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

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

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

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

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

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

14. Lessee, by accepting this Lease, agrees for itself, its successors and assigns that it will not make use of the Leased Premises in any manner which might interfere with the landing and taking off of aircraft from the airport or otherwise constitute a hazard. In the event the aforesaid covenant is

breached, Lessor reserves the right to enter upon the Leased Premises, and cause the abatement of such interference at the expense of the Lessee.

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

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

EXHIBIT "E"

LIST OF ENVIRONMENTAL LAWS AND REGULATIONS

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

- (f) RSA ch. 485-A, Pollution and Waste Disposal, and rules adopted thereunder

DRAFT

EXHIBIT F

CERTIFICATE OF FORMATION / GOOD STANDING/EXISTENCE

To be provided by Lessee

DRAFT



MEMORANDUM

TO: Pease Development Authority Board of Directors
FROM: Paul E. Brean, Executive Director *PEB*
RE: Contract Report
DATE: September 8, 2020

In accordance with Article 3.9.1.1 of the PDA Bylaws, I am pleased to report the following:

1. Project Name: Dan Fortnam
Board Authority: Approved at the April 23, 2020 Board Meeting
Summary: Exercise Option – Secure and Develop Scheduled Air Passenger Service through March 31, 2021

2. Project Name: Eckhardt & Johnson
Board Authority: Approved at the June 16, 2016 Board Meeting
Summary: Exercise Option – HVAC Services through June 30, 2021

September 10, 2020

Daniel C. Fortnam
24 Olde Homestead Drive
Marston Mills, MA 02648

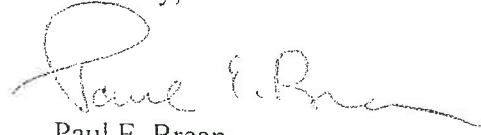
RE: Consulting Agreement

Dear Mr. Fortnam,

In accordance with the terms of the Consulting Agreement, as amended (No. 13) to secure and develop scheduled air passenger service, PDA will extend the term of the Agreement through March 31, 2021.

If you have any questions, please call me.

Sincerely,



Paul E. Brean
Executive Director

PEB/rao

cc: Anthony I. Blenkinsop, Deputy General Counsel
Irving Canner, Director of Finance
Andrew Pomeroy, Manager, Aviation Planning & Regulatory Compliance



PEASE
INTERNATIONAL
DEVELOPMENT
AUTHORITY

55 International Drive Portsmouth NH 03801

August 19, 2020

Daniel P. Morin
Eckhardt & Johnson, Inc.
896 Goffs Falls Road
Manchester, NH 03103-3288

Re: Agreement for HVAC Maintenance Services

Dear Mr. Morin:

Please allow this letter to serve as the Pease Development Authority's (PDA) exercise of its last one (1) year option to extend the term of our Agreement for HVAC Maintenance Services dated July 11, 2016. The exercise of this option would be retroactive from July 1, 2020, through June 30, 2021.

If you have questions regarding this matter, please let me know.

Very truly yours,

Paul E. Brean
Executive Director

:rao

cc: Maria J. Stowell, P.E., Manager - Engineering
Irving Canner, Director of Finance
Anthony I. Blenkinsop, Deputy General Counsel

PA\CONTRACT\HVAC\Eckhard\Mtr to exercise last one yr option.docx



MOTION – IX.A.

Director Anderson:

The Pease Development Authority Board of Directors hereby approves of the proposed sign for 2-Way Communications Service, Inc. at its facility located at 19 Durham Street; all in accordance with the memorandum of Maria J. Stowell, P.E., Engineering Manager, dated September 9, 2020, attached hereto.

ROLL CALL VOTE REQUIRED.



PEASE
INTERNATIONAL
DEVELOPMENT
AUTHORITY

MEMORANDUM

55 International Drive Portsmouth, NH 03801

To: Paul E. Brean, Executive Director *peb*
 From: Maria J. Stowell, PE, Engineering Manager *Maria*
 Date: September 9, 2020
 Subject: 2-Way Communications Sign

The tenant at 19 Durham Street, 2-Way Communications, Inc., is requesting approval to install a sign as shown on the attached sketch. The sign dimensions are 66.75 inches wide by 42 inches high for a total sign area of 19.47 square feet. The sign faces are vinyl over an aluminum composite material and the sign posts are about 9.5 feet above the ground.

At next week's meeting, please seek Board of Director approval of 2-Way Communications' sign proposal as described in this memo.

N:\ENGINEER\Board Memos\2020\19 Durham Sign.docx

2-Way Communications Service, Inc.

Headquarters Sign Concept – Galvanized metal base with aluminum triangular truss uprights.



Memorandum

To: Paul Brean, Airport Director *PaB*
From: Sandra McDonough, Airport Community Liaison *SM*
Date: 9/10/2020
Subj: Noise Report for August, 2020

The Portsmouth International Airport at Pease did not receive any noise inquiries in August, 2020.

MOTION – XI. B. 1.

Director Fournier:

The Pease Development Authority (“PDA”) Board of Directors approves of and authorizes the Executive Director to:

1. Expend funds in the amount of **\$16,704.00** for legal services rendered to the Pease Development Authority in support of MS4 and CLF settlement implementation:

Sheehan Phinney Bass & Green

June 1 – June 30, 2020	<u>\$16,704.00</u>
Total	<u>\$16,740.00</u>

2. To reimburse Sheehan Phinney Bass & Green in the amount of **\$31,676.11** for third party environmental services rendered to the Pease Development Authority associated with the MS4 permit implementation.

Services through March 28, 2020	\$25,351.91
Services through May 31, 2020	<u>\$ 6,324.20</u>
Total	<u>\$31,676.11</u>

ROLL CALL VOTE REQUIRED.

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: \$16,704.00

TOTAL EXPENSES: \$0.00

TOTAL THIS BILL: \$16,704.00

BALANCE DUE: \$16,704.00

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, scroll to the bottom and click " ClientPay " or contact our office directly.



Sanborn, Head & Associates, Inc.
 20 Foundry Street
 Concord, NH 03301
 603-229-1900

April 3, 2020
 Project No: 04746.00
 Invoice No: 0050854

Sheehan, Phinney, Bass & Green P.A.
 Two Eagle Square, Third Floor
 Concord, NH 03301

Project 04746.00 Sheehan Phinney, PFAS Surface Water Matter, Portsmouth, NH
 PFAS Literature Review/ Pease Tradeport

Professional Services through March 28, 2020

Professional Personnel

	Hours	Rate	Amount	
Principal	14.20	275.00	3,905.00	
Associate	35.50	230.00	8,165.00	
Proj Eng/Geol	84.90	140.00	11,886.00	
Supervising Tech	2.00	115.00	230.00	
Eng Technician	4.50	95.00	427.50	
Totals	141.10		24,613.50	
Total Labor				24,613.50

Additional Fees

Technology Fee			738.41	
Total Additional Fees			738.41	738.41

Total this Invoice \$25,351.91



Sanborn, Head & Associates, Inc.
 20 Foundry Street
 Concord, NH 03301
 603-229-1900

May 15, 2020
 Project No: 04746.00
 Invoice No: 0051206

Sheehan, Phinney, Bass & Green P.A.
 Two Eagle Square, Third Floor
 Concord, NH 03301

Project 04746.00 Sheehan Phinney, PFAS Surface Water Matter, Portsmouth, NH
 PFAS Literature Review/ Pease Tradeport

Professional Services through May 9, 2020

Professional Personnel

	Hours	Rate	Amount	
Principal	4.40	275.00	1,210.00	
Associate	5.00	230.00	1,150.00	
Proj Eng/Geol	27.00	140.00	3,780.00	
Totals	36.40		6,140.00	
Total Labor				6,140.00

Additional Fees

Technology Fee			184.20	
Total Additional Fees			184.20	184.20

Total this Invoice \$6,324.20



MOTION – XI. B.2.

Director Lamson:

In accordance with the procedures adopted by Pease Development Authority (“PDA”) on May 20, 1991 for the adoption of Land Use Controls or amendments thereto, the PDA Board of Directors hereby approves of and authorizes the PDA to take all requisite steps towards adopting the proposed amendments to PDA's Land Use Controls (as set forth below and with the full text of each amendment attached hereto) and to schedule a public hearing to receive public comment on the proposed amendments and to accept written comments from the public or other state or local agencies prior to and until the close of the public hearing; all in accordance with PDA's procedures for the adoption of Land Use Controls or amendments thereto as referenced above and in the memorandum of Maria J. Stowell, P.E., Engineering Manager, dated September 8, 2020, attached hereto.

Attachment I

- A. Part 304–A.10(a) – Storm Water Management
- B. Part 305.05(a)(14) – Storm Drainage
- C. Part 407.02 – Site Review Agreement
- D. Part 403.01 – General Provisions

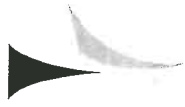
E. Part 403.04 – Site Plan Submission Requirements

Attachment II

F. Part 302 – Definitions

G. Part 313-A – Illicit Discharge Detection and Elimination (IDDE)

ROLL CALL VOTE REQUIRED.



MEMORANDUM

To: Paul E. Brean, Executive Director *PEB*
 From: Maria J. Stowell, PE, Engineering Manager *Maria*
 Date: September 8, 2020
 Subject: Land Use Control Amendments – Construction and Post Construction and IDDE Ordinances

At its January meeting, the PDA Board approved preliminary draft language of proposed amendments to the PDA Land Use Controls related to the construction and post-construction stormwater program and the illicit discharge detection and elimination (IDDE) program. The next step toward adopting the amendments was to consult with and obtain comments from the Town of Newington and City of Portsmouth Planning Departments. This is an important measure because these communities enforce PDA’s Land Use Controls in the Business Commercial and Industrial Zones. Due to the pandemic, communications were delayed, but as of this time we have been in contact with both staffs.

Both are supportive of the effort to improve the quality of stormwater runoff and neither offered any edits to the proposed language. We have had meetings with the City of Portsmouth staff for the purpose of further defining the City’s enforcement role and we expect that there will be more discussion as we work out the details of the IDDE, in particular. There is general agreement that the proposed Land Use Control amendment language can move forward.

Staff should now bring the amendment language back to the Board. The adoption procedure requires that a Director introduce to the Board a resolution containing the complete text of the proposed amendments. If the Board votes in favor, then it should at the same meeting establish a date and time for a public hearing. A notice of the hearing, which will also contain the full text of the proposed language, will be published in a local newspaper and posted in public places. Written comments will be accepted up until the date of the hearing, the format of which, in person or virtual, is still under discussion. We are proposing to hold the public hearing at the same time that the Board assembles for its regular meeting in October.

After a public hearing and consideration of any written or oral comments, the Board would vote on whether to adopt the amendments. This vote could occur in November, or possibly later if the Board determines that the language requires revision. A motion to adopt Land Use Control amendments requires five affirmative votes to pass.

At next week’s meeting, please ask the Board to vote on the attached Land Use Control amendments and take other actions as described herein to continue the process of adoption.

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Attachment I

DRAFT PROPOSED LANGUAGE – Construction and Post Construction Amendments

The following changes should be made to Part 304-A.10(a):

All construction activities and uses of buildings, structures and land within wetlands and wetland buffers, including without limitation all temporary and permanent erosion and sediment controls, shall be carried out so as to minimize the volume and rate of storm water runoff, the amount of erosion, and the export of sediment from the site. All such activities shall be conducted in accordance with Best Management Practices for storm water, including, but not limited to, the following:

(1) New Hampshire Stormwater Manual Volume 2: Post-Construction Best Management Practices Selection and Design, NHDES, 2008 or as amended; and

(2) New Hampshire Stormwater Manual Volume 3: Erosion and Sediment Controls During Construction, NHDES, 2008 or as amended.

Part 305.05(a)(14) should be revised to read as follows:

(14) STORM DRAINAGE. Any grading, paving, or other construction activity, including without limitation, all temporary or permanent erosion and sediment controls, or the construction or operation of storm drainage systems shall not result in erosion or sedimentation of streams, or damage to adjoining properties and roads, and shall conform to, unless an alternative method or technology is specifically authorized by NHDES or PDA, the following:

- a) New Hampshire Stormwater Manual Volume 2: Post-Construction Best Management Practices Selection and Design, NHDES, 2008 or as amended; and
- b) New Hampshire Stormwater Manual Volume 3: Erosion and Sediment Controls During Construction, NHDES, 2008 or as amended.

The following text should be added to Chapter 407.02 Site Review Agreement by replacing (b) with the following:

Site review agreements shall include the following conditions:

(1) - All construction undertaken pursuant to this site plan approval shall be in compliance with federal and state laws.

(2) Applicants/Developers shall provide PDA with a digital copy of any annual reports submitted to a federal, state or local governmental authority pursuant to any federal or state law, including without limitation, the NH Alteration of Terrain Permit program, related to construction undertaken pursuant to this Site Review Agreement.

The following text should be included in **Part 403.01 General Provisions** by replacing paragraph (e):

(e) All Applicants/Developers shall obtain all permits and approvals required under applicable federal, state and local laws for construction and post-construction stormwater management.

The following text should be included in **Part 403.04 Site Plan Submission Requirements** as Section 403.04(7)h

(h) ... and a sheet showing proposed stormwater management and erosion control features.

Attachment II

DRAFT PROPOSED LANGUAGE – Illicit Discharge Detection and Elimination

IDDE Ordinance Language

Add the following definitions to **Part 302. DEFINITIONS**:

302.XX. “Environmental Protection Agency” means the Federal agency responsible for implementing the Federal Water Pollution Control Act, (3 U.S.C. § 1251 et seq.) also known as the “Clean Water Act”.

302.XX “Illicit connection” means an illicit, unauthorized or illegal connection that drains into or is connected to the Pease Development Authority Separate Storm Sewer System, and could include any of the following:

1. Any pipe, drain, open channel or other conveyances that have the potential to allow an illicit discharge to enter the Separate Storm Sewer System. Including, but not limited to any conveyances which allow any non-storm water discharge including sewage, process wastewater, and wash water to enter the storm drain system. This includes any connections to the Separate Storm Sewer System from indoor drains and sinks regardless of whether said drain or connection had been previously allowed, permitted, or approved by an authorized enforcement agency.

Or

2. Any pipe, drain, open channel or conveyance connected from a residential, commercial or industrial land use, to the storm drain system which has not been documented in plans, maps, or equivalent records and approved by an authorized federal, state or local enforcement agency.

302.XX “Illicit discharge” means any direct or indirect non-storm water discharge to the Pease Development Authority Separate Storm Sewer System, excepting discharges as identified in Section 3XX.03.

302.XX “Infiltration” means the act of conveying the surface water into the ground, to permit the groundwater to be recharged resulting in the reduction of stormwater runoff from a project site.

302.XX “Pease Development Authority Separate Storm Sewer System (System)” means owned and operated facilities by which storm water is collected including but not limited to roads with drainage systems, municipal streets, catch basins, curbs, gutters, ditches, man-made channels or storm drains, piped storm drains, pumping facility retention or detention basins, reservoir or other drainage structure that discharges to the waters of the United States. It does not include

any facility owned by another party, including facilities owned by the United States Government or the City of Portsmouth.

302.XX "National Pollutant Discharge Elimination System (NPDES) program" means the water quality program established as part of the Clean Water Act, implemented by the EPA, to authorize the discharge of pollutants into surface waters of the United States.

302.XX "Non-stormwater discharge" means a surface discharge to the PDA separate storm sewer system not composed entirely of stormwater.

302.XX "Pollutant" means dredged spoil, solid waste, incinerator residue, filter backwash, sewage, garbage, sewage sludge, munitions, chemical wastes, biological materials, heat, wrecked or discarded equipment, rock, sand, cellar dirt, and industrial, municipal and agricultural waste discharged into water.

Add the following Part to the existing Regulations:

PART 313-A ILLICIT DISCHARGE DETECTION AND ELIMINATION (IDDE)

313-A.01 Purpose and Intent

The intent is to protect public health, safety and general welfare of the PDA Tenants and the environment by prohibiting illicit connections and discharges to PDA's separate storm sewer system.

313-A.02 Prohibition of Illicit Discharges

- (a) No person shall discharge or cause to be discharged into the PDA System any materials, including but not limited to pollutants or waters containing any pollutants that cause or contribute to a violation of applicable water quality standards, other than stormwater
- (b) The following items are not considered as Illicit Discharges:
 - (1) Stormwater
 - (2) Discharges allowed by NPDES permit NH0090000 or any subsequent NPDES permit issued to PDA for the Tradeport
 - (3) Firefighting activities, including training
 - (4) Water line flushing
 - (5) Ground water infiltration
 - (6) Discharges from potable water sources including landscape irrigation and lawn watering
 - (7) Foundation & footing drains including crawl space pumps
 - (8) Air conditioning condensation
 - (9) Diverted/pumped stream flows, springs & riparian habitats and wetlands and rising groundwater
 - (10) Dechlorinated swimming pool discharges
 - (11) Discharge from street sweeping
 - (12) Dye testing if PDA is made aware prior to the test

313-A.03 Prohibition of Illicit Connections

- (a) The construction, use, maintenance, or continued existence of illicit connections to the storm drain system is prohibited.
- (b) This prohibition expressly includes, without limitation, illicit connections made in the past, regardless of whether the connection was permissible under law or practices applicable or prevailing at the time of connection.
- (c) A person is considered to be in violation of this ordinance if the person connects a line conveying sewage to the PDA System or allows such a connection to continue.

313-A.04 IDDE Responsibility for Administration

(a) Enforcement

(1) Within Airport Zone and Airport Industrial Zone

For sites and locations within the airport zone or the airport industrial zone, and in addition to any right or other power PDA may have pursuant to written agreements with lessees, developers or others, PDA may undertake such enforcement against lessees, developers and others as is authorized under and consistent with the provisions of RSA 12-G:13, VI.

(2) Outside Airport Zone and Airport Industrial Zone

- a) Outside of the airport zone and airport industrial zone, and subject to the provisions of RSA 12-G:13, V(c), any deviation or noncompliance with these land use controls shall be subject to the enforcement provisions and process of the municipality having jurisdiction over the site or location pursuant to RSA 12-G:13, V(b).
- b) For the area of the Tradeport outside of the airport zone and airport industrial zone within the geographical limits of the City of Portsmouth, and subject to the provisions of RSA 12-G:13, V(c) and solely for the purposes of enforcing these Land Use Controls, the PDA adopts by reference the city's enforcement provisions and penalties applicable to the enforcement of city ordinances.
- c) For the area of the Tradeport outside of the airport zone and airport industrial zone within the geographical limits of the Town of Newington, and subject to the provisions of RSA 12-G:13, V(c) and solely for the purposes of enforcing these Land Use Controls, the PDA adopts by reference the town's enforcement provisions and penalties applicable to the enforcement of town ordinances



Division of Ports and Harbors Advisory Council
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**PORT ADVISORY COUNCIL MEETING MINUTES
WEDNESDAY, JUNE 10, 2020**

Pursuant to NH RSA 91-A:2 III(b) Port Council Chairman Roger Groux has declared COVID-19 an emergency condition and waived the requirement that a quorum be physically present at the meeting in accordance with the Governor's Executive Order 2020-04, Section 8 and Emergency Order #12, Section 3. Port Council members participated remotely and identified their location and any person present with them at that location. All votes were by roll call. Members of the public were allowed to participate by using the access information provided. The moderator for this telephone conference was Greg Siegenthaler who explained some procedures. The meeting was audio recorded (there was no video component available).

1. CALL TO ORDER

A roll call attendance was taken and the meeting was called to order at 6:04 PM.

PRESENT:

Roger Groux, Chairman, Dover, NH with no other individuals present.
Brad Cook, Vice-Chairman, Hampton, NH, with no other individuals present.
Erik Anderson-Portsmouth, NH, with no other individuals present.
Chris Holt-Stratham, NH, with no other individuals present.
Chris Snow-Rye, NH, with no other individuals present.
Mike Donahue-Newington, NH, with no other individuals present.
Esther Kennedy-Portsmouth, NH with no other individuals present.

PORT STAFF:

Geno Marconi, Secretary, Director DPH, Stratham, NH, with no other individuals present.
Brenda Therrien, Administrative Asst., Rochester, NH, with no other individuals present.

2. APPROVE MINUTES

Erik Anderson made a motion to accept the February 12, 2020 minutes. Mike Donahue seconded, no further discussion, a roll call vote was taken, all were in favor and the motion carried.

3. FINANCE REPORT

Geno spoke on the Finance report ending on April 30, 2020 noting the operating income on page 2 far exceeds the budget by \$306,000.00. There was no further discussion.

4. DIRECTOR'S REPORT

In an effort to expedite the meeting the Director put together an outline of items to include all individual committee reports. The report is attached to be included as part of the official minutes, comments were added as discussions evolved.

The Director provided a list of reports and approvals that were submitted to PDA Board from March to June and a mooring analysis report for the 2020 mooring permit application period.

5. COMMITTEE REPORTS

See Director's report.

6. NEW BUSINESS

Chris Holt made a motion to suspend meetings and resume in September. Chris Snow seconded, a roll call vote was taken, all were in favor and the motion passed.

7. OLD BUSINESS

No old business.

8. PUBLIC COMMENT

Peter Welch from Newington introduced himself but did not have any comments.

9. PRESS QUESTIONS

No press in attendance.

10. ADJOURNMENT

Erik made a motion to adjourn, Esther seconded, a roll call vote was taken, all were in favor and the motion passed. The meeting adjourned at 7:08 PM.

DIRECTOR'S REPORT TO THE DIVISION OF PORTS AND HARBORS ADVISORY COUNCIL JUNE 10, 2020

DREDGING

- Hampton/Seabrook was completed however there remains concerns about the shoaling already underway. Standing at the Yankee Coop you can see the cut across the Middle Ground migrating to the east and the sand being transported into the Seabrook channel and anchorage. The Town of Hampton has recently sent their concerns to Congressional Delegation asking their assistance in prompting the Corps to investigate a long term solution. It should be noted that in a letter to the Corps dated October 31, 2018, the Division wrote the Corps requesting the Corps initiate a Section 107 Feasibility study relative to a stabilization plan for the Middle Ground. The study is in the queue and they have responded to Cheri Patterson, Chief of Marine Fisheries, but it is funding dependent.
- Rye Harbor is scheduled for dredging beginning in November. The project partnership agreement has been signed by PDA and we are completing the financial certification and Attorney General approval to enter into the agreement. It has been reported that the Isles of Shoals East Offshore Disposal Site might be open in time for the project. This would reduce the run time for the tug and barge by half, as it is 12 NM instead of 24 NM to the Cape Arundel site. We will have to wait and see how that develops. We don't want to get caught short on this and so the Chief HM has already begun to get the water quality certifications from the State of Maine in case that site needs to be used. The good news is Rye Harbor will be dredged this winter.
- The Piscataqua River Turning Basin has had no developments except that the project was specifically noted in WRDA as it came out of a Senate committee, which is a committee that Sen. Jeanne Shaheen is on. Erik asked how much would the projected savings would be if Isles of Shoals was open. Geno said it would be quite a bit as tug and barge costs are high, so should be cut in half. As we get closer to the dredging project, the Corp and Division intend to meet with the commercial fishing industry to lay out a route of the tug and barge unit to the disposal site not only to try and avoid fishing grounds but to also give them a heads up.

RYE AND HAMPTON FACILITIES

- Based on Gov. Exec Order and his recommendations and due to the COVID-19 emergency the floating docks were launched in May, about a month later than the usual April date.
- Party and charter fishing boats in Rye and Hampton started running the week end of May 16th, they are running on reduced capacity to comply with the COVID-19 recommendations (i.e. social distancing, face covering, hand sanitation). Geno has talked to the folks personally and they are being pro-active about addressing the situation.
- Activity at Rye is very limited due to the conference hotel on Star Island being closed for the season. The Uncle Oscar that normally provides multiple trips a day to the Island is not running.
- Whale Watches out of Rye have not started. With the schools being closed the school trips were cancelled.
- The launch ramps at both facilities have been busy although weather dependent. Parking revenues in Hampton over Memorial Day weekend were higher than last year.

PORTSMOUTH COMMERCIAL FISH PIER

- You will remember that May 20th of last year the wall began to fail. The Division posted the bids for the bulkhead replacement project June 1st.

- There was a mandatory pre-bid meeting at the pier yesterday at 9 am. There was a good turnout of 9 marine construction contractors. Questions were asked and answered, all questions and answers will be distributed to the list of registered contractors and posted on the PDA website. Addendums will also be posted on the PDA website.
- Bids are due June 26th.
- Very complex project involving electrical service, reinstallation and upgrading fuel service and phasing construction so the facility remains open and usable during construction.
- Capital funding requests are being developed to submit to the legislature to try and move forward with the replacement of the rest of the facility, including the pile and timber pier, and floating slips. Also looking at federal grant opportunities through EDA.

NOTE: Due to the effects of COVID-19 on the market price of fish and lobsters, many of the commercial fishermen, primarily lobster fishermen, have been selling directly to the public. By using face book and requiring pre-ordering with a designated time for pickup and urging social distancing, the public is able to buy lobster directly from the fishermen at the Hampton, Rye and Portsmouth facilities. The process is going well and people are following the rules. The ability to sell the lobster commercially has diminished. At least one fisherman has entered the farmer's market arena as an outlet for his catch. Erik asked if this activity will be allowed to continue for the next several months. Geno said we've always allowed that, but the difference now it has been moved to the parking lot due to Covid-19 to allow more space. The answer is yes it will continue as statutory requirement to support the fishing industry. One question that came up at the bid meeting was about how much space will be available to the contractor, and Geno answered that the users of the facility have said they are willing to make adjustments to get the job done. Erik asked about the \$15,000+ expense. Geno answered this Eversource quote to remove, relocate, and reinstall the transformer and pole. The contractor will be required to trench the wires to the meters to the distribution panel in the utility room. This was made very clear at the pre-bid meeting yesterday. There may be a gap in electric service during the 2nd phase of the project. The 1st phase will be to replace the section of the failed wall, install new take out jib booms, and replace fuel systems and floating docks. Then once that is operational, they will focus on the main bulkhead that abuts the pile and timber pier and will include hooking up the electrical service. Take out and loading and fuel operations can occur on the inside while doing construction on the outside. A walkway will be in place for the fish pier users. As a reminder, the Port was awarded a FEMA grant for 3 generators at each of the facilities because of the capabilities of the facilities availability to provide fuel to emergency response agencies and this project is moving ahead and hoping to have them in place during construction to use when the power is out.

BARKER WHARF AND BURGE WHARF

- These are the 2 wharfs located on the south end of the Market Street Marine Terminal. Barker is where the Isles of Shoals Steamship Company operates and the Burge Wharf is where Star Island and Shoals Marine Lab operate.
- ISSCo will not be operating their smaller vessel, CHALLENGER, this summer due to the closing of Star Island Hotel. The Thomas Loughton has not started yet partly because of the lack of school groups and partly due to the restrictions on "large tour boats" put forth in the executive orders issues. It appears that those restrictions are now relaxed and ISSCo will begin operating with limited capacity and enhanced cleaning to meet recommended COVID-19 protocols.
- With both the hotel on Star Island being closed and the lab on Appledore being closed, there is no vessel activity on the Burge Wharf. The caretaker is in and out, but no supplies or personnel.

- ISSCo took a big hit, they lost their annual graduation and corporate gatherings. ISSCo is getting ready to starting cruises and plan on limiting it to 170 passengers (rather than 275).

MARKET STREET MARINE TERMINAL

- Although the Division has made adjustments due to COVID-19, operations have continued pretty much as normal.
- Last salt ship for FY 2020 departed Tuesday night.
- 11 ships discharges 454,885 ST of road salt which is a 50.8% increase over FY 2019.
- Cianbro has finished the dredging phase for the Super Flood Basin at Portsmouth Naval Shipyard Tuesday June 2nd. They started discharging here April 21st and the unofficial load amount for the project is approximately 31,000 ST. of dredge material was discharged off barges, loaded into trucks and taken to Turn Key in Rochester.
- Cianbro is gearing up for the construction phase at PSNY. They have been working on the Barge Dock, they have been welding pipe piles that come in over the road at 50' sections and 100' piles are needed and so they bring them over on the barge. They have also been preparing steel beams on the dock for the project. They will be assembling a crawler crane and walking it onto a barge. The project requires a large amount of concrete to be poured and delivery by truck is difficult. The plan is that Cianbro will assemble a concrete batching plant on a barge, the assembly will be dock-side at the terminal. The barge with the batch plant will be moved to the construction site once tested and operational.
- The aggregate for the concrete will arrive by ship and the sand by truck, both will be staged at the terminal. The aggregate and sand will be loaded on barges and transported to the construction site.
- The dry cement and fly ash will arrive by truck and pumped directly into tanks on barges for transport to the construction site. The construction at the shipyard can be observed either from the docks at Prescott Park or the parking lot for Four Tree Island. The project calls for 80,000 CY of concrete, and 40,000 should be coming from the Port Terminal, with the possibility that all of the concrete could be shipped over depending on how it goes.
- The Barge Dock Functional Replacement plans are in process of review at NH-DOT due to the increased construction costs. Last August 65% plans were submitted to NH DOT and there was concern with the increased costs and has been in review since. Hope to have an answer by the end of this week, or beginning of next week.
- The PDA Board approved a proposal by Appledore Marine Engineering for the design of the Main Wharf Rehabilitation project partially funded through the BUILD Grant at the March 19th meeting. The Notice to Proceed has not been issued due to COVID-19 funding restrictions as one of the Executive Orders put a freeze on all capital projects, unless they were already underway. The Divisions plan is to approach the Gov. next week and ask for an update because the engineering design portion is \$1.7 mil, which will take a year to finish and 60% is reimbursable. We really need to get moving on this as the facility is nearing its end of life.

Roger asked about the availability of dredges that were mobilized in the harbor. Geno replied that with the dredging that is going on at the Navy Yard, we missed an opportunity for cost savings on the Functional Replacement project since mobilization and demobilization is about 60% of the cost. The Division did report this information to NHDOT as a cost saving measure. He also made NH DOT aware of the possibility to coordinate with the upcoming Rye and/or the Turning Basin dredging projects. Is there another dredge project in Newington? Yes, his understanding is that has been put on hold.

Erik asked about the last 3 items under June. Director explained the renewals of the ROE for Northeast Fisheries at PFP, Appledore's On Call Marine Engineering company which he is recommending PDA renews since they are completely involved in the projects here at the Port and its facilities. The new charter is a request out of Rye which Geno is recommending to the Executive Director it be approved.

Director made a footnote on charters, PDA Board authorized the PDA Executive Director to approve charters with the recommendation of the Division Director in order to have a quick turnaround for the benefit of the charter outfit without waiting for a PDA board meeting.

Erik added that the PDA board meeting is June 18th and may be by telephone or in person, yet to be determined.

Geno commented on the Mooring Analysis report that is provided in the package. He gave a shout out to Lana Larochelle who is the guru of moorings in the State of NH tidal waters. She's been doing this report since 2008. There is a lot of information on the report including mooring permit apps that went out, completed apps received, applications received after the late filing period, permits that were voluntarily given up, deceased and shorefront property owners. The bottom line is that 46 mooring permits expired and cannot be renewed and offers are going out to folks on the waitlist.

Roger complimented the Director and staff on the work they are doing which shows in the increase in the amount of cargo and revenue.

Erik asked Geno if he has heard anything from the Office of strategic initiatives on the wind farm task force and if/when those advisory committees might start up. Geno has not heard anything but did mention there is a senate bill (Roger indicated it is #668) in the legislature to establish the tristate offshore commission. PDA legal has reached out to Senator Watters, the primary sponsor of the bill, for clarification regarding what the intent is as the bill mentions having a member of the PDA and the Port on the commission.


MOTION – XII.B.1.

Director Loughlin:

The Pease Development Authority Board of Directors approves of, and authorizes the Executive Director to execute any necessary documents to effectuate, the subletting of the Granite State Whale Watch ticket office at the Rye Harbor Marine Facility to Prock Marine Company from October 1, 2020 to April 1, 2021; all in accordance with the memorandum of Geno Marconi Director of Ports and Harbor, dated September 2, 2020 and attached hereto.

ROLL CALL VOTE REQUIRED.

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To: Pease Development Authority (“PDA”) Board of Directors
From: Geno Marconi, Director 
Date: September 2, 2020
Subject: Granite State Whale Watch Inc. Request to sublease ticket office, Rye Harbor Marine Facility

Granite State Whale Watch, Inc. (“GSWW”) is subject to a Right of Entry (“RoE”) at the Rye Harbor Marine Facility (“RYE”) regarding its whale watch tours. In accordance with Section 28 of the RoE, the Division of Ports and Harbors (the “Division”) received a request from GSWW to sublet its ticket office at RYE to Prock Marine Company (“Prock”). Prock was awarded the contract to dredge Rye Harbor, during the 2020-2021 dredging season and as explained in the signed letter, if the assignment is approved, Prock will use the building as an office for the dredging Project Manager and Engineers.

The Division reviewed the request and recommends approval of the sublease, subject to the following terms and conditions:

- PREMISES: Rye Harbor Marine Facility, GSWW Ticket Office
- PURPOSE: Office for Prock Marine
- TERM: October 1, 2020 through April 1, 2021
- INSURANCE: Minimum insurance coverage as outlined in Exhibit A (attached) will be required from Prock, as the same may be required or appropriate in connection with the contractor 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.



Granite State Whale Watch

PO Box 768, Rye, NH 03870

603-964-5545 800-964-5545

www.granitestatewhalewatch.com

Fax: 603-964-8639

Director Marconi,

I am writing to request permission to rent the Granite State Whale Watch (GSWW) ticket office at Rye Harbor to Prock Marine. Prock Marine has expressed interest in renting our building to use as an office for the project manager and engineers during the Rye Harbor dredging project. This project is anticipated to last from October 2020 to early 2021. Allowing Prock to rent the GSWW building will provide them with a weather proof location to manage the project, while also providing some income to GSWW to help offset some of our substantial losses due to the COVID-19 pandemic. Thank you for your consideration.

Sincerely,

Pete Reynolds

Granite State Whale Watch, Inc.



MOTION – XII.B.2.

Director Allard:

WHEREAS, RSA ch. 12–G provides that the Board shall appoint an Executive Director, who shall be the chief executive and administrative officer of the Pease Development Authority (“Authority”) and who shall have general and active supervision and direction over the day–to–day business and affairs of the Authority, subject to the direction and control of the Board, and shall perform all such duties as from time to time may be assigned to him by the Board; and

WHEREAS, RSA ch. 12–G further establishes within the Authority a Division of Ports and Harbors (“Division”) and vests the oversight and control of the Division in the Pease Development Authority Board of Directors; and

WHEREAS, RSA ch. 12–G further provides that the Board shall appoint a Division Director who shall be the administrative officer of the Division and shall have general and active supervision and direction over the day–to–day business and affairs of the Division and its employees, subject, however, to the direction and control of the Board and the Executive Director; and

WHEREAS, the Authority has duly enacted By–Laws in accordance with the provisions of NH RSA 12–G:8, XIX; and

WHEREAS, the By–Laws provide that the Executive Director shall have all the authority of the Chairman with respect to the signing of contracts,

leases, releases, bonds, notes and other instruments and documents approved by the Authority; and

WHEREAS, the Division is undertaking the repair/replacement of the Portsmouth Fish Pier Seawall in Portsmouth, New Hampshire, a project of vital importance to the commercial fishing industry and the New Hampshire seacoast region;

WHEREAS, the Authority deems it necessary for the timely management and regulation of the Portsmouth Fish Pier Seawall Replacement Project to delegate to the Division Director, subject to the prior approval of the Executive Director and the PDA Treasurer, the authority to consent to and approve of certain documents in connection with contract change orders pertaining to the project, conditioned upon the prior appropriation of State funds to cover any increase in project costs.

NOW, BE IT RESOLVED, that the Authority does hereby delegate to the Director of the Division of Ports and Harbors the authority to consent to, approve, and execute certain required documentation in accordance with the terms and conditions of the Limited Delegation to the Director of Ports and Harbors: Consent, Approval, and Execution of Contract Change Order Documents for the Portsmouth Fish Pier Seawall Replacement Project, attached hereto and incorporated herein by reference.

ROLL CALL VOTE REQUIRED.

**Delegation to Director of Ports and Harbors:
Consent, Approval and Execution of Contract Change Order Documents
for the Portsmouth Fish Pier Seawall Replacement Project
To**

Summary:

Subject to the conditions set forth below, and at the request of the Director of the Division of Ports and Harbors, this delegation covers the consent, approval, and execution of contract change order documents by the Director of the Division of Ports and Harbors with H.L. Patten Construction, Inc. relating to the scope of work and contract amount of the Portsmouth Fish Pier Seawall Replacement project.

The Board has delegated authority to the Director of the Division of Ports and Harbors, subject to State appropriation of required funds and the consent of the Executive Director and the PDA Treasurer, to approve of and execute the required contract change order documentation regarding the Portsmouth Fish Pier Seawall Replacement project.

Authorization is granted for the duration of the Portsmouth Fish Pier Seawall Replacement project with H.L. Patten Construction, Inc. and is subject to the conditions set forth below.

Transaction:

Consent, approval, and execution of contract change order documents associated with the Portsmouth Fish Pier Seawall Replacement project.

Authority to Execute:

Director of the Division of Ports and Harbors with the written approval of the Executive Director and the PDA Treasurer.

Conditions:

Portsmouth Fish Pier Seawall Replacement project contract change orders are subject to this delegation of authority and shall not be consented to, approved, or executed unless all of the following conditions are satisfied:

1. A State appropriation is committed to cover the additional cost of any contract change order; and
2. The Executive Director and the PDA Treasurer have provide consent to the Director of the Division of Ports and Harbors prior to the execution of any binding change order reflecting requested changes to either the contract scope of work or payment amount/schedule(s).

Reporting Requirements:

Any executed change orders shall be reported to the Board at its next regular meeting and copies of documents executed in accordance with this delegation shall also be provided.

ADOPTED: September 17, 2020



MOTION – XII.B.3.

Director Levesque:

The Pease Development Authority (“PDA”) Board of Directors approves of and authorizes the Executive Director to enter into an Agreement with Pepperrell Cove Marine Services, Inc. to perform mooring removal and re-installation work in Rye Harbor for the purpose of facilitating the dredging work in connection with the Rye Harbor dredge project, all in accordance with the memorandum of Geno J. Marconi, Division of Ports and Harbors Director, dated September 9, 2020, attached hereto.

ROLL CALL VOTE REQUIRED.




PEASE

INTERNATIONAL

PORTS AND HARBORS

555 Market Street, Suite 1 Portsmouth, NH 03801

To: Pease Development Authority (PDA), Board of Directors
From: Geno J. Marconi, Division Director 
Re: Rye Harbor Mooring Removal/Replacement
Date: September 9, 2020

In accordance with the memo of Chief Harbor Master Tracy Shattuck, attached hereto, the dredging of Rye Harbor is starting in November and expected to run through this coming winter. In order for dredging to commence, the moorings in the harbor need to be removed. Once the dredging is completed, the moorings will need to be replaced in the harbor.

PDA Division of Ports and Harbors (the "Division") solicited bids for the mooring removal and replacement. Pepperrell Cove Marine Services ("PCMS") of Newington was the only responsive bidder. The proposal from PCMS is based on a per mooring removal charge and a per mooring replacement charge. Therefore, the contract total will ultimately depend on the total number of moorings removed and replaced.

Given timing concerns with the commencement of the dredging project, there is a need to get the mooring removal process started in early October.

Therefore, the Division is requesting that at the September 17, 2020, meeting the PDA Board of Directors approve the proposal of Pepperrell Cove Marine Services for mooring removal and replacement in Rye Harbor in order to facilitate dredging operations.

Division of Ports & Harbors

Memorandum

To: Capt. Geno J. Marconi, Director

From: Tracy R. Shattuck, Chief H/M *TRS*

Re: Mooring Removal & Replacement Bids, Rye Dredge

Date: September 9, 2020

Advertisements were placed in the Manchester Union Leader (appearing July 24 & 26, 2020) requesting bids for the removal and replacement of moorings for the upcoming dredge in Rye Harbor. Sealed bid packages were submitted to the front desk. Only one bid was received, from Pepperrell Cove Marine Services.

In bold print and underlined, the bid packages required that **“Bids must be enclosed in sealed envelope (inner and outer) both of which must be clearly labeled ‘Bid Documents Submitted by (vendor’s name) for the removal and replacement of approximately 100 moorings in Rye Harbor.”** Bids were due no later than 1400 on August 14, 2020.

At 1410 on August 14, 2020, a Public Bid Opening was held. Lana LaRochelle and I were at the Port Office, which was open during normal business hours. One bid envelope was received prior to the expiration of the allowed time. The package was properly labeled as being submitted by Pepperrell Cove Marine Services (PCMS) and did have an inner sealed envelope also properly labeled. That bid package specified \$860/mooring for removal and \$532/mooring for replacement, for a total of \$1392/mooring.

The budget appropriation approved by the Legislature and signed by the Governor in the amount of \$637,500 was based upon the Army Corps estimate for the dredging of the State anchorage at a cost of \$425,000, plus mooring removal/replacement. However, the dredging cost had increased by \$160,000 to \$585,000. Additionally, the advertisement for bids in the amount of \$622 was paid from the appropriation leaving a balance of \$51,878. There is a balance of \$23,990 left from the Hampton dredge which has been requested for use in Rye which yields an available balance of \$75,868. For the estimated 100 moorings, the PCMS bid would total \$139,200, which leaves an additional amount of \$63,332 required. As discussed, this agency is submitting a request with the Capital Budget Overview Committee to request an amount not to exceed \$100,000 from the Harbor Dredge and Pier Maintenance Fund for this purpose. The additional amount is to cover unforeseen contingencies.

Therefore, I recommend acceptance of the bid submitted by Pepperrell Cove Marine Services for the removal and replacement of the moorings for the Hampton and Seabrook Dredge.

